The Influence of National Culture on SME Management Practices

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Abstract: In order for an organization to grow and prosper economically, good management practices must be put into place. Management practices for an organization can be developed by trial and error, by implementing methods from past experience, or by putting into place practices adapted from managerial books and theory. Each of these methods has its faults. The biggest problem with using the last method is that they are often written by American authors and are intended for an American audience. While some of the practices presented by these authors have their merits and can be applied to business around the world, they neglect the cultural specific attitudes and behaviors most applicable in other countries. In this article, the author analyzes cultural theory and how it applies to organizational culture and developing management practices. Based on the results of Geert Hofstede's *Values Survey Module* survey conducted in Slovakia, the author proposes recommendations to overcome the challenges of managing in Slovakia.

Keywords: National culture, SME, organizational culture, management practices, Slovakia.

1 Introduction

In order for an organization to grow and prosper economically, good management practices must be put into place. Management means getting things done through (other) people. In order to accomplish this, one has to know what needs to be done and one has to know the people involved. Understanding people means understanding their background, from which their present and future behavior can be predicted.

Management practices for an organization can, for example, be developed by trial and error, by implementing methods from past experience, or by putting into place practices adapted from managerial books and theory. Each of these methods has its faults. The biggest problem with using the last method is that they are often written by American authors and are intended for an American audience. In addition, most of the management theory is based on large, usually international or multi-national, companies. While some of the practices presented by these authors have their merits and can be applied to business around the world, they usually neglect the cultural specific attitudes and behaviors most applicable in other countries. Countless studies have shown that companies assuming a cultural dominance approach to international business do not succeed. Failing to recognize and integrate cultural values into an organizational culture leads to conflicts, disagreements or ineffective processes, yet despite its problems, the cultural dominance model is the most common approach [21]. While it may be logical that this approach to international business does not work, problems even within a domestic company may occur if the management has different values and behaviors from its subordinates yet doesn't recognize or adapt to them.

Another problem is that these books and theories often overlook the conditions found in micro-, small- or medium-sized enterprises (SME). In this article, we assume an SME employs up to 299 employees and may include family firms, entrepreneurial firms, owner/manager firms and professionally managed firms. Indeed, many sources argue that there are differences between large and small enterprises, which make it inappropriate to assume that the results from studies of large firms will also apply to small firms [5]. For instance, organization theory is nearly completely based on studies of large systems. Applying such theory to small business assumes that it is compatible with small structures or that managers who expect their small businesses to grow or succeed should adopt these principles. However, studies demonstrate the incompatibility of parts of large-organization theory to small organizations [4]. The same can apply to theories about HR. Some research indicates that most theories about HR cannot be extended to SMEs and are often incongruent with the reality SME practitioners in the field encounter [16].

SMEs clearly face different challenges than large firms. For instance, the liabilities of the small size, the lack of sufficient resources and perhaps the lack of legitimacy make it difficult for small firms to attract and retain high quality employees. Furthermore, small firms and growing firms have less tolerance for inefficiency than larger, more established organizations. Hence, it is important for SMEs to have effective management practices as they often do not have the resources of larger companies. Having an accurate theoretical base for understanding and developing is therefore quite important. As a result, this article describes some of the

uniqueness of SMEs and analyzes cultural theory and how it applies to organizational culture and developing management practices. Based on the results of Geert Hofstede's *Values Survey Module* survey conducted in Slovakia, the author proposes recommendations to overcome the challenges of managing SMEs in Slovakia.

