CULTURAL DIFFERENCES IN EMPLOYEE WORK VALUES AND THEIR IMPLICATIONS FOR MANAGEMENT

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Research has clearly established that culture affects the application of management theories and practices. Work values, in particular, are an important part of cross-cultural understanding in that they are themselves measures of cultural dimensions, and also have strong implications for many areas of management, from employee motivation to organizational communication. In order to successfully implement management practices originating in a different culture, it is necessary to first identify domestic needs, values, and behaviors, and then adapt the management practices before implementation. In order to illustrate these traits, work value preferences of Croatians and Americans were tested. Similarities, but also significant differences were found between the two groups.

1. INTRODUCTION

The field of management is constantly changing and evolving, and with it new ideas about how best to manage organizations and employees are emerging (Adler, 1997). Myriad theories and methods of management have been developed in order to increase the operational efficiency of organizational systems and employees. However, the majority of modern management theories has emerged from, and necessarily reflects, the culture of the United States (Adler, 1997; Haire, Ghiselli, & Porter, 1963; Hofstede, 1980). These theories have been designed and developed according to what will maximize the productivity and success of American organizations, managers, and employees.

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What occurs, then, when these management theories and ideas, which have developed naturally in and reflect the cultural identity of American managers and employees, are applied in a non-American culture? When applying American management principles outside of the United States, culture cannot be ignored. Research has clearly shown the culture does affect the application of management principles outside of the United States (Alavi & McCormick, 2004; Haire, et al. 1963; Hofstede, 1993; Hui, et al. 2004; Laurent, 1983; Zander and Romani, 2004).

According to Michael (1997), whose research focused on how cultural differences influenced managers' behaviors, attempts to import western management practices without considering the host country's culture leads to the frequent failure of these practices. Similar findings have been found for such common management practices as participative management (Singh & Pandey, 1986), Management by Objectives (MBO) (Hofstede, 1984), and empowerment (Hui, et al., 2004).

Although American management theories still have merit and can be successfully applied outside of the United States, it is naïve to assume that culture, a profound influencer of human values, attitudes, perceptions, and behaviors, plays no role (Hofstede, 1980). As businesses operating in Southern and Eastern Europe continue to refine and improve their management practices, it is imperative that the culture of the country of operation be taken into account. In order to successfully implement management practices originating in a different culture, it is necessary to first identify domestic needs, values, and behaviors, and then adapt the management practices before implementation (Hofstede, 1980; Hoppe, 1990; Ronen & Shenkar, 1985).

Determining the work values of each culture is an important part of this process. According to Hofstede (2001), work values are significant for two different reasons. First, they are an excellent measure of culture in that they are shaped more by sociological and cultural factors than individual psychological differences. Secondly, the work values of an organization's employees will affect that organization in many ways, from conflict resolution, to its ability to change, to communication, to employee motivation.

This paper will present the results of a cross-cultural analysis of work values between Croatian and American undergraduate students, and will attempt to answer the question of what, if any, differences exist between these two cultures.

2. WORK VALUES

Work values can be defined as those qualities that people desire from their work (Ben-Shem & Avi-Itzhak, 1991) which reflect a correspondence between a need and satisfaction (Abboushi, 1990). Super (1973) defines work values as goals that one seeks to attain to satisfy a need. Dose (1997) defines work values as "evaluative standards relating to work or the work environment by which individuals discuss what is 'right' or assess the importance of preferences" (p. 228). She further divides work values between two dimensions: (1) those that have a moral element and (2) the degree of consensus regarding the importance and desirability of particular values.

The study of work values was first undertaken in order to explain differences in employee performance and motivation (Hoppe, 1990). Much early research into work values was incorporated into early needs theories of motivation such as Maslow's Hierarchy of Needs and Herzberg's distinction between intrinsic and extrinsic needs (Hofstede, 1980; Hoppe, 1990). These theories hold as their basic premise the idea that individuals are motivated to resolve unmet needs (Levy, 2003).

