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Exploring the University-based Entrepreneurial Activities in International Collaboration: Development Cases of HEIs

ABSTRACT

Objective: This paper attempts to shed some light on the entrepreneurial university elements through the examination of two HEIs – Karelia University of Applied Sciences and Poznan University of Technology. The case study explores the prerequisites for effective result-driven entrepreneurship education and business collaboration. Furthermore, the study examines

what is the potential to build joint entrepreneurial pathways for HEI students and staff in an international context within the Erasmus+ Strategic Partnership Project “Entrepreneurship and Communication in Multicultural Teams (ECMT+)”.

Methodology: The nature of this exploratory case study is descriptive and data was collected using literature and reports review, participatory observation, reflection, and inference tools. The HEIs cases of practical implementation of the entrepreneurial university framework were selected with a purposeful sampling technique. The applied case study was practical orientated. Due to the small number of informants within the case and its qualitative nature, no generable conclusions can be drawn.

Findings: Even as a subjective and descriptive case study, it offers an arena to explore one authentic example of a community of practice and entrepreneurial education platform promoting the systematic competence and skills development in international collaboration context. Entrepreneurial university with a true multicultural nature supports building inclusive education bridging universities with their regions and businesses.

Value Added: The study reveals that the higher education has to be more inclusive and develop practices to meet the more diverse learners who may have disabilities and learning difficulties, diverse racial, cultural and linguistic backgrounds or meet with social and economic challenges. The value resulting from the research allow to state that the effective cooperation and building of entrepreneurial university practices at ECMT+ partner universities are beneficial both for students, teachers and the HEIs and they could be applied at other HEIs.

Recommendations: The strategic development of higher education should be oriented to promote the entrepreneurial mindset reforming the curricula to provide academic graduates more practical skilled, multi-disciplinary and social competent to discover the entrepreneurial opportunities and boosting employability. Despite the qualitative nature of the study it may enrich the discussion on the entrepreneurial university practice.

Key words: curriculum development, entrepreneurial university, entrepreneurship education, experiential learning, international and intercultural collaboration

JEL codes: I23, L26, M14

Introduction

The current changes in Europe and beyond (economy, environment, demographics, consumer behaviour, IT, shared economy, robotics, crowd-sourcing,

single market and opening of borders) require new competences and therefore new ways of teaching and learning. The universities need to co-operate widely to be able to renew their curricula and practices responding to the needs and foster more competitive and innovative economies. The need for skilful and multicultural competent HEI graduates with entrepreneurial and intrapreneurial mindset is crucial. The transversal competences (also called soft skills) like creativity, initiative, tenacity, teamwork, understanding of risk, taking responsibility and having resilience are more important in the future work life than ever. These competences are said to be the keys to successful work shaping the future in a good way at the time when we are dealing with big challenges like industry 4.0 and the rise of the artificial intelligence. However, still today many higher education students and graduates somewhat lack the required knowledge and skills. Furthermore, they seem to have challenges in developing businesses and apply result-driven work motivation, employ themselves into the regions and efficiently work in the more and more diverse teams.

Nowadays, a crucial challenge of the higher education is to create favourable preconditions to prepare students for the modern business world and practices in multicultural teams. For the above reasons, universities should support the practice-oriented entrepreneurship education and be involved in a range of partnerships within the business ecosystems. That stimulates the knowledge spillover and absorption of innovative solutions in society and the economy (Badzińska, 2020), and foster the entrepreneurial mindset and self-confidence of the students and graduates.

In order to modernize the pedagogical practices in higher education and systematically develop the competences and skills needed in professional life integrating the entrepreneurial and multicultural approach into teaching and learning is a must. Entrepreneurship education that brings practice, business and work life into the academic education might be a good way to enable the students to develop the expertise they really need in the future (Lackéus, 2015; OECD, 2012; Bacigalupo, Kampylis, Punie, & Van den Brande,

2016). At the same time also questions of diversity and inclusion in work life become more crucial (Badzińska, 2017; Sułkowski & Marjański, 2017; Glinka, 2018; Reimer, 2018; Timonen & Turunen, 2018). Moreover, definitely, the need for the competence development is relevant in any field of higher education – the need is multi-sectoral and multi-disciplinary as the working life itself. Undoubtedly, entrepreneurial and intrapreneurial thinking and skills are globally needed to foster employability and economic well-being. However, it is relevant to ask how to really integrate entrepreneurial approach into higher education? And how to ensure that the students do have relevant but smooth pathways for entrepreneurial learning and practicing?

This exploratory case study has two objectives. It discusses first, what kinds of entrepreneurial university elements do the two selected higher education institutions – Karelia University of Applied Sciences and Poznan University of Technology have, and how they could be applied at other HEIs. The authors collect, review and reflect the approaches and activities of the above-mentioned HEIs applying the concept of the Entrepreneurial University Framework by OECD (2012). The case study attempts to explore the prerequisites for effective result-driven entrepreneurship education and business collaboration. The selected HEIs differ in terms of research and technology, nature of the knowledge and practice that they intended to generate, and the proximity of the environment to perceived practical needs but this diversity makes the investigation more interesting. Second, the case study explores what is the potential to build joint entrepreneurial pathways for the HEI students and staff within an international collaboration context. The Erasmus+ Strategic Partnership Project titled Entrepreneurship and Communication in Multicultural Teams (ECMT+) offered an arena to work with these questions and ways to elaborate and create entrepreneurial mindset in an international consortium, and some of the findings are reflected in this article.

This study is limited to the explorations within the ECMT+ project (2016-2019) by the researchers who themselves were involved in the process and wanted to learn both from the entity and members of the HEI com-

munity. Therefore, the discussion is descriptive in its nature reflecting the main findings of the data gathered from a limited number of informants in authentic environment.

The paper is a thoroughly rework and extension of the communication originally presented at the 1st International Conference CREE2019 Entrepreneurship Education in IUT Roanne in France (Timonen, Badzinska & Immonen, 2019). It is composed by the following five parts: (i) introduction that place the study in a broad context of entrepreneurial university integrating the international approach and highlighting its importance for more innovative economies and challenges like industry 4.0; (ii) literature review on the concept of the Entrepreneurial University and its responsibility for the development of society, environment and the economy; (iii) materials and methods; (iv) results and discussion; (v) conclusions, limitations and future research lines.

Entrepreneurial University Approach – Literature Review of the Concept

Higher education is facing growing challenges in the definition of its purposes, basic and applied research, flexible organization as well as its responsibility for the development of society, environment and the economy. One significant response to the challenges of the higher education system is seen in the creation and development of an entrepreneurial university, which brings together internal and external stakeholders to look for mutual cooperation mechanism (Badzińska, 2020). In addition, to facilitate the generation and commercialization of university research and help start new ventures, a modern university has not only to change its core activities and routines, but also combine adequate organizational environments and resources (Guerrero & Urbano, 2011).

The term “Entrepreneurial University” was used by Etzkowitz (1983) to describe those universities that improved different mechanism through their scientists to contribute to the regional development and increase

their incomes. They are considering new sources of funds like patents, conducting research under contracts and entry into a partnership with a private enterprise. It was argued that, in terms of organization, entrepreneurial universities are managed in such a way that they become capable of responding flexibly, strategically and autonomously to opportunities and challenges in the environment (Clark, 1998). In turn, Kirby (2002) emphasizes that entrepreneurial universities have the ability to innovate, recognize and create opportunities, work in teams, take risks and respond to challenges. In this context, Etzkowitz (2003) even considers that the entrepreneurial university is a natural incubator providing support structures for teachers and students to initiate new ventures: intellectual, commercial and conjoint. „Integrating a universities' mission for economic and social development urges universities towards transformation of traditional teaching and research universities towards entrepreneurial universities” (Arnaut & Dogić, 2018, p. 70). Thus, the university is expected to fulfil its obligations related with research, teaching and entrepreneurial mission for creating and fostering new products and processes. For this reason, universities are looking for ways to build entrepreneurial pathways and create internationalization opportunities for students and staff. Therefore, a lot of attention have to be paid to development of student-oriented participatory teaching and sharing with peers (Badzińska & Timonen, 2019).

There is a growing global need for entrepreneurs from social, cultural and economic backgrounds to launch new start-ups and engage in entrepreneurial activities to support the sustainable development of the region. In this context, entrepreneurship is seen as a powerful driver of economic growth and job creation. The current changes in the surrounding environment require new competences and therefore new ways of teaching and learning. „Creating widespread awareness amongst staff and students of the importance of developing a range of entrepreneurial abilities and skills is therefore an important function of an Entrepreneurial University” (OECD, 2012, p. 10). The need for skilful and multicultural competent graduates with entrepreneurial

and intrapreneurial mindset is crucial. The universities need to cooperate widely to be able to renew their curricula and practices responding to the challenges in order to foster more competitive and innovative economies. “Moreover, definitely, the need for the competence development is relevant in any field of higher education – it includes much more than business or economics: the need is multi-sectoral and multidisciplinary as the working life itself” (Timonen et al., 2019, p. 3).

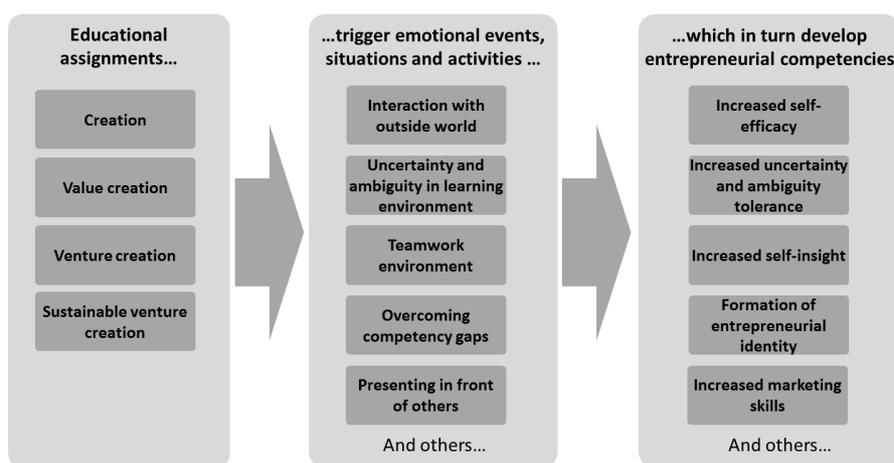
Universities have incorporated entrepreneurial educational programs in undergraduate, master and doctoral educational levels. Entrepreneurship education covers a wide variety of audiences, objectives, contents and pedagogical methods (Fayolle & Gailly, 2008), including entrepreneurial behaviour, risk and opportunity recognition, equity financing, business culture and strategy, innovation, and the impact of entrepreneurship on economic growth and development (Acs & Audretsch, 2010). In this context, the analysis of entrepreneurship within the university curricula and entrepreneurship training programs has attracted the interest of many researchers (Gibb et al., 2009; Guzmán & Liñán, 2005; Wach, 2008; Raposo & Paço, 2011; Fayolle & Gailly, 2015; Rachwał et al., 2016). As internationalization is increasingly integrated into strategic processes of higher education institutions, it becomes essential for universities to be able to enhance performance in international activities (for example in europeanization of entrepreneurship education) (Wach, 2014).

In this study, the conceptual discussion benefits (among other studies) from the Entrepreneurial University Framework by OECD (2012), Lackéus (2015) study about competence development in entrepreneurship education, and the Entrepreneurship Competence Framework (Bacigalupo et al., 2016) that provide an understandable context of the main elements of entrepreneurial universities. The OECD (2012) framework is designed to help interested universities assess themselves against statements which are organized under the following seven areas: (i) Leadership and Governance; (ii) Organizational Capacity, People and Incentives; (iii) Entrepreneurship development in teaching and learning; (iv) Pathways for entrepreneurs; (v)

University-Business / external relationships for knowledge exchange; (vi) The Entrepreneurial university as an international institution; (vii) Measuring the impact of the Entrepreneurial University. The framework can be used as a thematic reflection model where the above-mentioned statements are factors likely to be characteristic of the entrepreneurial university. There are proposed several activities which are established and managed by a university in order to justify the status of an entrepreneurial university (OECD, 2012). The scheme is practical and visual and it helps to organize the development actions in a logical form in reflection with the process of creating an entrepreneurial university.

In entrepreneurial learning, according to Lackéus (2015), it is crucial to offer students opportunities that trigger them one way or another. Creativity and innovation potential do not grow without challenges, teamwork and real life engagement. Therefore, they are key elements in entrepreneurial pathways (figure 1).

Figure 1. A competence development model of entrepreneurial education by Lackéus



Source: Lackéus, 2015, p. 27.

In the competence development, it is necessary that students themselves do take the ownership in the learning process. This process is participatory, involving, active and challenging in a way it requires critical thinking and problem-solving skills. In addition, real life contribution is a necessity. The universities do not operate in a vacuum but should be active contributors and co-creators in their operational context. The aim of the university-business collaboration is to create new multi-disciplinary curricula, promote transferable skills and entrepreneurship within and through education as well as encourage a more systemic culture of cooperation between business and academia. Therefore, the real innovation ecosystem is needed and a lot of efforts should be invested in partnership and collaboration development.

The applied case study benefits from the above-mentioned entrepreneurial university frameworks and attempts to explore the prerequisites for effective result-driven entrepreneurship education and business collaboration. It aims primarily to enrich the discussion on the entrepreneurial university practice in international context sharing the experiences from the ECMT+ project. Therefore, other theoretical approaches and models described in the subject literature are not included here (more about conceptualisation, models and challenges for operationalisation of the concept of entrepreneurial university see by Badzińska, 2020).

Materials and Methods

The main question of this study is how the partner organizations develop the entrepreneurial pathway for the students and how does this process meet with the entrepreneurial university framework. The aim is to become aware of the existence and functioning of the entrepreneurial ecosystem, as well as imparting knowledge and facilities for the creation of entrepreneurial study pathways. The study applies the case study method where the researchers explore and build understanding on the phenomena as a holistic and interpretive study in the selected context in as naturalistic form as possible

(Patton, 2002; Cohen et al., 2008). The nature of the study is descriptive and reflective and as a result, it provides an illustration of the phenomena. As the researchers themselves are active participants and informants of the process they do the study about, the aim is to provide a picture of the case in a general, descriptive form. In addition, the study itself is at the same time a learning process even for the researchers as they examine their own working environment and learn from the process (Patton, 2002).

Following Cohen, Manion, & Morrison (2008, p. 254) a study meets with the case study criteria, „when the context is clear and the place, time and participants can be identified.” Moreover, the number of participants in a case study is relatively small. In this study, there are two places: the Karelia University of Applied Sciences and the Poznan University of Technology. The two HEIs cases of practical implementation of the entrepreneurial university framework were selected with a purposeful sampling technique (Patton, 2002). This selection resulted from a pragmatic criterion of data availability, a clear example illustrating the problem studied, as well as the observed and reflected factors influencing the development of an entrepreneurial university. The applied case study was practical orientated (executive research). The above criteria lead to the conclusion that the two HEIs cases would help to attain the objectives of the research.

The necessity to confront a variety of data sources forced the application of the principle of triangulation (a multimethod research approach). When dealing with qualitative studies it is advisable to use methodological pluralism with different methods and research techniques (Sułkowski & Marjański, 2014). The time of the data collection and analyses was autumn and winter 2018/2019 during the ECMT+ Intensive Programmes and output development, and the number of participants includes the researchers and their colleagues working in and developing this thematic area. The case descriptions are built using the Entrepreneurial University Framework by OECD (2012) as a thematic reflection model. Data collection was semi-structured and the researchers collected the descriptive data from their organizational

practices from different documentation (curricula, web pages, intranet, internal development plans, ECMT+ project plan). In addition, the researchers themselves are informants providing subjective data over the phenomena as not all the evidence is documented. Furthermore, the conditions of learning are discussed based on Lackéus model (2015). The cases are categorized to meet with the different elements of the framework. The reflection identifies the strengths, opportunities and potential but also shows, where the gaps and development needs are. The analysis is used to illustrate the main elements of the entrepreneurial study pathway development approach to gain answers to the key question of the study.

Results and Discussion

Entrepreneurial Pathways at the selected HEIs

Both of the selected HEIs have developed entrepreneurial education in and outside of the ECMT+ project, but during that the researchers made the review. Karelia University of Applied Sciences operates in North Karelia, Eastern Finland, in a close co-operation with regional companies, educational and other partner organizations. Karelia UAS provides innovative tertiary education leading to bachelor and master degrees as a part of the European and national system of higher education. Karelia is a multidisciplinary HEI with six study fields and 19 degree programs, of which five are master-level. Karelia provides in-service learners with full programs via blended learning. The total number of full-time students is approximately 3800, of which 250 come from outside Finland, however, there are several thousand learners in complementary and in-service education. Karelia employs approximately 350 staff members in education, development, RDI and administration.

At Karelia University of Applied Sciences, entrepreneurship is one of the strategic development themes systematically worked with from year 2016 on. Of course, there have been entrepreneurial university actions

before, too, but the systemic entrepreneurship learning pathway building was established during the strategy 2016–2020, and continues during the Karelia2030 strategy applied from 2020 on. What have been the actions at the time of the study, then? First key element providing a solid base for the whole action is that Karelia has created a post of a principle lecturer in entrepreneurship. The principle lecturer coordinates and develops the entrepreneurial learning pathway for the students in a close collaboration with students, staff, business partners and other players in the field. The aim is to establish a visible and recognized innovation ecosystem serving entrepreneurial learning, innovation and actions. The learning pathway already include Business Academy, DRAFT-program, Epic Challenge, Entrepreneurial Week and Start me up-competition. Many of the actions are open also for the students from Riveria vocational education college and University of Eastern Finland, and some even to the staff members. The diverse, multisectoral and inter-disciplinary approach offers a floor for meaningful competence development. Resulting from that, the partners have opened joint SPARK community promoting entrepreneurship and innovation for the whole region benefit.

A thorough mapping of the entrepreneurial courses, services and program was done in 2017. As a result, the abundance of various offerings came clearly visible. There are more than 60 core and optional courses and more than twenty different types of activities and programs available for students. To bring order to this and facilitate flexible creation of individual entrepreneurial pathways, two organizing principles were used. First, all courses and services were classified based on their location on the business lifecycle. Second, everything was tagged based on which stage of studies it belongs to. With this kind 2-dimensional classification, newly named entrepreneurship coaches and students themselves can easily find the most appropriate course or service depending on where they are business- and study-wise.

The Poznań University of Technology (PUT) is the best technical university in Wielkopolska Region and among the best universities in Poland.

Established in 1919 as Higher State School of Mechanical Engineering was transformed in 1955 into Poznań University of Technology. The PUT therefore has a 100-year tradition. The educational and scientific offer of the Poznań University of Technology is very wide and diverse. It provides education in four campuses in Poznań for 14,000 students with more than 1,300 academic staff. Candidates can choose between 9 faculties, 33 fields of study, and almost 60 post-graduate courses as well as doctoral studies in many fields of research. A wide range of specializations is addressed to people who want to develop their professional skills in practice, get better career opportunities in their field of work, change their occupation or have the possibility to grow intellectually.

The University provides its students not only substantive preparation, but also equips with transversal skills to facilitate an effective start on the labour market. Poznan University of Technology can boast very efficient career office. The Students and Graduates' Internship and Career Centre is a university-wide unit, to promote students and graduates from PUT in European and global labour markets. At Poznan University of Technology, entrepreneurial mindset is implemented in curricula of such subjects as: corporate management, enterprise competitiveness, entrepreneurship in IT, international competitiveness, business internationalization, enterprise development, concepts and tools of modern business management, and many others in the field of social sciences.

In practical terms, the entrepreneurial university approach is expressed through the activity of students in professional organizations and scientific associations. There are over 70 scientific circles and 15 student organizations operating at nine faculties of the Poznan University of Technology, among others: Enactus PUT, Centre for Promotion of Engineers, Student Process Improvement Club, PUT Solar Dynamics, eMobility, Bioinformatic, Clean Energy, PUT Students Association with Disabilities "Extraordinary", Student Forum Business Centre Club, Erasmus Student Network Poznan or PUT Motorsport. The main goal of their activity is to carry out projects promot-

ing Poznan University of Technology as well as scientific achievements and business or social solutions to improve the quality of life. Scientific circles and student organizations are a place for creative and ambitious students who want to develop their passions and transversal skills by creating innovative solutions at the local, regional and international level in close cooperation with the business environment. Students participate in numerous contests and exhibitions, competing with students from other national and international universities. They create projects within the framework of social entrepreneurship as well as commercial solutions, among others for the automotive industry, mechanical engineering, computing, electronic and telecommunication, civil construction and environmental engineering or chemical technology, and many more.

The entrepreneurial university puts greater emphasis on innovation in all areas, from research to teaching and learning, knowledge exchange, governance and external relations. The practices and innovation potential at Karelia UAS and PUT following the OECD Entrepreneurial University Framework are presented synthetically in Table 1.

Table 1. Case summary: Entrepreneurial university elements at case HEIs

Element	Karelia University of Applied Sciences	Poznan University of Technology
Leadership and governance	Entrepreneurship is one of the three cross-sectional themes in the 2016-2020 strategy. Organization-wide entrepreneurship team was established for the supervision of the strategy. Annual strategy implementation plans are developed and monitored by the team.	The University's mission is to educate future highly qualified employees and create new technological innovations in world-class research. "Poznan University of Technology –University in a positive climate"

<p>Organizational capacity</p>	<p>Microfunding granted for teams with innovative business ideas since 2008. Post of principal lecturer of entrepreneurship created in 2016. Entrepreneurial couches named for all 16 bachelor degree programme and 5 master degree programme in 2018. Business Academy opened in 2018, SPARK community opened in 2019.</p>	<p>At the Faculty of Engineering Management, lecturers and assistant professors offer various entrepreneurial courses (multi-disciplinary curricula), University to Business services, numerous optional programs (elective courses) available for students from all nine Faculties.</p>
<p>Development in teaching and learning</p>	<p>More than 60 entrepreneurship-themed courses available for students. Pedagogical approaches range from teacher-lead lectures, to multidisciplinary team-based learning, to all-year-round self-study online course. About 20 different programme and services available for students. Teachers and faculty have been trained in team pedagogical methods during the past 3 years.</p>	<p>PUT offers 33 fields of study and more than 100 specializations, almost 60 post-graduate courses, and doctoral studies at nine faculties. Various entrepreneurial courses (multi-disciplinary curricula) and numerous optional workshops to facilitate flexible creation of individual entrepreneurial pathways addressed to students from all nine Faculties (also within the Erasmus+ mobility programme). International development in teaching and learning – regional and international projects implemented at the Faculty of Engineering Management.</p>

<p>Pathways for entrepreneurs</p>	<p>Available courses and services classified based on stage of studies and stage of entrepreneurship. This allows students and student entrepreneurs to select courses and services that most appropriately support their studies and at the same time their business activities. Most major programmes are done jointly with other local educational institutions and business organizations. 2-year entrepreneurship specialization program Business Academy for selected fields. In the program students establish and run their own companies. Program utilizes team pedagogy.</p>	<p>Services and Organizations at PUT that most appropriately support the entrepreneurial activities of students: Academic Entrepreneurship Incubator of Poznan University of Technology, The Students and Graduates' Internship and Career Centre, Over 70 scientific circles and 15 student organizations, Academic Sports Association Club (AZS) with its 40 sports sections Professional internships in enterprises in the region. A wide range of entrepreneurial, cultural and sports events serving the promotion of student activities.</p>
<p>University-Business relationships</p>	<p>65 key partner companies and hundreds of companies with informal relationship. Key activities: R&D partnership Staff training Company-sponsored theses Practical training for students Company visits to lectures Company-sponsored idea competitions Curriculum development</p>	<p>An innovative dual program of study – combining theoretical knowledge with its practical application on the internship in the leading companies across the region. Professional internships for students in the leading business entities in the Wielkopolska Region for building the U2B relationships. University cooperation with the Chamber of Commerce and Industry, the Business Council in the Wielkopolska Region.</p>

<p>International elements and partnerships</p>	<p>Karelia is actively building partnerships within the entrepreneurial university frame. The actions are partnership development and analyses, thematic curriculum and pedagogical development and systemic design of international projects within the field. The international project actions include for example ECMT+, which is funded from the Erasmus+ programme and WPower funded from the NPA programme. In addition to these, the theme is actively discussed and explored in new project initiatives. The aim is to build an international innovation ecosystem supporting the growth of entrepreneurial skills and competences. That will enable the students (and staff) to choose an international learning pathway.</p>	<p>Membership in international organizations: SEFI ((European Society for Engineering Education) EUA (European University Association) AUDEM (Alliance of Universities for Democracy) IAU (International Association of Universities) CESAER (Conference of European Schools for Advanced Engineering Education and Research) ECTS (European Credit Transfer and Accumulation System). PUT has 110 active partnership contracts with foreign centres from around the world, which include joint research and exchange of university students and staff as well as over 400 Erasmus+ bilateral agreements.</p>
<p>Indicators, measuring, impact</p>	<p>Number of graduates employed as entrepreneurs measured annually. Number of ideas students send to local business idea competitions measured annually. Number of growth-oriented start-ups measured annually. Amount of private investments start-ups have received measured annually.</p>	<p>Position of the University as a whole and separate fields of study in the national rankings of the educational offer and preparation for the labour market measured annually. Number of start-ups created in the Academic Entrepreneurship Incubator of Poznan University of Technology. Number of departures from PUT and Students and Staff incoming within the framework of Erasmus+ mobility programme measured annually.</p>

Source: elaborated by Timonen, Badzińska, & Immonen (2019).

The above overview of activities indicates relatively high involvement of both universities in the implementation of the entrepreneurial university

concept by OECD (2012). It is developed and implemented at all the seven areas of the model. However, all the areas do not fully meet with the framework objectives but need to be further elaborated and documented clearly. Several important characteristics are indicated that reveal the importance of internal and external factors that strongly influence this type of universities, namely: the high interdependence with the government and industry firms, the different sources of funding, the entrepreneurial activities of all community members (students, academic, alumni), the implementation of different strategies to accelerate knowledge spillover and improve the creation of new ventures as well as the adjustments in the organizational structure of universities.

