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Role of cultural differences in international small business development

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Abstract:

The paper presents the problem of cultural differences in international small business as exemplified by Poland and Australia. On the basis of research conducted by Hofstede, Hofstede, Minkov and Gesteland (2011), cultural similarities and differences between Poland and Australia have been identified and major cultural barriers to establishment and development of business relations between small enterprises located in those countries have been described. The paper contains also information and guidelines which can help Australian and Polish businesspeople overcome cultural differences and achieve success in domestic and international markets. Moreover, it has been shown that knowledge of Polish business culture has a broader context and can be used to build positive relations with enterprises in Eastern Europe.

Keywords: international small business, cultural differences, Poland, Australia.

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INTRODUCTION

Small business is an important and growing area of economy, in which millions of firms operate all over the world. The size criteria for enterprises to be regarded as a small business may differ depending on the country. Table 1 contains definitions of enterprise sizes in terms of the number of staff employed, applicable in Poland and Australia. As shown in Table 1, different staff headcount ranges have been adopted in Poland as a criterion of classification of enterprises into small, medium-sized and large. Small enterprises are those employing from 1 to 49 employees, among which there are micro enterprises, employing from 1 to 9 employees. In Australia the upper limits are significantly lower. Firms employing from 0 to 19 staff members are classified as a small business, and from 0 to 4 as a micro business. Looking at the figures related to small businesses in both countries it is worth noting that Poland, despite its significantly smaller territory, has the population of 38,49 million, whereas Australia 23,13 million only (2013).

Table 1. Enterprises by employment in Australia and Poland

Australia	Poland
Small business 0-19 employees (Micro business 0-4 employees)	Small enterprise 1-49 employees (Micro enterprise 1-9 employees)
Medium-sized business 20-199 employees	Medium-sized enterprise 50-249 employees
Large business 200 and more employees	Large enterprise 250 and more employees

Source: Australian Government, Department of Innovation Industry, Science and Research, *Australian Small Business*, 2011, p. 3; <http://biurose.sejm.gov.pl>.

In 2011 small and medium-sized enterprises in Poland accounted for 99,82 per cent of the total number of active businesses. That sector was dominated by 1,71 million micro enterprises (1-9 employees). Moreover, 55,0 thousand businesses employing from 10 to 49 staff members and 15,8 thousand medium-sized enterprises (50-249 employees) were operating in this country. About 4 million people were working in the small and medium-sized enterprise sector, which was 60,5 per cent of all people employed in enterprises. 92,1 per cent of small and medium-sized enterprises were run by natural persons. Commercial enterprises have the biggest share in the small and medium-sized enterprise sector (29,46 per cent in 2011). Industrial enterprises account for 10,65 per cent [Wyżnikiewicz, 2013, p. 4, 7 and 8].

In Australia, despite its smaller population and classification of businesses with smaller staff headcount (0-19 employees) as small business, more businesses than in Poland operate in this sector. In Australia in June 2009 small business included 1 961 337 firms, which constituted 95,6 per cent of actively trading businesses. The proportion of medium-sized businesses was 4,1 per cent, while large businesses only 0,3 per cent [Australian Government, 2011, p. 8]. "Small business provided employment for almost half of total industry employment in 2009-2010, which equates to almost 4,8 million people (employment by business size, at the end of June 2010: small business 47,2 per cent, medium business 23,3 per cent, large business 29,5 per cent)" [Australian Government, p. 6]. The Australian small business was dominated by services (85,1 per cent). The following places were taken by: agriculture (8,4 per cent), manufacturing (6,1 per cent), mining (0,4 per cent) (June 2010) [Australian Government, 2011, p. 6].

