#### COACHING IN INTERCULTURAL ORGANIZATIONAL ENVIRONMENT

Dr. Gábor Juhász

### Introduction

In the past centuries the main drivers of the economic (and also cultural) unification of the world were the discovery of the world, colonialism, and then the technical and technological progress generated by the industrial revolution, as well as the expansion of international trade. In recent decades, though, the unrestricted flow of free capital and the worldwide integration of property, driven by market liberalisation and deregulation has become the engine of the new type of globalisation (Konczosné, 2003).

The new type of globalisation is also generating significant changes in cultures and cultural integration. Multinational and transnational corporations have gained a leading and thus controlling role in influencing the world's consumption of culture and ideology. The resulting uniformity determines the changes in both general and consumer values, as well as the consumption of different goods and services. The commercial media, controlled by global actors, seek to influence not only consumption, but also other dimensions of our everyday existence and thinking, changing the most influential value system of contemporary society and also the worldview and public attitude (Konczosné, 2003).

Examination of the accelerated flow of capital and the increasing concentration of capital caused by the process of globalisation, as well as the effects of intensive technical and technological development have led to an increasing focus on the interrelationship between national, social, local and organisational culture in recent decades. In the following, I will explore the concepts of national and organisational culture, as well as the theoretical and practical aspects of cross cultural effects caused by the encounter and coexistence of different cultures.

Coaching, as a complex method and toolkit used in practice, can often focus on the identification and management of culture shocks and related intercultural conflicts in the culturally heterogeneous organisational environment of multi- and transnational companies and their subsidiaries. Accordingly, I will also discuss the specificities of intercultural coaching.

**Keywords:** globalization, multinational and transnational corporations, national culture, organizational culture, cross cultural effects, coaching, intercultural coaching.

### National culture

In the context of a given society, the general system of values and norms, which includes both visible and invisible cultural elements can be called national culture. Since organisations are strongly connected to the 'national environment' around them through their relations with the external environment, as well as their employees and suppliers, national culture evidently influences the development of the culture of organisations (Jarjabka, 2012). In addition, organisational cultures

within the scope of a given national culture may develop and operate along unique and distinct characteristics.

Since the middle of the last century, many attempts have been made to define the dimensions of investigation aimed at understanding and mapping different cultures. Hofstede's research in the 1960s and 70s first included forty, then more than fifty countries. He examined different cultures in isolation from each other, on the basis of pre-established dimensions (universals that can be understood by all cultures in the world). The focus of his research has been on the impact of national cultures on organisational culture, and on organisational culture itself. Hofstede's studies of cultural characteristics distinguished between types of organisational culture on a national basis, identifying the main dimensions of differences in national values. In his model (6-D model), Power Distance, Uncertainty Avoidance, Masculinity / Femininity, Individualism - Collectivism, Time Orientation (Confucian Dynamics) and Indulgence vs. Restraint (IVR) played a role as main dimensions of analysis (Hofstede, 1991).

Based on the above, to approach the concept of national-organisational culture, it is useful to suppose that organisational culture includes the national cultural characteristics of the society represented by its employees and business partners (Jarjabka, 2012).

# Organizational culture

Organizations, similarly to individuals or groups, have a system of values and norms. This is unique to them and has an impact on organizational efficiency and performance. In addition to the characteristics of the organizational structure, in the course of the analysis of the organizations it is also expedient to examine the cultural characteristics related to the human factor, which are incorporated in the concept of organizational culture.

One of the most complex approaches to the concept of organizational culture comes from Shein. According to him, organizational culture is a set of common "fundamentals" discovered or developed by a given group or community that the members of the group consider valid and applicable in practice. This common starting point is used as a basic pattern by community members to cope with integration problems related to the internal environment and arising from the need to adapt to the external environment. The jointly developed, well-established fundamentals are interiorised by the individuals that belong to the group in the process of socialization (Shein, 1991).