Unfortunately, the OECD framework cannot be considered as a benchmarking tool, because many proposed statements / factors (especially informal ones as traditions and reputation) are individual and contextual, hence it is difficult to assess them objectively to get reliable results (for example, the entrepreneurial agenda is usually tailor made to the individual purposes). There are many "soft" areas and invisible university resources that are difficult to be operationalized and measured by quantitative methods (Badzińska, 2020).

The presented case study may act as a starting point for an in-depth empirical research on endogenous and exogenous factors influencing the development of an entrepreneurial university to build an innovation ecosystem supporting the growth of entrepreneurial skills and competences.

International Collaboration and Learning-Teaching Pathways

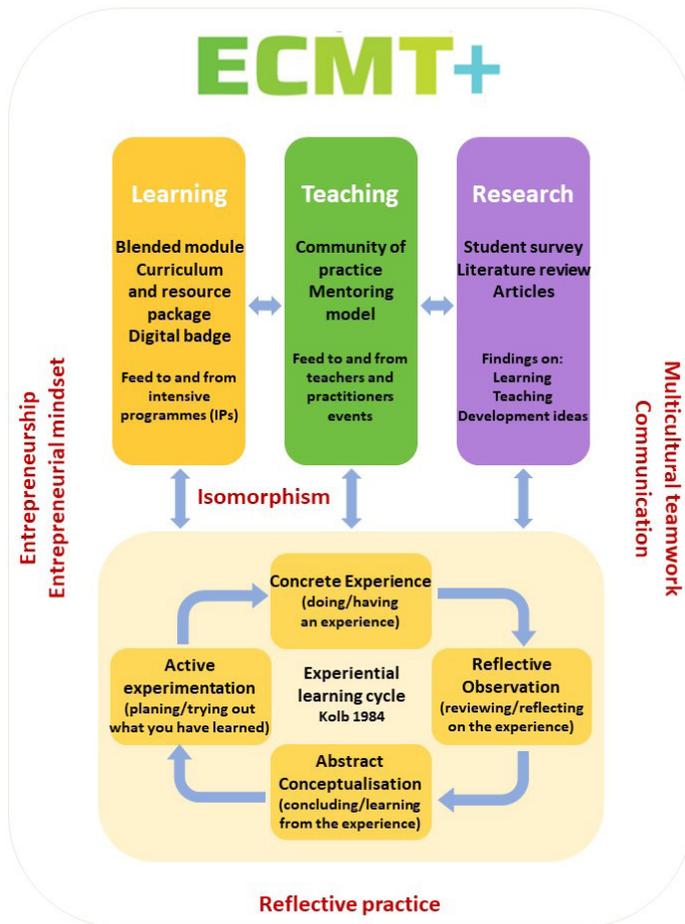
Both Karelia University of Applied Sciences and Poznan University of Technology were partners in the Erasmus+ Strategic Partnership project titled Entrepreneurship and Communication in Multicultural Teams (ECMT+) where seven European higher education institutions from Belgium, Czech, Finland, France, Germany, Poland, the United Kingdom, and the project leader Karelia

University of Applied Sciences from Finland, worked together for developing competences the students need in the future and ways to promote entrepreneurship education using the experiential learning approach (Badzińska, 2019; Bond et al., 2019). All the partners shared the same aims and development goals and were committed to gain the results.

Multidisciplinary and inclusiveness were embedded into the process as an integral part of the whole implementation. The project team was a bit more than twenty members (researchers, teaching staff, practitioners) and it was diverse itself, too. First, the professional backgrounds represented several different disciplines and different levels of degrees. Second, the age, sex, languages, cultural backgrounds, professions, skills, talents and personal features varied. Currently the working life requires transversal skills with a strong emphasis on emotional competence, creativity and team play skills (Timonen, 2018). Therefore, a lot of methods and tools supporting the development of student-oriented participatory teaching and sharing with peers were provided within the ECMT+ project (Badzińska & Timonen, 2019).

ECMT+ worked for building entrepreneurial university practices at partner universities with an emphasis on concrete entity of development objectives: (i) coherent curriculum development (joint e-course about entrepreneurship and intrapreneurship, learning materials); (ii) relevant teachers' competence development (multiplier events and materials for peer learning); and (iii) evidence based joint research practices discussing entrepreneurship, intrapreneurship, pedagogical practices, education aims and means, learning outcomes and results. The work was divided into three main areas: development of learning, development of teachers' expertise and reflective research each of which produced project outputs (figure 2). The practice-oriented methods and experiential learning activities were crucial for knowledge acquisition and business modelling to support students in solving real business problems by interacting in multicultural teams (Timonen, 2018). The aim was to explore possible ways to build international entrepreneurial pathways for the students that would enable them to grow international, too.

Figure 2. The pillars of the ECMT+ Community of Practice



Source: adapted from: Bond, Le Pontois, & Timonen (2019).

The development process included three circles of pilots and their reflections both in learning, teaching and research. The project pilots and their results were further elaborated for the next round and, in the end, the very final and shareable results have been modified. During the project lifetime,

there were three pilots on learning (intensive courses (IPs) with blended modules: Finland 2017, Germany 2018, France 2019) and three on teaching (teacher/expert training workshops: Poland 2017, Belgium 2018, Czech 2019). The project started in the United Kingdom in 2016. The whole process was supported with the thematic research, which was used for both developing the process and sharing the results (ECMT+ project plan). In addition to the students and teachers learning, the ECMT+ strengthened university-business collaboration. In intensive courses and teacher workshops, some businesses and other work life partners contributed to the implementation bringing their valuable expertise to the table.

Finally, as in any projects, one crucial element was sustainability. All the partners dealing with ECMT+ need to constantly and carefully consider how to ensure the best benefits and relevant use of the achieved results that are many. The key element is a real integration with the organizational strategies and the development of entrepreneurial university actions within that frame. The ECMT+ community in its turn worked for the strategic aims of concrete internationalization of entrepreneurship education, development of teachers' and students' competences as well as increase numbers of mobility – this all is an integral part of the international element of the entrepreneurial university framework.

The value resulting from the research allow to state that the effective cooperation and building of entrepreneurial university practices at ECMT+ partner universities are beneficial both for students, teachers and the HEIs. Among the measurable benefits for students the following achievements should be mentioned: (i) acquiring practical skills relevant for setting-up a business and professional development; (ii) developing transversal competences and sharing knowledge and skills with students from different countries; (iii) increasing future employment and career opportunities; (iv) as well as familiarize with different social, linguistic and cultural matters increasing the self-confidence. Based on the observations and reflections methods applied during the intensive entrepreneurship workshops (IPs) undoubted usefulness for teachers lies in: (i) creating spin-off effects like

curriculum development, development of joint courses and modules; (ii) experimenting and developing new learning practices and teaching methods and tools; (iii) sharing own knowledge and experiences with teachers from partner universities. Moreover, joint activities and goals in the area of learning, teaching and research have also brought measurable benefits to project partner organizations. It should be noted first of all: (i) expanding professional academic networks and research collaboration; (ii) increasing the quality and quantity of student and staff mobility; (iii) conclusion of inter-institutional agreements in the framework of Erasmus+ staff mobility for teaching and training as well as for exchange of students. Dissemination of achieved results and good practices is an important source of knowledge for other universities. This opens the way to other joint international projects for the development of an entrepreneurial university.

Conclusions, Limitations and Future Research

Almost all the higher education institutions around Europe and more widely, are looking for ways to build entrepreneurial pathways and create internationalization opportunities for the students and staff. Entrepreneurship, creativity and interpersonal communication are the key transversal skills that graduates need on the labour market. This requires future-oriented curricula, appropriate learning environments, competent teachers, possibilities to interact with professional life as well as expert support to solve real problems by interacting in diverse multicultural teams. This case study offers concrete examples from the practitioners that can be benefitted and applied as a source for further elaborations at any HEIs. The presented cases have helped to recognize the analysed phenomenon under real conditions and illustrate the progress in development of joint entrepreneurial pathways for HEI students and staff in an international context.

Undoubted usefulness of the OECD Entrepreneurial University framework (2012) lies in the possibility to assess the own strengths and weaknesses

in the current situation of the studied universities and plan potential improvement actions, considering local, national and international environments. Furthermore, it enables to trigger a discussion within and among the organizations what is needed to gain joint understanding from all the relevant partners. The conducted research may well serve as a starting point to examine the level of entrepreneurship in various areas of the university's activity and comply it with the developed statements to assess the current situation and then work on areas where improvement is considered a priority.

Internationalization has been one of the main streams of development for a long time growing into a significant arena of varied ambitious research and development projects and even global education services. At the same time, many of the HEIs today operate with more and more limited resources while the result expectations get higher and competition harder. In addition, universities are expected to benefit the regions in many different ways, by not only educating competent graduates but also actively promoting regional development and competitiveness. This study also offers one concrete example of an international joint venture that again can be applied by other HEIs.

The case study is limited, though. However, the rationale for conducting research on case studies is the need to orient stakeholders for a better understanding of modern entrepreneurial university approach. Even as a subjective and descriptive case study, the study offers an arena to explore one authentic example of a community of practice and entrepreneurial education platform promoting the systematic competence and skills development. Moreover, the literature review reveals a tendency to use case studies to explore and build understanding on the phenomenon of the entrepreneurial university (Clark, 1998, 2004; Sporn, 2001; Gibb et al., 2009; Kirby et. al, 2011; Urbano & Guerrero, 2013; Arnaut & Dogić, 2018; Timonen et al., 2019). However, there is a lack of one universally recognized method and indicators for measuring this phenomenon objectively, a very large number of variables depending on the economic, social, governmental and business environment as well as many qualitative factors. Thus, the measurement methods and outcomes

may have many limitations and ambiguities. For these reasons, decision makers must be very careful when making recommendations and creating policies towards an Entrepreneurial University (Badzińska, 2020). This is the main limitation of this study, too, and therefore it is descriptive in its nature.

The more challenging and constantly changing operational environment drives the higher education institutions really to consider how they can achieve the results, meet with the future working life and rapidly changing society needs. This consideration recalls strategic, profound and open operational environment supporting quality and relevance of higher education really meeting with the needs and looking for the future. Therefore, among other areas, developing entrepreneurial university practices and pathways are seen as significant contribution supporting the strategic development of education and research bridging universities with their regions and businesses in a meaningful way. Therefore, concrete but systematic and thorough development actions as presented in this study, are crucially needed in the higher education. To obtain a deeper insight into the research problem the future investigation will focus on the identification of critical factors related with the transformation process to an entrepreneurial university using multiple case studies. Furthermore, more emphasis should be put on development of digital collaboration and tools that are less risky and more resource wise. We suggest the future studies to explore this area more in detail.

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Cognitive Biases in Negotiation - Literature Review

ABSTRACT

Objective: The purpose of this paper is also to thoroughly review those studies in the management literature that focused on bias in negotiation and to ascertain a couple of new research trajectories that could be observed as the result. As a matter of fact, a human's judgment making capacity and behavior could be greatly influenced by cognitive misperceptions thus affecting decisions in negotiations. Whilst Thompson (2006) analytically examined the effects of biased decision-making processes for negotiations, the intention of this paper is to fill the gap through a systematic assessment of the literature.

Methodology: I have provided a theoretical background on decision makers' cognition in this paper to provide context and introduce the research; after which we take a closer look at the literature and discuss its results. Based on this, I noted that limited research, with alternate results were done based on the interaction between biases bothering on mood, culture, personality as well as education and experience on the negotiators' judgments.

Finally, we suggest that future research trajectories might be on multilateral and integrative negotiations, the role of third parties and a better comprehension of the cognitive bias and how to rise above it in negotiations.

Findings: Despite the fact that this topic is considered important, it is surprisingly under-researched. Author was able to identify the void and inadequacies of the literature identified in journal articles systemizing the intersection of negotiation studies, from cognitive biases studies, group decision making and from the decision making and judgment literature.

Value Added: This paper showed that there are only a handful of papers that focus on why, how and when cognitive biases influence negotiation process.

Recommendations: There is a great need for papers that focus on cognitive biases in the negotiation process.

Key words: cognitive biases in negotiation, negotiation process, decision making, cognition

JEL codes: F51

Introduction

Our perspective on the world and how we process information is greatly influenced by our backgrounds, beliefs and values (Sułkowski, 2012; Sułkowski, 2009). The term cognitive bias is used to describe the difference between the reality of a situation and the way our brain perceives it. When it comes to negotiation, this bias can be particularly problematic because it hinders the negotiating parties from reaching a logical or rational outcome that is mutually beneficial to both parties.

The ability of a person to recognize and understand this bias in negotiations will help reduce the influence the bias can have on such person. The reason is – the person would have adjusted accordingly and thus, a more rational decision would be arrived at. In many cases, negotiating parties don't reach an agreement beneficial to both parties (Chmielecki, 2013; Chmielecki & Sułkowski, 2017).

When it comes to negotiation, this bias can be particularly problematic because it hinders the negotiating parties from reaching a logical or rational outcome that is mutually beneficial to both parties. The ability of a person to recognize and understand this bias in negotiations will help reduce the influence the bias can have on such person. The reason is – the person would have adjusted accordingly and thus, a more rational decision would be arrived at.

In many cases, negotiating parties don't reach an agreement beneficial to both parties. A research carried out on negotiation analysis compiled a group of so called *common biases in negotiations* that methodically influence the reasoning and behavior of negotiators and by extension, influence agreements.

What is the discipline's existing perception of cognitive biases in the process of negotiation? What can we learn from this body of literature? The focus of cognitive biases in Decision-making studies has majorly been on the decision-making capacity of the individual. However, other parties are involved when it comes to negotiation decisions and in many cases, these different parties will have different interests (Fisher & Ury, 1981; Lax & Sebenius, 1987). On an individual basis, decision making is often clouded by cognitive bias and as such, decisions made by the individual is rarely completely rational and this spills into the negotiated decision between several parties. For the sake of this paper, I will refer to rationality as the decision making process that should lead to nothing but the optimal results based on a proper unbiased assessment of the negotiator's value and risk preferences (Gino, Moore, & Bazerman, 2009, p. 4).

Cognitive biases in the literature

Drawing from the studies on bounded rationality by Herbert Simon, the issue of cognitive biases affecting the decision process has been addressed by its attempt to explain why misinterpretations by humans can occur. According to cognitive studies (Neale & Bazerman, 1985), viewing negotiation processes as a cognitive decision-making task can make the understanding

of cognitive bias better. This way, people can create a mental representation of the conflict situation, the common interest and the stance of the other negotiator(s). This encompasses the influence of the negotiator's information processing abilities on the judgment of such person and how it affects his/her behavior. Based on this, it is crucial that you identify the wrong assumptions of the opposing negotiators' cognition during the process of negotiation (Thompson & Hastie, 1990).

Stanovic and West (2000) made a distinction between Systems 1 and 2 within cognitive human functioning; intuitive, effortless implicit, automatic and emotional being the first, while rational, determined, conscious, slower and reflective being the second (Kahneman, 2003). The automatic system feels instinctive and is rapid. On the one hand, the automatic system, or gut feeling, is rapid and is or feels instinctive: we get nervous when the plane shakes because of turbulence or we duck when a ball is thrown at us unexpectedly (Thaler & Sunstein, 2008). There is a level of accuracy in gut feeling however; the reliance on the automatic system would only lead to mistakes. The reflective system on the other hand is more deliberate and conscious. It is called on when we have to decide which route to take on a trip, which electives to take on the following semester etc. the first system is faster than the second system and as such, several thousand simplifying strategies or rule of thumb have been developed by people.

Rules of thumb can assist in the judgment making process. While they are helpful, they could also serve as a foundation for systematic bias (Tversky & Kahneman, 1974). Heuristics simplify strategies to manage complicated problems and issues. Newell and Simon (1972) state that heuristics are cognitive shortcuts that is usually called on by the human brain when there is a limitation on its decision making process in terms of data availability and time. It could offer correct and partially correct judgments and it is only expected that people will utilize some of them (Gino, Moore, & Bazerman, 2009). Unfortunately, it tends to lead to systematic biases (Tversky & Kahneman, 1974). The bias is the systematic errors made by humans in

specific circumstances, which is based more on cognitive factors than on evidence (Tversky & Kahneman, 1974). These errors are more common in system 1 than in system 2 (Gino, Moore, & Bazerman, 2009).

The literature chiefly presents the following heuristics:

- Biases and errors in correlation with positive and negative moods are brought on by the emotion of the individual. Good moods in particular increase the reliance on heuristics (Alloy & Abramson, 1979; Bodenhausen et al., 1994), while reliance on heuristics and stereotypes is brought on by negative mood (Park & Banaji, 2000).
- The affect heuristics exists on the premise that judgments are evoked by emotional or affective evaluation, which usually takes place before any form of higher-level reasoning is done (Kahneman, 2003).
- The availability heuristic exists when the probability, frequency, or likely causes of an event is examined by the degree to which occurrences of said event are readily available in memory (Tversky & Kahneman, 1974).
- The bounded awareness influences the individual's information selection process; people often filter information unconsciously in an attempt to avoid information overload. This may lead to a neglect of relevant observable data (Chung et al., 2005).
- The confirmation heuristics is seen when people test hypothesis with selective data such as the instances in which the variable of interest is present (Klayman & Ha, 1987).
- The representativeness heuristic exists when judgment is being made on an event, or an individual, people are likely to be on the lookout for traits that correspond with the already formed stereotypes (Nisbett & Ross, 1980).
- The risk aversion relates to the fact that people treat risks pertaining to perceived gains and risks related to perceived losses differently (Tversky & Kahneman, 1974).

These heuristics can be applied by everyone and is not necessarily restricted to certain individuals as research has shown (Gino, Moore, & Bazerman, 2009; Wickham, 2003). According to Gino, Moore and Bazerman

(2009) common biases could be linked with the “emanating” heuristic as shown in Table I.

Hammond et al. (2001), provided one of the most straightforward interpretations of bias. He proposed the idea of hidden traps in decision making for considering all those situations where the brain deviates from deciding rationally. Basically, the cognitive misperceptions can highly tilt the human behavior to bias when making decisions and this is also present in negotiations (Thompson, 2006).

This section focuses on the discoveries from the literature review, which is properly discussed, and implications and recommendations for future research drawn on the basis of systemized knowledge. Based on the biases noted in the articles, the articles are grouped into 11 clusters based on data set namely; toughness bias, status quo, relationship bias, intergroup bias, self-serving, framing and fixed-pie.

Fixed-pie and incompatibility error

Several scholars have conducted several studies in an attempt to understand the fixed-pie error which aims to answer why negotiators constantly regularly fail to reach integrative agreements or a min-min solution for the parties involved (Gino, Moore, & Bazerman, 2009; Lax & Sebenius, 1986). The studies that have been carried out on fixed-pie errors majorly focus on the perception of the negotiators' perception of the both the negotiation process and the counterpart's preferences and interests (Gelfand & Christakopoulou, 1999; Thompson & Hastie, 1990). The definition of the fixed-sum (or fixed-pie) judgmental error is: “[...] the tendency to assume that the other party places the same importance – or has the same priorities as the self – on the to-be-negotiated issues when the potential for mutually beneficial trades exists” (Thompson & Hastie, 1990, p. 101). This term, which was coined by Bazerman and Neale, is used to describe a situation where humans underestimate the amount of common ground they share with

others while overestimating the extent of conflict. That's the major reasons why negotiators tend to think what is good for one party has to be bad for the other. They view negotiation as a fixed pie thus they feel that the bigger the slice they allow the opposition have, the smaller they'll have for themselves. However, this isn't always the case but it causes negotiators to avoid critical creative thinking that could result in a win-win result for both parties.

Negotiators can realize there is more common ground than first meets the eye if they recognize this bias and question their assumptions. This way, the negotiator gets a better understanding of the efficient optimal solutions that they would never have otherwise considered.

This implies that the interest of their counterparts might never be truly understood by a negotiator and the idea of judging a person's interest as being diametrically opposed to theirs (Gelfand & Christakopoulou, 1999). The fixed-pie approach often ends with a faulty decision because (Raiffa, 1982). In interrogative negotiations, incompatibility error occur when negotiators go ahead to assume that the preference of the other party for alternatives are incompatible with theirs in situations where their preference can actually be perfectly compatible (Thompson & Hastie, 1990, p. 113). Thompson and Hastie (1990) ascertained that this error had nothing to do with the fixed-sum error even if it was predicted to be by the theory and quite a number of negotiators are affected.

Negotiators sometimes show a modest level of interpersonal understanding, which is measured in terms of predictive accuracy about the payoff of the other negotiator. That said, it was observed that an accurate interpersonal understanding was better associated with better payoffs (Mumpower et al., 2004; Thompson & Hastie, 1990). Thus, the fixed-pie bias is flawed and can logically be expected to hinder the success of integrative agreements (Gelfand & Christakopoulou 1999; Mumpower et al., 2004; Thompson & Hastie, 1990). The fixed-pie bias is considered a bias that exists only within the integrative negotiations. As a matter of fact, the fixed-pie perception isn't a bias in distributive problems; it only

demonstrates the level of understanding of the accuracy of problem structure (Mumpower et al., 2004).

Thompson and Hastie (1990) observed that people go into negotiations with the fixed-pie perspective and end up not realizing that their counterparts have a totally different priority, often opposite to theirs. This is particularly true in the USA because of the prevalent individualistic culture unlike other places like Greece that have a collectivist culture (Gelfand & Christakopoulou, 1999). Remarkably, this suggests that cultural processes might have an influence in bias perpetuation. They start the negotiation with a clear perception of the situation and during negotiation, the dynamics end up making them deviate from this. One common disadvantage of this is that over time, negotiators tend to get overconfident in their negotiating abilities (Gelfand & Christakopoulou, 1999).

The number of parties involved is another variable that could affect the fixed-pie errors. Based on this, Traavik (2011) showed that the fixed-pie bias increases with the number of parties, plus, dyads outperform groups both on economic and subjective measures of outcomes. As a result of the fixed-pie bias in distributive negotiations, 2 related errors emerge: the large-pie bias and the small-slice bias (Larrick & Wu, 2007). The size of the bargaining zone is constantly being underestimated by negotiators; the small-pie bias – and, by insinuation, overrate the share of the excess they claim – the large-slice bias (Larrick & Wu, 2007).

Framing

Do you see the glass half full or half empty? Well, the answer to this might not be entirely up to you. Your perception can be significantly influenced by the context in which the situation is presented. You could be more risk tolerant if you are interested and this is dependent on the impact of your impression on the opportunity. You will most likely be more interested if the situation is presented in a positive manner. It is up to you to ensure you are

not avoiding risk or attracting them unnecessarily just because of how it was presented to you. You also have to ensure that you focus more on the quality of the deal and not just the quality of the presentation. A good way to check this is to present this to a friend or a league and see how good the deal still sounds.

The framing effect materializes as the beginning point of the cognitive bias in negotiation studies. Based on this, people's perception and reaction to a situation depends on how it is presented to them. Specifically, the prospects of losses are treated differently from that of gains and this directly influences their risk propensity (Kahneman & Tversky, 1979). Several published literature have analyzed how negotiator behavior is influenced by the impact of framing, the impact of framing influence on negotiation outcome (Bazerman et al., 1985; Neale & Bazerman, 1985), and the effects of framing on perceptions of fairness. A completely different outcome could be predicted just by changing the frame of the situation. According to Neale and Bazerman (1985), risk aversion dominates when positive frames exist and thus, the negotiated settlement is predicted. More studies (Bazerman et al., 1985) observed that significantly more transactions were completed by positively framed negotiators than the negatively framed ones; consistent with the Kahneman and Tversky (1979) prospect theory. On this basis, it looks like the negotiators become risk takers when they consider the potential outcome in a negative frame i.e. what do they have to lose, while if they evaluate potential results on the basis of what they could gain i.e. positive frame, they become risk averse and this enhances the chances of successfully having a complete negotiated settlement. Bargainers who are positively framed are more likely to be cooperative than their negatively framed counterparts (Bazerman et al., 1985; Neale & Bazerman, 1985; Neale et al., 1987).

Neale et al. (1987) observed that the obligations, rights and expectations that are associated with the negotiation role significantly influence the participants' social interaction. Also, Bottom and Studt (1993), tried to offer a detailed explanation of the role of framing and went on to analyze

it in terms of integrative and distributive aspects of bargaining. Framing and risk attitudes influences a negotiator's approach to dealing with the dilemma of creating value and claiming value (Lax & Sebenius, 1987). On in the distributive situations, the negatively framed negotiators are more likely to better than their positively framed counterparts and they tend to be more affected by self-serving bias. Even at that, the positively framed negotiators tend to reach more integrative settlements than their negatively framed counterparts (Bottom & Studt, 1993). A negotiator that seeks risk ought to be willing to use tactics that threaten both bargainers with the disagreement outcome, also known as "claiming tactics" (Lax & Sebenius, 1986). The fact that risk-averse negotiators would want to avoid disagreements, they ought to be unlikely to engage in these risky tactics and are likely prone to fall for those negotiators that do.

Emotional bias and overconfidence

Not much has been done to understand the influence of emotion in the negotiation process and very few studies have combined emotional bias with the negotiator's overconfidence. Overconfidence is a bias that stems from confirmation heuristics which results in people tending to have a certain belief in themselves and overconfident in the infallibility of their judgments (Gino, Moore, & Bazerman, 2009; Kramer et al., 1993; Neale & Bazerman, 1985). This hinders success in reaching agreements and reduces concessionary behavior (Neale & Bazerman, 1985, p. 37).

Basically, this focuses on the tendency for negotiators and humans generally to overestimate their own abilities, success chances and control over external forces. This is a very important perception because it plays a major role as to how disputes arise in the first place and in most cases; it explains why the parties involved would rather litigate than settle.

It has been proven in different studies that this bias actually is a major thing. A perfect example was when the University of Texas law students were pro-

vided with identical facts and were arbitrarily assigned to either the defendant or the plaintiff in a mock personal injury case. The plaintiff wanted \$100,000.