2.1. Implications of work values for the organization

Moving beyond the idea of work values as the foundation for important and much-used theories of motivation, work values in and of themselves have important implications for the organization. Cultural differences in work values can be used to explain differences in individual performance and to predict job satisfaction (Hoppe, 1990), to develop a committed workforce (Li, 2008; Randall, 1993) and to prepare the organization to be able to function during periods of change (Hayes & Prakasam, 1989; Li, 2008). In addition, understanding employee work values has been found to aid negotiation (Connor & Becker, 1975; Graham, Mintu, & Rodgers, 1994), to assist in developing effective reward systems (Kim, Park, & Suzuki, 1990); to affect leadership and management style (Connor & Becker, 1975; Hofstede, 1980; Hoppe, 1993) and to facilitate communication (Varner & Beamer, 1995) and organizational performance (Connor & Becker, 1975). If an employee is unable to meet his or her work values through his or her job, that employee may experience dissatisfaction (Mitra, Jenkins & Gupta, 1992) and ultimately withdraw from his or her job (Locke, 1976) or become envious of colleagues (Salovey & Rodin, 1991).

2.2. The cross-cultural study of work values

Early cross-cultural studies of work values tended to focus on replicating the needs theories of Maslow, Herzberg, and McClelland in countries outside of the United States (Hofstede, 1980; Hoppe, 1990). The limitations of applying these American theories in other cultures soon became clear (Hofstede, 1980; Hoppe, 1990; Ronen & Shenkar, 1985). Hofstede (1980) clearly showed that variances in work values influenced the applicability of American motivational, leadership, and organizational theories elsewhere. Additionally, in reviewing existing literature, Ronen & Shenkar (1985) found that needs, values, and work goals varied significantly and consistently between cultures, despite the use of different instruments, methods, and samples. Thus, it became clear that a local culture's specific needs, values, and work goals should be taken into account before applying any particular management theory (Hoppe, 1990).

In the last few decades, several new models for testing differences in work values have emerged. Although the subject of some criticism, Hostede's model of intercultural research has become the most commonly used and replicated model (Girlando & Anderson, 2001).

3. RESEARCH METHODS

In gathering information about the similarities and differences between Croatian and American undergraduate students, a survey was developed which included 11 questions having to do with work values. The selection of the work values was based on the original IBM survey used by Hofstede (1980). Those work values that were most significant for determining Hofstede's four cultural dimensions were included.

As part of a larger survey consisting of 33 questions, 10 work values were listed. The respondent was asked to think of his/her ideal job, and then to indicate whether that criteria was "very important", "somewhat important", or "not important."

The 10 work values were:

- *Question 1:* Having interesting work to do, from which one can get a personal sense of accomplishment.

- *Question 2:* Knowing that one's job is secure.

- *Question 3:* Having an opportunity to earn a lot of money.

- *Question 4:* Having little stress on the job.

- *Question 5:* Beeing free to implement one's own approach to the job.

- *Question 6:* Working with people that cooperate well with each other.

- *Question 7:* Being included in the company's decision-making.

- *Question 8:* Having an opportunity for advancement to higher level jobs.

- *Question 9:* Working for a company which cares about its employees.

- *Question 10:* Having a good working relationship with your manager.

In Question 11, the respondent was asked to indicate which three of the ten work-related criteria listed in Questions 1-10 was most important to him or her in considering his or her ideal position. This provided an additional possibility to determine which criteria were most highly valued. All distributed surveys were in English, as the Croatian sample consisted of students studying at an English-language college.

A sample of undergraduate students was chosen for two reasons. First, a student sample would be most likely to represent the value orientations of the next generation of employees and managers. Secondly, it was desired to have a Croatian sample which had spent most of their lives in a market-based economy rather than a centralized economy. After the elimination of invalid surveys, the resulting Croatian sample consisted of 60 individuals, 29 men and 31 women. The American sample consisted of 48 individuals, 25 men and 23 women.

4. RESEARCH RESULTS AND CONCLUSIONS

4.1. Work values

Questions 1-10 asked the respondent to think of his or her ideal job and then to indicate the importance of each of the 10 criteria (work values). The possible responses to each of these questions represent a range of 1 to 3, with "very important" being 1 and "not important" being 3. The last question asked the respondents to indicate which three of the 10 listed work values they considered to be most important when imagining their ideal job. Table 1. describes the answers provided by each group. The 10 work values are ranked from most frequently listed to least frequently listed. The percentage of

respondents for each respective group which listed that value in response to the last question is also provided.