The factors resulting in the development of organizational culture are partly external and partly internal, as they are either environmental impacts or their consequences. External influences that result in the formation of organizational culture have effect on the individual values, mindsets and beliefs of the members who make up the organization. Such influences can be, for example, historical events, certain geographical locations or a specific set of socio-cultural conditions, as well as the dominant values of society, which includes the key values, beliefs, views, and philosophies that are widely shared by members of a given society, such as the freedom of individuals. We can also mention organization-specific (internal) factors that also contribute to changes in organizational culture. One of these factors

is the applied technology, which has an impact on the quality of the company's activities, methods and tools, the qualification level of the workforce and the development of the predominant dependencies. The history of the organization (beginning from its foundation) also belongs to here. The main factors that determine the internal environment of organizations include organizational strategy and operational goals, financial conditions, applied technology, as well as organizational structure and culture (Elbert, N. F. – Karoliny, M. – Farkas, F. – Poór, J., 2000).

Organizational culture can be developed as a result of a common organizational learning process. This organizational learning and the resulting knowledge can be based on a number of previous common experiences. Since culture is the result of a learning process, new information and experiences continuously shape, enrich and update the common set of knowledge. According to this, the organizational culture is constantly changing. We can aquire the culture of the organization through the process of social integration, in the course of organizational socialization. Culture attaches certain meanings to the events, actions, phenomena and processes taking place in the environment, which makes the environment interpretable, understandable, and thus safe and predictable for us. By all this, culture provides a kind of "survival strategy" that we apply sometimes consciously, sometimes unconsciously. Organizational culture is also an effective tool for managing and influencing behaviour within the organization. It defines and explains to the individual the typical and accepted behaviours of the organization, and also forces the members of the organization to follow them, to adapt to and comply with them.

Subcultures may also exist within individual organizations. These "cultures within culture" can best develop within a cohesive and coherent group that has been together for a long time. The values, views, opinions and solution strategies prevailing in the subculture may even contradict the cultural characteristics of the "majority" organization as a whole. The development of subcultures is particularly anticipated when the organization, in response to external and internal environmental influences, develops strong structural differentiation that determines its entire structure. As a result, individual units are more likely to develop specific solutions with characteristics that are manifested in culture (Elbert, N. F. – Karoliny, M. – Farkas, F. – Poór, J., 2000).

The analysis of organizational cultures can answer multiple questions at once. However, two basic, general questions are answered by all organizational culture formations. On the one hand, by studying the organizational culture, we can find out how the organization relates to external changes, i.e. how well it can adapt and how successful it is in survival. On the other hand, we also get an answer to how and by what means the organization is able to implement internal integration.

#### Cross cultural effects

Intercultural research examines the cases of encounters and coexistence of different cultures, the factors influencing them, as well as the effects and the possible outcomes. The focus of the research is on the differences between cultures, the interactions that occur during their encounter and the processes of change that take

place along them. In the course of intercultural studies researchers assume, among other things, that interactions between different cultures generate differentiated cultural changes for the partners involved in the process, as a result of the impact of the new context. (Török, no date of publication).

The GLOBE-research (Global Leadership and Organizational Behavior Effectiveness) was developed partly from the model of Hofstede, using the dimensions he created, the improved versions of which were mixed with research categories from other researchers. GLOBE (Table 1) also placed a special focus on establishing values that are specific to the country or considered desirable by the society (Török, no date of publication).

Table 1. The research dimensions and culture groups of GLOBE

Value Dimensions	High rankings	Low rankings
Uncertainty avoidance	Switzerland, Sweden, Singapore	Guatemala, Hungary, Russia
Power distance	Morocco, Nigeria, Salvador, (Hungary)	Denmark, Holland, Israel
Individual collectivism	Sweden, South Korea, Japan	Argentina, Germany, Hungary
Societal collectivism	Philippines, Iran, India, (Hungary)	New-Zealand, Sweden, Denmark
Gender differentiation	Russia, Poland, Denmark, (Hungary)	Egypt, Kuwait, South Korea
Future orientation	Singapore, Switzerland, Holland	Poland, Argentina, Russia
Assertiveness	Albania, Germany, Hong-Kong	Switzerland, New-Zealand, Sweden
Performance orientation	Switzerland, Singapore, Hong-Kong	Russia, Venezuela, Greece
Humane orientation	Philippines, Ireland, Thailand	Germany, Singapore, Greece

Source: Poór et al., 2021, no date of publication

Based on the different cultural characteristics revealed in the GLOBE international research examining the national cultural characteristics in the organizational environment, the following geographically separable cultural clusters can be distinguished: Anglo-Saxon (USA, Great Britain, Australia), Latin American (Argentina, Brazil), Latin European (France, Italy, Spain), Eastern European (Russia, Greece, Poland, *Hungary*), Germanic (Germany, Austria, Holland and Germanspeaking part of Switzerland), Northern European (Denmark, Finland, Sweden), Inner-Saharan and African (Nigeria, Zambia, Namibia), Arab (Egypt, Kuwait, Turkey), South Asian (India, Indonesia, Iran) and Confucian Asian (China, Japan, South Korea) cultural circles (Poór et al., 2021, without page number).