When they were asked to predict what the judge would award based on the facts, the students representing the plaintiff averagely predicted that it would \$14,527 more than the students who represented the defendant. Obviously, both parties cannot be right. The only obvious distinguishing factor was that they were on different sides.

Overconfidence often creates a barrier to negotiation because it reduces the chances of a possible agreement. When both parties are overconfident of their chances, the willingness to settle on the part of both parties would be diminished and for this reason, it is very likely that both parties would walk away from an otherwise reasonable offer.

The ability to recognize this bias and take it into consideration when negotiating enables negotiators to make a more accurate assessment of their strengths in relation to that of their counterparts. It also enhances the chances of agreeing to a settlement that offers better value than the alternative.

Emotional bias is that bias that has to do with the emotional mood or state that a person is in when he/she has a decision to make. On the average, a person in a good mood would likely have an increased heuristics and results in more biased judgments (Gino, Moore, & Bazerman, 2009). Kumar and Gladwin (1987), presented a likely model of crisis negotiation, noting that the perception of crisis induces a strong negative affects with a bargaining unit and cognition is biased and restricted by this affects by an enhanced reliance on heuristics. Kramer et al. (1993) would later demonstrate this in an experimental study. They observed that the confidence of a negotiator was influence by mood and that a positive mood contributed to the overconfidence of a negotiator. Basically, positive moods enhance integrative behavior (Kramer et al., 1993).

Self-serving and anchoring

Self-serving bias in the literature is described as a judgment error that influences the individual perception of a situation in a self-serving manner. Based on the psychological studies documenting systematic biases in a person's judgments of fairness, scholars contemplate that predictions of judicial decisions will be systematically biased in a manner that benefits the position of an individual. Specifically, this bias has been analyzed in regards to distributive negotiations (Gelfand et al., 2002; Thompson & Loewenstein, 1992). Self-serving has mostly been seen as a predictive cause of impasse during negotiations; people often reject the offers of their counterparts because of this bias; they almost always see whatever offer they get as unfair (Gelfand et al., 2002; Thompson & Loewenstein, 1992). This is common in places like the United States because of the individualistic culture (Gelfand et al., 2002). Drawing on the study of egocentric judgments of fairness by Messick and Sentis' (1979), Thompson and Loewenstein (1992) noted that the egocentric bias in negotiation might arise as a result of biased encoding of information, selective recall or differential weighting of information. Basically, despite the fact that negotiators were offered identical facts, they only remember that which favors their course and thus, the arrival at different conclusion about what would constitute a fair settlement in the end (Gelfand et al., 2002; Thompson & Loewenstein, 1992).

When people make estimates for values, the anchoring effect gets associated with the decision-making process.

When it comes to valuations, the first piece of information offered in a conversation can be particularly impactful on the negotiation. Many negotiators make use of this initial bit of information as the reference point or anchor for the whole discuss or negotiation. For instance, if a banker states that a specific kind of company values at $1.5x - 2.5x$, the entire discuss would be referenced or pegged to those figures. In order to reduce the influence of the anchor, or avoid it completely, you may have to run your own research

before having that first meeting and when doing this, try to consider every bit of information equally. Endeavor not to anchor the value of a company you intend to sell higher than the actual market will allow.

The quality of a person's judgment could be at significant risk if such a person anchors on unreliable information; even when objectively appropriate anchors are available, the recency affects triumphs (Whyte & Sebenius, 1997). Furthermore, similar anchoring effects have been observed in students as well as experienced managers (Whyte & Sebenius, 1997). The effects on negotiations have been examined through buyer-seller simulated experiments where the negotiators negotiate price agreements (Kristensen & Garling, 2000; Ritov, 1996; Whyte & Sebenius, 1997). The so-called competitive market simulation (Bazerman et al., 1985) has been used majorly to examine the anchoring effects in negotiation. Studies have shown that there is link between the anchoring effects and the schedule of payoff given to participants is framed (Ritov, 1996). Anchoring could be seen in negotiations in different forms for instance, the initial position, bottom lines or aspirations of a negotiator (Ritov, 1996; Sebenius & Whyte, 1997). Profits are influenced by the initial offers serving as anchors for both parties during negotiation. This has been properly demonstrated in a controlled experiment (Ritov, 1996) and in actual negotiations. Despite the fact that the reservation price shouldn't be affected by the anchor price, results supports that subjects anchor their reservation price on unreliable information (Kristensen & Garling, 2000).

Hindsight and outcome bias

Hindsight Bias: Hindsight is eternally 20/20. However, beware this old adage for there is an inherent risk of skewing the invaluable lessons offered by past failures or success. Hindsight bias, which basically is the tendency to assume that an outcome is more predictable than it actually is. By keeping a proper log of the deal process as it is happening, you counteract the hindsight bias and always remember the various factors that influenced every stage of the deal.

Outcome Bias: Similar to the hindsight bias, the outcome bias is the tendency of an individual to remember an event only on the basis of the outcome. Simply put, does the end justify the means? Placing the entire focus of a deal on the result can give room for the manifestation of bad deal practices and techniques. Nothing guarantees that something will work just because it once worked. The only way to ensure that you attain success is to focus on the practices that brought about the initial success.

Intergroup bias, relationship bias, status quo and toughness bias

In recent years, an evolution in studies has led to the discovery of new biases that influence the negotiation process like the intergroup and relationship bias. Lewis (2011) analyzed the intergroup bias and in this study, it was observed that group members' expectation of group members are unrealistically inflated while a more realistic evaluation is done on other groups. This could have an effect on the selection process of the counterpart, which is what is referred to as the relationship bias, and it was discovered by Reb (2010). As preparations for negotiations also include the searching and selection for potential counterparts with whom to negotiate, an influence in this procedure by situational factors of past negotiations experience materializes.

Status quo bias places little focus on the respective articles studied. Evidence from Korobkin's (1998) people who negotiate contracts have a preference for inactions which exist in instances of legal default and standard contract forms that will guide absent action, thus implying a biased judgment against other solutions. Finally, Heifetz and Segev (2004), in a theoretical study, were able to get support for the toughness bias which could be described as similar to the endowment effect that can be seen in the behavior of a seller. In a situation where a buyer has the toughness bias, he/she would believe that the object is worth less to him or her than the actual objective worth to such person (Heifetz & Segev, 2004).

Confirmation Bias

Confirmation bias refers to the tendency to support information that reiterates what you already know or what you thought you know and in situations like due diligence, this could be a problem. This bias makes individuals selectively seek out information that supports your initial notion. You will likely seek out evidence to support it if you think the opportunity is strong. For this reason, your due diligence could be weak, incomplete or skewed. Getting people to handle this for you is a perfect way to go.

Interactions between biases

Drawing from the interactions mentioned above, it is possible to hypothesize associations between anchoring and self-serving. As a matter of fact, high levels of self-serving biases ought to have an impact on the anchoring selection in a manner that favors the negotiator's position. Likewise, a high level of overconfidence ought to enhance the reliability on information that favors one's self. The concept needs to be studied further especially in the areas of how the biases interact with each other. Also, a non-studied bias in negotiation context like confirmation trap should be related with self-serving, fixed-pie and overconfidence. In fact, the confirmation trap is associated with information selection, and people incline towards information confirming their initial notion on a situation (Gino, Moore, & Bazerman, 2009). This bias ought to be researched on in terms of negotiation as well as the studies mentioned above.

Future research on under-researched biases

Similar issues affect other biases that ought to be studied in negotiation context too. They include focalism (Gino, Moore, & Bazerman, 2009), which is yet to be studied and status quo, which hasn't been studied enough.

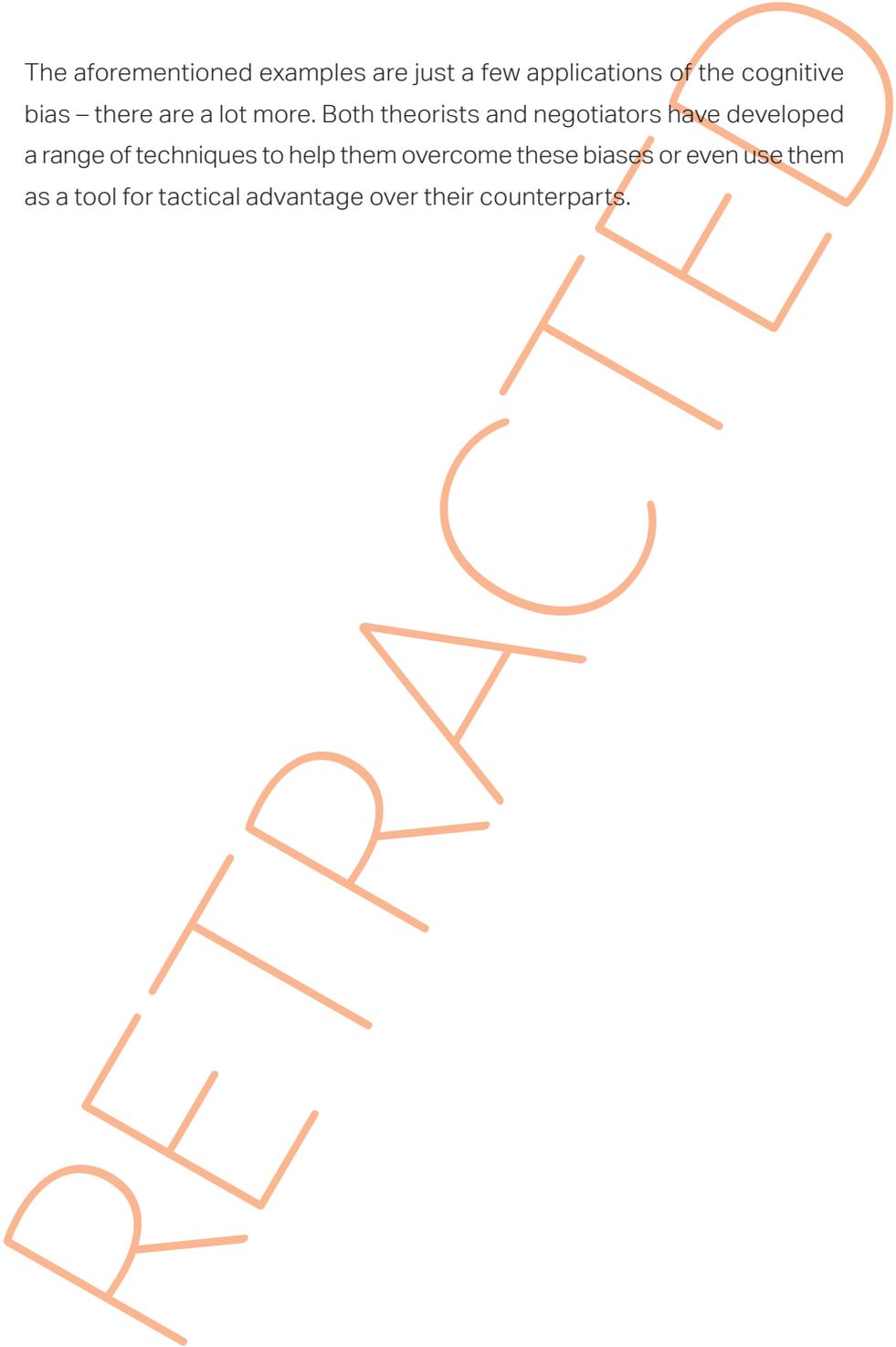
Focalism ought to have similar impact with the anchoring on negotiations. Focalism affects concepts while anchors affect numbers. Considering that certain interests are in the mind of a negotiator when he/she enters a negotiation, focalism on those issues may affect those issues particularly with negotiations that have to do with concepts more than they have to do with numbers. i.e. price – as main issues. Let's assume the negotiation is for a Chrysler's bailout in 2009 where the parties negotiating hit an impasse and the negotiation could have failed. However, they solved the debt issue by moving away from the main topic and started talking into account broader interests and externalities (Caputo, 2013). For instance, the strategic alliances or international laws involving companies are a great in negotiations because the concepts lead over numbers.

Implications and conclusions

The decision-making literature addressed cognitive bias to a great extent. It has been implied by prevalent literature that people are not always rational and they succumb to cognitive and emotional limitations (Cyert & March, 1963). Cognitive misperceptions arise majorly from the systematic biased judgment that comes from heuristics that tend to simplify complex issues to make them easier to cope with (Newell & Simon, 1972; Tversky & Kahneman, 1974). This study showed only handful of papers that focused on why, how and when cognitive biases influence negotiation process. In almost every aspect of our lives, we negotiate and as established, there is a strong link between the negotiation process and the interdependence that reign over them, thus the outcomes of negotiations are influenced by the decisions of all bounded rational parties involved. Basically, the human capacity to make decisions or judgments or negotiate is highly biased by cognitive misperceptions

The human mind is amazing, however, there are certain limitations to its function. Having a clear understanding of this limitations and cognitive biases can help a negotiator act more rationally and achieve greater value overall.

The aforementioned examples are just a few applications of the cognitive bias – there are a lot more. Both theorists and negotiators have developed a range of techniques to help them overcome these biases or even use them as a tool for tactical advantage over their counterparts.



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How to Improve Communication within an Organization? The Relationship between Cultural Intelligence and Language Competence

ABSTRACT

Objective: This article deals with the effective functioning of an organization in the international context. It focuses on the two key aspects of the communication in this respects: cultural in-

telligence (CQ), the capacity to operate successfully in the multicultural setting, and the quality of internal communication; it is investigated whether CQ (and its components: metacognitive, cognitive, motivational and behavioural) are rather related to the number of foreign languages or the language proficiency a person (or an employee) knows (has).

Methodology: The sample of 132 undergraduate students of the English and Czech study programs at one private business university in the Czech Republic was used. The Spearman correlation coefficient, Chi-Square test for independence and the one-way ANOVA test (all of them conducted in the statistical program IBM SPSS Statistics 21) are calculated in the paper.

Findings: CQ depends on the quality (the level of proficiency) rather than the quantity (the number) of foreign language skills. This conclusion applies regardless of gender: our data did not confirm that language skills were gender-dependent.

Value Added: Recently a very fashionable cultural intelligence (CQ) construct has been explored in relation to a variety of variables and outputs. Nevertheless, insufficient attention has been given to the relationship between cultural intelligence and language competence so far; moreover, the research has brought contradictory results up to now. This study fills the actual knowledge gap.

Recommendations: It is shown that in terms of the effective functioning in a culturally unknown environment and with a restricted time to learn foreign languages, it is preferable to develop continuously one's skills in lingua franca than parallel and more superficial studies of several languages.

Key words: cultural intelligence, language competence, *lingua franca*

JEL codes: M14, M16

Introduction

The today's globalized and multicultural world is liberalizing, the companies are opening up to foreign competition. That brings new challenges to all of us not only in a daily life, but also at the workplace (Mesiti, 2011)2003. Many employers expect all potential employees to be both highly language proficient and culturally competent.

Thanks to the economic influence and power of the USA, English has become a lingua franca of the international trade. This language is a means

of common communication not only between co-workers but also with business partners from different countries (Průcha, 2010, pp. 86–87). The issue of the English usage is described both in the discourse of ‘cultural capital’ (an individual, who has good English, can benefit from this fact personally, especially in the labour market) and in the discourse of the ‘linguistic imperialism’ (the mass acquisition of English reflects and promotes the unequal power distribution in Europe and around the world. Nevertheless, non-native English speakers still perceive the need to acquire knowledge of other foreign languages because English as a lingua franca is not enough to replace the competence in other languages (Nekvapil et al., 2008).

If English is a language of the internal company communication, those who speak it fluently gain various advantages over those with a restricted knowledge of English at work (Beyene, 2007) global organizations are increasingly mandating that all employees use English as their common language, or lingua franca. Recent research suggests that such a language stipulation, in favoring native English speakers, may negatively impact collaboration between international colleagues. However, empirical inquiry of the effects of these regulations on non-native speakers and their work groups remains notably absent. Using the multiple methodologies of 41 interviews, and 196 surveys (including open-ended narratives. For example, employees attribute a higher competence (such as knowledge of cultural norms and values) to those collaborators with higher English proficiency; they are viewed as members of the Anglo – Saxon culture. It has been shown that these workers can flexibly change their attitudes, beliefs and behaviour (Thomas & Peterson, 2017).

On the other hand, employees with a lower level of proficiency in English are less involved in meetings, projects, decision-making etc., whereby the companies (especially multinational or international ones) are losing the potential of the knowledge and experience of these employees (Beyene, 2007).

As it is obvious, language skills are crucial for any multinational (or international) company. However, that is not enough. A relatively new concept of cultural intelligence (CQ), which is related to other forms of intelligence and

personality characteristics, serves as another indicator of the success (both personal and organizational) in a contact with foreigners from other cultures. This concept does not refer to a specific culture, but reflects one's capability to operate effectively in a culturally new, different environment (Ang et al., 2015).

A number of researches have been conducted to test cultural intelligence in many contexts (e.g. in terms of personality traits, international experience, etc.). In this respect, the research between cultural intelligence and foreign language skills is an exception because as yet insufficient attention has been given to this topic (Rachmawaty et al., 2018)2018. Moreover, the ambiguity of the conclusions in the studies conducted up to now is another reason why to address the issue. Ang et al. (2015) stated that there was a positive relationship between cultural intelligence and language competence. Although questioned by Rachmawaty et al. (2018), it was specified that it doesn't depend on the number of languages a person speaks, but at what level.

This study investigates the relationship between cultural intelligence and language competence or in other words, the research deals with the question of how CQ relates to language proficiency, or to lingua franca mastering. Based on the assumption of many beneficial effects of the high CQ for the life and work abroad, it retests the assumed relationship between the CQ (and its dimensions) and the language competence. The supposedly found correlation between the two variables is the first step towards the CQ development through the learning process of foreign languages. What's the best foreign languages learning strategy in terms of developing CQ: to take up a new language (i.e. a preference for the number of languages one knows), or to concentrate on deepening the knowledge of the corporate lingua franca (i.e. preference of proficiency)? Based on our sample data, it is also examined if women are somehow predisposed to have a better language competence than rather technically oriented men, as it is generally believed.

Literature review

Cultural intelligence (CQ) and other intercultural competencies

Research on intercultural competences is very complex (Holt & Seki, 2012; Johnson selemet al., 2006; Paige, 2004). In a broader focus on working relationships, intercultural competences can be defined (Leung et al., 2014) in terms of 1) personal intercultural characteristics (desire for adventure, patience, emotional resilience, flexibility, openness to foreign views, tolerance), 2) intercultural attitudes and worldviews (such as ethnocentrism or cosmopolitanism) and 3) skills (social flexibility, adaptability, ability to cooperate, language skills, CQ, knowledge). This conceptualization corresponds to the models of intercultural competences, which are reviewed by Leung et al. (2014) based on the following criteria: validity, equivalence in different cultures and psychological, behavioural and performative outcomes.

As we can see (Leung et al., 2014) CQ and language skills could be related to one another because both are intercultural skills. Cultural intelligence refers to the capability to function effectively in a culturally diverse environment (Ang & Van Dyne, 2015; Earley & Ang, 2003). This view is based on the work of (Detterman & Sternberg, 1986), who have developed an integrating model of multiple intelligences, i.e. the capabilities (mental, motivational and behavioural) with special emphasis on solving intercultural problems. Cultural intelligence is one of the variables that measures a person's capability of adjustment and adaptation in an unknown and culturally new environment (Earley et al., 2006). Cultural intelligence points out the flexibility and competence in the following three areas: knowledge of foreign culture, the ability to notice cultural nuances, similarities and differences, and to act adequately and naturally in a new cultural environment by appropriately interpreting these observations (Yitmen, 2013).

The concept of cultural intelligence is mainly applied to the field of economic – managerial studies (Triandis, 2006) and it is connected with the

organizational settings (Earley & Ang, 2003). The following table summarizes the directions (or context) that CQ studies have taken.

Table 1. CQ research in the cross-cultural studies

CQ research context in the business studies	Studies
Development of the field of studies	(Dabić et al., 2015)
Teamwork	(Adair et al., 2013)
Decision-making	(Ang et al., 2007)
Leadership	(Groves & Feyerherm, 2011)
Expats	(Che Rose et al., 2010; Elenkov & Manev, 2009; Kim et al., 2008; Lee & Sukoco, 2010; Malek & Budhwar, 2012)
Negotiations	(Imai & Gelfand, 2010)paradoxically, little research has addressed what predicts intercultural negotiation effectiveness. In this research, we examined the impact of cultural intelligence (CQ)
Knowledge transfer	(Vlajcic et al., 2019)

Source: Vlajcic et al., 2019.

Cultural intelligence is not (unlike IQ) fixed and invariable, but changes and develops throughout the life. The following table summarizes some of the studies that show the CQ development due to some stimuli or experience.

Table 2. The research on CQ development

CQ development	Studies
A stay (study or work) abroad is more effective than mere foreign (leisure time) tourism	(Crowne, 2008)
CQ helps to adapt	(Lee & Sukoco, 2010)
The relationship between CQ and cultural adaptation (adjustment) is moderated by the previous stays and traveling abroad	(Engle & Crowne, 2014)



Non-working (rather than working) international experience has a greater influence on the CQ development	(Moon et al., 2012) previous international experience, predeparture cross-cultural training, and cultural intelligence (CQ)
International experience has a positive effect on the development of all components of CQ	(Morrell et al., 2013)

Source: Vlajcic et al., 2019.

CQ is composed of four components (dimensions, constructs): metacognitive, cognitive, motivational and behavioural. The metacognitive component concerns how people understand and make use of their intercultural experience (Van Dyne et al., 2012). In other words, this component refers to how an individual acquires and understands a cultural knowledge. People with high metacognitive CQ contemplate what has happened to them in a contact with foreigners, analyse their cultural knowledge, and internalize their new experience. They are able to react very sensitively and modify their future behaviour in a suitable way to new experience and knowledge.

Motivational CQ expresses the individual’s desire and willingness to learn something about a new culture, to function effectively in it and to meet people from different cultures. People with high motivational CQs can direct their attention and energy towards intercultural situations; they believe that they will succeed in this unfamiliar situation. The motivational CQ is based on one’s inner interest in a new cultural knowledge. It is related to the knowledge of the language and, at the same time, it affects the efficiency of the performance of certain professions, such as call centre operators communicating in their mother tongue (Presbitero, 2017). If one has a higher motivational CQ, he will not be easily discouraged by the difficulties caused by contact with strangers and unknown cultures.

Cognitive CQ expresses to what extent the individual understands and is aware of the fact that the new culture is similar (or different) to his / her own. This component of CQ refers to their knowledge of another culture.

Cognitive CQ is a critical component of total CQ because people with high cognitive CQ are less disoriented when interacting with people from culturally different backgrounds. Foreign language learning is important in this regard: language skills (especially good knowledge of English) have a positive impact on the overall satisfaction within multicultural working teams (Cramer, 2018).

Behavioural CQ is the ability of an individual to interact with foreigners, to change and use appropriate verbal and nonverbal behaviours such as words, the tone of voice, gestures, the facial expression, proxemics, a symbolic language, etc. to avoid "culturally embarrassing situations" (Earley & Ang, 2003; Ghonsooly et al., 2013).

Language during business encounters

Over the past 25 years language has become an increasingly important variable in international management as MNCs are becoming more reciprocal and multilateral in their global exchanges (Sanden, 2015). Language is a necessary constituent of ongoing sequences of decisions and resource commitments that characterize day-to-day organizational life (Brannen et al., 2017). The employees who cannot communicate with each other through their mother tongues share a neutral foreign language. Use of a 'lingua franca' (common language) has been indispensable to the development of trade in many parts of the world (Browaeyns & Price, 2015). The impact of the globalization has led to an overwhelming increase in the use of English as the business communication medium (Nickerson & Planken, 2015).

The terms ELF (English as a lingua franca) and BELF (Business English as a lingua franca), become more used and popular. As Terauchi (Terauchi et al., 2019) said "ELF is a shared resource, to be able to communicate with each other". It enables companies to communicate with a non-native speaker without cultural, political or local barriers. They have the opportunity to contact them virtually anywhere in the world. It is the management across linguistic borders (Terauchi et al., 2019).

The language policy and planning in multinational companies (MNC) in the Czech Republic is well described in the study of Nekvapil and Nekula (Nekvapil & Nekula, 2006). There might be a difference between frontstage and backstage language, and some might feel disempowered by not knowing the frontstage one enough, that's why Kankaanranta, Karhunen and Louhiala – Slamminen (Kankaanranta et al., 2018) recommend a plain language adaptable for all positions in a MNC. Du-Babcock (Du-Babcock, 2018), on the other hand, presents a two-tier system. The first one would be a BELF with a universal vocabulary used in all industries or simply commonly, and the second one a BELF for each individual industry with a certain genre specific pool of words. Due to Komori – Glatz (Komori-Glatz, 2018), BELF still lacks clear conceptualization and should be separated from corporate language. To her it's a multilingual use of English adapting to a specific content.

Language skills are shown not only by the sum of the levels in speaking, writing and comprehension, but also by the knowledge of the dialect spoken at a foreign subsidiary to which an employee has been assigned by a home company (Selmer & Lauring, 2015). The employees with better corporate language skills are likely to adapt more quickly to the new working environment (Selmer, 2006), integrate into the working group (Lauring, 2008), improve interpersonal relationships between people from different cultures (Sargent & Matthews, 1998), to gain a sense of belonging and closeness in the work team. The excellent knowledge of the corporate language has a number of desirable organizational outcomes: for example, improved relationships among close collaborators (Barner-Rasmussen & Björkman, 2007) who share their experience and knowledge more readily (Welch & Welch, 2008).

Language use is empirically separable from other cultural behaviour. Language is an extremely powerful transmitter and activator of culture, so much so that bilingual people may express somewhat different personalities in each language (Schwartz et al., 2014) with fully bilingual Hispanic participants from the Miami area, to investigate 2 sets of research questions. First, we

sought to ascertain the extent to which measures of acculturation (Hispanic and U.S. practices, values, and identifications).