Enterprises counted as small business develop also their activity in international markets. It will be demonstrated by the example of Polish firms based on the survey conducted in July / August 2014

by the Ministry of Economy. According to that study, in the first half of the year 2014 the proportion of Polish enterprises which sold goods / services abroad was equal to 12 per cent (8 per cent micro enterprises, 15 per cent enterprises with 10-49 employees and 54 per cent medium-sized enterprises). Every fifth surveyed firm carried out its activity abroad. 11 per cent of micro enterprises, 17 per cent of enterprises with 10-49 employees and 29 per cent of medium-sized enterprises maintained relations with foreign business partners; 6 per cent of micro enterprises, 9 per cent of enterprises with 10-49 employees and 8 per cent of medium-sized enterprises provided services abroad, 1 per cent of micro enterprises, 2 per cent of enterprises with 10-49 employees and 0 per cent of medium-sized enterprises executed direct investment projects abroad [Ministry of Economy, 2014, p. 17]. Many Polish enterprises want to develop their activity in foreign markets, regarding it as one of their major priorities. 5,1 per cent of micro enterprises, 16,6 per cent of enterprises with 10-49 employees and 34,0 per cent of medium-sized enterprises declare that their business priority for the coming years is to carry their activity in the European Union and worldwide. [Wyżnikiewicz, 2013, p. 65].

A serious barrier to international and global development of small business is cultural differences. The national culture and individual behavior (culture) influence business culture. The national culture gives “a cultural context in which business operates [...] individual behavior, where individuals, through interaction with others, learn culture and adopt their own culture” [K. Lee, S. Carter, 2009, p. 107]. Lack of knowledge of cultural differences leads to misunderstandings and conflicts, and these can weaken or even destroy a small business with participants from different countries.

The problem of cultural differences is complex and very comprehensive due to cultural diversity of the contemporary world. Practically every country has its own specific culture, which is the product of its history, religion, language, values, beliefs, ideas and norms shared by members of the society. There are many approaches to the analysis of cultural differences, like the models of: G. Hofstede [G. Hofstede, G.J. Hofstede, M. Minkov, 2011], F. Trompenaars and Ch. Hampden-Turner [F. Trompenaars, Ch. Hampden-Turner, 2002], R. Gesteland [R. Gesteland, 1999], F. Kluckhohn and F. Strodtbeck [S. Robbins, 1998], E. Hall [E. Hall, 2009], I. Varner and L. Breamer [A. Murdoch, 1999]. Those and other models are referred to by the authors of books dealing with international and global business [J. Cullen, K. Parboteeah, 2010; R. Griffin, M. Pustay, 2010; P. Kelly, 2009; et al.], management [M. Peng, *Global Strategic Management*, South-Western Cengage Learning, Australia 2009; F. Luthans, J. Doh, 2009; D. Ahlstrom, G. Bruton, 2010; H. Deresky, *International Management. Managing Across Borders and Cultures*, Pearson, New York 2014; et al.], marketing [K. Lee, S. Carter, 2009; S. Hollensen, 2007; K. Gillespie, J. Jeannet, H. Hennessey, 2007; M. Kotabe, K. Helsen, 2008; G. Clarke, I. Wilson, *International Marketing*, McGraw-Hill, New York 2009; et al.]. It is, therefore, impossible to provide a comprehensive presentation of the issue of cultural differences in small business in one paper of limited size. To make the field of research more specific, the problem was limited to two countries only: Poland and Australia. But even in this case the cultural richness of these two countries forced the paper authors to limit their study. They concentrated only on the presentation of selected aspects of cultural differences in small business.

RESEARCH METHODOLOGY

On the basis of research and findings of G. Hofstede, G.J. Hofstede, M. Minkov and R. Gesteland the authors of this paper pointed out to the areas of similarities and differences between the business cultures of Poland and Australia and based thereon they determined the spheres of potential conflicts and misunderstandings which might occur in contacts between Polish and Australian entrepreneurs running small businesses.