Table 1: Work values of Croatian and American respondents

Croatians			Americans		
All	**Men**	**Women**	**All**	**Men**	**Women**
1 (interesting work) 61.67%	1 (interesting work) 58.62%	1 (interesting work) (tie) 64.52%	8 (advancement) (tie) 56.25%	8 (advancement) 64.00%	1 (interesting work) 52.17%
8 (interesting work) 56.67%	5 (freedom) (tie) 48.28%	8 (advancement) (tie) 64.52%	1 (interesting work) (tie) 56.25%	1 (interesting work) 60.00%	8 (advancement) 47.83%
5 (freedom) (tie) 35.00%	8 (advancement) (tie) 48.28%	9 (caring company) 36.67%	2 (job security) 37.50%	2 (job security) (tie) 36.00%	9 (caring company) 43.48%
6 (cooperation) (tie) 35.00%	3 (earnings) 44.83%	6 (cooperation) 35.48%	3 (earnings) (tie) 35.42%	3 (earnings) (tie) 36.00%	2 (job security) 39.13%
9 (caring company) 32.20%	6 (cooperation) 34.48%	5 (freedom) 22.58%	6 (cooperation) (tie) 35.42%	6 (cooperation) (tie) 20.00%	3 (earnings) (tie) 34.78%
3 (earnings) 30.00%	9 (caring company) 27.59%	7 (decision-making) 19.35%	9 (caring company) 31.25%	5 (freedom) (tie) 20.00%	6 (cooperation) (tie) 34.78%
7 (decision-making) 18.33%	7 (decision-making) 17.24%	2 (job security) (tie) 16.13%	5 (freedom) 18.75%	9 (caring company) (tie) 20.00%	10 (mgmt. relationship) 26.09%
4 (stress) 11.67%	4 (stress) 10.34%	3 (earnings) (tie) 16.13%	10 (mgmt. relationship) 16.67%	7 (decision-making) 16.00%	5 (freedom) 17.39%
2 (job security) 10.00%	10 (mgmt. relationship) 7.14%	4 (stress) 12.90%	7 (decision-making) 8.33%	10 (mgmt. relationship) 8.00%	4 (stress) 4.55%
10 (mgmt. relationship) 8.47%	2 (job security) 3.45%	10 (mgmt. relationship) 9.68%	4 (stress) 4.26%	4 (stress) 4.00%	7 (decision-making) 0.00%

4.2. Comparing the Croatian and American samples

Value #8 (opportunity for advancement) was rated as "most important" by the highest percentage of Croatians, while value #9 (working for a company that cares about its employees) was rated as "most important" by most of the American sample. Although differences do exist between the responses of each group, we do see that work values #9, #8, #1 (interesting work/sense of accomplishment), and #6 (working with people who cooperate well with each other) are, in one combination or another, listed as the top four work values for each group. The Croatian sample values work value #5 (freedom to implement one's own approach) more highly than the American group. Both samples valued work value #4 (having little stress) the least.

In the last question, respondents were asked to list the three work values they considered to be most important, work values #1 and #8 are again at the top of the list for both groups. Again, one can see that work value #5 was significantly more important for the Croatians than the Americans. Conversely, work value #2 (knowing that one's job is secure) was significantly more important for the American group than the Croatian group, listed third for the Americans and ninth for the Croatians.

Differences between the Croatian and American responses are demonstrated by Figures 1 and 2. Figure 1 summarizes the responses to the questions related to individual work values, while Figure 2 indicates the responses to the last question, ranking the work values.
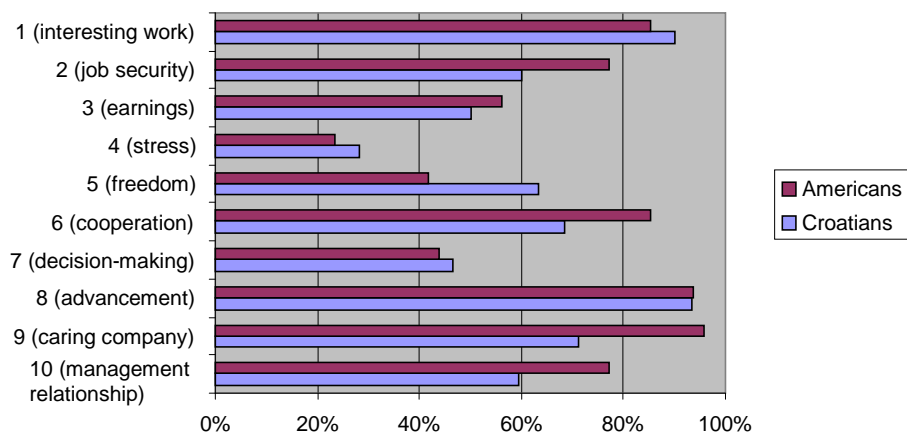