CQ and language competence

Language proficiency and a good understanding of international issues is related to the overall CQ (Harrison, 2012). A person is more willing to work abroad if he has a good knowledge of foreign languages (Remhof et al., 2014). Then, he can show a better task performance in a culturally new environment (Presbitero, 2017). And true, the positive relationship between the number of foreign languages, a person knows, and the CQ score and its components was really found (Urnaut, 2014)cognitive, motivational and behavioural. The number of known foreign languages can have an impact on some relationship such as between the CQ dimensions and institutional success (Sharma, 2019), that's why this variable in the mentioned study (Sharma, 2019) was controlled.

However, the life satisfaction or work success depend rather on how well one has mastered the (corporate) language of his/her new country (company) than on the number of languages he knows. This fact was confirmed by one experimental study (Kurpis & Hunter, 2017). How comfortably one feels in his long-term term stays abroad depends on the high overall CQ scores as well (Wang et al., 2017). High CQ predicts a level of foreign language proficiency (Marcum, 2017). There is a positive relationship between excellent foreign language skills and cultural intelligence (Soldatova & Geer, 2013) which is reflected in the expats' ability to adapt to a new working environment and to be satisfied at the workplace (Huff, 2013).

On the other hand, a company is losing the creative potential of the employees who are not very fluent and skilful in the lingua franca of the organization because they are less motivated to be engaged in the discussions and talks with their workmates (Beyene, 2007)global organizations are increasingly mandating that all employees use English as their common language, or lingua franca. Recent research suggests that such a language

stipulation, in favoring native English speakers, may negatively impact collaboration between international colleagues. However, empirical inquiry of the effects of these regulations on non-native speakers and their work groups remains notably absent. Using the multiple methodologies of 41 interviews, and 196 surveys (including open-ended narratives. They can even be so frustrated that they stop working for the company. The employees' turnover working for multinationals depends on the lingua franca of the company (better if it is English) and motivational CQ (Froese et al., 2016).

The other researchers also intended to demonstrate which CQ components correlate with different aspects of language competence. One study (Ghonsooly et al., 2013) confirmed that the positive relationship between metacognitive and motivational CQ and comprehension ability exists. Later on, these results have been refined: the best predictor of the comprehension ability is motivational CQ. In this respect, it was also found (Rafieyan et al., 2014, 2015) that people with higher CQs understood better a speaker's feelings and attitudes (such as sarcasm, warnings, jokes etc.) in a conversation. They have higher pragmatic comprehension ability which depends on the cultural distance from the target language area (Rafieyan et al., 2014; Thomas & Peterson, 2017). The foreign language (English) proficiency in writing positively correlates with all components of CQ (Ghonsooly et al., 2013).

CQ is also related to the style of learning foreign languages: while less advanced students use the motivational and behavioural component of CQ to study foreign languages, more advanced students show a higher score of metacognitive and cognitive factors of CQ (Rachmawaty et al., 2018)2018.

Research objectives, methodology and data

Research questions and hypotheses

This study examines the relationship between cultural intelligence (and its components) and language skills first in terms of the number of foreign lan-

languages one knows and has ever studied, and then with regard to the level of proficiency in these languages. Based on the previous research and studies (Beyene, 2007; Mesiti, 2011; Rachmawaty et al., 2018; Wang et al., 2017)2018; Wang et al., 2017, the following hypotheses were set:

- **H1:** There is a positive relationship between the number of languages mastered at any level and CQ.
- **H2:** There is a link between the language competence and the overall CQ.

The third hypothesis (H3) is supported by many previous studies. For example, (Van Der Slik et al., 2015) reported that women were more motivated than men in foreign language learning. At the same time, women had been found to have more positive attitude toward studying a foreign language, and to have more interest in a target culture. Another study (Jiang et al., 2009) confirmed that there was a gender gap in favour of foreign language female learners in speaking and writing. As we can see, knowledge of languages depends on gender or, in other words, women are better predisposed for learning and knowing foreign languages. Therefore, we set the following hypothesis:

- **H3:** There is a statistically significant difference in the knowledge of two or more foreign languages (naturally learned or taught) mastered at the native speaker's level between men and women.

Research strategy

To test the first and second hypothesis, it is advisable to use the Spearman correlation coefficient between variables in the two relationships: cultural intelligence and the number of languages each respondent declared to know in the questionnaire, i.e. the relationship between cultural intelligence and overall language skills. The relationship between variables is assumed to be monotonous, consistently unidirectional. The language competence is quantified by conversion in this study; moreover, the respondents self-evaluated their language skills. Therefore, this recalculated score is subjective and it rather serves for the comparison of the respondents' capability to

use various languages on different levels; it expresses rather the order in terms of language competence than precise evaluation of this parameter.

Using the Chi-Square Test for Independence, the H3 was tested. The Chi-Square Test for Independence was calculated according to the formula:

Measurements and variables

Measurement items for the main variables of interest are borrowed from the established literature. The cultural intelligence constructs are borrowed from (Ang et al., 2007). The respondents were asked to read the 20 statements on the 7-point Likert scale (1 = strongly disagree, 7 = strongly agree) and select the response that best describes them. These twenty items were included in 4 measurement dimensions: the metacognitive component of CQ (items 1–4), the cognitive component of CQ (items 5–10), the motivational component of CQ (items 11–15), and the behavioural component of CQ (items 16–20). The examples of the four measurement dimensions are: "I am conscious of the cultural knowledge I use when interacting with different cultural background.", "I know the cultural values and religious beliefs of other cultures.", "I enjoy interacting with people from different cultures" and "I use pause and silence differently to suit different cross-cultural situations".

Cronbach's alpha (correlation) expresses the reliability of individual items for individual items of the measured construct. Cronbach's alpha for all four components is satisfactorily high (0.869 for the MC CQ, 0.828 for the COG CQ, 0.897 for the MOT CQ, 0.864 for the BEH CQ). The high Cronbach's alpha indicates that the data is normally distributed, which is also confirmed by the Kolmogorov-Smirnov test for normal data distribution (KS = 0.200).

The construct of cultural intelligence is evaluated using descriptive statistics techniques. The characteristics of the data collected from the respondents (N = 132) are described and summarized in Table 1.

Table 3. Cultural intelligence (descriptive statistics)

	Mean	Std. Deviation
MC(1-4)	4,94	1,13
COG(5-10)	4,42	0,99
MOT(11-15)	5,09	1,16
BEH(16-20)	4,62	1,11
CQ(TOTAL)	4,74	0,93

Source: own.

To determine if there are statistically significant differences among all four CQ subdimensions (Mesiti, 2011) 2003, Repeated–Measures Analysis of Variance (RM) was conducted. Bonferroni correction, which is used to test multiple hypotheses in order to reduce the likelihood of the Type I error, was also conducted in this study to investigate the mean differences between the particular CQ components. The Mauchly's test of Sphericity showed that the variance of the differences between all groups (i.e. all four CQ subdimensions) is equal, i.e. the null hypothesis could not be rejected, $\chi^2(5) = 9.331$, $p(= 0.097) > .05$, which means that the assumption of sphericity has not been violated. In this case, the tests of within-subjects effects have demonstrated that the differences in the values between the CQ components, i.e. metacognitive ($M = 4.94$, $SD = 1.13$), cognitive ($M = 4.42$, $SD = 0.99$), motivational ($M = 5.09$, $SD = 1.16$) and behavioural ($M = 5.09$, $SD = 1.11$) are statistically significant and not the same (zero hypothesis was rejected), $F(3.393) = 27.451$, $p = 0.000$.

The level of language proficiency, i.e. involved in four aspects of language skills: listening, speaking, reading and writing, was a kind of self–reporting questionnaire adapted from Kuchař & Buriánek (cf. Průcha 2010). Respondents were asked to rate their language skills on the scale ranging from 1 to 4. The 'fluent' or 'excellent' level (coded by 1) concerns the proficiency in all four aspects of language skills not only in general topics, but also in professional ones. The level of 'good' or 'above average' (coded by 2) differs

from the level 1; the user no longer has a good orientation in the professional terminology, but he is able to read, understand and talk on general topics. The 'average' level (coded by the number 3) expresses all above-mentioned abilities in the everyday communication (such as shopping) at the basic level. The 'beginner' level (coded by the number 4) means that the user is only able to read inscriptions, count up to ten, introduce himself and ask for directions. For example, the respondents were asked to self-evaluate their foreign (non-native) language level as "fluent" if they can understand, write, and speak without a problem on most topics, even specific ones, or as "good" if they can understand, read, write, and speak only about the most common and basic daily situations (i.e., how to ask about arrivals/departures).

This questionnaire is a revised version of the CEFR (Division, 2001, p. 24). The number 1 corresponds to a very advanced knowledge of the language (level C2 – C1), the number 2 corresponds to the level of the 'independent user' (B2 – B1), the number 3 and 4 corresponds to the 'user – beginner' (A2 and A1 respectively).

For the purpose of the statistical data processing, each self-assessment level of the language competence was weighted: 8 points were assigned to the level 1 (fluent), 6 points were assigned to the level 2 (good), 4 points were assigned to the level 2 (weak) and 2 points were assigned to the level 1 (very little). This procedure is taking into account not only the number of languages one knows, but also the level of these languages. Through this procedure we can calculate the total language competence as a sum of all languages the respondent has declared to know on a certain level.

In this study, the questionnaire was composed of three parts: Section I, determining the level of language proficiency, Section II, measuring cultural intelligence and Section III: asking for general information (gender, mother tongue of respondents). The questionnaire was created in the Google Forms and distributed to the university students in two languages: the bachelor respondents studying in the English study program completed the online questionnaire in English (104 respondents), the bachelor students studying in

the Czech study program completed the questionnaire in the Czech language (41 respondents). As part of the procedural remedies against the threat of common method bias the respondents were assured of the confidentiality of their responses and that no answers were right or wrong and encouraged to respond objectively. The data were processed using the statistical program IBM SPSS Statistics 21.

Respondents

The hypothesized relationships are studied on the sample of the students of one private business university in the Czech Republic, which might be a certain limitation to the generalizability; nevertheless, the convenience samples of college students are used quite often (Afsar et al., 2019). Furthermore, the language skills are typically determined earlier than one starts to work in an organization, therefore, the findings of this study (using the sample of college students) can be transferred to the organizational environment in which the students of the business college will start to work sooner or later.

After removing missing or otherwise defective answers, 132 of them were analysed: 52 men (39.4%), 80 women (60.6%). 24 respondents had been studying at the university for one year, 90 of all of them for two years, 13 students for three years, 2 students for four years and one for five years. The questionnaire was also completed by 3 students who had been studying at the university for one semester within the Erasmus exchange study program. 29 students do not currently use their mother tongue in everyday communication (written, spoken, read), but only 10 of them stated that they had no long-term foreign experience. The data provided by the respondents showed that 27 languages were spoken at the university. 63 students can prove the language proficiency with a certificate; 23 of them (most) reported having passed the English exam at B2 level according to the CEFR (Common European Framework of Reference for Language), i.e. at the intermediate level.

Results

Spearman correlation was performed to test the first and second hypothesis. Our data showed that the statistically significant relationship existed only between the motivational CQ and the number of languages the respondent knows at any level (H1), $r = + 0.220$, $n = 90$, $p < 0.05$, two - tailed. In accordance with the generally accepted recommendation for the interpretation of the strength of the correlation (Cohen, 1988), this relationship is weak. The coefficient of determination $r^2 = 0.0484$, which means that only 4.84% of the variance in the measurement of language proficiency is accounted for by the motivational CQ.

However, if we focus only on the level of the best foreign (non-native) language (H2), the results are quite different. In this case, the language proficiency (or the level of the respondent's knowledge) is clearly related to the overall CQ, i.e. to all its components (metacognitive, cognitive, motivational and behavioural), $r = + 0.366$ (or for the CQ subfactors $+ 0.363$, $+ 0.339$, $+ 0.356$, $+ 0.204$), $n = 132$, $p < 0.05$ for behavioural component CQ, otherwise $p < 0.01$, two-tailed test.

The Chi-square test for independence (H3) showed that there was no relationship in the sample of respondents between gender and the number of foreign languages (2 or more) that the students declared they knew. In other words, the frequency of declared foreign language proficiency (2 and more languages) does not differ for men and women, $\chi^2 = (2, n = 50) = 1.126$, $p = 0.570 > 0.05$. If we assume the relationship between CQ and the number of languages, then based on the results of Chi-Square test we can deduce that we find (or not to find) a difference in average CQ values depending on gender. The one-factor ANOVA test confirmed the assumption that there are no statistically significant differences in the overall CQ independent of gender, $F(1,130) = 2,425$, $p > 0.05$.

Discussion

Our analysis suggests that for the development of the intercultural skills, it is worthwhile to study one language more deeply and to attempt to master it at a higher level than to shatter attention and energy to learn more languages (Wang et al., 2017). Unlike other studies (Marcum, 2017; Rachmawaty et al., 2018)2018 showing that the relationship between the CQ subfactors and the level of language proficiency is not significant, our data supported the conclusion that the motivational component of CQ had some (but rather weak and not casual) influence on the language mastering development. Thus, these results are partly in line with the findings of Khodadady & Ghahari (2012), whose study confirmed a statistically significant relationship between the cognitive, resp. motivational component of CQ and the language advancement among the Iranian college students learning English as a foreign language.

Of course, the satisfaction in the personal life is related to the work efficiency. A person, who is not forced to solve some (serious) personal problems, has more energy and drive to perform his work tasks better, which can be reflected in his work performance and commitment. If the lingua franca of the organization and the national language commonly used in the country are different, an employee with the perfect lingua franca knowledge can be even more successful at work if he feels comfortable in the culturally new environment, for example by creating some network of friends and he succeeds in socializing himself in a culturally new environment thanks to some knowledge of the local language. As it can be seen, it is certainly desirable for the employees to know the language of the country to which they were assigned by their organization, not only the lingua franca, although perfectly mastered. Therefore, the company recruiters should select for the foreign assignment the employees who already know the language of the country in which they are sent out or to choose those employees who score high in the CQ measurement. These candidates are likely to succeed in their new foreign destination because they are able to cooperate with foreigners or they can

adopt easily, and secondly, they are probably motivated to learn new cultural things and issues. Although the language skills are an indirect indicator of high CQ, it can be recommended to complement the recruitment process with a CQ measurement which can provide supplementary information if a candidate is suitable or not for the foreign assignment.

The authors are aware of a number of limitations or shortcomings that might distort the conclusions and results presented in this study. First, the results can be biased due to the self-reporting survey method; the common method bias can be a problem and it is necessary to deal with it by, for example, implementing some social desirability items into the questionnaire. When assessing the foreign language, it is more accurate to use international tests such as TOEFL. Secondly, our sample size was not large enough so that the results could be generalized to the whole population as the G * power test showed (due to the fact of incomplete or otherwise erroneous answers as well). Although a frequent problem in many researches is the use of the so-called conventional sample which results in the worsened generalizability and applicability (in terms of validity) also to the population itself (Afsar et al., 2019), therefore, it is more than desirable (Peterson & Merunka, 2014) to carry out the further research on the non-conventional samples of university students and in areas which are more spread geographically. In the future, researches could address the issue of the relationship between cultural intelligence and bilingualism, which, to the best of our knowledge, has not been examined yet.

Conclusion

Our study brings some new insights into the relationship between the capability to function effectively in a culturally new environment and foreign language skills. This question has been examined relatively little and mainly in a non-European (Czech) context. Our analysis of the sample of 132 undergraduates studying mainly in the English program and coming from different

countries of the world have shown that CQ depends on the quality (the level of proficiency) rather than the quantity (the number) of foreign language skills. Our data confirmed that there was a positive relationship between the level of knowledge of the best foreign (non-native) language and CQ. On the contrary, on the basis of our data the relationship between language skills and gender has not been found.

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The Study of Nostalgia-Oriented Strategy Aimed at Millennials on The Example of The Lego Group

ABSTRACT

Objective: The purpose of this paper was to examine the effect that nostalgia-oriented strategy has on the Millennials' perception of the LEGO brand.

Methodology: The methodology was based on past research in the field and used a modified version of a questionnaire developed by Pascal et al. (2002).

Findings: The research was conducted among 203 young respondents in the second quarter of 2019. During the realization of research, the indirect method of gathering information, using a survey technique was applied. The survey was conducted with the application of the techniques of electronic survey. The research methodology was based on past research in the field and a modified version of a questionnaire developed by Pascal et al. (2002) was used.

Value Added: This paper is the first to have found that companies operating in the toy industry are using nostalgia with aim of sustaining the brand loyalty.

Recommendations: The toy industry has become pretty much an unfair place to do business these days, as the biggest toymakers are involved in a fierce fight for the next generations of kids enamoured with the latest high-tech wonders. This paper demonstrates how LEGO®'s efforts reaped dividends as they have begun to address Millennials. It can be said, then, that the future of marketing in the following months would involve nostalgia as a major tool accelerating all the strategic endeavours in this clash of brands as the trend described hereinafter does not seem to slow down.

Key words: LEGO, Nostalgia, Brand Management, Toys, Millennials

JEL codes: M31, M37

Introduction

Marketing a brand is a daunting task in the realms of the 21st century's capitalism. An average customer is literally flooded with advertising material of all kinds. The challenge now is to deliver a message that will make one's company stand out from the crowd. And when they believed they can go no further; the advertisers have found a new approach – selling nostalgia.

Advertisers owe a great deal to Walter Benjamin's breakthrough writings demonstrating that "new ideas often come wrapped in old packaging" (Brown et al., 2003). In his perhaps most prominent and unfinished work "Arcades Project", Benjamin draws on four elements that are full of references to contemporary marketing. Together they represent the so-called "4As" which can help managers determine whether a company may be able to evoke nostalgic feelings (Brown et al., 2003). Since the marketers have

acknowledged that when they reconsider Aaker's brand equity model in the light of the aforementioned theories, nostalgia can serve as a powerful tool affecting the way a brand is perceived, thereby making it even more appealing to customers (Grębosz-Krawczyk & Pointet, 2018) – at least on the paper.

What we know about the use of nostalgia in marketing is largely based upon empirical studies from the 1990s that investigated how the attitudes about the past may affect a consumer behaviour (e.g. Belk, 1988; Stern, 1992; Holbrook, 1993). For example, exposure to nostalgic imagery in magazines has been shown to be related to the perception of a brand image (Havlena & Holak, 1996). Burger & Kapelanianis (1997) reported that when used as stimuli in advertising, nostalgia can cause positive emotions towards such an advertisement. More recent research such as that conducted by Pascal et al. (2002) found that ad-evoked feelings generate more favourable perception of both the advertisement and the advertised brand. These and other studies in the field have been large enough to provide reliable estimates that consumers can filter out all the negative associations surrounding a particular brand when are exposed to maudlin memories (Rousseau & Venter, 2000).

Although the literature recognized the influence of nostalgia on consumer behaviour, research has yet to systematically investigate how a company may benefit from adopting such a strategy (Pascal et al., 2002). Are nostalgic companies generating more profits than non-nostalgic ones? It might be suggested that all of what has been thus said on the subject is mere a theoretical foundation without studying the actual examples from the world. Therefore, investigating nostalgia-oriented strategies in branding is a continuing concern within the field.

There is nowhere where the advertising industry's latest preoccupation with nostalgia is so evident as in the toy industry. However, the thrust of advertising in this field is no longer towards the traditional toys. Advertisers acknowledge that with the immense development of the technology and virtual entertainment, children are no longer interested in toys – at least not to such extent as the previous generations were. Millennials in this regard

are said to be the last generation that remembers the times of childhood unspoiled with computers and smartphones. Contrary to the Gen Z kids, they would do without the inauthentic digitalized world. Millennials on the other hand prefer tangible objects and real experience; they desire authenticity. Particularly it was Benjamin who wrote about "Aura" as the essence of brand – a powerful sense of "authenticity" (Brown et al., 2003). With this in mind, advertisers have come to realise that if Millennials can successfully buy a nostalgic toy, referring to the sweet times of their own childhood, then they can also influence their own children's choices, so that the children are again being targeted, but backwards.

No previous study has investigated the emergence of nostalgia in the toy industry, and yet there is an aberration – a Danish toy company that has attempted to apply such strategy. It is LEGO®, a company which had been on the verge of bankruptcy, that is now being conceded as the most powerful brand operating in the global toy market. In less than a decade, the company has managed to quadruple its financial results like never before (Robertson, 2013). After spending years pursuing a new innovative solution, LEGO®, righted its course; aided by a new management team and the basic strength of its legacy. Namely, the majority of its revenue still comes from the revived classic lines such as "LEGO® City". Hence, it could conceivably be hypothesised that it must have been the encapsulation of nostalgia that has led to this marvellous moment of triumph. All too often one may see a wave of new sets on the store shelves featuring attractive, yet somewhat familiar design of the older ones (Lubiński, 2019).

The present research explores, for the first time, the effect of adopting a nostalgia-oriented strategy aimed at Millennials on the example of the LEGO Group. The study was based on previous research on the field and used a modified version of a questionnaire developed by Pascal et al. (2002). However, the author recognized that some statements in the Pascal's scale would have confused the participants as they sounded alike. Therefore, he has chosen only three that were the most significant to the research. The

reader should also bear in mind that the study is based on the sample of 203 consumers representing the millennial generation, many of whom were Polish. To get more comprehensive insight on this phenomena, additional research involving other nationalities is necessary.

While a variety of definitions of the term “nostalgia” have been suggested in the field of marketing, this paper will use the definition first suggested by Holbrook and Schindler (1991) who saw it as “a preference towards objects that were more common when one was younger”.

Literature Review

Nostalgia – Understanding the notion

The term “nostalgia”, in a form we know from dictionaries, was coined by Hofer in 1688 (Hepper et al., 2012). Given the roots of Greek words *nostos* and *algos*, nostalgia was meant to describe an innate pain caused by passionate longing for a homeland (Anspach, 1934). However, none of these words conveyed much from its etymological ancestor, apart from emphasizing the act of reminiscing a vernacular place. *Nostimon*, as portrayed by Homer, had by no means been associated with sorrow and suffering. It had encapsulated an extraordinary human ability to draw strength and motivation from feelings surrounding the closest ones (Hepper et al., 2012). Particularly, this theme was well depicted in “The Odyssey” in which the protagonist evokes indelible memories of his beloved wife Penelope and the home island of Ithaca. He longs for “nostimon emar” – the day of return from his ten-years voyage. Linguistically speaking, it is undeniable that the concept of nostalgia is ambiguous as it provides incoherent definitions surrounding two opposite feelings (Higson, 2014). Unfortunately, many inept researchers do not pay attention to these tiny details as they usually confuse Hofer’s *nostalgos* with Homer’s *nostimon*. It could be the reason why nostalgia through history has gained as many supporters as opponents (Brown, 2018).

And some things that should not have been forgotten were lost. The poetic heritage of nostalgia imploded as a student of medicine, Johannes Hofer, threw caution to the wind with his medical explanation (Turner, 1987). *Nostalgos* was considered to be a sickness of the mind, or more specifically “a homesickness” (Boym, 2001). Though his dissertation lacked novelty values, as it had already been of common knowledge that exiles were susceptible to utter confusion in alien environment, it has leapt from hunch delivering a fully formed psychological phenomenon (Starobinski, 1966).

Perhaps it was the timespan that worked to his advantage. Baroque, which dates back to the 17th century, was a period particularly turbulent as Europe has seen several pre-romantic liberating movements (e.g. Catalonia 1640, Vienna 1683). Many soldiers were taken away from their homes with no idea of the unimaginable horrors they were letting themselves in for. Hofer, in this regard, was interested in obtaining concrete symptoms of homesickness. He conducted a clinical trial on Swiss army men who had become mercenaries. The most interesting finding was that longing for home deflated the human soul manifesting signs of aversion and retaliation (e.g. Starobinski, 1966; Turner, 1987; Boym, 2001). Had it not been for the fact that Hofer placed too much reliance on probing battle-scarred minds of the ex-soldiers, the researchers would have not felt discouraged from further investigations of nostalgia. And for the next three hundred years, the notion passed out of knowledge (Hepper et al., 2012).

But it was not until the 1970s when nostalgia has made its precipitated comeback. Confronted with economic downturns that had occurred in previous decades (e.g. 1907, 1929), millions of skilled labourers have been either made redundant or lost the means to live as hundreds of banks had collapsed. Those who had believed they would have made money through the margin loans, have been taken for a ride (Bierman, Jr, 2013). It was inevitable, therefore, that these disappointed people, who were imposed to adapt to humble life, would reminisce the sweet times of innocence and stability (Brown et al., 2003). Following Zwingmann (1959), the nostalgic wave of the

70s, seen as yearning for "the good old days", was an inner resistance to impending changes (Davis, 1977). This marked shift in perception of nostalgia formed the basis of a ground-breaking book by Fred Davis (1979). Davis' argument here is that taking a walk down memory lane is evident during unstable economic periods. As the people's conservative (hereby meaning "established") sense of identity is being violated by social affronts, nostalgia offers a preservation of one's world order (Davis, 1977; 1979).

So, who has got it right, Hofer or the Davis? It is interesting to note that Hofer's definition of nostalgia has by no means vanished, since there is a tiny detail of the notion that has remained intact. This is the past; desirable in itself (Davis, 1977). In other words, today's "longing for homeland" may be reinterpreted as a throwback to an idealised, almost utopian, version of one's past (e.g. Davis, 1979; Stern, 1992; Higson, 2014). An act of imaginative escape from the unsatisfactory present, yet one in which the projected past correlates with the present (e.g. Davis, 1979; Boym, 2001; Higson, 2014). In these circumstances, it is perhaps not surprising that nostimon no longer refers to "homecoming" in modern Greek. Today, it is used to describe something pleasurable (Matei, 2017).

Nostalgia in Brand Management

The major role of advertising in marketing has been to communicate a message concerning a product or service to potential consumers. However, with a mature economy and, consequently, high levels of competitive intensity in most merchandise areas, advertisers are forced to deliver messages that must stand out from the crowd in the postmodern marketplace (Reisenwitz et al., 2004). At the same time, they need to grab a customer's attention. Aggressive advertising is a problem that has grown worse in recent years and will probably continue to grow (Brown, 2018). It is no surprise then that one of the successful techniques to cast a spell on a consumer is nostalgia. There is an increasing number of companies that are using nostalgia to po-

sition their products in the marketplace in order to differentiate themselves from the competitors, thereby creating emotional attachment to brands and influencing preferences for brands by connecting people to previous experiences (e.g. Stern, 1992; Kessous & Roux, 2008).