Comprehensive elucidations concerning research into cultural differences were provided by G. Hofstede, G.J. Hofstede, M. Minkov in the second chapter of their book entitled *Cultures and Organizations* [G. Hofstede, G.J. Hofstede, M. Minkov, 2011, p. 43-64]. A starting point for them was an analysis of a huge survey database coming from values surveys conducted in over 50 countries worldwide. The survey respondents were staff members of local agencies of IBM International Business Machines Corporation. On the basis of these data the authors created a model of cultural differences based on the following four dimensions: power distance, individualism - collectivism, masculinity – femininity and uncertainty avoidance. The existence of these dimensions was to a lesser or greater degree confirmed by research conducted by other scholars e.g. M. Sondergaard. Based on the IBM studies and replication research, G. Hofstede, G.J. Hofstede, M. Minkov presented indexes of the proposed cultural dimensions for 76 countries, among which were also Poland and Australia. The IBM study was later expanded by adding the Chinese Value Survey. Based thereon, the next cultural dimension was distinguished, which Geert Hofstede called long-term orientation. Index values for this dimension, coming from the Chinese Value Survey, were given for 23 countries, including Poland and Australia. G. Hofstede, G.J. Hofstede, M. Minkov emphasize that IBM indexes for the particular countries proved to be equally valid for the year 2010 and 1970, which demonstrates the durability and stability of the cultural characteristics [G. Hofstede, G. J. Hofstede, M. Minkov, 2011, p. 54].

In the paper the authors refer also to the classification and characteristics of cultures proposed by R. Gesteland, who was collecting materials related to these issues for 30 years, working in managerial positions in several different countries worldwide, conducting seminars, talks and negotiations with businesspeople in ca. 45 countries [R. Gesteland, 1999, p. 9-10].

Furthermore, information concerning the GLOBE country clusters and the related cultural dimensions has been used in the paper. This information has been collected by the Global Leadership and Organizational Behaviour Studies researchers (GLOBE). „The GLOBE project involves 170 researchers who collected data on 17000 managers from 62 countries around the world” [J. Cullen, K. Parboteeah, 2010, p. 190].

In the descriptions of the Polish business culture some Polish sources were also used, highlighting many of the cultural aspects, neglected in foreign studies and sources. An important contribution to the contents of this paper were observations of A. Pabian, who has travelled in different capacities to 36 different countries of the world (including Australia) and has had a direct contact with a variety of cultures, being exposed to the impact of those differences both on his own behaviour and on the behaviour of local inhabitants around him.

A. Pabian is one of the authors of this paper. His research field is management, marketing and education, including their international and global aspects. Hence, in his numerous scientific

writings he also deals with cultural differences [A. Pabian, 2004a; A. Pabian, 2004b; A. Pabian, 2006a; A. Pabian, 2006b; A. Pabian, 2007a; A. Pabian, 2007b; A. Pabian, 2008; A. Pabian, B. Pabian, 2012a; A. Pabian, B. Pabian 2012b et al.]. On the basis of his knowledge of the Polish culture, in which he was brought up, and based on his observations of cultural behaviour of Australians he met in Australia, in Poland and in other countries, A. Pabian pointed out in the paper to those types of cultural differences which can have a decisive impact on business relations between Polish and Australian businesspeople. These differences have been described on the basis of Polish and foreign literature sources referred to in the text and supplemented with A. Pabian's own observations and experience.

Respecting the findings presented in this paper may to a certain degree contribute to elimination of barriers arising from cultural differences and can have a positive influence on the development of business relations between Poland and Australia. These findings can to a certain extent apply also to other countries which together with Poland form the country cluster called Eastern Europe i.e. Russia, Slovenia, Hungary, Greece, Albania, Georgia, Kazakhstan.

FINDINGS

We will begin our search for cultural similarities and differences between Poland and Australia with locating these countries in country clusters. We will refer to the useful approach to the notion of a country cluster presented by J. Cullen and K. Parboteeah. They define the country cluster as a „group of countries with similar cultural patterns” [J. Cullen, K. Parboteeah, 2010, p. 193]. Those authors, referring to the Global Leadership and Organizational Behaviour Studies researchers (GLOBE), distinguish the following GLOBE Country Clusters: Anglo, Latin Europe, Eastern Europe, Latin America, Confucian Asia, Nordic Europe, Germanic Europe, Sub-Saharan Africa, Middle East, Southern Asia. Poland belongs to the Eastern Europe cluster, whereas Australia to the Anglo cluster [J. Cullen, K. Parboteeah, 2010, p. 194]. Differences between these two clusters in the aspect of cultural dimensions have been presented in Table 2.