Figure 1: Comparison of the importance of individual work values for the American and Croatian samples
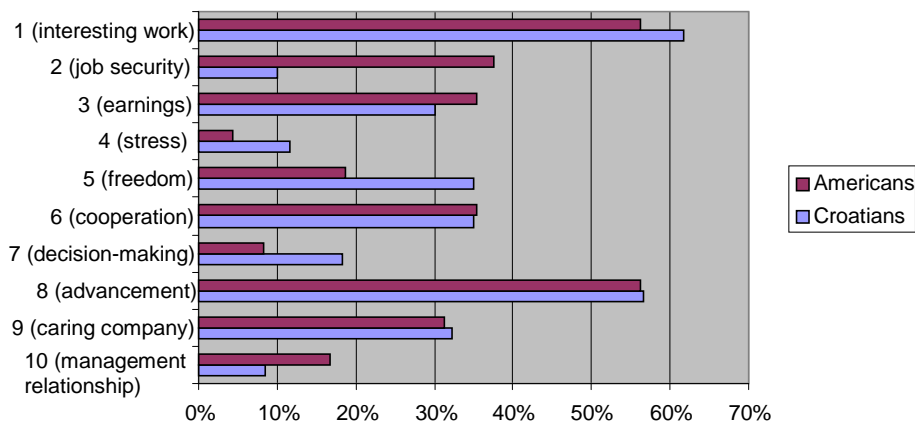
Figure 2: Comparison of American and Croatian ranking of work values

4.3. Results by gender

When comparing Croatian and American men, rankings according to the answers related to individual values generally correspond to the responses to the last question, related to overall ranking of all the work values. Values #9 (working for a company which cares about its employees) and #10 (having a good working relationship with one's manager) are more important for the Americans than for the Croatians. Value #5 (having freedom to implement one's own approach to the job) is more important for the Croatians.

Based on the overall ranking of work values, value #5 (freedom to implement one's own approach to the job) seems more important to Croatian men. It was listed by 48.28% of the Croatian men as one of the three most important values, compared to 20.0% of the American men.

Value #2 (job security) is more important for American men than the Croatian. A total of 36.0% of American men included it in their answer to Question 11, compared to 3.45% of Croatian men.

When comparing the responses of Croatian and American women to questions related to the individual values, the discrepancy in the Croatian women sample regarding value #10 (good relationship with one's manager) is again evident. In response to the last question, related to overall ranking of all the work values, 64.52% of Croatian women considered the good relationship with one's manager to be "very important". As mentioned above, value #2 (job

security) appears to be more important for American women and value #5 (freedom to implement one's own approach to the job) more important for the Croatian.

Based on the overall ranking of work values, both Croatian and American women listed values #1 (interesting work/sense of accomplishment), #8 (opportunity for advancement), and #9 (company which cares about its employees) the most often. Value #7 (being included in the company's decision-making) was more important for the Croatian than the American women; 19.35% of Croatian women listed it compared to 0% of American women. Values #2 (job security), #3 (earning a lot of money), and #10 (good relationship with one's manager) seem to be more important for the American women than the Croatian. Values #2, #3, and #10 ranked seventh (tie) and 10th for Croatian women, but fourth, fifth, and seventh for American women.

According to the above results, it is possible to see that while similarities do exist between the Croatian and American samples, significant differences also exist. Differences in the degree that each group values particular work values has the possibility to affect the application of the many areas of management that are influenced by employee work values.

These results also contribute to the measurement and understanding of the Croatian culture, which is under-represented in the literature. It opens the door for further research to be carried out on a larger and broader sample drawn from a wider cross-section of Croatian society.

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KULTURALNE RAZLIKE U RADU ZAPOSLENIKA I NJIHOV UTJECAJ NA MENADŽMENT

Sažetak

Istraživanjem je jasno utvrđeno da kultura utječe na primjenu teorije i prakse menadžmenta. Radne vrijednosti su posebno važan dio međukulturalnog razumijevanja jer same predstavljaju mjere kulturnih dimenzija, te imaju snažan utjecaj na brojna područja menadžmenta - od motivacije zaposlenika do organizacijske komunikacije. Kako bi se uspješno primijenila menadžerska praksa koja potječe iz drugih kultura prvo je potrebno identificirati nacionalne potrebe, vrijednosti i ponašanja, pa tek onda prilagoditi menadžersku praksu. Kako bi se ilustrirale navedene odrednice, u ovom su radu ispitane vrijednosti rada kod Hrvata i Amerikanaca, te su nađene sličnosti, ali i značajne razlike između ovih dviju grupa.