2 Uniqueness of SMEs

As has been mentioned, the process of managing a small firm differs from that the process of managing a large one. One of the reasons is that small firms face distinct forms of risk and often organize their human resources informally [17]. However, once they employ more than 10 people, they may need to consider management issues and often need to set up formal structures to organize their activities [13]. This is often difficult as a workforce that has grown with flexibility is not very likely to tolerate more formal procedures, bureaucracy, and what it may perceive as slow and possibly ill-informed decision making [17]. Indeed, research by Johnston indicated that with the growth of a firm, there are also changes in the design of organizational structures and mechanisms. Generally these changes mean more formal roles, rules, systems and controls. However, these changes are perceived differently by organization members, depending on when they entered the company [11]. The implication of this is that in order for management to be successful in growing the firm, it must consider the workforce in order to be more efficient in implementing changes or new procedures in general.

Another unique aspect of SMEs, especially in smaller firms, is that the management is personified by the owner and his/her attitude to business influences all aspects of the business. As the owner will probably be involved in all aspects of managing a business, there can sometimes be a problem when decision-making needs to be delegated [13]. On the other hand, because the managers of small firms have such a large direct influence on employees, there is a higher likelihood that it can inspire "entrepreneurial dynamism" among employees [1]. Although SMEs do not tend to conduct major research and development, they are often flexible and innovative organizations that are capable of responding quickly to customer and market demands. While flexibility may be dependent on other factors in an organization, innovation is primarily due to the attitude of the owner/manager [13]. This is directly related to attitudes towards risk and uncertainty, which will be discussed below.

A good organizational culture can positively impact organizational functions; however, a poor one can have the opposite effect and greatly reduce the effectiveness of the organization. Therefore, especially as a company grows, management must have a strategy of how to implement changes or manage in general. Understanding the expectations and values of the workforce is one way to be more efficient in doing so. Understanding the culture of the workers can therefore help make those decisions.

3 National Culture

Before discussing the culture of an organization, one first needs to consider the societal cultures at play. That is, it is important to adopt a workable, comprehensive, and theoretical base for understanding culture as a whole in order to have a consistent interpretation of the cultural phenomena. The reason for a convincing categorization is that it enables people to: predict a culture's behavior, explain why people do what they do, avoid making offense, search for similarities and unity, and standardize policies [14]. This is especially important in SMEs where they usually grow in size from a homogeneous culture.

National cultures may be intangible phenomena; however, they can have a significant influence on the performance of both individual organizations as well as entire business sectors. Although there may be no consensus on the meaning of the term culture, broad descriptions of cultures have been proposed. Many researchers, however, have agreed on Kluckhohn's definition:

> Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action. (p. 357) [12]

In other words, national cultures describe how people communicate, behave, and develop their knowledge about attitudes toward life, work, etc. Compared to less elusive factors, such as proximity to competitors, size of the company, and profit goals, the influence of national culture on establishing an organizational culture or running a business is rarely mentioned in management literature. However, culture scholars (Hofstede, 2001 [8]; Trompenaars, Hampden-Turner, 1997 [19]) contend that national cultural differences have an important impact on individual values and world views. In SMEs, where the owner/manager strongly influences how the company is run and sets the values for the company, this can be especially noticeable. Values represent the deepest level

of a culture. They reflect broad feelings, and are usually unconscious. Things like what is good and what is bad, rational or irrational, normal or abnormal, etc. are not open to discussion. These feelings are present in the majority of the members of the culture, or at least in those persons who occupy key positions. As such, culture indicates assumptions, values, beliefs and behaviors that are shared among the group; these elements are passed on to future members of the group, leading to similarities and cohesion within the group. Therefore, the culture of the owner/manager from the upstart plays a significant role on the values, rules, traditions, behaviors and goals of the company. It is logical that many aspects of the national culture should therefore appear in the values and behaviors of the company. Indeed, some companies are able to successfully integrate the congruous aspects of their national culture with their company culture. This alignment of the corporate culture and national culture makes for an easier transition of employees into the company culture and may therefore lead to a stronger organizational culture as many of the values and behaviors will be the same.