Table 2. Anglo and Eastern Europe clusters in the aspect of cultural dimensions

Cultural dimensions	Anglo Australia	Eastern Europe Poland
Performance orientation	High	Low
Assertiveness	Medium	High
Future orientation	Medium	Low
Humane orientation	Medium	Medium
Institutional collectivism	Medium	Medium
In-group collectivism	Low	High
Gender egalitarianism	Medium	High
Power distance	Medium	Medium
Uncertainty avoidance	Medium	Low

Source: Based on J. Cullen, K. Parboteeah, *International Business. Strategy and the Multinational Company*, Routledge, New York 2010, p. 195.

As shown in Table 2, similarities between the Polish and Australian culture is to be found only in the following three cultural dimensions: humane orientation, institutional collectivism and power

distance. In the other six cultural dimensions the cultures of Poland and Australia are different. The most significant dissimilarities are to be noted in: performance orientation and in-group collectivism.

An important approach to the issue of cultural dimensions and research results were presented by G. Hofstede and collaborators. That author not only defined cultural dimensions and studied them with regard to many countries, but also calculated definite indexes. Hofstede's cultural dimensions with the indexes calculated for Poland and Australia have been shown in Table 3.

Table 3. Cultural dimensions with regard to Poles and Australians

Cultural dimensions	Index	Australians	Poles
Power distance	Power distance index (PDI)	38	68
Individualism - collectivism	Individualism (IDV)	90	60
Masculinity - femininity	Masculinity (MAS)	61	64
Uncertainty avoidance	Uncertainty avoidance index (UAI)	51	93
Long-term orientation	Long-term orientation (LTO)	31	32

Source: Based on G. Hofstede, G.J. Hofstede, M. Minkov, *Kultura i organizacje*, PWE, Warszawa 2011, p. 71-72, 105-106, 150-151, 201-202, 247; Gerben van den Berg, P. Pietersma, *Key Management Models*, Pearson, New York 2015, p. 291-294.

Comparison of indexes shown in Table 3 leads to the following conclusions: a similarity between the Polish and Australian culture exists only in the spheres of: masculinity – femininity (MAS indexes: 64, 61) and long-term orientation (LTO indexes: 32, 31). In other three spheres cultures of these two countries are significantly different.

It is also worth comparing the Polish and Australian culture on the basis of classification of cultures proposed by R. Gesteland. That author describes the following contrasting cultures the context of different countries:

- pro-partnership culture – pro-transactional culture,
- ceremonial culture – non-ceremonial culture,
- polychronic culture – monochronic culture,
- expressive culture – reserved culture.

Poland and Australia were ascribed the cultures included in Table 4.

Table 4. Cultures of Poland and Australia

Australians	Poles
Pro-partnership culture	Moderately pro-partnership culture
Non-ceremonial culture	Ceremonial culture
Monochronic culture	Polychronic culture
Culture with varied expressiveness	Culture with varied expressiveness

Source: Based on R. Gesteland, *Różnice kulturowe a zachowania w biznesie*, PWN, Warszawa 1999, p. 6-7.

Table 4 points to cultural similarities between Poland and Australia, resulting from both countries' belonging to pro-partnership culture and culture with varied expressiveness. In the remaining spheres, however, there are differences: Poland belongs to ceremonial and polychronic culture, while Australia to the opposite cultures: non-ceremonial and monochronic ones.

Further, we concentrate on cultural differences between Poland and Australia in respect of small business in the context of the classifications of R. Gesteland and G. Hofstede, G.J. Hofstede, M. Minkov.