On the basis of the results of the mentioned researches and the cultural comparison methods we can distinguish specific cases of the interaction and

interconnection of different cultures. Over the course of history, these typical cases have become recognizable in the encounter of individual cultures and in attempts to coexist, and today they can emerge through the interactions of corporate cultures with different cultural characteristics. The relatively balanced fusion of corporate cultures and management practices between the two cooperating organizations is called integration. In the case of integration there is no dominant partner: a coordinated, complementary relationship develops between the organizations. If one culture gradually becomes dominant over another in a non-aggressive way, then the process is called assimilation. In case of separation, e.g. after the acquisition of a company, two different corporate cultures continue to work together, thus no structural changes take place within either of them. An example of deculturation is when one corporate culture aggressively forces its own culture on the other, on the expense of the other's culture (Niedermüller, 1989).

The organizational culture (under the influence of the national culture) has a significant impact on the interactions between managers and subordinates and on the intercultural relations of companies (Jarjabka, 2012). The compulsion to adapt to a specific cultural environment brings about the need to manage cultural differences. Coaching, through the development of managers and employees, helps international organizations to maintain their efficiency and effectiveness, improve or keep up their performance in a system of socio-economic, socio-cultural conditions influenced by different cultures.

## The vision and practice of coaching

Management experience over the past decades has shown that managers can successfully improve the effectiveness and performance of collaboration in different organizations through various human resource development programs aimed at employee development.

The goal of employee development programs is to enable employees working in different workgroups to perform their modified or completely new tasks and to complete the related development goals. Providing support for different areas of group collaboration within a company is a facilitating task for managers, which requires new skills and knowledge from both sides. On the one hand, employees must meet the requirements of reconciling the technical and social characteristics of the workplace (socio-technical conditions and expectations) and be familiar with the characteristics and effects of group-related processes affecting the informal sphere in addition to the formal dimensions of the organization. Based on all this, employees must be able to strengthen their work communities and promote team building through their personal and active involvement. On the other hand, managers must be able to effectively reduce risks and uncertainties of the external environment. In addition, with the help of managers, groups of employees must maintain their own capacities and integrity, and strive to increase them according to current needs, thus broadening their boundaries and increasing their opportunities (Heidrich, 2007).

All this requires a new conception of roles on the part of managers, which has been given several names. This is indicated by the terms "consultant", "partner" and "coach". It is important that the new leadership style is governed by a

differentiated leadership role perception and a specific self-interpretation, the key element of which is the recognition and application of coaching as an effective method of learning and self-development by leaders. Companies whose managers acquire this approach and broaden the use of coaching involving themselves and the majority of their employees, foster not only the development of individuals but also organizational learning. In this way, the coaching approach and practice can become a significant element of corporate culture (Heidrich, 2007).

## **Intercultural coaching**

Global companies and their subsidiaries operate in an environment represented by different national and social cultures, which has an impact on their organizational operations. The greater the cultural distance is between the multinational company and the cultural characteristics that determine the society of the country in its immediate external environment, the greater burden it imposes on organizational leaders seeking to bridge differences. (Borgulya, 2014).

Managers and subordinates in a "mixed" or heterogeneous cultural organizational environment representing different cultures can often experience a state of anxiety, tension, and insecurity, called "cultural shock", which may occur when encountering a foreign culture and in the act of interaction or integration attempts. Cultural shock, as a specific psychological condition, has a significant effect on an individual's behavior, decision-making and judgment, which can lead to loss of performance. Accordingly, one of the essential conditions for successful communication and integration, as well as for maintaining performance is to avoid or reduce the effects of shock, which can be achieved by using coaching as a supportive method and toolkit.