3.1. Dimensions of National Culture

Researchers have proposed various models to explain cultural differences at the national level. These models are made up of various dimensions. Because of the vast variety of dimensions to be studied, this article will focus only a few. These come from the often cited researcher, Geert Hofstede. Hofstede's original study came from his 1966-1973 *Hermes* (IBM) attitude survey where he gathered data from 116,000 employees located in forty countries [8]. The result of his research was the identification of four dimensions on which national cultures vary: Power Distance, Individualism-Collectivism, Uncertainty Avoidance and Masculinity-Femininity. Hofstede later added a fifth dimension to his Value Survey Modules (VSM) survey. The research of Michael Harris Bond from Hong Kong used the Chinese Value Survey in twenty-three countries. The results revealed a dimension independent of the four others: *Long-Term versus Short-Term Orientation*. This dimension appeared in Hofstede's VSM survey for the first time in 1994. As other cross-cultural survey information became available, Hofstede expanded his dimensions once again. Using the World Values Survey, Minkov integrated all old and new databases accessible to him and proposed new dimensions, as a result, the dimensions of *Indulgence versus Restraint* were added to the VSM [10]. These dimensions are not dichotomous in nature; instead, they are viewed along a continuum.

Power Distance refers to the degree of equality and inequality between people in a country's society and whether this inequality is viewed as desirable or undesirable. In other words, it explains the extent to which the unequal distribution of power is expected and accepted by less powerful members of the society/institute/organization and how comfortable members feel in interactions across hierarchical levels [1]. In high Power Distance countries, there are rigid distinctions in the social strata (e.g. caste system) and do not allow for the upward movement of its citizens, for example India or Malaysia. Despite this inequality, people view it as a simple fact. Organizations in high Power Distance countries are typically hierarchical and centralized and there is a high deference between subordinates and their superiors. Low Power Distance countries, for example Denmark, emphasize equality for all its citizens, and organizations tend to be flatter and more decentralized [9]. Furthermore, when power distance is high, employees usually feel that it is the manager's responsibility to make the decisions; on the other hand, when power distance is low, employees feel that they should be involved in decision-making [1].

The second dimension, *Individualism vs. Collectivism*, is concerned with the relationship of individuals to the larger group or society and refers to the extent to which a society emphasizes individual choices and individual achievement to collective achievement and interpersonal relationships. In Collectivist cultures, people belong to extended families or groups who they identify with and find comfort in. Belongingness is important, group decisions are the norm and employees expect to be taken care of and protected in exchange for unquestioning loyalty. On the other hand, individualistic cultures are focused on themselves and immediate family, value privacy and generally make decisions individually. Employees and individuals are expected to look after and defend themselves [9] and do not like to be held back by the group [1].

Uncertainty Avoidance, the third dimension, refers to the level of tolerance members of institutions/organizations within a society have for uncertainty and ambiguity and their preference for a structured versus an unstructured environment. Countries that have a high tolerance for ambiguity are more open to change and more likely to take risks. Organizations in these cultures are likely to have loose structures with fewer rules and regulations. In contrast, low tolerance countries, for example Greece and Portugal, are more resistant to change, fear failure, tend to have more structured organizations and written rules for appropriate behavior [9] and prefer clear goals and operating guidelines [1].

Masculinity versus Femininity refers to the extent to which social gender roles are clearly distinct. Societies that emphasize the traditional male role work model of achievement, control, and power versus interpersonal harmony are said to be masculine. Masculine cultures tend to be male dominated and results focused [1]and are described as more assertive, tough, ambitious, decisive and focused on material success. Women in these

cultures should be the opposite. Femininity implies that social gender roles in a society overlap. This means that both men and women are supposed to be modest, tender and concerned with the quality of life and positive relations. Such cultures can be described as caring and nurturing, valuing interdependence and service. Organizational characteristics may include more women holding higher paying positions and low levels of stress and conflict [9].

As the dimension indicates, *Long-Term Orientation* (LTO) stands for the fostering of virtues oriented toward future rewards; characteristics include perseverance, adaptation and thrift. At the other end, *Short-Term Orientation* (STO) stands for the fostering of virtues related to the past and present; characteristics include respect for tradition, preservations of "face," and fulfilling social obligations [9].