Poles (polychronic culture) and Australians (monochronic culture) (Table 4) differ with regard to their attitude to time and terms and deadlines connected therewith. In Australia punctuality is a virtue – Australians attach great importance to punctuality and keeping schedules. Most Polish people have more flexible and easy-going attitude to time. According to R. Gesteland, conflicts emerge in these temporally opposing cultures because some punctual visitors regard their unpunctual partners as lazy, undisciplined and rude, whereas the latter often consider the former to be haughty pedants, slaves of arbitrarily fixed deadlines and appointments [R. Gesteland, 1999, p. 17]. A different attitude to time can be a source of misunderstandings and conflicts in small business, which may be caused by late correspondence, Polish partners coming late to business meetings, delayed deliveries. To avoid such situations it is necessary to find out in the initial phase of business relations what the Polish partner's attitude to time is. An Australian businessperson should remember that despite the prevailing global stereotype about a polychronic Pole, many Polish people are monochronic and perform their obligations in a timely manner. Therefore, attention should be paid to the following issues: does the Polish partner come to meetings on time or is he late? does he answer e-mails promptly or does he delay his replies? does he phone at the agreed time or much later? If in the initial contacts the Polish partner proves to be polychronic, it should be made clear when talking to him that the Australian party will attach great importance to punctuality and time is the essence of the planned business relations and the same attitude is expected of the Polish partner, otherwise the contract may be cancelled.

Business relations can be also disturbed by the Polish ceremonial culture and non-ceremonial behaviour of Australians (Table 4). These categories are reflected in more or less ceremonial way of addressing people. The ceremonial culture exists in hierarchic societies, with high degree of sensitivity about the social and professional position. Non-ceremonial conduct involves more easy-going manners in contacts with people irrespective of their position in the social hierarchy. Australians pay little attention to status differences related to academic degrees, wealth and position in the company's organizational hierarchy, they are dismayed by conceit and showing off; people who boast about their successes and put on airs are detested [R. Gesteland, 1999, p. 282-287]. "Australians are generally easygoing and friendly [...] Australians are quick to switch to an informal first-name basis, and visitors may do so if Australian initiates this cue" [R. Moran, P. Harris, S. Moran, 2007, p. 407]. Business relations in Poland have a ceremonial character. Business partners have to be addressed by their surnames, preceded by the professional or academic title e.g. Mr. President, Mr. Director, Mr. Doctor. Attempts to address Poles by their first name in marketing surveys, presentations of sales offers, establishing first contacts, are not taken well. Many foreign companies, training their Polish staff to sell their products in Poland make a mistake encouraging them to address Polish customers by their first names. Being on first name terms comes after a time, when business relations between partners become closer – but even then it is best to ask a Pole if it is OK for him to be addressed by his first name. Professional and academic titles are used also in business correspondence, by e-mail as well. Exchange of business cards in Poland is usually initiated by the person who is higher in the social hierarchy. Having received a business card, you are supposed to read it and then put it into your business card holder.

Power distance is the next cultural dimension having an impact on relations between Polish and Australian people in small business. In cultures with high power distance superiors, located high in the social hierarchy, are feared by employees. Social inequality is accepted. Bosses are inaccessible to lower rank employees, the subordinates are blamed for mistakes, there is no trust among co-workers. In low power distance cultures people are considered equal irrespective of their place in organizational structures. Bosses are treated as older colleagues and are accessible to their subordinates. Poles have a much higher power distance than Australians (Table 3). Polish people dislike all institutions, including state government agencies. Their attitude towards power in an organization can be different. It can manifest itself as total subordination, but can also acquire the form of distrust and distance, in extreme cases – of passive resistance. Managers usually use participative management styles. There are no attempts to formalize all aspects of organization's life. During the Communist period Polish organizations changed from the moderate hierarchical model to egalitarian orientation [Mikułowski Pomorski J., 2012, p. 404-405, 460-461]. These attitudes and behaviour are less common in Australia. Establishing contacts and business relations in small business requires frequent visits during which commercial offers are presented, contracts are negotiated and signed, details of cooperation are discussed. If Australians invite their Polish partners to their country they should first of all identify the most important member of the delegation (company owner, director, deputy director etc.), i.e. the person with greatest authority among the visitors. Such person should be treated in a special way, which means booking a single room for him in a hotel, inviting him to take central places during negotiations or formal meals, starting conversation with him first, and later with other delegation members. Failure to obey these rules may cause indignation of the head of the delegation, embarrassment of its other members and may disrupt interpersonal relations. In such a situation the power distance is reflected in the privilege distance during business trips.