The objective of intercultural coaching is to enable the coachee to identify national or organizational cultural differences and the resulting organizational problems and conflicts, and to use them to foster their own professional development. The cultural differences in the national-organizational culture that are processed during the coaching process can in many cases provide new aspects and creative solutions to situations and problems between entities representing different cultures. They can also contribute to the development of leaders and the improvement of individual, group and organizational performance (Baracskai et al, 2009).

In addition to the characteristics of a culturally heterogeneous organizational environment, the coach involved in the process of intercultural coaching must also be familiar with the national cultures influencing the mixed organizational culture. The coach should also be aware of the possible ways and solutions of managing cultural differences in order to be a real partner and supporter. managers working in that specific organizational environment as clients involved in the coaching process.

The next section will discuss the answers of a semi-structured interview with the Chief Operating Officer for Human Resources Management, Finance and IT of the Hungarian subsidiary of a well-known Japanese giant company in the field of automotive manufacturing, The results back up the purposeful application of coaching within intercultural conditions.

## Coaching in intercultural conditions based on a corporate example

The continuous challenges of the dynamically changing external environment pose significant difficulties to companies and enterprises competing in international markets. Since the outbreak of the coronavirus epidemic, there has been a steady slowdown in the global automotive industry. In addition to the general decline in production, there have been layoffs for many manufacturers. Hungarian automobile industry cannot escape the effects of the situation either. Interest in the models manufactured by the Hungarian subsidiary of the Japanese giant company is also lower than in previous years, when the company had been in leading position in the Hungarian market in new car sales for four years. In order to compensate for the negative effects generated by declining demand and output, the Hungarian subsidiary has recently focused significant resources on developments and the optimization of production and operating processes. Thanks to timely measures, in line with the expectations declared by the parent company, the main direction of development is now the pursuit of environmentally friendly and sustainable vehicle production. This can be seen in the case of hybrid technology, which is the result of joint development with another Japanese giant company, which is a market leader in automotive production. In addition to the production and sale of new hybrid models, in 2019 the Hungarian plant became the European parent company's European supply center for spare parts and accessories, and new jobs were created to support it.

The Hungarian subsidiary has significant employment potential: with 3,200 people employed directly, the production capacity allows the manufacturing of vehicles in two shifts five days a week. In addition to this there are another 10,000 people indirectly linked to the company employed by the domestic supplier network. Based on the volume of employees directly and indirectly employed by the company, the jobs it provides, paid income, revenues, taxes and contributions, the national extent of the supplier network, a more radical decline in production or the withdrawal of the company from Hungary would adversely affect not only the company but also the settlement that provides the site, and even the entire national economy.

In order to retain, encourage and motivate employees, the subsidiary pays special attention to increasing employee satisfaction. In line with this, the basic wage of the physical workforce has increased by more than 50 percent on average in the recent period, while the increase in the average basic wage of the total employee has reached 140 percent. As a result of the joint provision of the benefit package and development opportunities in addition to the performance-based compensation, 71 percent of the employees have been working for the Hungarian company for more than 10 years.

In addition to vehicle production, the specialists of the Hungarian factory produce new models and prototypes of various model variants manufactured in Hungary within the framework of experimental development. In connection with manufacturing, research and development and innovation activities, various levels of training and further training covering both own employees and those employed by suppliers are continuously organized and conducted to support the

implementation of transitions, technical, technological upgrades, organizational and operational changes.

The need to adapt to accelerated change requires a transformation of the internal environment, as well as a change in the organizational structure and operational processes, in which managers at different levels have a key role. Continuous development of the competencies of managers whose task is the management of changes and work at differentiated levels of organizational hierarchies, increase of their adaptability can form the basis or be the key of effective responses and reactions to challenges. Their performance as leaders and their support and encouragement on the part of their employer by various means is therefore a high priority for the sake of the success and efficiency of the companies, including the Hungarian subsidiary.

In order to continuously support its managers, further develop their competencies, and also to prevent and manage conflicts that cause organizational and operational problems in the intercultural environment, the Hungarian subsidiary of the Japanese giant implemented coaching service. The service has been extended to cover both senior and middle management since it has been introduced. After the "trial" period, coaching, based on the positive feedback of the staff members who used the service, was integrated into the leadership development "package". It is now consistently used as an integral part of it as it is an effective tool to support leaders.

The expectation of the subsidiary as a client in connection with the use of the coaching service is positive feedback from the managers participating in the coaching processes, which reveals the effectiveness of the intervention and at the same time it provides information about the performance of the coach.

