

# The analysis of culture differences defined in Lewis's model and impact on corporate culture

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**Abstract:** Corporate culture is shaped by many elements, more or less visible for its environment, but the basic element of corporate culture represents an employee. Organizational culture refers to a system of shared values, beliefs and level of its acceptance. This system shows people within company what is appropriate and inappropriate behavior. It is shaped by many elements, more or less visible for its environment, but the basic element of corporate culture represents an employee. It is needed to use soft edges of diversity for recognizing and managing cultural differences. By comparisons of national cultures we can observe differences in several parts of the culture – religion, high vs. low context by communication, past vs. future-oriented culture, collectivism vs. individualism and others. Corporate culture is effected by national culture as well and can be reflected in the way of thinking of employees in the company. From global perspective has cultural intelligence an important role. The analysis of the organisational culture identifies differences, allows observing human behaviour within the organisation and highlighting reality. Corporate culture analysis helps company to take steps to shape its direction for the future. Ability to recognize and understand differences in cross-cultural situation supports growth and success of enterprises on the international market.

**Key words:** *corporate culture, elements of corporate culture, Lewis's cultural types*

**JEL Classification:** *M1 Business, M14 Administration Corporate Culture • Diversity • Social Responsibility*

## Corporate culture and its elements

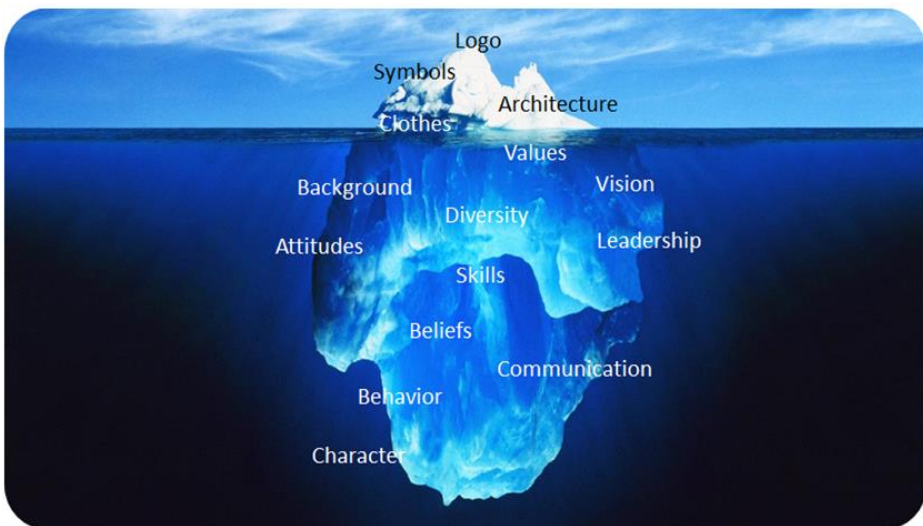
Corporate culture has a social character. Its level, strength and content is highly influenced by internal environment - employees, management, leadership style and on the other hand external environment - competitors, legislation, state also affects it. Ravasi and Schultz (2006) described corporate culture as a set of shared assumptions that guide what happens in corporate by defining exemplary behavior in diverse situations. Corporate culture helps employees to identify themselves with an organization, affects the way they interact with each other, within or across departments, with business partners etc.

**Elements of corporate culture**

Even though there is no single definition of corporate culture we can come up with basic summary. Corporate culture represents a set of standards, basic rules and core values that are specific for each enterprise. This corporate culture set influences thinking and behavior of employees in daily business. Each culture is unique and there are a lot of factors and elements which creating one.

Elements of corporate culture are characterized by Schein (2010) in three levels model: artifacts and behaviors, espoused values and assumptions. We can simplify this model and divide corporate culture elements into the following groups (Fig.1):

- **Visible elements** – express character of the enterprise which is recognizable by external environment as well. We can include here all elements as symbols, logo, business, work clothes, work environment, equipment, architecture, etc.
- **Invisible elements** – represent all elements which are hidden under the surface, behind the enterprise gate - stories, management style, communication style, values, attitudes, behavior, standards of conduct, background, skills of employees and other.