Finally, *Indulgence* stands for a society that allows relatively free gratification of basic and natural human desires and feelings, particularly those relating to leisure, enjoying life, consumption and sex. On the other hand, *restraint* represents a society which suppresses the gratification of needs, and where people feel less able to enjoy their lives because they regulate it with strict social norms. Many Arab countries, for instance, have a low Indulgence score [10].

4 Management Implications

National culture is important because it affects the business activities of a particular country. Knowing the values of one's culture in general and one's employees specifically, the management can understand how their subordinates may respond and can adjust their communication and expectations accordingly. As Taghizadeh, Rahman and Ahmad (2013) indicate, "the effects of cultural values can be seen in the shaping of motives derived from concepts of the self, such as in the degree of challenge inherent in goal levels and the degree of approach or promotion focus versus avoidance tendencies in self-regulatory processes." (p. 208). [20]

Just as with national culture, there is no universally accepted definition of organizational culture. Like with the general concept of culture, the beliefs and assumptions that are considered valid or effective are passed down through the organization and taught to new members as the way they should perceive, feel and act in the organization. In other words, the organizational culture guides how things are done in an organization and indicates what should be important to the employees. Like with national culture, organizational (or company) culture helps explain what happens in organizations since the behaviors within the company should be consistent. As a result, the culture and corporate values help to create a sense of identity and enhance social stability.

Founders and leaders of companies create the symbols, heroes and rituals that make up the daily practices of the employees. These are based on their values and can especially be seen in SMEs. However, members of organizations do not have to adapt their personal values to the organization's needs to a great extent. Organizational cultures often reside at a more superficial level than the values and behaviors learned in their culture [7]. Despite that, organizational cultures are still difficult to change because they develop into collective habits. Changing them is the task of the top management/leadership/owner and should be based on a strategy. Although there is no single formula for success, it is recommended that it fall in line with the national culture for easier acceptance.

The role that culture plays in business practices in undeniable. Just from a management perspective, cultural values and traditions can influence the attitudes and behavior of managers in a number of ways. For example, the values are likely to be internalized by managers who grow up in a culture, and these values will influence their attitudes and behaviors in ways that may not be conscious. They will most likely apply these behaviors even in a foreign setting. Furthermore, cultural values are reflected in societal norms about the way people relate to each other. These norms determine acceptable forms of leadership behavior. Therefore, most managers will conform to the social norms of their cultures concerning this behavior.

It can be stated that organizational culture holds the organization together and drives members of the organization to commit to it and produce good results. This is one reason it is so important. To sum up, the culture of an organization is a combination of management's expectations, preferences, and values about how the organization should behave. It has an influence on how the organization is designed and how it functions [3]. Societal values (i.e. culture) influence organizational practices through the mediation of internal organizational culture [1]. As can be seen, although the culture may not be the sole determinant of the behaviors in organizations, it certainly influences them. For management to be effective, the cultural norms and expectations of a majority of the employees should be implemented in the company. That is where the cultural dimensions play their role, and the differences in the dimensions affect management strategy and techniques in different countries.

4.1. Power Distance

This dimension concerns the fact that not all individuals in societies are equal. In cultures with a high Power Distance, the less powerful members of institutions and organizations expect and accept that power is distributed unequally [6]. Research by Hofstede and others demonstrate that cultures with a low Power Distance have a greater tendency to innovate [1]. This is because the centralized authority, autocratic leadership, and many hierarchical levels inhibit innovation capability. Creativity and inventiveness is more likely to occur in low Power Distance cultures with a less bureaucratic environment [1]. Therefore, management of SMEs should consider their organizational structure if the industry they work in requires innovation and creativity.