In modern terms, product managers are banking on nostalgia to rejuvenate products, but they may also succeed in the introduction of the new products (Reisenwitz et al., 2004). Recent research has reported that for a nostalgic brand a tension between past and present and even the future also defines brand meanings (Brown et al., 2003). That is, recreated old products seem different than they had been to address a core paradox at the heart of brand management. However, the basic rule for launching the nostalgic brand is a strong brand heritage. For a company to revive a product it is necessary to remain true to its developed brand values and achievements of the past. In order to succeed, the cultural element evoking maudlin memories should be included to the top quality and innovative solutions. Therefore, a conclusion may be drawn that brand's positioning should be based on its founding legacy and identity (Grębosz-Krawczyk & Pointet, 2018).

A question has been raised which certain types of products are likely to be intertwined with nostalgia advertising effects thereby increasing the effectiveness of marketing communication. Although some significant contributions have been made to the current literature addressing this problem, none of them has managed to hint a satisfactory answer (Reisenwitz et al., 2004).

The empirical findings in Kessous' & Reoux's qualitative research (2004) have attempted to find a scientific understanding of consumers' proneness to nostalgic brands. Their objective thereof was to identify the invariants of nostalgic meanings that structure the general reception of the brand. It is interesting to note that the obtained results have structured four moments that might trigger nostalgic feelings:

- 1) Everyday past;
- 2) Tradition;
- 3) Uniqueness;

4) Transition.

It is believed that the interest for a company is to associate its brand or product with one or more of the following nostalgic moments. This appears to establish four possible marketing strategies rooted in nostalgic connections, thus creating a genuine attachment to a product and/or a brand.

The current state of knowledge shows that nostalgia might be a difficult reaction for marketing specialists to guess. For instance, the inextricable combination of positive and negative feelings means that the profound influence of a nostalgia episode may be unclear (Lambert-Pandraud & Laurent, 2010). Whereas the feelings of tenderness and elation may encourage positive attitudes towards a message and a product, the sense of loss may encourage unfavourable evaluations due to adverse associations and negative mood effects.

Hypotheses

Hypotheses were formed hereunder amid the effect that nostalgia-oriented strategy is believed to have on the Millennials' perception of the LEGO® brand. Considering the fact this is the first study in the field to address the use of nostalgia in the toy industry, additional investigations of the subject will be indispensable.

Because the notion of nostalgia has been reconceptualised from a disease of the mind (Hofer) into some sort of "homesickness" (Jameson), yet one in which an individual is longing for sometimes an idealised past time period that once was (or not), the nostalgic experience has, therefore, been acknowledged as a source of "enormous pleasure" (Brown, 2018). Accordingly, LEGO® had restructured its entire management board and has adopted a completely new strategy, referred to as "the backward innovation" (Robertson, 2013). Since Jørgen Knudstorp has reigned the Danish company, it is becoming evident that throughout the years consumers have experienced a massive awash of revived versions of their beloved, most desired brick sets (Lubiński, 2019). It is possible, therefore, that:

- H₁: "LEGO BRICKS HELP EVOKE PLEASANT MEMORIES".

Age has been thus far disputable to be regarded as a determinant influencing consumer's propensity towards nostalgia. The previous study such as that conducted by Holak & Havlena (1992) hypothesised that those are the older people (hereby meaning "Baby Boomers" and "Generation X") that are reminiscing the past more often than the younger ones, and can be hence targeted by the advertisers. But if this is the case, then why recent articles as the one featured in "Forbes" (Friedman, 2016) puts an argument on "why Millennials are the most nostalgic generation"? Moreover, the author of this article has further observed the 2015 boom of nostalgia-based products, revivals and recreations is targeted largely to Millennials. As stated in the introduction, if the Millennials can successfully buy a nostalgic toy, referring to the sweet times of their own childhood, then they can also influence their own children's choices, so that the children are again being targeted, hence:

- H₂: "LEGO® IS A BRAND IN WHICH MILLENNIALS EXPRESS NOSTALGIC FEELINGS".

As a brand, LEGO® represents a timeless adventure for children showing them how the ordinary becomes extraordinary. In certain respects, for many LEGO® consumers, the sense of nostalgia they derive from the brand also derives from the personal attachment to the brand since childhood. It could be hypothesised that finding an old box with the familiar interlocking bricks in the attic may bring back pleasant memories from the past immediately. As Brown et al. (2003) have already suggested, it is as if the brand has some unnatural abilities to distort the reality, thereby, taking consumers back in time. It is possible, therefore, that...

- H₃: "LEGO® EVOKES MEMORIES OF THE YEARS GONE".

In recent years, a few authors have begun to notice a relationship between nostalgia and a burning desire to possess. Preliminary work on "the fire of desire" was undertaken by Russel Belk (2003). He defines desire as the motivating force behind contemporary consumption. Accordingly, consumers see their desire as a passionate emotion differing much from simple

fulfilling the wants and needs. I have noted that multiple revivals and recreations of the once-popular LEGO® sets is not just a matter of coincidence. If there was a particular set one wanted so badly yet he has never owned it, he would eventually buy it in the event of its possible revival to fulfil an inner child's desire. Hence, it could conceivably be hypothesized that:

- H_4 : "AN UNFULFILLED DESIRE IN CHILDHOOD INFLUENCES CONSUMER TO BUY A REVIVED OR RECREATED LEGO® SET".

Research Methodology

Overview

This study represents a conceptual replication of Pascal et. al (2002), determining whether nostalgia affects the way consumers perceive a brand. Unlike the original study, which used a ten-item nostalgia scale, the present study will feature only three items that were the most significant to the research. The author recognized that some statements in the Pascal's scale would have confused the participants as they sounded alike in Polish language. A survey instrument was utilized in this study, because it could be distributed across a broad sample and be self-administered.

The study involved a total number of two hundred and three individuals (143 males and 60 females). Males (70% of the sample) were agreeably disposed to accept the invitation to participate in the research when told that it addresses LEGO bricks. The sample was obtained from an online survey created with "Google Forms", and the study was conducted via the Internet in a period from May until the beginning of June 2019. Due to the fact that an average length of an education program in Poland is 3 years, the age categories were as follows: 18–21, 22–25, and over 26. By dividing the subjects in such manner, it was possible to obtain a reasonably comprehensive image of the investigated generation. It was the authors' intention to remain



the participants born after the year of 2000 (hereby seen as "Gen Z"). The idea was to see if the nostalgic trend would affect the next generations. Data were analysed using the statistical software SPSS.

Research Results

Hypothesis 1 was expressed in Question number 10 of the survey, based on a five-point agree/disagree Likert scale. The overall response to this question was very positive. As Table 1. shows, an overwhelming majority of the male respondents (119) have agreed that LEGO® bricks indeed help evoke pleasant memories. Further analysis demonstrated that males of the third age bracket in particular hold this view. Out of 75 males aged 26 and older who participated in this study, 63 of them strongly agreed to the statement (at approximately 84%). Similarly, female respondents of exactly the same age group appear to feel the same. For instance, they were the very first generation in Poland to own the Danish bricks. Thus, first LEGO® products entered the Polish market in late 1990s just after the fall of communism. The most striking result to emerge from the data is that none of the respondents between the ages of 18 to 21 have disagreed nor have been undecided. This is rather an interesting outcome. It could be the case that unlike their older colleagues they have been actually growing up together with the already well-known brand, thereby establishing an emotional connection and brand loyalty through the next years to come.

Table 1. Answers frequency report to Q10 “Do you agree that LEGO® bricks help evoke pleasant memories?”

		Female			Male		
		2. Age			2. Age		
		18–21	22–25	26 and older	18-21	22–25	26 and older
		Count	Count	Count	Count	Count	Count
Q10	Strongly agree	6	8	25	40	16	63
	Agree	1	5	8	2	7	9
	Undecided	0	4	1	0	2	1
	Disagree	0	1	1	0	0	2
	Strongly disagree	0	0	0	0	1	0

Source: own elaboration.

Hypothesis 2 was expressed in Question number 13 of the survey, again based on a five-point agree/disagree Likert scale. Respondents were asked to indicate whether they feel LEGO® is a brand to which Millennials express nostalgic feelings. As can be seen from the Table 2., almost two-thirds of the participants aged 26 and older (63%) strongly supported this view. The barrage of the nostalgia-induced products have caused a considerable increase in sales. A significant amount of Star Wars and Jurassic Park fan base must have contributed to these astonishing results. Therefore, one would incline a cast of nostalgic glances while wandering through toy stores and seeing the most awe-inspiring sets in the world (meaning the largest, yet the most expensive LEGO® sets they will probably never have). The participants, both males and females, demonstrated on a whole a positive relationship between nostalgia and The LEGO Group. Only 3 male individuals expressed disagreement with this concept (which constitutes approximately 0,015% of the all respondents).

Table 2. Answers frequency report to Q13 "Would you agree that LEGO® is a brand in which we express nostalgic feelings?"

		Female			Male		
		2. Age			2. Age		
		18–21	22–25	26 and older	18-21	22–25	26 and older
		Count	Count	Count	Count	Count	Count
Q13	Strongly agree	4	5	23	29	14	47
	Agree	2	9	9	12	9	23
	Undecided	1	4	3	0	2	3
	Disagree	0	0	0	0	1	2

Source: own elaboration.

Hypothesis 3 was covered in Question number 18 of the survey, following the suit of the previous ones based on a five-point agree/disagree Likert scale. This section of the questionnaire required respondents to consider whether the products branded under the LEGO® name carry the Elysian vision of longing for an idealized past. It is usually seen as the generations age. An old dusty box containing some first Bionicle cans, or a used model of the A-Wing Fighter ("Star Wars") missing some turrets and parts, would unleash memories of the carefree times of childhood. From the data in Table 3., it is apparent that respondents respectively support my view. No difference greater than for H₁ and H₂ was observed. Only trace amounts of disagreement were detected among females aged 22–25. The single most striking observation to emerge from the data comparison was no significant difference in answers among the males from the first age group, thereby supporting the aforementioned thoughts regarding the overdue presence of the LEGO® brand in Poland.

Table 3. Answers frequency report to Q18 "Would you agree that the LEGO® brand evokes memories of the years gone?"

		Female			Male		
		2. Age			2. Age		
		18–21	22–25	26 and older	18-21	22–25	26 and older
		Count	Count	Count	Count	Count	Count
Q18	Strongly agree	5	7	24	31	14	56
	Agree	2	8	9	9	10	17
	Undecided	0	0	2	2	2	0
	Disagree	0	1	0	0	0	2
	Strongly disagree	0	2	0	0	0	0

Source: own elaboration.

Hypothesis 4 was hinted in questions 6, 7, 8 and 9 based on Dichotomous Questions. The purpose of this investigation was to analyse the relationship between nostalgia and Belk's "the fire of desire" (Belk et al., 2003). With this purpose in mind, the respondents were asked in Question 6 if there is a LEGO set they wanted so badly, yet they have never owned it. It is believed that such desire for an object (here a LEGO® set), once exposed, will anchor in the consumer's mind until it is fulfilled. Therefore, there is every hope to suggest that the concept of "compulsive consumption" is associated with the intense and powerful emotion of nostalgia. The results, as shown in Table 4., indicate that males in general have had such burning desires.

Accordingly, Question 7 of the survey required respondents to specify which set in particular was an object of their desire. Since it was not an obligatory question to answer, the response rate was 59%. The most surprising aspect of the data is in the answers of females. For example, one interviewee wrote that she has always wanted to get "the legendary Millennium Falcon" for a present. Another interviewee mentioned the NASA Space Shuttle from the LEGO® Creator Expert series. Other responses included: LEGO® Harry

Potter’s Chamber of Secrets, LEGO® City’s Police Station or even a Crane! Surprising as it may seem, girls, who participated in the research usually desired sets one would consider as addressed to boys.

Table 4. Answers frequency report to Q6 “Is there a LEGO® set you wanted so badly, yet you have never owned it?”

		Female			Male		
		2. Age			2. Age		
		18–21	22–25	26 and older	18-21	22–25	26 and older
		Count	Count	Count	Count	Count	Count
Q6	Yes	5	4	17	36	18	64
	No	2	14	18	6	8	11

Source: own elaboration.

Table 5. Answers frequency report to Q8 “Supposing that exactly the same set you had wanted is available in the stores once more in a completely new design. Would you consider buying it?”

		Female			Male		
		2. Age			2. Age		
		18–21	22–25	26 and older	18-21	22–25	26 and older
		Count	Count	Count	Count	Count	Count
Q8	Yes	5	8	23	33	17	60
	No	2	9	8	9	9	14

Source: own elaboration.

The idea behind Question 8 was to see how strong this fire of desire is burning in the young hearts of the respondents. LEGO® is usually reviving or recreating the most successful sets in the company’s history. One of countless examples is perhaps the iconic Star Wars’ spaceship “Millennium Falcon” which was re-released 9 times* (*the latest one refers to the con-

cluding instalment in the Disney's trilogy, "The Rise of Skywalker"). Now, the question is would they eventually buy such set if it came out in a completely new design. These results are consistent with those of the previous questions and hence, suggest that 71,21% of the respondents would decide to buy their dreamed set. Such hypothetical question partially deals with an unconscious longing for a material fulfilment. Therefore, the desire becomes so deeply enrooted, so that the respondents provided not only a full product name of the LEGO® set, but also they have specified the full catalogue's ID number (usually five to six digits), albeit they were not asked to write it.

Table 6. Answers frequency report to Q9 "If you have answered "yes", which of the undermentioned impulses would have the biggest influence on your purchase decision?"

		Female			Male		
		2. Age			2. Age		
		18–21	22–25	26 and older	18-21	22–25	26 and older
		Count	Count	Count	Count	Count	Count
Q10	Fulfilling an inner child's desire	3	6	16	23	16	50
	Attractive price	2	2	7	12	3	13

Source: own elaboration.

Finally, the next question (Q9) asked the respondents which of the two impulses would have the biggest influence on the purchase decision declared the question earlier (Q8). Strong evidence of fulfilling an inner child's desire was found in the 74,5% of the whole answers. One more time those who gave such answer in particular were males. Interestingly, there were also differences in the ratios among women. The results of this study show the support for the view indicated by Stern (1992). Females have different stimuli regarding nostalgia. It is not just a matter of a discounted price or fulfilling a desire, hence the results demonstrate a degree hesitation. On the other hand, an

unanticipated finding was found in the male’s responses. Buying a LEGO® set in order to fulfil the childhood’s dream may be considered as the Western trend of so-called “self-gifts”. Such purchases are defined as “special” and sometimes they may involve reckless feelings (spend-thrifting), so that consumers moralize their consumption decisions in order to justify them.

Respondents were also asked to choose 3 values that come to mind when asked about LEGO®. The results, as illustrated hereunder, were supposed to illustrate that the Danish brick maker maintains its traditional brand image, the corporate DNA, based on “Childs Promise” (Robertson, 2013). Thus, the company’s brand mission to inspire and develop the creative builders of tomorrow has remained largely intact. Furthermore, a detailed examination of nostalgia by Kessous & Roux (2008) showed that for a brand to be nostalgic it must trigger four elements: everyday past, tradition, uniqueness and transition.

Table 7. Answers frequency report to Q5 “What values come to mind when asked about LEGO? You may choose up to 3 answers”

		Responses		Percent of Cases
		N	Percent	
	Uniqueness	50	7,6%	24,4%
	Learning	41	6,2%	20,0%
	Tradition	48	7,3%	23,4%
	Imagination	132	20,0%	64,4%
	Childhood	136	20,6%	66,3%
	Play	126	19,1%	61,5%
	Quality	127	19,2%	62,0%

a. Dichotomy group tabulated at value 1.

Source: own elaboration.

In response to Question 5, most of those surveyed indicated that “Childhood” (20,6%), “Imagination” (20%) and “Quality” (19,2%) are the top three values that come to mind when asked about The LEGO Group. Continuing in this vein, childhood represents everyday past, imagination is linked to transition and quality can be associated with both the uniqueness and tradition (which has received only 7,3%).

It can be assumed then, that LEGO® remains true to its brand identity. The company’s legendary values of child’s play and creativity place LEGO® in an unmatched position within the toy industry. It is consistent with Brown’s observations already explained earlier, that the most fascinating thing about the post-modern nostalgia is the desire for authenticity (Brown et al., 2003).

Conclusions

As is common with any research on consumer behaviour, the findings reported hereinabove are subject to certain important limitations and caveats that need to be considered for further investigations. Perhaps the most notable source of weakness of the presented study is that it was based on the sample of 203 consumers purportedly representing the millennial generation, many of which were Polish. To get more comprehensive insight on this phenomena, additional research involving other nationalities and other toy brands is, therefore, as necessary as justifiable.

Because of the method used for indicating consumers’ proneness towards a nostalgic brand (basing on the scale developed by Pascal et al., 2002), the author was limited in the kind of analysis he could make. Furthermore, due to the linguistic ambiguity resulting from the translation of the statements into Polish, for they did sound alike, the author has decided to focus on only the three that were the most significant to the research.

The purpose of this study was to examine the effect that nostalgia-oriented strategy has on the Millennials’ perception of the LEGO brand. Before this study, evidence of nostalgia in the toy industry, albeit “toys” had been

identified as the second most purchased “nostalgic product” (Sierra & McQuitty, 2007), has been omitted.

Some conclusions may be drawn from this study:

- Firstly, LEGO® does help evoke pleasant memories (H1 confirmed). That is, those consumers with a higher propensity to be nostalgic will associate the brand with its own childhood, which is consistent with Holbrook & Schindler’s (1991) definition of nostalgia who saw it as “a time period when one was younger”.
- Secondly, LEGO® is a brand in which millennials express nostalgic feelings (H2 confirmed). That is, when we consider the sample of 203 individuals within these three age categories, altogether depicting an image of the millennial generation, and concede the overall response to the question attached, a conclusion may be drawn that nostalgia-oriented strategy has an overwhelming influence on Millennials. This, in turn, contradicts the general view whereby those were the oldest who inclined feelings associated with past more often than the youngest (e.g. Havlena & Holak, 1991; Stern, 1992).
- Thirdly, LEGO® does evoke memories of the years gone (H3 confirmed). In other words, the sense of nostalgia consumers derive from the brand also derives from the personal attachment to the brand since childhood. The author’s view was that an old dusty box containing some first Bionicle cans, or a used model of the A-Wing Fighter (“Star Wars”) missing some turrets and parts, would unleash memories of the carefree times of childhood (Lubiński, 2019).
- Lastly, LEGO® recreates old sets to target those consumers who could not afford one at some point in the past (H4 confirmed). Given the strengths of recent pop culture (e.g. “Star Wars”, “The Avengers”, “Jurassic Park”) and the contemporary consumerism, advertisers are in the enviable position of being able to literally sell people the past. Because these sets contain elements of old (the idea) and new (the design), they are brand new, old-fashioned offerings.

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The Willingness to Employ Immigrants in Polish Organizations

ABSTRACT

Objective: For a long time Poland has been perceived as a rather homogenous society. However, cultural diversity and differences started to become visible after 1989 and have gained on importance since then. Combined with an increasing shortage of native workforce, the question of immigrants' employment by Polish organisations becomes a burning issue. We have therefore decided to determine whether the fact of employing immigrants or the intention to do so in the foreseeable future affects the perception of foreign workers and the necessity of hiring them

Methodology: For this purpose, we conducted a survey among 263 entrepreneurs from the Opolskie Voivodship.

Findings: The study has demonstrated a very strong, statistically-relevant correlation between the willingness to employ immigrants and the attitude towards an employee's country of origin. Also correlations between other analysed variables have been found statistically relevant

Value Added: The paper is an introduction to a debate on the role of immigrants on the Polish labour-market as it presents the point-of view of employers and their willingness to employ immigrants.

Recommendations: It is recommended for decision-makers to facilitate access of a wider group of immigrants to the Polish labour market, especially since a significant group of employees recognises the upcoming issue of workforce shortages and the necessity to reach for foreign employees in order to stay competitive.

Key words: Cultural diversity, Labour immigration, Foreign workforce, Immigrants

JEL codes: M21, M54, O15

Introduction

For a long time Poland has been perceived as a rather homogenous society. However, cultural diversity and differences started to become visible after 1989 and have gained on importance after Poland joined the European Union, yet according to Włoch (2013), immigration and immigrants are not being perceived as important issues. Although surveys on attitudes point to a relatively positive attitude towards immigrants (CBOS, 2017) as suggested by Klaus and Wencel, most Poles rarely encounter cultural, racial, religious

or national diversity in their everyday life (Klaus & Wencel, 2010). However, this situation is about to change. Socio-demographic processes, such as population ageing, significantly influence the supply of native workforce (Arltova & Langhamrova, 2010) and Poland is shifting from an emigration into an immigration country (Solga & Kubiciel-Lodzińska, 2017).

The lack of native employees is becoming visible not only among blue collar jobs, i.e. the so-called secondary labour market, but also among white collar jobs, i.e. the primary labour market, which demand specialised qualifications and competencies. Therefore, not only external processes enforce a gradual workforce differentiation, but also new trends and strategies within human resources management, such as diversity management processes (Dvorakova & Langhamrova, 2013). In some cases, organisations implementing diversity management deliberately hire foreign workforce in order to further diversify their labour and thus enjoy the benefits diversity management has to offer. The positive consequences of diversity include greater creativity, innovation and flexibility of the work teams. Diverse employees have a variety of points of view and broader information (Jehn et al., 1999; Lau & Murnighan, 1998; Schweiger et al., 1986). Research (D'Souza & Colarelli, 2010) shows that visible characteristics affect teamwork, especially when team members have prejudice against different groups (Dovidio et al., 2002).

In view of the increasing economic immigration and the inflow of foreign workforce, we have attempted to determine whether the fact of employing immigrants or the intention to do so in the foreseeable future determines the perception of foreign workers as well as the perceived necessity of hiring them. We understand the term "immigrant" as all people not born in Poland or not having Polish citizenship and the term "workers" as employees. For this purpose, we conducted surveys among entrepreneurs from the Opolskie Voivodship, which is referred to as migrational (Heffner & Solga, 2013) – characterised by a long tradition of departures (usually foreign ones), with their accompanying social, demographic and economic consequences. The Opolskie Voivodship has become a kind of a 'laboratory' for the study of migration processes, in

particular emigration. For several years now, it has also been the place of research related to the process of foreign immigration, mainly related to the labour market (Kubiciel-Lodzińska, 2017; Solga & Kubiciel-Lodzinska, 2017) or to student mobility (Kubiciel-Lodzinska & Ruszczak, 2016).

The paper is organised as follows. The first and second parts outline the recent developments in the Polish labour market in relation to the progressing differentiation of the workforce and the economic immigration, thus establishing the importance of the topic and the research problem. The third part outlines the research design and methodology. The fourth part presents the research results, followed by the final, fifth part, i.e. the conclusion and discussion section.

Motivation for employing foreign workforce

There can be a number of reasons to explain the demand for foreign workforce and the employers' motivation to employ immigrants. Among the reasons, researchers point to the mismatch between the supply of and demand for labour (Dietz & Kaczmarczyk, 2008; Constant, 2014), labour market segmentation (Piore, 1979; Douglas et al., 2009) and, as result of socio-demographic changes (Van de Kaa, 1999), the services market by increasing the demand for elderly care services. Usually these factors occur in combination, therefore a significant area of migration research is the position of foreign workforce on the domestic labour market and the analysis of the competition between native and foreign workers (Peri, 2016; Foged & Peri, 2016), but also the differences in employing native and foreign workforce in terms of organisational behaviour (Ang et al., 2003).

In terms of workforce supply and demand, researchers emphasise that immigrants are very often hired for works in which the natives are not interested (Hamid et al., 2011). They also pointed out the lower costs of foreign workforce (Hamid et al., 2011), which can create wage gaps between native and migrant employees (Gheasi et al., 2017). These findings however apply

mostly only to low skilled workers who perform the so-called blue-collar jobs, identified with the secondary labour market segment (Doeringer & Piore, 1985). However, very often high-skilled and qualified foreign workforce is employed for white-collar jobs, i.e. the primary labour market, where there are not enough native workers with specific specialised qualifications (Reyneri, 2004). The high skilled workers, who possess special skills and experience, improve an organisation's productivity (Jordaan, 2018). Another group of research analyses the importance of foreign workforce in the increase of workforce diversity and its impact on innovation, creation of new firms or trade (Parrotta et al., 2014; Ottaviano & Peri, 2006; Hunt, 2011). Some studies also analysed a hypothesis stating that migrant workers have a special set of competencies, skills and experience, which can contribute to a company's performance (Markusen & Trofimenko, 2009; Aleksynska & Tritah, 2015), which in turn would be in accordance with the assumptions of diversity management (Mor Barak, 2010).

Despite the growing importance of labour immigration to Poland, research conducted among employers on the demand for immigrant work is rather limited. Moreover, studies in the field of integration, including economic integration, were conducted mainly among immigrants (Górny, 2007; Grzy-mała-Kazłowska, 2008; Bloch & Gozdzia, 2010; Brzozowski & Pędziwiatr, 2014). Gmaj (2005) conducted fifteen in-depth interviews with employers, which were aimed at identifying the reasons for picking immigrants. A study of the demand for immigrant work was also conducted by the Institute of Labour and Social Affairs (IPISS) (Golinowska, 2004). According to the study, the main reason for employing immigrants was his or her specific qualifications, perceived as required for maintaining business on the market (this included managers and skilled workers with special and limited skills). Another reason was the desire to distinguish a company from its competition and win over customers (Chinese or Vietnamese chefs, foreign-language teachers). The third most mentioned reason was the immigrants' knowledge about their domestic market, which would enable the organisation to smoothly enter new

areas (trade professionals who know the country's language and its customs and who already have established business contacts). These findings are in line with the findings presented by Jordaan (2018), Aleksynska & Tritah (2015) and Markusen & Trofimenko (2009). The demand for immigrant work was also one of the elements of another project conducted by the IPiSS. Respondents were asked, among other things, about the issue of employing immigrants in order to fill vacancies. Among the indicated reasons for hiring immigrants were lower wage expectations and a greater willingness to work, combined with the lack of willingness of Polish labour to work. Despite the low number of immigrants actually working in the analysed organisations, the firms' willingness to employ an immigrant was high (Kukulak-Dolata & Sobocka-Szczapa, 2013). In addition, the Centre of Migration Research conducted research on the demand for foreign workforce among Polish organisations (Grabowska-Lusińska & Żylicz, 2008). However, the results demonstrated a very low demand for foreign workforce, i.e. not exceeding 1 percent.