**Fig.1 Visible and invisible elements of corporate culture** (own source, 2017)

Visible elements represent visual part of corporate culture. Those elements stand for face of corporate, how the company and its employees look. Invisible elements are mainly under the surface of each company although from time to time it is possible to see a part of them as well. The visibility of those hidden elements depends on time – the longer you know the company the better you get to know its character, invisible traits. This part is visible by company acting.

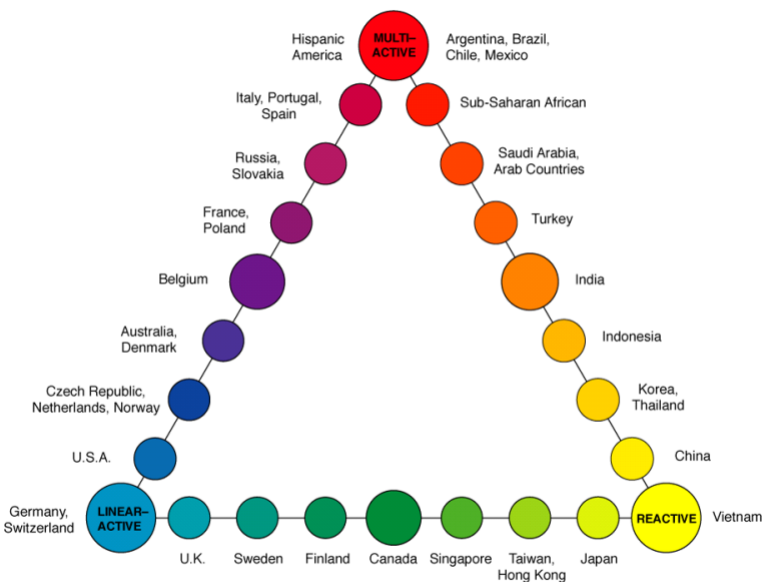
**Methods of analysis of corporate culture**

Corporate culture can be analyzed by using different models. Analysis of corporate culture helps to diagnose the current state of the level of corporate culture, its content and strength. Based on the results of diagnostics is possible to define the strengths and weaknesses of corporate culture. These results are important for influencing, changing and creating a desired culture in the future. Basic types of diagnostic methods are:

- **Qualitative methods** used to analyze the corporate culture, standardized instruments (Ouch, Schein, Deal, Kennedy). These tools include interviews, role playing etc. (Jaššo 2009). Qualitative methods are very consuming in terms of time and implementation. The evaluators must have expertise, be independent and objective. The objectivity is the stumbling block –no matter what we do, the subjectivity of these methods is difficult to eliminate.
- **Quantitative methods** are based on the assumption that different corporate cultures have common features and their further optimization is possible, only if is possible benchmarking (Cameron, Denison, Havaleschka) and comparison with similar social systems. The advantage is the possibility of validation, usually of large data files (Jaššo 2009)

**Cultural Categories – Lewis’s Model**

Corporate culture is a characteristic of each company and it is influenced by cultural background of respective country. By comparisons of national cultures we can observe differences in social behavior in various social objects – department, company, country. Common sense, core values, behavior, beliefs, habits and others - each country or culture has an own set. To understand environment from global perspective it is needed to learn and understand, respect special features of other cultures. After visiting 135 countries and working in more than 20 of them Lewis (2006) analyzed the world’s cultures based on behavior. He came to the conclusion that people can be divided into three basic groups and he named these categories Linear-active, Multi-active and Reactive (Fig.2).