Another barrier to establishing and developing business relations between Polish and Australian people arises from differences in the sphere of individualism – collectivism (Table 3). These terms represent the role ascribed to an individual and a group in the society. Individual welfare can be placed above the welfare of the community, which means orientation on oneself (individualism) or, on the contrary, loyalty to the collective can prevail, where the collective is regarded as a source of identification and foundation of security (collectivism). Individualism dominates in the Australian culture, whereas collectivism is more common in the Polish culture. Polish collectivism is based on the support provided by the family. The family means a safe place, where the family members are protected against dangers of the world outside. The family collectivism spreads to businesses – it means strong identification with the workplace, but only in case of small family businesses. In other cases a Polish employee tends to identify with any smaller group within the organization rather than with the organization as a whole. Strong subcultures are to be found in Polish companies [J. Mikułowski- Pomorski, 2012, p. 458, 460]. The Australians wishing to establish business relations with Polish people should remember that collectivism may affect the decision-making time of the Polish business partners. A Polish businessman may want to consult his closest associates or the whole staff before making an important decision. The aim of such consultations is to make sure that the right decision is taken and to distribute the responsibility among more people.

Polish and Australian entrepreneurs should not disregard the cultural difference concerning the uncertainty avoidance. This category is defined as the degree of threat, felt in a different way by

members of the particular societies facing new and unknown situations. Poles avoid uncertainty much more frequently than Australians (Table 3), which manifests itself in different business situations. Polish entrepreneurs starting a new business in unfamiliar territories (markets) will tend to get involved in smaller ventures first, and only later in more serious undertakings (after they get some insight of the market and get to know their business partners better). They will begin new product development with greater caution. They will minimize the risk when granting financial support to their partners or taking out loans. An Australian, wishing to embark on a risky business project with a Polish partner, should first of all provide arguments supported with evidence to reduce his uncertainty.

It is also worth mentioning some other factors from the Polish culture, which may be useful to Australians in contacts with Polish small businesses.

The Polish are open to foreigners. They are happy to establish personal and business contacts with foreigners. They are hospitable, friendly and polite to them.

As Polish culture is closely connected with history, Polish people tend to be past-oriented. A Pole can find it difficult to formulate long-term strategies and plans. Also in a small business, a Polish person will be reluctant to draw up long-term visions of their activity.

Expressiveness of Polish people is rather low. In business relations they avoid showing anger or joy. They may display such emotions only in extreme situations. Polish people are reserved with using body language – their facial expressions and gesticulation are restrained. They maintain physical distance from their interlocutor at the arm's length. It is common for men to kiss a women's hand as a greeting. Men greet each other with a handshake – such greeting is usually initiated by the man who is older or higher in the organizational hierarchy.

In Polish business dress code provides for suits and ties for men, suits or smart dresses for women.

Alcohol (vodka, cognac, whisky) given as a gift is becoming unwelcome in Poland. Many Polish people do not drink alcohol or drink it only occasionally for various reasons: they do not like alcohol, they are practising Catholics (the Church forbids the abuse of alcohol), they drive, work hard even in the afternoon and at weekends. Flowers and quality confectionery are a better gift than alcohol.

The findings presented in this paper cannot be regarded as fixed and generally applicable. In every society there are people whose attitudes and behavior deviate from prevailing national stereotypes.

Polish and Australian people who intend to do business together and wish to take into consideration their cultural differences, should observe the following three practical principles. The first one (1) recommends that before establishing business relations each of the parties should do their best to gather as much information about the potential partner's business culture as possible. The Polish should improve their knowledge of the Australian culture, Australians should try to learn about the culture of Poland. For this purpose they can consult books, tourist guidebooks, press articles, information on the Internet and other available sources. This knowledge will make Polish and Australian business people more immune to culture shock - it will help them recognize cultural differences and respond to them adequately. It will prevent conflicts. Deeper knowledge of cultural differences will make it easier to follow the second and third principles which are: in international business the visitor is expected to observe the local customs (2) and the seller is expected to adapt

to the buyer (3) [R. Gesteland, 1999, p. 15-16]. For example, according to the second principle an Australian businessman visiting Poland should try to be more ceremonial, whereas a Polish businessman going to Australia should be less ceremonial. The third principle requires a Pole to adapt to Australian culture if he is selling any products or services to an Australian (the Pole being a seller in this case). If, however, a Pole is buying any products or services from an Australian, the Australian is expected to adapt to Polish culture (the Australian is a seller in this case). These principles arise from the more privileged position of the buyer in relation to the seller. It is the buyer that has money with which he will or will not buy the goods offered by the seller. This money determines the volume of the seller's revenue and profit. Following the above principles will make it easier for Polish and Australian businesspeople to establish and develop their mutual business relations.