From homogeneity to heterogeneity in Poland

In order to understand the importance of the analysed issue, especially in the Polish context, it is necessary to underline that Poland is a relatively homogeneous society and the current influx of economic immigrants can be treated as the first, more significant diversification of society since 1945. According to the last Census from 2011, 97% people declared Polish nationality, 2.2% declared Silesian nationality, 0.6% – Kashubian nationality and 0.4 – German nationality (respondents were allowed to name more than one nationality). In regards to religion, 95.95% declared belonging to the Roman Catholic denomination, 0.44% – to the Orthodox Church and 0.39% to the Confession of Jehovah's Witnesses (GUS, 2014).

Due to the freedom of movement of workers within the European Union, the European Economic Area and Switzerland official statistics regarding the number of economic immigrants from those countries have to be treated

with great caution. Furthermore, surveys on attitudes point to fairly positive attitudes towards citizens from West European countries. Also, due to the increasing number of East European and Asian immigrants, the issue of economic immigration from those regions is far more interesting.

As of 1 January 2018, the rules on immigrant employment were amended. In order to enter the Polish labour market, citizens of the so-called third countries must have a document allowing them to enter the Polish labour market, i.e. a work permit, seasonal work permit (new instrument introduced in 2018, therefore not yet present in the statistics), employer declaration on entrusting a job to an immigrant, or temporary residence and work permit. As presented in Table 1, a vast majority (81.72%) of work permits issued in 2017 concerned Ukrainian citizens. The second biggest group for which work permits were issued were Belarusians.

Table 1. Number of work permits issued in 2017 by country of origin

Country of origin	Number of work permits issued (absolute value)	Percentage
Ukraine	192,547	81.72
Belarus	10,518	4.46
Nepal	7,075	3.00
India	3,938	1.67
Moldavia	3,792	1.61

Source: own research, based on data provided by the MPiPS (2017).

An even more unambiguous situation emerges when taking into consideration the number of issued employer declarations of entrusting a job to an immigrant, which is been presented in Table 2, where almost 94% of all declarations were issued to Ukrainians.

Table 2. Number of issued employer declarations of entrusting a job to an immigrant in 2017 by country of origin

Country of origin	Number of issued declarations (absolute value)	Percentage
Ukraine	1,714,891	93.99
Belarus	58,046	3.18
Moldavia	31,465	1.72
Georgia	11,126	0.61
Russia	6,150	0.34
Armenia	2,786	0.15

Source: own research, based on data provided by the MPiPS (2017).

In view of the above, it can be stated that the research problem of whether immigrant employment or the intention to do so in the foreseeable future affects the perception of foreign workers and the perceived necessity to hire them is limited in an implicit extent to Ukrainians.

As already indicated, surveys point to a relatively positive attitude towards immigrants. In 2017, the most popular nations were Czechs (59% declared), Slovaks and Italians (57%), followed by Americans and Hungarians (54%) (CBOS, 2017). In general, Poles like Western nations more (Włoch, 2013). The list of most unpopular nations in Poland in 2017 includes Arabs (59% antipathy declared), Roma (50%) and Turks (42%). The exact distribution of attitudes towards nationals which most often apply for work permits and for which employers issue a declaration of employment are presented in Table 3. Unfortunately, CBOS does not collect data on all of the above-mentioned nations.

Table 3. Distribution of positive attitude towards selected nations (2017) (%)

Nations	Sympathy	Indifference	Reluctance	Hard to say	Average*
Ukrainians	36	26	32	6	0,05
Belarusians	37	28	23	12	0,33
Russians	31	25	42	10	-0,23

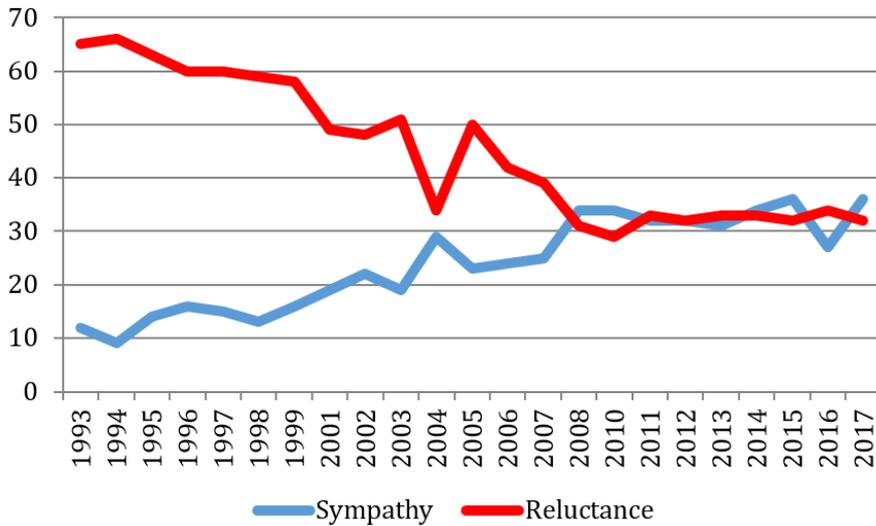
Note: * The average was calculated on a scale from -3 (max. reluctance) to 3 (max. positive attitude)

Source: CBOS (2017).

As emphasised, the attitudes towards Ukrainians are highly polarised and the respondents declared positive attitude only slightly more often than antipathy (CBOS, 2017).

It is important to note that the attitudes towards immigrants change over time. This may result from the fact that when people start to interact with each other and their knowledge increases the stereotypes lose on strength (Bilewicz, 2006) and the positive image of the particular nation may improve. The change of the declared positive attitude towards Ukrainians is presented in Figure 1.

Figure 1. Change of declared positive attitude and reluctance toward Ukrainians from 1993 to 2017



Source: own research based on CBOS (2017).

Especially in recent years the number of issued work permits and employer declarations of intention to entrust work to a Ukrainian has rapidly grown, which may have influenced the change in attitudes towards Ukrainians. However, as already mentioned, the attitudes are highly polarised as the positive attitude and reluctance are on a similar level in recent years.

The attitude towards immigrants depends on many factors, which include, among others, the size of the immigrant population (Semyonov, Rajiman, & Gorodzeisky, 2006), the country’s political climate (Semyonov, Rajiman, & Gorodzeisky, 2008) or the media coverage of immigration-related news (Schlueter & Davidov, 2013). Studies also suggest that contact with immigrants can mitigate negative prejudice (Semyonov & Glikman, 2009).

Due to the change in the number of economic immigrants in recent years, especially from Ukraine, as well as the change in attitudes towards them, we decided to analyse how the intent to employ an immigrant (the independent variable) affects the employers’ attitudes towards an employee’s country of

origin. International research has emphasised the role of economic self-interest in explaining anti-immigration attitudes (Fetzer, 2000). However, most studies focused on how the presence of immigrants on the labour market shapes attitudes towards immigration (Dustmann & Preston, 2007). Nonetheless, in some research, focusing on theories of economic self-interest, researchers analysed whether people's material self-interest influences their attitudes towards immigration (Hayes & Dowds, 2006). Some researchers even suggest that the economic interest may be the main reason for the opposition to immigration in Europe and Israel (Rajiman, Semyonov, & Schmidt, 2003) as well the United States (Espenshade & Hempstead, 1996). As determined by Hayes & Dowds (2006), also in the United Kingdom people with higher economic status expressed generally more pro-immigrant attitudes. As determined by Turner & Cross (2015) in a Europe-wide analysis, the economic factor is the most important one, when explaining shifts in attitudes towards immigration. Assuming that organisations willing to employ immigrants do it due to their expected profit (economic self-interest) we adopted the following hypothesis:

H1: *The intention to employ an immigrant affects the attitude towards an employee's country of origin.*

Furthermore, we decided to specify the hypothesis by adding additional hypothesis. Thus we decided to analyse whether the intention to employ an immigrant (the independent variable) affects the employers' perception of the immigrant in comparison to native workers. In relation to this issue, we adopted the following hypothesis:

H2: *The intention to employ an immigrant affects the employers' perception of the immigrant in comparison to indigenous workers.*

Furthermore, we decided to analyse whether the current intention to employ an immigrant (the independent variable) affects the perception of problems with recruiting native workers with the required qualifications as a reason for limiting the company's development opportunities, which could lead them to employing an immigrant. We adopted the following hypothesis:

H3: *The intention to employ an immigrant affects the employers' perception of problems with recruiting native workers with the required qualifications as a reason for limiting the company's development opportunities, which could lead them employ an immigrant.*

Finally, we decided to analyse whether this issue affects the general recognition of the necessity of reaching for foreign employees in the coming years. In relation to this issue, we adopted the following hypothesis:

H4: *The intention to employ an immigrant affects the employers' general recognition of the necessity of reaching for foreign employees in the coming years.*

This hypothesis is relevant, as the research points to the tendency that the predicted immigration affects attitudes towards immigrants (Christensen, Arnesen, & Midtbo, 2019).

Research design and methodology

This paper discusses the results of the survey conducted among 263 entrepreneurs from the Opolskie Voivodship. As already indicated, the choice of the Opolskie Voivodship was purposeful as it has become a kind of a 'laboratory' for the study of migration processes. The analysis is based on 263 structured questionnaires with employers selected from the members of the Opole Chamber of Commerce, Klub 150, participants of the international research project pursued by the Opole University of Technology and the University of Opole, as well as those featured in the database of the Opole Voivodship Office as entities that obtained work permits for immigrants. Respondents were contacted in several ways. First, a CAWI (Computer-Assisted Web Interview) research has been conducted. However, the response rate was very low and less than 5 per cent of the group participated in the CAWI survey. Therefore, contacting respondents by e-mail was found to be ineffective. The second method used in the study was PAPI (Paper & Pen Personal Interview). It is worth noting that not all enterprises agreed to participate in the PAPI study. On average, about one third of all participants refused to talk to the interviewer in

order to complete the questionnaire. This shows that studies in the business community constitute a challenge. Finally, 263 employers were included in the study – managers, firm owners, directors or supervisors responsible for the human resources management policy in the particular organisation. The organisations represented a variety of sectors: construction (26.6%), services (25%), metal industry (11.8%), food industry (10.7%), furniture industry, transportation and logistics (4.9%), wood and paper industry (4.7%), agriculture (3.8%), medical services and rehabilitation (2.7%), chemical industry (1.9%), fuel and energy industry and tourism (1.5%). In accordance with the dual labour market theory (Piore, 1979), 19% of the interviewed organisations employed immigrants in the so-called white-collar jobs, representing the primary labour market segment and 81% organisations employed immigrants in the blue-collar jobs, representing the secondary labour market. Among the 263 interviewed organisations, 42.97% were micro-enterprises (excluding the so called one-person-businesses), 33.46% were small enterprises, 17.11% were medium enterprises and 6.46% were large enterprises.

We developed the questionnaire based on an analysis of the existing literature. However, the questions included in the research tool were results of an operationalisation conducted for the purpose of this research. Due to the fact that the questionnaire was built using the nominal and ordinal scale, for most of the questions the quantitative nature of the presented answer choices imposed the choice of tools for the analysis of quantitative variables. We thus chose the V Cramer contingency measure.

Firstly, the respondents were asked whether they employ or are willing to employ an immigrant. Due to the low number of organisations that employed immigrants at the moment of the study, the organisations declaring the employment and willingness to employ immigrants were considered as a single group in opposition to those not willing to hire foreign workforce. The structure of the sample, based on the declared willingness to employ foreign workforce, is presented in Table 4.

Table 4. Sample structure based on the declared willingness to employ immigrants

Employers willing to hire an immigrant	Employers not willing to hire an immigrant	Total
222	41	263
84.41%	15.59%	100%

Source: own research.

The above declaration was then used as an explanatory variable in the study. Subsequently, the respondents were asked whether a immigrants' country of origin would be (or in case of organisations already employing immigrants "was") an issue. Then, the respondents were asked about their opinions on immigrants in comparison to native employees. The employers were also asked which of the employees, in their opinion, are better and why. The question was a multiple-choice question. Then, the respondents were asked about their perception of problems with recruiting native workers with the required qualifications as a reason for limiting the company's development opportunities, which could lead them to employing an immigrant. Finally, we asked the respondents about their opinion on a possible future need to employ immigrants, including possible reasons of such a necessity.

Research results

The first analysed issue was the impact of the intention to hire an immigrant on the attitude towards the country of origin of the actual or potential employee. The results are presented in Table 5.

Table 5. Impact of the declared intention to employ immigrants on the attitude towards the immigrants' country of origin

	χ^2	df	p-value	V
Attitude towards the immigrants country of origin	192.6701	7	0.0000	0.8592

Source: own research.

The results show a strong and statistically-relevant correlation between the analysed variables. In most cases, respondents willing to hire an immigrant declared that the immigrant's country of origin does not play any role. In total, over 52% of all respondents declared that the country of origin does not play a role, 24% declared their readiness to employ immigrant from East European countries, 6.5% declared their readiness to employ an immigrant, but only from one of the EU countries.

Next, we analysed the impact of the intention to hire an immigrant on the employers' perception of the immigrant in comparison to native workers. The results are presented in Table 6.

Table 6. Impact of the declared intention to employ immigrants on the employers' perception of the immigrants in comparison to native workers

	χ^2	df	p-value	V
Employers' perception of the immigrant in regards to indigenous workers.	43.2920	26	0.0180	0.4088

Source: own research.

The results show a moderate, statistically-relevant correlation between the analysed variables. In most cases, employees willing to hire an immigrant assessed immigrants as better workers than natives. As for the reason, they stated that immigrants are more available and willing to work overtime (22.1%), have lower wage expectations (17.4%) and they care more about

their jobs in general (12%). Respondents who assessed immigrants as worse employees emphasised that immigrants need more supervision (10.1%). The respondents also pointed to lower commitment of foreign workers (9.2%) and a longer process of professional adaptation (5%). Only 7.8% assessed foreign workers as the same as Polish workers.

The next analysed issue was the impact of the intention to hire an immigrant on the employers' perception of the problems with recruiting native workers with the required qualifications as a reason for limiting the company's development opportunities, which could lead them to employing an immigrant. The results are presented in Table 7.

Table 7. Impact of the declared intention to hire immigrants on the employers' perception of the problems with recruiting native workers with the required qualifications as a reason for limiting the company's development opportunities

	χ^2	df	p-value	V
Employers' perception of problems with recruiting native workers with the required qualifications as a reason for limiting the company's development opportunities	17.8001	3	0.0005	0.2602

Source: own research.

A total of 33.08% employers declared problems with recruiting native workers with the required qualifications as a reason for limiting the company's development opportunities. However, 33.08% stated the opposite. A total of 33.46% admitted that, despite this not being an issue for them for now considering the dropping number of work-age population, this can become a problem in the near future. One respondent stated that problems with recruiting native workers with the required qualifications are not a reason for limiting the company's development opportunities, but hiring people with too low or no qualifications indeed is.

Finally, we analysed the impact of the intention to hire an immigrant on the employers' general recognition of the necessity to reach for foreign employees in the coming years. The results are presented in Table 8.

Table 7. Impact of the declared intention to employ immigrants on the employers' general recognition of the necessity of reaching for foreign employees in the coming years

	χ^2	df	p-value	V
Employers' general recognition of the necessity of reaching for foreign employees in the coming years	26.4561	15	0.0335	0.3172

Source: own research.

The results show a statistically relevant, however relatively weak, correlation between the analysed variables.

Almost half of the respondents (48.29%) declared that they think that Poland will have to reach for foreign workforce, especially in seasonal works and physical work, while 19.39% stated that Poland will have to reach for foreign workforce, especially in elderly care services. Only 5.32% think that it will soon be necessary to reach for immigrants in high skilled jobs, where specific qualifications are required, and only 3.04% stated that they recognize the necessity in areas in which the Polish youth does not want to educate in. Only 12.17% declared that they do not think that Poland will have to reach for foreign workforce in the coming years.

Conclusion and Discussion

The presented study was designed to determine whether the fact of employing immigrants or the intention to do so in the foreseeable future determines the perception of foreign workers as well as the perceived necessity to

hire them. The study has shown that statistically relevant correlations exist between the analysed variables. The correlation between the willingness to hire an immigrant and the attitude of the employee towards the country of origin is still very strong. In general, an employer willing to employ an immigrant does not have any prejudice as to the potential employee's country of origin. However, most employers pointed towards Eastern Europe as the direction of arrival of the potential employees, which may result from the fact that currently this region, i.e. Ukraine, is the dominant source of foreign workforce in Poland. This is also consistent with the findings by Dustman & Preston (2007) who found that the opposition towards further immigration increases with ethnic and cultural distance and thus the respondents pointed towards cultural and ethnic similar countries and the source of potential employees. In regards to the second association, also a statistically-relevant, however moderate correlation was identified. The willingness to employ an immigrant thus affects the perception of the immigrant in comparison to native workers to a certain degree. There are probably other factors affecting the dependent variable, which were not taken into account in this study. It is however not surprising that employers willing to employ an immigrant perceive him or her as equally good or better than a native employee, especially considering the dominant motives for hiring employees determined, among others, by the lack of native workers willing to perform the job or the lower costs of employing an immigrant (Hamid, Singh, Yusof, & Abdullah, 2011). Especially the first motive can predominantly shape the willingness to employ immigrants in the conducted research, as most of the interviewed organisations represented the secondary labour market. These findings fit the economic self-interest theory. If the organization is forced to employ immigrants, due to the lack of native workforce it will act in its economic self-interest, which will affect the perception of immigrant workforce.

The third analysed hypothesis concerned the impact of the intention to employ an immigrant and the perception of problems with recruiting native workers with the required qualifications as a reason for limiting the

company's development opportunities, which in effect could lead them to employing an immigrant. The relations between the variables turned out to be statistically-relevant, yet the correlation was small. This results from the fact that most of the employers did not perceive the problem as a burning issue at this time, but recognised that it can become one in the future. Finally, the relation between the intent to employ an immigrant and the employers' general recognition of the necessity of reaching for foreign employees in the coming years was analysed and showed a moderate, but statically-relevant correlation.

The conducted research is not free of limitation. Firstly, due to the exploratory nature of the study and therefore a qualitative nature of most of the questions asked in the survey, the possibilities to conduct a more complex statistically analysis were limited. However, as already indicated, the study was of an exploratory nature. To our best knowledge, the issue in question has not yet been a subject of analysis, which is why we found it important to conduct preliminary research first. The exploratory nature of the study as well as the structure of the sample do not allow to make generalizations as the study is not representative to the entire population of Polish employers, they may however suggest some tendencies which would require further analysis.

Due to the fact that the conducted research was preliminary, further research on this topic is required. We are currently conducting qualitative in-depth-interviews with employers hiring foreign workforce to gain in-depth knowledge about the issue in question. A study on a nationwide sample would also be beneficial. Although, as already mentioned, the Opolskie Voivodship is a laboratory for migrational studies and it would be important to broaden the analysis to a nationwide sample. Also a cross-national study would be interesting, as it can provide information about the impact of economic and cultural factors on the willingness to employ immigrants.

The paper has also research and practical implications. By understanding how the economic self-interest influences the perception of immigrants an understanding may be gained on what may facilitate the integration of

immigrants in Poland and in the Polish labour market. The paper shows an existing willingness to employ foreign workforce, which correlates with an openness towards the country of origin. This can be an important conclusion for decision-makers to further facilitate access to the Polish labour market for a wider group of immigrants, especially since a significant group of employees recognises the upcoming issue of workforce shortages and the necessity to reach for foreign employees in order to stay competitive. Also in view of the above, theoretical implications emerge. It becomes visible that further studies, not only on the impact of willingness to employ immigrants on attitudes of employers, but also in general on the issue of employing foreign workforce are required. Especially due to the lasting very high homogeneity of the Polish society and ambiguous attitudes of Poles towards the nations, which dominate the economic migrants' influx, further research is required. Furthermore, considering the finding of Dustman & Preston (2007) who found that the opposition towards further immigration increases with ethnic and cultural distance, similar research in regards to other immigrant groups should be conducted. The relatively high willingness to employ immigrants can also be an indicator of the need of a more broader introduction and implementation of diversity management, which is still not a very popular and widespread approach among Polish organisations (Maj & Walkowiak, 2015). Also considering that also the history of inward immigration may be affecting attitudes towards migration, especially in times of economic crises, as shown on the example of Greece, Spain and Portugal (Turner & Cross, 2015) further research should include additional mediating variables.

The findings of the research in relation to the trends in attitudes towards studies on immigrants are optimistic as to the future development in the diversification of the Polish workforce and the economic growth and also the increase in the organisations' performance.

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The Impact of Senior-Managerial Leadership Culture on Value Creation for Shareholders – A Study of Local and Multinational Companies in Portugal

ABSTRACT

Objective: This study is based on the analysis of three fundamental aspects of company and managerial life: the culture of organizations, the style of leadership and financial performance.



Its focus was to question the connection between these and to devise a strategy that could be applied in Portugal, during 2017 and 2019, in industrial sector companies.

Methodology: To do so, it was decided to start methodological analysis of the behaviour of managers and organizations operating in this environment, considering several classifications: multinational companies operating in Portugal and Portuguese companies with a strategy for and in the process of internationalization. On this basis the study problem was set at the level of managerial behaviour, bearing in mind that this varies depending on the type of organization in which managers' work. The problem involves scientific, methodological, and cultural aspects that have already been demonstrated by several authors, whose considerations have been incorporated. The study was conducted in 16 companies operating in Portugal.

Findings: The characteristics of leadership in the multinationals tend towards greater balance between the four roles of each of the corresponding quadrants, while in the national companies it tends to be more internally focused.

Value Added: This difference could be related to what R. Quinn calls the Normal State of Leadership, which is focused on the comfort zone that the internal processes seem to generate; the multinational companies are more focused on external aspects and future development – Fundamental State of Leadership – centred on strategic dedication to clients and flexibility.

Recommendations: Dedication to clients and flexibility, that we intend to link with Internal Marketing strategy drivers, considering the investigation ideas for this paper, as the demonstration if some different Leadership Styles influence the Financial Performance of the Companies or not.

Key words: Culture, Leadership, Management, Internal Marketing, Value Creation

JEL Codes: M10, M30, L20, G40, M21

Introduction

As Portugal is frequently associated with low levels of productivity and competitiveness, which are often related to its corporate structure and form of management and leadership, it seemed interesting to situate the study in terms of analysis of the organizations' leadership on an Internal Marketing perspective and its influence in the direction and future development of companies.

Following an initial investigation with Portuguese senior management of organizations operating in Portugal, using exploratory interviews and a respective analysis of content, it was noted that there may be an important difference of behaviour depending on the culture and the form of company activity in which the managers operate. This instigated the following research hypothesis, which led to analysing management behaviour and styles in accordance with a qualitative model of management; in a second phase of data collection, interviews were conducted directed at a sample of senior management working in national companies with a strategy for and in the process of internationalization, and in multinational companies operating in Portugal.

Robert E. Quinn's Competing Values Framework was chosen as it is recognized as one of the most complete and comprehensive of the 24 scientifically recognized models of the twentieth century. This choice was also influenced by the evolution and topicality of the Framework, as in 2016 the author published a book about its further development (LIFT), in which he shows the elevation of managerial and leadership activity and behaviour beyond a fundamental state, and additionally because the results of the first (exploratory) phase of inquiry, after content analysis, led to a similar chart to those categories of the model proposed by the author.

Apart from the abstract, this article is organized in 6 sections: section 1 being the introduction in which the problem, its relevance, and the organization of the document are outlined; sections 2, 3 and 4 relate to the theoretical approach and give an overview of the literature crucial for the analysis, describing and critiquing aspects of leadership, the evolution of management models and value creation; in section 5 the qualitative methodology is described with particular emphasis on the second part of the study, which came after the definition of the problem and the study hypothesis; section 6 contains the analysis of the data used to characterize the companies studied, for the multinationals regarding the country of origin and for the national companies regarding the origin of the share capital, and also describes the style of leadership according to the quadrants in the

Competing Values Framework (figure 8 and 9); the analysis of the results is set out in section 5, linking the Framework with the analysis characteristics and the fundamental characteristic of each of the companies studied (figure 7); section 6 encompasses the final comments and conclusions, and also suggests some lines of further study.

Overview of relevant literature

This section looks at the evolution of the support literature and analyses the phenomenon in relation to management styles and cultural aspects. It is possible to observe both the natural development of the competing values framework from its initial form, to its evolution considering the transition from the normal state to the fundamental state of leadership, as well as behavioural considerations. This is followed by the attempt to frame behavioural aspects with the evolution of management models in historical terms, and then to connect the concepts through the notion of value creation in organizations, thru the applicable energy of Top Managers.

Senior-Managerial Leadership Culture

The significance of contemporary discourse on leadership, practical aspects of managerial work, and ambiguity as a central dimension of organization and leadership (particularly in knowledge-intensive settings) are highlighted. We examine the presumed leadership in a company with respect to the three 'moral' and 'aesthetic' positions or aspects of leadership: good, bad and ugly leadership. We define how managers incoherently move between different positions on leadership. The study undermines some of the dominant notions of leadership, for example, the leader as a consistent essence, a centred subject with a particular orientation to work. We suggest a less comfortable view of managers aspiring to adopt, but partly failing to secure leadership identities and a coherent view of their work. Value commitments

appear as disintegrated and contradictory. The study indicates a need to radically rethink dominant ideas about leadership on the normal and fundamental state (Quinn, 2016).