**Fig.2 Basic culture categories defined (Lewis,2006)**

The different world’s cultures has Lewis (2006) defined in three basic categories:

- **Linear actives** — those who plan, arrange, organize, do one thing at a time, follow action chains. The members of this group are Germans and Swiss. They are truthful rather than diplomatic and do not fear confrontation. Their work and as well as personal life is based on logic rather than emotions. Linear actives like facts, fixed agenda and they are very job oriented. They are able to separate social-private and professional life.

- **Multi-actives** — people belonging to this cultural category are able to do many things at once, planning their priorities not according to a time schedule, but according to the relative thrill or importance that each appointment brings with it. As member of this group we can consider Italians, Latin Americans and Arabs. Those cultures are very talkative and impulsive. These characteristic predict their orientation on people. They feel uncomfortable in silence. Multi-active people prefer face to face sessions.
- **Reactives** — member of this group has in the priority list courtesy and respect on the top. This group is best listening culture. Listening quietly, reacting calmly and carefully to the other side's proposals are their traits as well. This category is represented by Chinese, Japanese and Finns. Reactive cultures are the world's best listeners in as much as they concentrate on what the speaker is saying, do not interrupt a speaker while the discourse or presentation is on-going. Reactive people have large reserves of energy. Reactives tend to use names less frequently than other cultural categories.

**Results of the culture analysis by using Lewis model**

Lewis model has been applied in the survey for culture analysis. For survey needs has been used questionnaire with 18 questions related to behavior of employees according Lewis cultural characteristic. The survey was conducted in three enterprises in Slovakia and five small companies in China. Overall participated 631 in our analysis pool.

In total 558 participants took part in the analysis of Slovak companies, which represents 71.8% of the total number of all employees in these enterprises. Questionnaire was filled out by staff as well as by management. Second part of analysis has been carried out in Chinese enterprises. Corporate culture has been studied by a questionnaire based on Lewis cultural categories. Altogether 73 employees took part in the analysis, which represents 63.5 % of the total number of all employees. Questionnaire was filled out by staff across whole organizational structure.

The purpose of analysis was to get to know the positions of surveyed enterprises in Lewis model for cultural types. The following table 3 displays the overview of percentage results of cultural type in the both surveyed countries. The chart shown below is pointing out what cultural type has been achieved in respective country. According our survey results we can see that all surveyed enterprises have mixed character with one a stronger trait. At the this stage we can assert that Slovak companies have the strongest multi-active character with round 44% and Chinese companies achieved the highest score about 54 % in reactive cultural type.

**Table.3** Weight of cultural type

	Multi-active	Reactive	Linear Active
Slovakia	43,79%	32,31%	23,91%
China	24,28%	54,11%	21,61%

Source: own, 2018

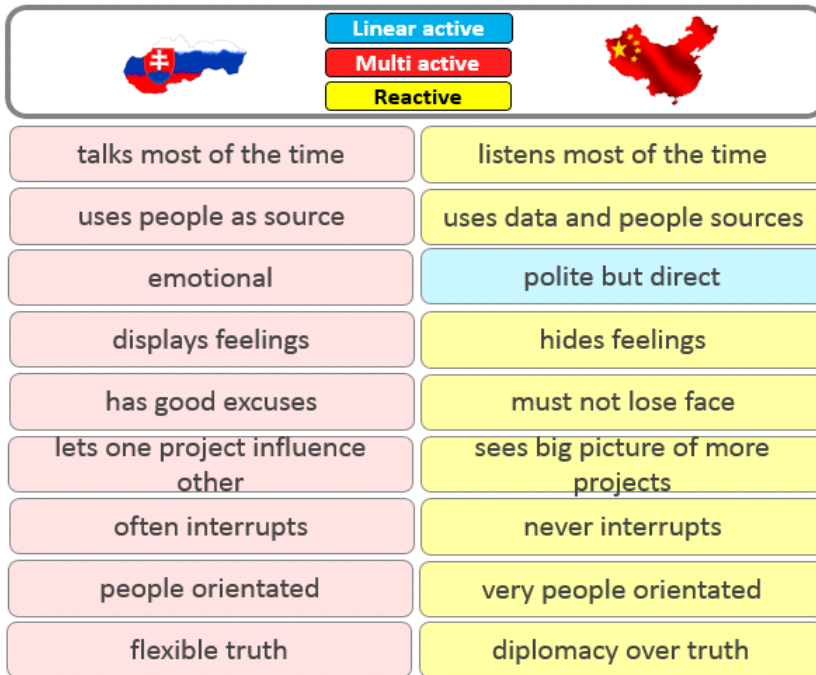
Results of the corporate culture analysis based on behavioral differences in selected enterprises shown in the table. 3 above are displaying the position of questioned Slovak and Chinese companies in Lewis cultural type model. As displayed on the table 3 above there is no clearly defined a one cultural type in analyzed enterprises in both countries. For all surveyed enterprises is the total result the mix of all cultural types.