Organizations that score high on the Power Distance dimension tend to have control systems based more on rules and procedures, which as follows from above, inhibit creativity and inventiveness [1]. Cultures with a large Power Distance also favor centralization [7]. It is not only accepted, but it is also expected that these people will use their power. This make it easier to authorize and initiate new procedures as employees rarely question changes proposed by their bosses and usually do as they are told [15]. However, the power managers have should not be used in a negative way; it should create clarity and structure for people. In fact, in such cultures, the ideal manager is someone who supervises employees, is visible and tells them what to do, just like a "good father" [6]. Employees in high Power Distance cultures are likely to view participative management with fear, distrust, and disrespect because participation is not consistent with the culture. Employees in high Power Distance cultures expect their supervisors to control information, make decisions, and tell them what to do [1]. However, while hierarchical organizations may be normal, a manager still needs to prove himself/herself to make people respect and accept decisions [6].

High Power Distance may inhibit information sharing between managers and subordinates [1]. In addition, since such cultures emphasize an autocratic management style, participative management techniques like empowerment may not work in them [1]. In fact, research indicates that an attempt to go from a hierarchical structure with management control to a flat structure with management coaching was usually resisted by both managers and employees [15]. The reason is that managers did not want to give up their power or control and employees were content to follow instructions. Taking on additional responsibilities includes risks, which employees were not willing to accept [15].

Low Power Distance cultures, on the other hand, prefer decentralization [7]. In addition, in such cultures, participatory management should be implemented as it is assumed that everybody has equal rights. Research indicates that employees and line managers in countries with a low Power Distance expect to participate in planning changes, and if decisions are made without consultations, it can trigger complaints [15]. On the other hand, when employees are deeply involved, key performance indicators can improve [15]. However, managers must ensure timely and complete data to make it possible. Employees must also have the means to access and share information.

4.2 Uncertainty Avoidance

Cultures with a high Uncertainty Avoidance favor strict rules and principles, while those with a low one prefer opportunism and the tolerance of deviant behavior [7]. The reason is because of their level of dealing with ambiguity. When a culture is more threatened, it has more beliefs, institutions and rules to prevent it. This is important in creating organizational cultures.

In High Uncertainty Avoidance cultures, people prefer having managers that share information which specifically lays out assignments, goals, policies and procedures [1]. This also implies that they require a more formalized management. There may be greater stress and anxiety amongst the employees without such clearly defined rules. What is more, employees may feel the need to have more agreement and few conflicts. However, to do their jobs properly, they will need more feedback, praise and job safety [1]. This will empower them. On the other hand, these types of cultures tend to be less innovative than low Uncertainty Avoidance cultures [1], which may be a big disadvantage of SMEs as it is often their innovativeness that gives them a competitive advantage. They may also be slower at adopting technology and trends until they have been proven effective and successful [1]. This means that management should be slow to place changes into effect and should carefully consider them in order for employees to accept them more readily. Another risk is that even though they may be successful at reducing risk, because of the structured change process, there may be a risk of "paralysis by analysis" [15], making it hard to implement new things.

In Low Uncertainty Avoidance cultures, they tend to maintain a higher level of flexibility. Plans tend to be less concrete and detailed and they prefer looser structures. Likewise, employees may find some tasks, formal rules and job descriptions as threats to their creativity [1]. It also means that employees may resist Enterprise resource planning (ERP) systems because they enforce one specific way of doing business [15]. They are also more tolerant of opinions that are different from their own. Therefore, feedback can be more honest and less

may be required. Employees in such cultures tend to have an internal urge to work hard to meet goals. While empowerment may be easier to achieve, there is a risk that employees may be willing to make important decisions even without all the necessary information or with information they do not understand [1]. Therefore, information sharing and participation may be necessary to control such risks.