Considering the Competing Values Framework in can integrate the four perspectives of internal marketing, as Innovation, Internal Processes, Rational Objectives and Human Relations (Quinn & Cameron, 2017).

In this regard we will pass to the development of the Leadership state, according to what we can call the normal and fundamental state of Leadership.

The Normal State

According to the second law of thermodynamics, and to complexity theorists, all systems tend toward entropy. Entropy is a measure of inefficient functioning or a measure of the energy of a system that does not produce in line with the resources utilized. Essentially, entropy tends to close down the system, and any closed system will cease to function adequately. This principle is not only applicable to physical systems, but also to interactions between individuals and the organizations resulting from them (Le Moigne, 1995).

People and organizations tend to develop and then stagnate. Initially the period of stagnation helps to consolidate and recuperate. Later it seems to enter a comfort zone equivalent to a phase of stabilization and consolidation in which control over the situation appears to satisfy the leaders: they know how to manage; how to do the necessary things; routines are established; and if nothing changes, leaders may even be very successful (Spreitzer & Quinn, 2011; Quinn, 2016).

However, the universe is a system in constant change, which sends warning signs of the need to grow and increase activities beyond the merely routine, and to move on to more complex levels. In a first phase everyone tries to ignore these signs. Normally, it is not the sounding of the alarm that leads to the perception that significant change is needed in the way projects are realized (Quinn, 2016).

When one is not up to date with the critical aspects surrounding organizations, one can only perceive that one is existing in a comfort zone when taken by surprise by an external message. In this context, the tendency is to increase routine tasks: those that are familiar (Quinn, 2016).

The description of organizations of this type is related to people's states of mind; subjects are more interested in their own activities; the organization does not have a common goal and the operational strategy has to fit around the personal agenda of those high-up. Roles are defined by tradition; in the meantime, people begin to feel insecure and to project their insecurity on others (De Geus, 1997; Quinn, 2017).

This description is of a state that is normal in organizations, and this is confirmed by specialized reports and academic studies. Interested in themselves, unwilling to change and with no signs of excellence, these situations are so common that they are almost expected and taken for granted. In these kinds of organizations, one cannot find anyone with aspirations to excellence. People make themselves comfortable and seem to prefer to not take on greater responsibility and personal coherence. Lopes & Reto (1990) call this phase bureaucratization or the routinization of the organizational system. The way out of this is through the difficult road of change and organizational development; to not overcome this phase entails decline and death.

In this phase of the so-called normal state, or of routine, the need for deep change is not immediately understood. However, ignoring the opportunities for change is something that can provoke the end, as it does not respond to the signs that are sent from the outside. Ever more closed, energy and hope in the system are lost. Individuals experience negative emotions such as fear, insecurity, doubt, as the leadership ignores the signs sent by the external reality and surroundings. Through the fact of being increasingly disconnected, more energy is lost. Organizations end up becoming trapped in a vicious cycle, and simultaneously lose their vitality, working only to stay in their own comfort zone. However, in this way they only copy what has

gone before and are not able to integrate with the emergent realities of the present (Quinn, 2016).

The same dynamic occurs in organizations. Hope is collectively lost, people return to individual interests, and conflicts start to increase. The organization is further disconnected and loses vigour. Both levels – individual and organizational – tend to choose “slow death” over “deep change” (Quinn, 1996; Weick & Quinn, 1999). This “slow death” is the consequence of living in a normal state of leadership. It seems the principal characteristics of the normal state of leadership are being directed externally, internally closed, self-focussed and comfort-centred (Quinn, 2016).

It is normal to be comfort centred. Many leaders like to live at the heart of a predictable culture. Through doing so, they develop an ego that helps them to survive. When the culture is stable, one tends to live in a zone of relative comfort. One knows what one has to know. If there are signs of a need for change perhaps one will have to confront uncertainty and learn new things. This is understood as a threat to the ego and tends to create negative emotions. Is the need for change a problem that has to be resolved? One reacts; trying to keep the balance just as one would in a normal situation (Quinn, 2016).

It is also normal to be externally directed. One knows implicitly that one has to survive in a system of social change. One belongs to a group. In a group, one tends to acquire physical and social resources. It is very important to know if this phenomenon is understood. If there is no certainty, we must consider what others think of us. This process helps to determine the self-image of the manager. Normally there are many influences that come from what we think others think of us, of how we should try to respond to what we think others think. When this happens, one is externally directed. It is normal and natural that this happens (Quinn, 2016).

It is also normal to be focussed on one’s own needs. It is a natural tendency to be centred on and conscious of oneself. While this happens, it is extremely difficult to be completely aware of other people. Since the tendency is to distance oneself from genuine engagement with the moment, one becomes

less directly linked with what is happening. One is also less directly linked to the people in one's area of contact. In spite of wanting the external approval of the people within one's own networks, it is not possible. Gradually, there is an increasing need for affiliation, which tends to be still more self-focussed and more externally directed (Quinn, 2016).

It is equally normal to be internally closed. Since it continues to be necessary to preserve the ego and the culture, one attempts to impress others, one is ever more aware of oneself and also tends to feel less and less secure. One tries to call on specific defence mechanisms to stop the signs that incite change, which in the future only increases the sense of insecurity. It is when the need arises to be open externally that one tends to close internally (Quinn, 2016).

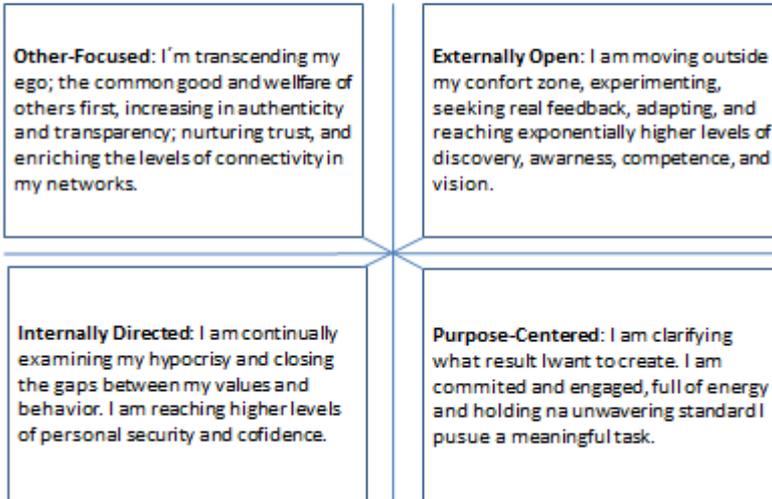
The alternative to remaining in the normal state is "deep change". The process of "deep change" is always traumatic as it entails losing one's control parameters. Thus, one avoids it, and makes continuous efforts to maintain the current organizational balance and one's own ego. The desire to create new results is negated as long as the main goal to keep the comfort zone is stuck to (Quinn, 2016).

The Fundamental State of Leadership

"To remain in the normal state, refusing to change while the universe changes around us, is ultimately to choose slow death" (Quinn, 2014). To enter into the fundamental state of leadership is to reverse the process through "deep change". The fundamental state of leadership is a temporary and psychological condition. When in that state, the leader is more centred on the matters at hand, is directed internally, focussed on others and open to the outside. In the fundamental state of leadership (figure 1), one is less centred on comfort and more centred on the matters at hand. One stop asking: what do I want? This question belongs in the realms of the reactive state. Instead one should ask: what do I want to create? (Fritz, 1989).

Figure 1. The Fundamental State of Leadership

The Fundamental State of Leadership



Source: (adapted from Quinn, 2004, p. 22; 2016).

An honest answer to this question tends to create an image or vision that attracts the organization to beyond the comfort zone and towards uncertainty, these being conditions for the creative state. When starting to follow the themes and subjects instead of uncertainty, hope and energy is gained, and the movement is goal directed, and positive emotions can be felt and understood. To be purpose-centred is an extraordinary thing (Quinn, 2011; 2016).

In the fundamental state of leadership, one is also less externally and more internally directed. As the movement leads towards a goal one feels better. One begins to transcend hypocrisy, thereby closing the gap between what one thinks one is, and what one thinks one should be. In this process of individual victory, one feels greater integrity and more considerable per-

sonal achievement. Values and behaviour become more congruent. Internal and external realities become more closely aligned (Quinn, 2016; Lawrence, Lenk, & Quinn, 2009).

In the fundamental state of leadership, one is therefore less focussed on oneself and more focussed on others. As the sense of fulfilment and integrity grows, one feels more secure, less anxious and has more desire to put the welfare of others before one's own welfare. As we feel better about ourselves, we become more capable and more genuinely concerned about others. We often become more transparent and authentic. Relationships increase contact, trust and consideration (Quinn, 2016). Arie de Geus calls this the sensitivity towards the business environment and considers it to be a fundamental dimension. A company that has sensitivity as a value is capable of learning how to adapt with the surrounding participants and is generally more flexible and innovative. As R. Quinn defined it, sensitivity is the soul of organizational learning and of change management.

In the fundamental state of leadership, one is less closed internally and more externally open. When the needs for increased fulfilment, integrity and affiliation are met, one's confidence grows and one can understand the path for the future in a world that is uncertain and in constant change. After achieving this adaptive confidence, one is more open to any form of return. One is better prepared to confront the truth of the dynamics of change. Once this is done, one learns and adapts, thus growing in knowledge, competence and vision (Quinn, 2016; Lawrence, Lenk & Quinn, 2009).

When in the fundamental state of leadership, leaders are very different from in the normal state. They begin to attract new streams of energy; to overcome entropy and "slow death"; and to become more globally active. Additionally, they begin to attract others towards the fundamental state of leadership. The situation becomes emotionally active and the organization changes. This creates a system of positive organization, a more productive community with energy, commitment and increased capability (Quinn, 2011).

The Management Models

According to Quinn (2016), management models have evolved throughout the history of management; this can be seen in the quadrants described in his Competing Values Framework.

The author states that in Taylor's time (1900–1925) actions were more centred on the model of Rational Goals, and between 1926 and 1950 were on Fayol and Weber's Internal Processes. The period between 1950 and 1975 saw a strong trend towards using models focussed on Human Resources. After 1975, the Open Systems model arose, which focussed on actions of moderation and innovation.

Since 1976 there has been a convergence of several models, creating pressure and tension between themselves, and able to be measured through the four quadrants that have resulted in the Competing Value Framework.

This tension and pressure can be measured through the decision-making process, in which intra-personal conflicts are generated, and which according to Quinn (2016), come from the concept of organizational conflicts (Lewin, 1935 in Quinn, 2016), generated whenever an organization works and functions according to the goals and direction of another (normally multinational companies).

According to Guillén (2006 in Quinn, 2016), there are three basic kinds of conflicts of an intra-personal nature:

- Choice between two actions or two results;
- Choice when there are positive and negative aspects in the option taken;
- Choice between two negative options.

These are clearly resulting of the decision-making process in every organization, which could have different solutions, depending on whether it is a multinational company or a local organization.

Leadership and Value creation for shareholders in Organizations

Returning again to the Competing Values Framework, this section studies the way the exercise of leadership in its various forms can lead to value creation in organizations. The actions of leaders are here analysed from a new perspective that, according to Quinn & Cameron (2017), can be described as follows:

This aspect of the model, focused on leadership, is in constant tension due to the balance between the various forms of action. In other words, approaches that are more focussed on teamwork (Collaboration), or on control, or on the creation of things or even on competition (Speed). All approaches guarantee functioning through the people, practice and the purpose towards which they work.

This connection between the two chains (Leadership/Value Creation) through effective organizational performance is of great interest due to the fact there are strong connections between the concepts of the Fundamental State of Leadership (Quinn, 2016), developed further in July 2017 in an article for the *Harvard Business Review* and the concepts of Lean Organization (Value Stream Maps) (Womack, Jones, & Ross, 2013), relating to the reduction of waste in processes of organizations, and the contribution towards increasing Productivity and Quality.

The respective evolution towards greater integration of the several systems and tools is similar, as Ron Basu comments in "Fit Sigma" 2018, considering the logical management of knowledge through a process conducive to the management of organizational performance.

In this study, the group of managers of the national companies tended to be less focussed on value creation, due to the fact that they focus mainly on internal processes and on the normal state of leadership. However, the group of managers in the multinational companies were more focussed on value creation, through rational goals and the fundamental state of leadership. In

addition, there is also the fact that they are more balanced, due to the external relationship of the hierarchy which forces them to become more flexible.

The following figure (2) show the operation scheme, which leads to an understanding of value creation by the leadership style and actions:

Figure 2. Effective performance and value creation



Source: (Quinn, 2016, 8; Basu, 2018, 23)

The actions of leader’s condition performance and their effectiveness in achieving value creation, whether of financial or human capital. One should consider several analyses of leadership behaviour associated with organizational culture. The behaviour of leaders can be characterized, according to Brown (2019), using the following parameters: openness, integrity, humility, a healthy vision of the present and the future, optimistic perspective, appropriate use of authority and a strong understanding of personal and organizational objectives. Without any of this, the leader is only so in name rather than in behaviour or attitude.

The ideas of Yukl (2014) are based on the fact that followers adopt behaviour similar to that of their leaders; subordinates’ development is guaranteed

through training, education and aptitude development - positivist logic.

More recently, Watkins (2007), the respected professor of general management at IMD in Lausanne, has suggested that following the leader can be infectious for the organization and for subordinates, from the top on to operations management, and may create the same uniform kind of leadership, considered by many leaders as the only acceptable one, in their own style.

The leaders that follow this style only accept people with their own characteristics into the organization; those who neither oppose them nor have new points of view and ideas, thus blocking the organizational culture and future development, despite however having some immediate operational results – negativistic logic.

Normally, all these approaches consider internal aspects of the organization, such as the behaviour of the leaders and managers, but what is important is always the view of the entities external to the organizations.

A question put by Pfeffer & Salancik (1978 and 2003), on the problem relating to the differences between internal and external perspectives in organizations, refers to the way one should understand the context and the environment around the organization, together with the way its actions are adapted to the external environment – a model of open systems with strong development.

From the viewpoint of this study, internal agents tend to agree more with the analyst or investigator, because they are: visible, communicate internally, use a common language and wish to cooperate through knowing the goal of the study. The external agents are more difficult to analyse and there are other concerns, which can disperse ideas and conclusions.

The theory of the authors is close to that of R. Quinn and leads to the classification of a type of organization that is known as Externally Controlled organization, which in turn generate three different characteristics for management functions: symbolic, reactive and discretionary:

- Symbolic – the actions are not related to concerns and constraints; they have little effect on management;

- Reactive – the actions are taken in relation to the needs and concerns of the surrounding environment;
- Discretionary – the concerns, and the surroundings, are managed on behalf of the interests of the organization in an attempt to create the most favourable context.

The table of categories below (figure 3) shows the analysis of the normal and fundamental states of leadership, adapted from R. Quinn:

Figure 3. The Groups of Analysis

The Groups of Analysis (Quinn in HBR July-August 2005)

Group I	Group II
<p style="text-align: center;"><u>Normal State</u></p> <p style="text-align: center;"><u>Comfort-Centered</u> Business Distribution Assessment and Selection Quality and Environmental Systems</p> <p style="text-align: center;"><u>Externally Directed</u> After-Sales Service Alternative Providers Contracts and partnerships</p> <p style="text-align: center;"><u>Self Focused</u> Process Description Communication Information Systems</p> <p style="text-align: center;"><u>Internally Closed</u> Managerial Analysis Deployment Internal Control/Audits</p>	<p style="text-align: center;"><u>Fundamental State</u></p> <p style="text-align: center;"><u>Results-Centered</u> Self Assessment Strategic Planning Indicators and Follow-through</p> <p style="text-align: center;"><u>Internally Directed</u> Attitude Development Performance Assessment HR Politics</p> <p style="text-align: center;"><u>Others Focused</u> Participation/Team Work Competence Centres Benchmarking</p> <p style="text-align: center;"><u>Externally Open</u> Research and Development Social Responsibility Clients – Communication and Satisfaction</p>

Source: (adapted from Quinn, 2016).

As can be seen, the table shows strong contrasts between the two management groups.

The Notion of Value Creation

To develop the theme of the notion and creation of value we have used the concept of Economic Value Added (EVA) (Desai & Ferri, 2005), as these key performance indicators reflects the objectives of shareholder value.

EVA is one of the most powerful performance measurement tools for organizations from a financial viewpoint. It measures the capability of a company to generate positive results, considering the investment effort made to develop its activities; it is calculated in the following way:

$$\text{EVA} = \text{NOPAT} - (\text{Cost of Capital} * \text{Capital})$$

Where:

NOPAT = Net Operating Profit after Taxes

Capital = Capital Invested – Debt and Equity

Cost of Capital – WACC – Weighted Average Cost of Capital

Although the term EVA is relatively recent, the concept is not (Desai & Ferri, 2005).

Methodology, Research Hypotheses and Framework

This paper follows a qualitative approach: the relevant documents, interviews with communication groups and strategic plans were studied in depth, and semi-structured interviews focussed on business strategy were conducted, based on questions that encouraged the interviewees onto free talk.

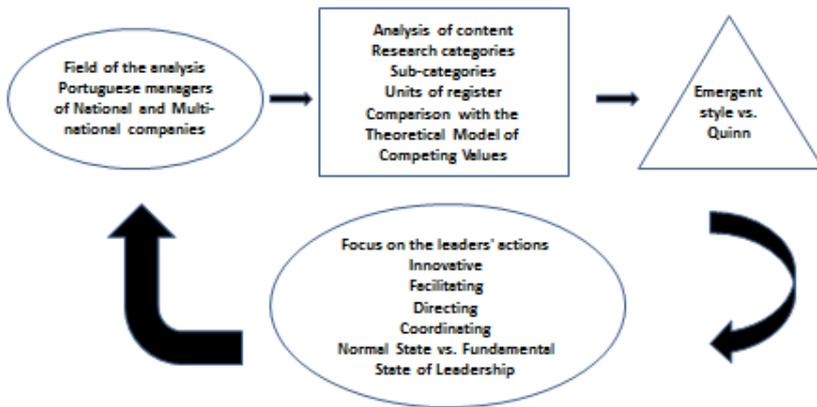
Next, some relevant aspects of managerial thought about the research are described and are set out succinctly according to a logical sequence (figure 4); these are:

- The field of analysis;
- The thematic analysis of content and creation of relevant data;
- The study categories and their later comparison with Quinn's model;

- The emerging Leadership Style and the confrontation with the Traditional Model and the Fundamental State;
- The focus on the actions of the leader and of the company.

Figure 4. Method ´s development

Sequence for the method's development



Source: Schematic representation (author).

Sixteen companies were studied in depth using semi-structured interviews with their senior management, 8 of which are multinationals acting in Portugal and 8 of which are national companies undergoing processes of internationalization.

The multinational companies were divided according to their countries of origin and the national companies according to the kind of share capital (listed security, unlisted security and Joint Venture), the first were given the codes M1 to M8 and the second group were given the codes N1 to N8; it should be pointed out that both groups of companies are high-performance organizations, measured by their financial results.

Construction of the Analysis Model: Script for the interviews

Prior explanation

To define the analysis model, the work began by elaborating the scripts for the interviews, taking into consideration the following two distinct chapters:

- Characterization of the organization/company (Basic presentation)
- Expanding on the topics

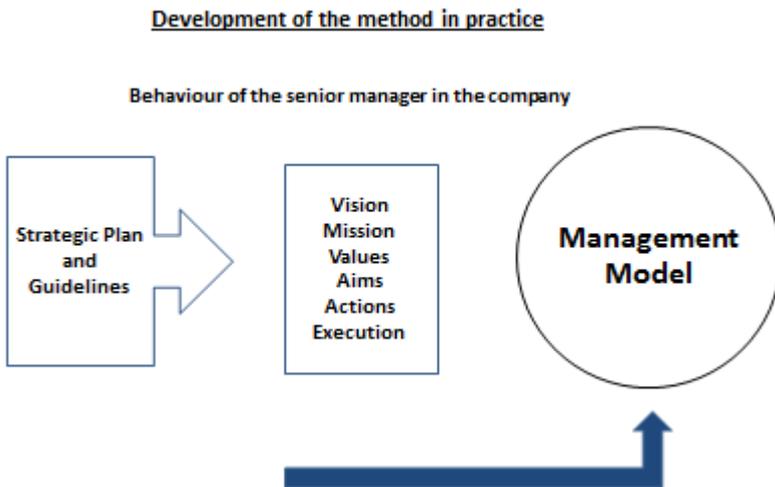
Development of the method in practice (figure 5)

Presentation of the company – Strategic Plan

Vision, Mission, Values, Goals and Strategies

Management Cycle (Annual and three yearly)

Figure 5. Method in practice



Interviews (Themes to be discussed)

Source: Method developed by the author.

Held in the first quarter of 2016, considering the difficulties in interviewing the top management of some Companies, in the automotive (23%),

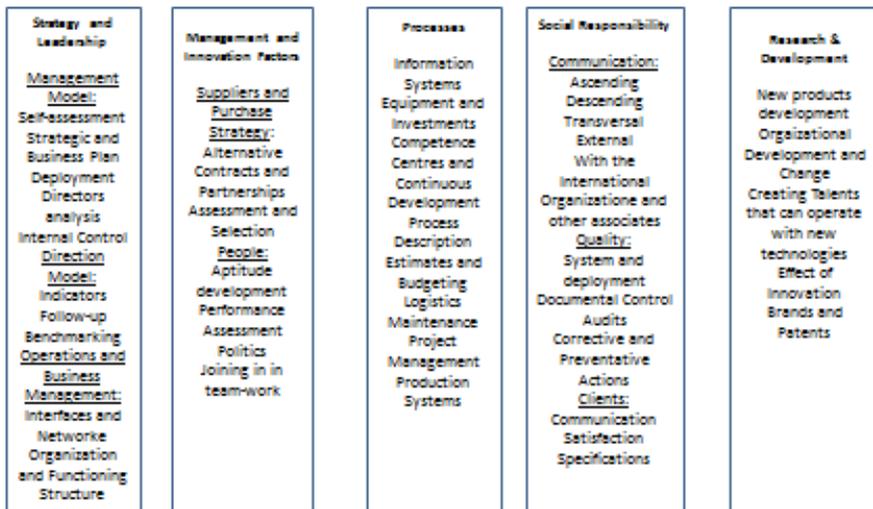
information technologies (22%), consulting services (16%), Retail (12%) and manufacturing (27%) sectors.

The top management in charge, was related always with the CEO (Chief Executive Officer) of each Companies.

Developed through the operation scheme shown in figure 6, considering the five fundamental aspects: Strategy and Leadership, Management and Innovation Factors, Processes, Social Responsibility and Research & Development.

Figure 6. Management Model

Operation of the Model for Internal Marketing



Source: Real process split by analysed areas (Author).

With the outlined interview script and the data collection, a selection of highly interesting facts was obtained for this study, after content analysis using Bardin’s content analysis technique (1977), and considering qualitative

research methods in scientific study (Flick, 2002), with particular emphasis on “Grounded Theory” and the hermeneutics of meaning. It was possible to obtain the units of register (interview citations) which were subsequently grouped into subcategories. The resultant categories have been summarized in figure 7, transformed into figure 7 A, which represents the practical evolution of the Competing Values Framework from value creation for organizations to the LIFT state that represents the top in behaviour and attitude for management.

Figure 7. Categories of the analysis model

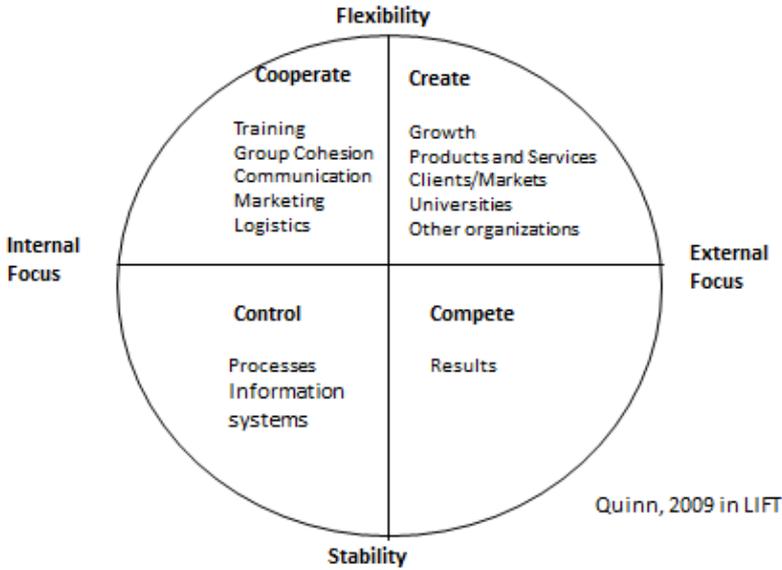
Justification of the categories of the Analysis Model with Robert Quinn's Competing values

Flexibility			
Human relations Facilitator Transformational	Aptitude development Performance evaluation Human Resource Policies Participation/Teamwork N5	Research and development Social responsibility Centres of Competence M5 M3	Open systems Innovative
Internal focus		External focus	
Internal procedures Coordinator Transactional	Deployment Analysis by Directors Internal control After-sales Service Business Distribution Alternative suppliers Contracts and partnerships Evaluation and selection Information systems Description of processes Communication Quality and Environmental systems Audits N1 N2 N3 N4 N7 M4 N8	Self-evaluation Strategic Plan Indicators Follow through Benchmarking Clients - Communication and Satisfaction N6 M2 M6 M7 M1 M8	Rational objectives Director
Control			

Source: The Analysis Model and Competing Values of Robert Quinn.

Behaviour in organizations, Quinn, 2018 – LIFT

Figure 7 A. Competing Values Leadership



Source: The Analysis Model and the Competing Values of Leadership – Value Creation in Organizations, Quinn & Cameron, 2017.

Data Analysis

This section sets out and characterizes the most relevant aspects of the sample, shown in section 3 (methodology), where the multinational companies acting in Portugal are separated into their countries of origin and the Portuguese (national) companies undergoing internationalization, are divided according to the origin of their capital.