There are various problems and dilemmas that can arise in the process of cooperation between company leaders (the clients of coaching) and the coach. The process is based on issues such as taking a leadership role, task performance, efficiency, effectiveness and success, advocacy for each other and subordinates; in general all topics that arise in living as a leader. The company's leaders provide material for topics that arise during coaching sessions, relying on their sense of responsibility and commitment to their tasks, subordinates and the company. The majority of these details and facts are obviously confidential and shared only by the coach and the coachee, and the results and lessons of the process are communicated to the client and the employees concerned only indirectly.

The primary target group of the intervention or the "direct beneficiaries" are "directors" from top management and "department heads" from middle managers. The secondary target group includes the subordinates working in the organizational units lead by the above mentioned managers. The subordinates are indirectly connected to the service beneficiaries and the intermediaries of the results and effects through the interpersonal influences resulting from the attitudes represented by their leaders, organizational communication, exemplary behavior (coaching-type leadership).

Based on the experience of the recent period, the results that have become visible and the increasing development needs, the company's top management has made coaching available to a pre-selected target group of managers from year to

year, according to a pre-planned schedule. As part of the "coaching service block" three occasions are usually provided per manager, which can be supplemented by more depending on specific needs and opportunities.

In all cases, the coaching service offered by the subsidiary is provided from the outset by an external professional contributor with appropriate training, since the company has not yet developed the necessary internal resources. In terms of the type and method of implementation coaching, as an applied management support tool, will be conducted as individual, as well as managerial and executive coaching for the various levels of the company. It has so far been provided by two external service providers.

The Hungarian company, as a client, is indirectly ensured of the effectiveness, efficiency and success of the coaching service through the personal feedback of the managers who participated in the service as coachees, and also through surveys of employees and subordinates. In addition to the direct feedback received from the "reports" of managers who used the service, the results and benefits of coaching become apparent relatively quickly within the organizational framework from the attitudes and behaviour of managers. According to experience, the leaders who participated in the intervention act more consciously and confidently in enforcing their decisions and the interests and goals behind them. They are able to work for themselves and their subordinates in a more controlled and coordinated way. Their communication, self-awareness and interpersonal skills also develop as a result of the coaching sessions, in this way they are able to exert clearly more positive, deeper effects and changes on their environment. The changes managers go through and the effects they generate indirectly influence the operation of the company as they have impact on the formal and informal organizational dimensions, as well as the different levels of the organizational culture. Accordingly, the results and effects of the coaching service reach more and more organizational units and subordinates indirectly from year to year, they are incorporated into more and more levels and integrated into the organizational operation and therefore the result and benefits generated by the service become tangible.

On the part of the Japanese parent company, the main influences determining the organizational culture of the Hungarian subsidiary include the incorporation of the concepts of "kaizen", "just in time", and "lean management" into Hungarian practice. In order to implement these concepts within the corporate framework and apply them in practice, it is essential to ensure the openness of managers and subordinates to change and to continuously increase their adaptability. Similarly, the management of different, even very divergent cultural influences, the treatment and acceptance of diversity, differentiated manifestations and modes of cultural differences, the development of a "common culture" also depend primarily on the extent to which participants are able to familiarize with different cultural characteristics and effects and how they are able to cope with them. Adapting to the challenges generated by constant change and cultural diversity depends to a large extent on whether the issues and problems arising from them, the situations that reflect them are constantly discussed, managed and resolved in the company's everyday life. In order to recognize the problems in time, to prevent the formation of tensions, to manage the conflicts that have arisen, to resolve the problematic situations it is essential that the actors involved should have open, inclusive, change-ready attitude, extensive amount of self-discipline, patience and respect towards each other, as well as continuous demonstration of constructive behaviour.

English is the language of communication of Japanese and Hungarian employees, therefore sufficient awareness of the language is an essential criterion for the cooperation in the various processes of organizational communication. The common language, as a medium of mediation, carries multilevel, differentiated meanings. However, in order to work together effectively, it should convey the same meaning for participants and thus enable mutual understanding in everyday problem-solving, regardless of cultural affiliation. Therefore, the effective use of English words, concepts and expressions as a working language for cooperation also requires special attention and openness, acceptance, and respect for each other's needs, interests, goals and suggestions.