4.3 Masculinity versus Femininity

Cultures with a high masculinity (or assertiveness) favor competition and survival of the fittest while cultures at the opposite end of the spectrum prefer solidarity and sympathy for the weak [7]. From a management perspective, research has found that firms with a high Masculinity tend to use strong leadership and financial incentives to overcome resistance [15]. Since Masculine cultures are success oriented and driven, it is important for individuals to be successful and accomplish their goals. Therefore, status is important. This can come from having impressive cars, houses, clothes, positions, etc., as this is what motivates people from such cultures. As a result, management can expect long working hours and dedication to work from such employees as they want to achieve a high living standard and show their achievements [6]. Competition in such cultures will be high even amongst the workers and management can use that to their advantage. However, in order to succeed, employees usually want clear task goals, task-related information, and feedback on results [1].

On the other hand, a Feminine culture is motivated more by liking what they do than by wanting to be the best. In such cultures, a high quality of life is the sign of success and it is not good to stand out from the crowd [6]; therefore, material rewards may not be as useful. Since belonging is important in such cultures, when employees believe that they are valued and are able to participate in the decision making, it increases their motivation and innovation capability [1]. Again, management of SMEs should take this into consideration when trying to motivate their employees.

4.4 Individualism versus Collectivism

Cultures with high Individualism favor looking after oneself and one's immediate family while Collectivist cultures prefer belonging in groups that will take care of them in exchange for loyalty [6]. In other words, this dimension is about whether people´s self-image is defined in terms of "I" or "We". Researchers argue that depending on the culture of Individualism and Collectivism, "SMEs and large companies [LC] carry out research & development activities, share knowledge, develop product, create linkage in context of business operation. Individualism and collectivism shape up the nature, mode, and process of businesses among LCs and SMEs" p. 26 [18]. Therefore, it is important to understand this dimension. One typical feature of Individualistic organizations is that they usually have more freedom to develop or try new products than employees of organizations in collectivistic cultures. This feature has been found correlated to the number of patents granted in such cultures, which is much higher than in collectivistic cultures. Also, other research indicates that high individualistic countries tend to be more inventive in their products and processes [1]. It is something that managers should be aware of depending on the business they are in.

As has been stated, in Individualist societies people are supposed to look after themselves and their direct family only. Therefore, performance-based rewards for personal contributions often spark superior and often innovative responses to problems [7], [15]. Likewise, a penalty or reprimand results in a loss of self-respect and guilt. On the other hand, Collectivism favors group rewards [7]. Penalties and reprimands, on the other hand, imply a loss of "face" and shame. Furthermore, employees in collectivistic cultures tend to share resources and ideas, and are prepared to participate in management for collective interests [1]. Finally, relationships often have a higher priority over tasks. Management of SMEs must be aware of this fact and set their expectations accordingly.

4.5 Long-Term Orientation (LTO) versus Short-Term Orientation (STO)

Cultures with Long-Term (or Pragmatic) Orientation tend to value thrift and perseverance, while cultures with a Short-Term Orientation value respect for tradition and fulfilling social expectations [7]. Gudmundson reported that family businesses are high in risk aversion and more focused on the short-term [5]. This has a negative effect on creativity and innovation. Larger companies are able to respond better at dealing with change. Research by Martinsons, Davison and Martinsons found that managers in LTO societies, such as Japan, favored "smooth and steady progress" to "quick fixes that may be disruptive." [15]. The same can be applied to profit orientation, where higher LTO societies look long-term at business while higher STO value short-term profits. This also may have an effect in motivating employees. LTO employees may appreciate job stability and promotion over short-term bonuses. Finally, cultures with a STO often have a strong desire to explain as much as possible while LTO cultures do not since they believe that it is impossible to understand everything and that things depend on the situation, context and time [6]. Therefore, managers may need to find more time to explain things to employees in STO cultures, while in LTO cultures, it is easier to adapt their traditions to changing conditions.