CONCLUSIONS

Business cultures of the particular countries are closely connected with national cultures and with individual cultures of the people who make up the society. These cultures influence the development of small businesses on an international and global scale. Between particular countries there are usually cultural similarities and differences. It is also the case with Poland and Australia. In terms of the cultural dimensions identified by G. Hofstede and collaborators, the cultures of Poland and Australia are similar in respect of masculinity – femininity (MAS indexes: 64, 61) and long-term orientation (LTO indexes: 32, 31). They differ in respect of power distance (PDI indexes: 68, 38), individualism - collectivism (IDV indexes: 60, 90) and uncertainty avoidance (UAI indexes: 93, 51). In terms of cultural dimensions proposed by R. Gesteland, cultural similarities between Poland and Australia result from the fact that both countries belong to pro-partnership culture and culture with varied expressiveness. There are differences, however, in the aspect of ceremonial vs. non-ceremonial attitude and polychronic vs. monochronic attitude. Cultural similarities and differences have a broader context – they can be related to the country cluster in which the particular country is situated. Poland belongs to the Eastern Europe cluster and Australia to the Anglo cluster. Cultural differences are manifested in the attitudes and behaviour of people in small business. The paper presents examples of specific actions and behaviour which may cause difficulties in initiation and development of small business relations between Polish and Australian people. Before embarking on a new business relationship, potential partners should carefully consider the cultural differences existing between Poland and Australia and determine their influence on the development of business relations.

When considering the cultural similarities and differences, the multicultural character of the society should be also taken into account. Such a multicultural society exists in Australia. M. Browaey and R. Price emphasize that: “the country now sees multiculturalism as being at the heart of its society” [M. Browaey, R. Price, 2008, p. 50]. R. Moran, P. Harris and S. Moran point out to the causes of this multiculturalism: “More than 92 per cent of all Australians descend from European ancestry, including Dutch, Estonian, French, German, Greek, Italian, Latvian, Lithuanian, Polish and Yugoslavian. Increasingly, people from Asian origins immigrate here and compose 7 per cent of the population, including Polynesian, Vietnamese and Cambodian nationalities. The remaining 1 per cent of Australians are the Aborigines, the original inhabitants of Australia” [R. Moran, P. Harris,

S. Moran, 2007, p. 405]. Hence, if a Pole establishes business contacts with an Australian of Polish descent, the problem of cultural differences will disappear altogether.

However, the characteristics of national cultures, presented in the world literature and arising from international research need to be verified. They do not always accurately describe specific features of the particular country. For instance, R. Moran, P. Harris, S. Moran write: „Poland is a traditional, male-dominated society, but equality for females is slowly emerging” [R. Moran, P. Harris, S. Moran, 2007, p. 551]. Meanwhile, among Polish scholars there is an opinion that Poles are rather a feminine society, which is in contradiction to the findings of R. Moran, P. Harris, S. Moran. According to Polish scholars, masculinity is a rare trait in Poland. Femininity (referred to with an untranslatable Polish word: *babstwo*) dominates [J. Mikułowski-Pomorski, 2012, p. 461]. Practically then, it is worth considering the findings about cultures presented in the literature of the particular country and invite specialists born and brought up in that country to conduct training courses in cultural differences.

A long distance between Poland and Australia limits the opportunities for cooperation between small businesses in these two countries, but does not exclude such business relations altogether. Development of new techniques and technologies, especially in the area of transport and communications, fosters initiation and development of cooperation of Polish and Australian small business. Globalization creates better and better conditions for cooperation and business initiatives between Polish and Australian small business. They will develop, bringing benefits to both parties provided that due consideration is given to cultural differences between our countries.

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