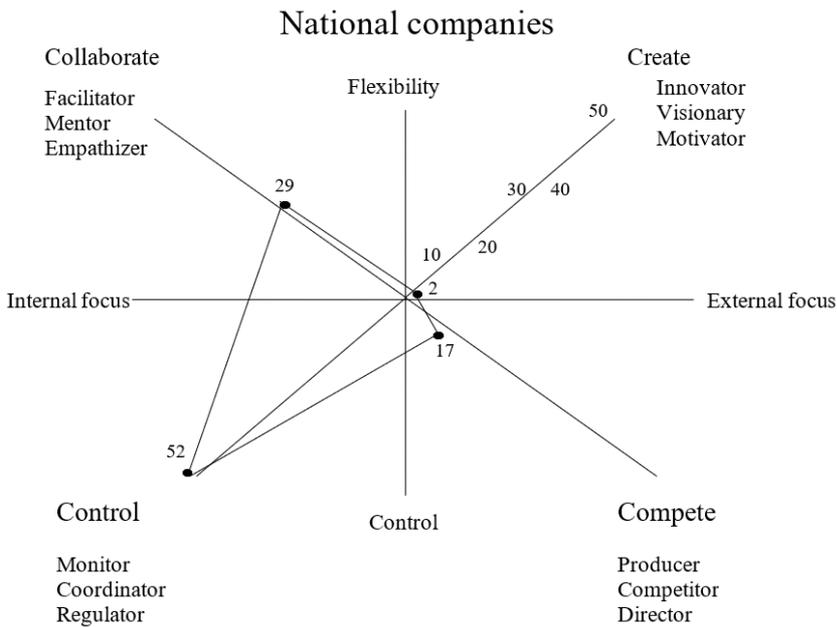
43% of the multinational companies are from the United States and 14% from the United Kingdom, Germany, China and South Korea, a variable that influences the management model in terms of local decision-making, which appears to be decentralized in European companies and centralized in those from North America and the Far-East.

Of the national companies undergoing internationalization, 62% are listed, 25% are non-listed and 13% have joint-venture capital.

Research Categories compared with Quinn's model

The national companies are principally focused on the Control area (figure 8) – coordinator/monitor/regulator 52%; there is some attention paid to aspects of Collaborate – facilitator/empathizer/mentor 29%; little focus on Compete – producer/competitor/director 17%; and a very small focus on Create – innovator/visionary/motivator 2%.

Figure 8. National Companies

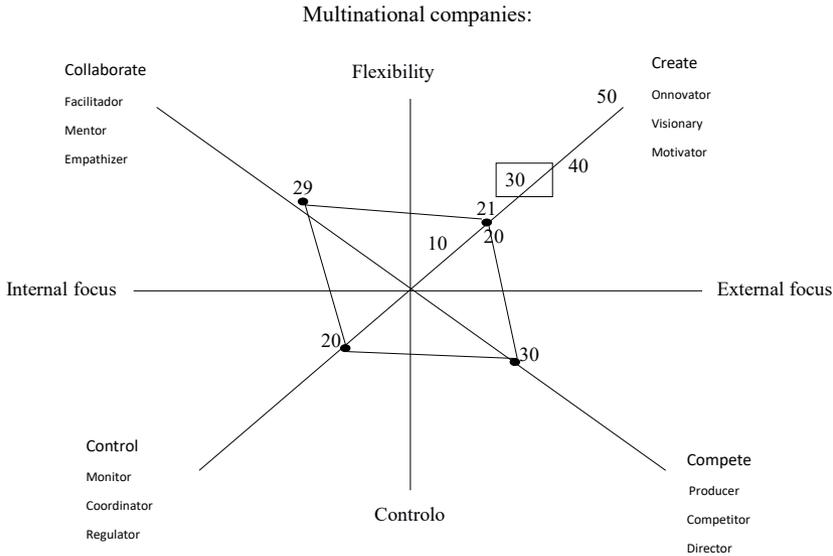


Source: Study data.

The diagram (Figure 9) of the multinational companies operating in Portugal shows a good balance between the different variants.

Compete – producer/competitor/director 30%; Collaborate – facilitator/empathetic/mentor 29%; Create – innovator/visionary/motivator 21%; and Control – coordinator/monitor/regulator 20%.

Figure 9. Multinational Companies



Source: Study Data.

The conclusion reached is that the group of decision makers from the multinational and national companies is strongly dedicated to internal processes (Control, 36%) and to human resources (Collaborate, 29%), with less attention given to the rational goals (Compete, 23%) and innovation (Create, 12%).

There are several imbalances between the two categories and even between the organizations analysed individually. It is interesting to note the tendency and confirmation, that in terms of leadership the behaviour of the Portuguese managers differs depending on the kind of organization in which they work.

Leadership Style in the traditional model and in the Fundamental State

Regarding the managers' leadership style there is a strong influence in the areas of direction and coordination to the detriment of the areas of facilitation and innovation.

What can be affirmed is that a strong tendency of management towards immediacy and the short term (direction and coordination) exists, despite there being some exceptions, (facilitation and innovation) in the previous logic of the Competing Values Framework.

While the majority function in accordance with these baselines there are two managers of multinational companies (M3 and M5), with a strong tendency for innovation.

There is also a national company with great impact in the area of human relations – facilitator (N5), which strongly encourages training for people, the retention of talents and knowledge in the organization.

Market conditions and the kind of activity may condition managerial activity, but as these variables were considered in the choice of sample, it can be taken that management in Portugal is presumably influenced by the culture of the organizations in which the managers operate.

In terms of the focus of action, a greater balance can be noted between the two variables: internal focus 53% and external focus 47%.

Through careful analysis of the numbers it can be seen that external focus is essentially directed towards the area related to rational goals, and not to open systems.

In addition, the value of 47% is reached through two important variables for the study:

- The category “Clients – Communication and Satisfaction”;
- Of the above mentioned 47%, 80% are represented by the activities of managers of multinational companies.

This data was submitted to non-parametrical statistical tests, Wilcoxon and Mann-Whitney, which make it possible to state with a certain level of assurance, that the difference between the two management groups, with variation results between the median of 95.1%, in the first, and 96% in the second.

Thus, yet again, the culture of the companies seems to condition the style of the national managers.

To corroborate and relate the leadership style of the Portuguese managers, through study of the organization culture in which they operate, together with their economic-financial performance, we show the correlation of the several styles with the value of the EVA of the respective organizations over a five-year period, in order to provide some consistency and sustainability in the results (Basu, 2018; Kaplan & Norton 2012; 2017).

Discussion of the Results

Leadership Styles of top management

The analysis of the results based on the data (analysis categories) summarized in figure 7, and shown in the two previous graphs, demonstrates that in synthetic terms the majority of the organizations are centred on control to the detriment of flexibility; they are in a comfort zone (normal state of leadership) and not in a fundamental state of leadership, which places greater emphasis on company affairs and business.

It can also be observed that there is a significant difference of approach, which can be analysed using Quinn's model, due to the fact that some of the managers of the organizations in the study are more externally or more internally focussed, with particular emphasis on the relationship with clients. In this case two styles are observed: the managers of Group I, who are more centred on the characteristics of coordination and internal processes - the comfort zone, and the managers of Group II, who are more centred on the characteristics of direction and rational goals, i.e., on company affairs or business.

One can also note that there is a greater balance of activity among the managers of Group II in comparison with those of Group I, regarding the distribution of leadership tasks across the four axes of the framework.

Finally, it should be pointed out that the characteristics of managerial leadership are connected with the cultural characteristics of the organizations,

emphasizing the fact that Group I is constituted in the main by managers of national companies and Group II by managers of multinational companies, with the exception of M4 and N6, that have more in common with the opposite group.

To summarize, it is important to mention that managerial activity is strongly conditioned by the cultural form of organizational activity, considering the aspects related to the strategic direction, whether issued by headquarters in the respective countries of origin, or whether locally defined. In both cases one can see that the Portuguese managers are higher performing and act more appropriately in their surroundings when their leadership is examined through having to report to an external body.

There is also a curious phenomenon in the M4 and N6 companies – the two exceptions to the models – that bolster these ideas, as the M4 organization, even though multinational, is led by sales logic, the only relevant local activity, and the N6 organization is led by the fact it must report to international external shareholders, with around 50% of share capital.

When the model is recast including this new categorization, one can see that the imbalance is accentuated in the managers of Group I (1%), in the roles of Director (to 16%), and of Coordinator (to 53%), assuming greater importance in the control aspects, mainly linked with the national companies, and the balance improves in Group II (0.25%) for the various roles, linked with the multinational companies.

For this the concept of External Control of the organizations is determining, in that the pressure of an external body or bodies becomes a factor of clear influence on the behaviour of Portuguese managers.

In general, there appears to be a cultural similarity in the leadership style of Portuguese managers, but this style is conditioned and influenced by the cultural characteristics of the organizations in which they work; in the literature, this can be described using Quinn (2004), through concepts related to the Fundamental State of Leadership.

From a wider perspective one can understand that the processes of globalization and internationalization of the national and multinational com-

panies are a reality that is hard to go back on, which in theoretical terms supports the analyses of Michael Porter (1990) & Joseph Stiglitz (2003); the first considering the requirements of internationalization linking the culture to economic progress, and the second being more related to the process of globalization, its advantages and disadvantages focussed on the kind of globalization management, also mentioned in the study as risks and opportunities, with particular emphasis on the interviews N3, N4 and N8.

The Impact of Internationalization and global strategies of Multinational Corporations, described by Grant (2002), offers reinforcement to the previous ideas.

Since the study included a detailed analysis of the main business and management processes of the organizations studied, we will try to give an account of the results framed in the categories that arose from the analysis of the data provided, trying whenever possible to demonstrate its connection with the theoretical references referred to. Again, the theoretical base is supported by Robert Quinn's Competing Values Framework, and the data from the interviews are placed within the four quadrants of the model, while at the same time maintaining a connection with the theoretical references of each one of the subjects treated:

- Collaborate

From a theoretical viewpoint one can posit that the managers in this area of activity have a strong characteristic of being facilitators and much less so in aspects relating to the characteristics of mentoring. They are strongly focussed on teamwork, participatory decision-making and conflict management and not on the areas of self- awareness and the awareness of others, interpersonal communication and staff development.

The categories referred to in the interviews relate to questions and themes such as performance evaluation, human resource policy, aptitude development and participation and teamwork, centred on the interviews N5 and M1.

These are related in the literature to the concepts of "Empowerment" (Yukl, 2016), participatory leadership (Vroom & Yetton, 1973) and the aspects of correlational study focussed on by Ashkanasy, Wilderom, & Peterson (2000).

- Create

The main characteristic of the Portuguese managers in the area of open systems is that of innovation strongly backed up by creative problem solving, the ability to live with change and management of transition, and are little related to the characteristics of “broker” that are backed up with a strong ability for negotiation, presentation and persuasion and by activities of power and influence.

The categories referred to in the interviews are connected to themes such as research and development, social responsibility and competence centres, with greater concentration in the interviews N1, N2, N3, M3 and M5.

The connections with the literature and theory relate to the level of the approaches relative to quality and innovation (Woods, 1997) and to the theme relating to the process of innovation (Grant, 2016).

- Control

The questions raised relating to this theme are focussed on the strong propensity for characteristics of coordinator and much less on those of monitor, considering that the Portuguese managers are much more focussed on aspects of financial control, of budgeting and coordination and task analysis, to the detriment of the use of routine information, critical thought and professional communication.

In terms of analysing the expressions from the interviews, those with the greatest meaning refer to the themes of goal deployment, analysis by directors, internal control, after-sales service, business distribution, alternative suppliers, contracts and partnerships, evaluation and selection, information systems, description of processes, communication, quality and environmental systems, and audits, which occur in interviews N1, N2, N3, N4, N7, N8 and M4.

The support literature is principally focussed on aspects of coordination and control (Grant, 2016), behaviour at task and relations level (Drucker, 1997) and international management of human resources (Lawrence, Lenk, & Quinn 2009).

It is in this area (Internal Processes), focussed on the characteristics of Coordinators, that the majority of Portuguese managers working in the Portuguese companies that are becoming internationalized are found.

- Compete

Regarding the quadrant centred on rational goals, the fundamental characteristics of the Portuguese managers are centred on the function of director, backed up by tasks such as planning and definition of goals, delegation of responsibilities and tasks and motivation, with a very low incidence rate of producer tasks, characterized by logical problem solving, time management and self-motivation.

The most focussed expressions in the interviews refer to subjects including self-evaluation, strategic planning, indicators, follow-through of objectives, benchmarking and communication and client satisfaction, the interviews that focussed on these aspects most were M1, M2, M6, M7, M8 and N6.

The literature quoted that relates to these aspects is centred on the strategies of success described by Grant (2016) & Kracklauer, Janssen, Dorr (2010), Michael Porter's competitive forces (1990), management structure and systems (Mintzberg, 1973 & 1982) and the functions of senior management (Kotter & Heskett, 1992).

This area (Rational goals) is focussed on the characteristics of directors who are in general the Portuguese managers who work in multinational companies.

The influence of Internal Marketing Concepts

- Common aspects to the model that can be matched into Internal Marketing
This section will focus on several topics, which while not being instantly associated with the themes relating to the quadrants of the Competing Values Framework, are common to the activity of the Portuguese managers studied, and that if one considers aspects that back up the analysis of the results,

come from the interviews and are described by the literature consulted. There are also several themes that do not totally coincide in the overall study, and that we will treat as ideas that contribute to the analysis and comparison of the study carried out.

- High performance – according to Wiley (1996) this is a relevant theme, considering the sample chosen for the study, which as described previously, constitutes high performing and successful companies and managers, demonstrated through the evolution of the results. This category is aligned with that of Rational Goals.
- Change of Organization Culture and Climate – according to Weber (1978) and Hatch (1993) the managers interviewed describe the subject in two basic areas, the first through implementation of process redefinition projects, supported by areas such as information systems, centres of competence and process description, which are strongly emphasized in interviews M2 and M5; the second area is supported by the management of communication from several perspectives, ascending, descending, transversal and external, described with greater frequency in interviews M2, M5 and N4. This category is aligned with the Human Resources quadrant.
- Characteristics of Organizations – Grant (2016) describes the differences between the operational and the innovative. This difference is not completely clarified in our study, as the interviews, frequently and almost unanimously, report a strong leaning towards operations management, with the exception of the organizations M3 and M5, which are considered innovators. There is therefore some overlap with the area of Open Systems, but with limited significance.
- Planning (Strategic and Operational) – the reference authors (Ackoff, 1973; Martinet, 1987) consider planning as one of the greatest distinctions between managers, and the same conceptualization can be applied to Portuguese managers; the managers of the multinational companies are more focussed on strategic aspects, while the managers of the national companies are more focussed on operational aspects. The dimension of the model that is closest to Planning is that of Internal Processes.

As can be seen, if one forces the reinterpretation of these four dimensions, if each is aligned with one of the quadrants, the results presented and commented on above will not vary.

- Leadership – This is a concept that was studied with a certain amount of detail in our analysis, although it comes from the sensitivity on the part of the investigators to the way they interacted with the managers interviewed. As such it is a generic category that is not interpretable in the light of the different quadrants.

Thus it was possible to create a theoretical idea that is backed up in the literature by various authors, having managed to find an interesting differentiation; it seems that there are managers in Portugal who practice leadership in a systematic form through management models implanted formally or even consciously (as in the case of the multinationals), and managers who practice leadership informally (as in the case of the national companies).

The former is strongly supported in the interviews M1, M2, M3, M5, M6, M7 and M8, and the latter in the interviews N1, N2, N3, N4, N5, N7 and N8.

There are, however, results that can be considered as exceptions, and that are backed up in the interview with the managers of organization N6, strongly connoted with the multinational companies; contrastingly though, organization M4 appears to be strongly connoted with the national companies.

The differences found between the two groups of leaders can be explained through two base concepts: charismatic leadership, in the case of the national companies and transformational leadership (which incorporates, in addition to charisma, personalized consideration and vision), in case of the multinationals. With a greater incidence of charisma in the leaders, all the organizations meet the image of senior management and its followers (Yukl, 2016), reinforcing the idea that the culture of organizations is formed by their leaders (Schein, 1992).

One can conclude that, with a few exceptions, there is a reinforcement of certain basic ideas of leadership theory, according to which leaders' charisma foments organizations' culture, their connection/alignment with their followers and the operational and relatively un-innovative characteristics of

Portuguese management (graph 1). In the multinationals, the alignment does not seem to be processed in the same way, since the leader must answer to headquarters, thus forcing a balance between tendencies (graph 2).

- Value Creation

As referred to on page 13 of this paper, in this section we will attempt to correlate the cultural characteristics, the styles of managerial leadership and the economic-financial performance of the organizations. Figure 3 was created for this purpose, with the intention of grouping the value of the EVA indicator from the perspective of the Competing Values Framework.

Figure 10. Economic Value-Added Framework

Classification of “Economic Value Added” according to the Competing Values Framework

Compa-nies	EVA% / TCO	Q1 – Col-laborate	Q2 – Cre-ate	Q3 – Compete	Q4 – Control	Model
N1	0.202	0.19000	0.01000	0.15000	0.65000	0.25000
N2	0.375	0.11000	0.02000	0.16000	0.71000	0.25000
N3	0.339	0.12500	0.02555	0.14530	0.79333	0.27230
N4	0.059	0.05111	0.00500	0.03123	0.92330	0.25266
N5	0.290	0.91550	0.04230	0.05132	0.01000	0.25478
N6	0.148	0.12235	0.04000	0.78120	0.02000	0.24089
N7	0.081	0.18000	0.01500	0.15510	0.63990	0.24750
N8	0.058	0.11200	0.01583	0.15580	0.69330	0.24423
N Average	0.194	0.29000	0.02000	0,17	0.52000	0.45000
M1	0.040	0.23000	0.18000	0.33000	0.19000	0.23250
M2	0.126	0.32000	0.25000	0.32000	0.21530	0.27633
M3	0.446	0.10000	0.57000	0.23000	0.10000	0.25000
M4	0.637	0.04500	0.03239	0.04333	0.88545	0.25154
M5	0.160	0.12000	0.83000	0.13000	0.01000	0.27250
M6	0.118	0.25320	0.28990	0.33330	0.19000	0.26660

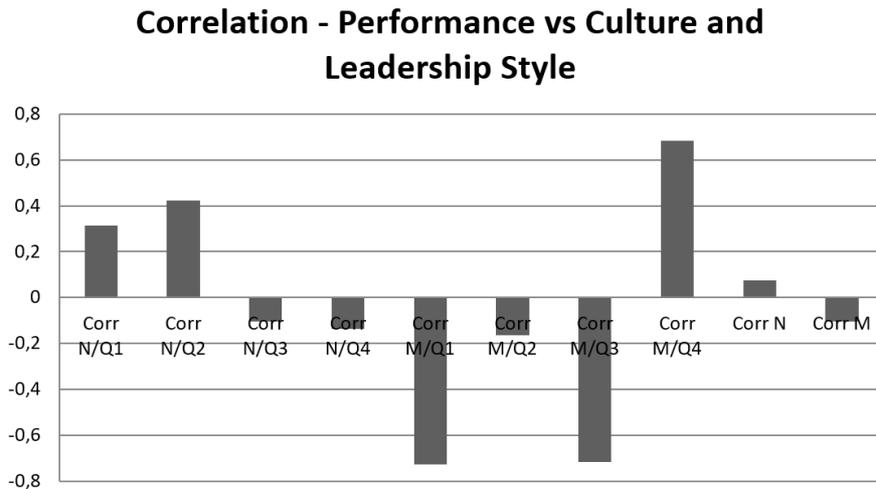
M7	0.094	0.26420	0.22000	0.35990	0.16787	0.25299
M8	0.323	0.24450	0.16897	0.32332	0.15435	0.22279
M Average	0.243	0.29000	0.21000	0.30000	0.20000	0.33875

Source: Developed by the Author.

The table shows the evolution of the data through the Competing Values Framework, considering the respective quadrants (Q1 to Q4), and the representation of economic-financial performance using the EVA indicator, Piper (2010 and 2011).

The correlation between the factors of the model and performance is shown in figure 11, considering the variants N – National; M – Multinational; and averages in value classes.

Figure 11. Correlation Indexes – Leadership Styles vs Performance



Source: Study output and author.

From Figure 11, contrary to expectations, the most significant correlations are the following:

- Positive performance of national companies in the Collaborate and Create quadrants;
- Positive performance of the multinational companies in the Control quadrant;
- Some relatively insignificant correlation of the performance levels of the national companies with the framework balance.

In terms of significantly negative correlation, contrary to initial expectations, the following was noted:

- Positive performance of the multinational companies in the Collaborate quadrant and the Compete quadrant;
- Greater influence in the performance of the multinational companies in the Create and Control quadrants, the latter was not a surprise for the author;
- From the global viewpoint, the performance of the multinational companies does not significantly implicate on the framework balance.

Conclusions

We have managed to administer questions and consult documentation in a variety of companies according to several categories and themes – multinationals operating in Portugal but with head offices in their countries of origin (greatly accentuated), normally North American and Asian, and others with decision-making centres (barely accentuated), and with considerable ability to make local decisions, normally European.

As well as the multinationals, national companies with internationalization strategies were also analysed and divided into three groups – listed, unlisted and joint venture.

The method used for the analysis was a complete diagnosis of their systems, processes, policy and practices, by consulting the relevant documentation and conducting interviews with senior level management.

After studying the content of these interviews, we sensed that the leadership culture of the national managers is weak and often non-existent. To confirm this, we created a correspondence between our model of analysis and Robert Quinn's Competing Values Framework, one of the most influential theoretical bases of our investigation, correlating the themes, categories, subcategories and units from our analysis with Quinn's four quadrants.

Through this analysis we concluded that the Portuguese managers are fundamentally dedicated to control tasks to the detriment of transformation and the development of flexibility in the organizations, and are also considerably more dedicated to transactional aspects, and focussed on day-to-day tasks to the detriment of thought and strategic action.

We had initially expected that the Portuguese managers would be divided into two groups, the multinationals and the nationals, but as the study advanced, we refined our expectations, and they were eventually divided into four groups, multinational companies with strong decision-making capability in Portugal and others with weak decision-making capability in Portugal, and listed and unlisted national companies. We had thought that the managers of the multinational companies with strong decision-making capability in Portugal would be grouped with the listed companies, and that the multinational companies without decision-making capability in Portugal would be grouped with the unlisted Portuguese companies.

However, this was not the result at the end of our study, so yet again we resorted to the Competing Values Framework, and we reached the conclusion that the only common denominator between the Portuguese managers is the fact that the majority are centred, in terms of action, on control activities and transactional aspects.

There is then some distinction regarding the main focus of activity; the managers of the national companies are more internally focused (internal processes) and the managers of the multinationals are more externally focussed (rational goals). From the viewpoint of leadership, the former is characterized as "controllers" and the latter as "directors".

There are few registers in the human relations and open systems area. From the viewpoint of leadership characteristics, there appear to be no managers who are predominantly “facilitators” or “innovators”.

In conclusion, we hope this analysis will contribute to a better knowledge of the leadership characteristics of Portuguese managers, as well as to the possible development of a leadership formation model, which will allow us to improve management culture and activities in our country.

When management control is undertaken by external capital or by management mechanisms implemented from these companies’ headquarters, the governing model is less controlled by the internal senior management.

External control of the decision-making centres has frequently been associated with negative aspects by national stakeholders; but is this a correct assumption?

For this external control not to happen, it is probably necessary to adopt more balanced management styles, at the risk of passing decision-making control, in an open market, almost inevitably to external bodies.

As an alternative, the administration could potentially answer to a general shareholders meeting, to which some central powers such as the remuneration policy of the corporate bodies should be transferred, in line with the recent proposal for the “Good Corporate Governance Code”, by the Portuguese Institute of Corporate Governance. In this way a President of the Board of Directors would not represent the last resort, as (s)he would be subject to external control, and this would in turn create a more balanced leadership in line with the fundamental state.

There are still some limitations to the study regarding the potentiality of the Competing Values Framework in relation to leadership roles (i.e. Mentor, Producer, Broker and Monitor), which did not emerge in the analysis, and in terms of future inquiry, this suggests it would be useful to perform periodic evolutionary studies considering companies from the financial market, in the expectation that their “efficacy” may bring out other characteristics of analysis and different roles of management and leadership.

Considering the new approach together with value creation, through the correlation between cultural characteristics, leadership styles and economic-financial performance, we can conclude in this aspect that there is no direct relation between the most significant styles and the results.

Related with Mintzberg (1983) Leader profiles we can compare or detect one more in this case, considering in our study emerged the one related with processes and objectives, we can call typical top manager acting as a politician.

We know that the national companies are more connoted with the quadrant of the internal processes/rules/control and that the multinational companies share more characteristics with the quadrant for rational goals/compete, though these are not the most significant in the influence on the positive results of each one of the groups of organizations studied.

The main causes for this difference are related to the model of Multinational Corporations Governance, centred on activities of Internal Control and more recently in the activities of Internal Marketing, so for our proposed study, related with the relationship between Leadership Style and Financial Performance can't be confirmed due to the fact of some different top management behaviour are achieving good financial results.

Future Lines of Study and limitations

It is worthwhile continuing study in this area, as with the completion of this particular chapter/project, other paths of analysis of the themes relating to the culture of organizations, their influence on leadership characteristics and on the exercise of management have been opened.

In light of this, and due to our satisfaction with the analysis, study and development of these themes, we now propose a new phase of investigation, in which the Portuguese managers can be studied using Robert Quinn's most recent models. For future study a model of evolutionary and dynamic analysis will be interesting, based on the Fundamental State of Leadership, to focus more solidly on the passage of a group of managers, after educational



intervention, from the Normal State to the Fundamental State of Leadership (Quinn, 2016; Lawrence, Lenk, & Quinn, 2009).

As individualism and the maintenance of comfort zone are strong characteristics of management in Portugal, it would certainly be beneficial.

In conclusion, it is important to reiterate that this study should be extended to financial companies, in order to establish a parallelism of their management and leadership capability with the companies from other sectors of course if Management tools and systems can help the top managers developing their companies for the future, in order to avoid some of the limitations of this study centred on the diversity of companies.

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