Chinese enterprises confirmed reactive orientation as the strongest part in their behavior. From survey analysis it can be confirmed that Chinese are very good listeners. The listening is for them important and they do not interrupt others during the discussion. Rarely initiate they action or discussion, preferring first to listen to and wait for the reaction of others. They avoid confrontation and do not disagree openly.

From the results of Slovak characteristic analysis the following conclusion can be made. Slovaks are on time with prepared agenda but they are flexible with its content during the meeting run. They are able to do several things at the same time as well as talking to several people at once in case they have to. It might be caused by their communication style: Slovaks interrupt others during the communication. They display their feelings and emotion. They try to be or stay polite but in the certain point of communication you can see if they are sad, happy, agree with your argumentation or have totally different opinion. They do not express their selves only verbally but Slovaks use body language vividly as well.

**Differences in Slovak and Chinese cultural type**

According our results based on behavior there are some differences between Slovaks and Chinese. The very visible discrepancy is in communication. Slovaks are very talkative whereas Chinese people are better in listening. They concentrate on speaker and what he or she is saying. During the discussion have Slovaks tendency to jump in the discussion and raise their questions or comments. Slovaks split their role in communication between listener and speaker. Chinese show a different acting. They never interrupt presenter during the speech is ongoing and after the presentation they let speaker to take short rest. Chinese place all their comments and questions afterwards. Other differences are shown below on picture 3.



**Fig.3 Survey results – different natures in surveyed countries** (own source, 2018)

Our analysis confirmed several differences defined in theory between Slovaks and Chinese. One of them is related to the displaying their feelings. Slovaks react emotionally and you can observe easier than by Chinese what kind of mood they are in. You can read the feeling expression in their face as well. Chinese are careful by showing their feeling but they want to stay polite and try to be direct. Although our results mainly confirmed Lewis model based on

behavior in a different situation, by comparison of differences between Slovaks and Chinese is above described trait unique. Chinese put them in more liner role than reactive one. It might be caused by effort to get closer to European behavioral style.

### **Conclusion**

The corporate represents an alive organism that is evolving and changing. The company development depends on corporate culture, respectively on the corporate culture level. It is therefore necessary to analyze the corporate culture. If we want to create, change and influence direction of corporate culture in global market, we must know its cultural differences. Based on the results of diagnostics according Lewis's model is possible to define the cultural traits in corporate culture. Analysis results of the cultural differences in selected enterprises in Slovakia and China have shown that there are some differences between both nations. China and Slovakia are different in their language, religion, traditions and other characteristics. According the results based on Lewis's model cultural typology like Slovaks as well as Chinese surveyed enterprises showed the mix of all cultural types but in parallel the results confirmed their stronger orientation according Lewis's defined types. Slovaks confirmed the orientation for multi active cultural type and Chinese for reactive. Each culture has its specifics and should be respected. Understanding of different natures supports business success and strengthen corporate culture. In case employees understand management, follow the vision and respect values of the enterprise they feel involved, respected, connected with corporate culture. Differences import to the business competitive edge – influences performance and success of the enterprise in the global market.

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