4.6 Indulgence versus Restraint

Finally, as the dimension indicates cultures high in Indulgence favor being able to enjoy oneself and express oneself, while societies high on Restraint suppress their gratification of needs. In such culture, people feel less able to enjoy their lives because they regulate it with strict social norms. They also have a tendency to pessimism and cynicism [6]. In high Restraint cultures, managers should understand that employees will be more self-disciplined and may require stricter conditions to feel good about the work. On the other hand, in a culture with high Indulgence, management can expect employees to value fun, spontaneity, and time away from work and do not place great emphasis on what society considers acceptable. Management should create a more relaxed atmosphere in the workplace to maintain the employees. Employees should also be given room to express themselves.

4.7 Slovakia

Slovakia is a unique country to study. It has the lowest number of foreigners living long-term in the country within the EU and those foreigners are not very concentrated in compact settlements or neighborhoods, especially outside of Bratislava [2]. The relatively homogenous Slovak society makes it easier for researchers to generalize the results of their research. The size of the country in terms of area is also relatively small. Due to this compactness, there may not be many differences between the regions.

Hofstede's *Values Survey Module* was distributed either electronically or in paper form to various SMEs, primarily in North-East Slovakia. The majority of the companies had a maximum of 50 people. The organizations were from various industries: accounting/financing (2), trade (1), services (2), education (1), and IT (1). With a return rate of only about 40%, the sample size was only 50. The results highly differed from the official results offered by Hofstede, so both results shall be discussed. 61% of the sample were women, the average age was between 30-35, and 75% had at least some university courses with over half of them completing university studies.

The chart below shows the unmodified results of the survey and the "official" Hofstede results [6]. In preparing the calculations, there is a constant that can be added to the formulas; however, in the results below, this option was not used as there was no basis for comparison with another culture.

	Power Distance	Individualism	Masculinity	Uncertainty Avoidance	Long-Term Orientation	Indulgence
SME Slovakia	38	35	33	-47	0	62
Hofstede	100	52	100	51	77	28

The results indicate that employees expect a low Power Distance between themselves and the owner/manager. Although this is in great contrast to Hofstede's result, it is consistent with other results collected by the author. Therefore, owner/managers of SMEs should be approachable and allow for more informal relationships. Individualism is also low. In this case, more emphasis should be placed on collective work and collective rewards. It appears that employees will feel more comfortable making decisions together. As for Masculinity, this is also low and the opposite of Hofstede's results. Our results imply that that the employees are more concerned about relationships and quality of life than competition, success and status. Managers/owners should attempt to implement a more nurturing atmosphere and motivate employees with kindness rather than assertiveness. It is useless promoting competition if the employees do not value it. They also cannot expect employees to work very long working hours as a result. Uncertainty Avoidance is very low. Rules and stability are less important for the employees. Innovation and creativity should therefore be emphasized. The most surprising result from this survey was the very Short-Term Orientation. Employees may be focused more on the present and respect traditions much less. The moderate Indulgence results indicate that employees do not restrain their desires and impulses. They will put slightly more emphasis on leisure time and pleasing themselves. Again, creating a pleasant atmosphere and doing team building and other activities at work may be in order to maintain employees.

5 Conclusion

There are of course limitations to this current paper. The first is the small sample size of the survey. Results from Hofstede's surveys vary considerably depending on the sample. Hofstede himself states that his results cannot be replicated or should not be used for individual organizations. While the numbers may not be exact,

they certainly indicate a trend and research indicates that they have a predictive value that can show managers how members of different cultures respond to different social situations [21].

In addition, many of the concepts in this article may apply to a particular culture, but individuals within that culture may differ. While there may not be universal values and perspectives worldwide, the workforce in a domestic SME will most likely have a similar culture and the management should recognize and adapt to it. However, the differences in individuals should also be taken into account. To conclude, knowing cultural differences should prevent managers from trying to apply supposedly universal success formulas to people who are definitely not universal, yet by applying values that are generally accepted in a culture, managers of SMEs will probably have more success.

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