The success of international organizations is significantly determined by their ability to develop a capacity for cultural sensitivity based on acceptance, understanding, and empathy in their organizational culture (Poór et al., 2021, without page number). This attitude should be manifested in actions in everyday life. In addition to the aforementioned ones, the principle of "respect for each other" mediated by the top management representing the Japanese national culture is another important effect on the organizational culture of the Hungarian company. This has an important role in strengthening cultural sensitivity based on acceptance, understanding and empathy.

A possible typology area of national and organizational cultures is in the dimension of individualism and collectivism (Poór et al., 2021, without page number). Individualistic attitudes may be manifested in demands for independence. autonomy and the broader intimate environment. Individualism is more characteristic of Anglo-Saxon countries and national cultures. Collectivism, the dominance of a community-based approach and minimal personal space, though, is a peculiarity of countries in the Far East (including China or Japan). Both individualistic and collectivistic attitudes are present to about the same extent in the organizational culture of the Hungarian subsidiary. As an example of the different nature and essence of individualistic and community-centric attitudes in intercultural cooperation we can mention that in Japanese culture workers with lower performance are employed and retained more often as opposed to Western culture where workers who hardly meet the expectations are generally more often threatened with dismissal. It is also a specific Japanese attitude to consider good performance a common achievement and the role of the leader does not stand out too much, while in Western culture the leaders more often tend to consider the results as their own achievements.

There are significant differences in terms of cultural responses to corporate activities: we can distinguish the preventive attitude, which shows a (pro)active way of thinking, from the passive behaviours characteristically found in Latin cultures but also in Eastern societies (Poór et al., 2021, without page number). In the case of the Hungarian subsidiary both attitudes and behaviours are present. Still, based on our experience, the preventive, (pro)active way of thinking is becoming more and more dominant in Hungarian organizational culture. This is well reflected, for example, in the leadership attitude, which gives all employees the opportunity to communicate questions, problems and suggestions related to organizational

processes, events, management measures and to flow feedback regularly through several communication channels and forums. This not only helps to prevent situations arising from the accumulation of spontaneously generated tensions, but also encourages proactive action, employees' contribution with ideas and suggestions, motivating them with various rewards.

The difference between traditional and secular, rational attitudes and behaviours arises from belonging to different cultural values, and can therefore be a source of tensions and conflicts stemming from cultural alienation. (Poór et al., 2021, without page number). While traditional values emphasize the importance of religion, parent-child ties, respect for authority and traditional family values (including the rejection of divorce, abortion, euthanasia or suicide, the importance of national pride and a nationalist approach), secular (rational) cultures are more opposed to the above. As both Japanese and Hungarian national culture are built to a greater extent on traditional values, the dominance of traditional values can be observed in the organizational cultural environment of the subsidiary representing the common culture, as exemplified by the various manifestations of family-centered attitude and respect for authority.

Belonging to a different cultural value system also manifests itself in whether "survival values" or "self-expression values" dominate the organizational culture through the behaviours and attitudes of the employees of the company. "Survival values" are typical of cultures that focus on economic and physical security, with more ethnocentric views and low levels of trust and tolerance, while "self-expression values" are preferred by cultures that pay special attention to environmentalism, inclusion of minorities, compensating for gender inequalities and increasing civic participation in economic and political decision-making (Poór et al., 2021, without page number). Since the parent company has been present for decades in several countries with significantly different ethnic composition, social, economic and political system, cultural and religious values and traditions (thus for example, in addition to Hungary in India and many other countries in the world), it is like a "melting pot" successfully integrating different attitudes and behaviours. In addition to traditional Japanese national culture, a significant number of Western cultural influences can be discovered in Japan, including manifestations that are more representative of "self-expression" values, which reinforce the change in traditional cultural values. Accordingly, in the case of both the parent company and its subsidiary, different approaches can be found in their organizational culture, forming a kind of "common" value system within the company. Manifestations of attitudes towards foreigners or women, which are typical of traditional Japanese culture, can be less frequently found in the "mixed" Hungarian subculture. Compared to the traditional attitude, the Hungarian "common culture" has developed a much greater tolerance and acceptance to compensate for inequalities towards foreigners and women.

Employees of the Hungarian subsidiary were asked about the importance of work-related goals (answering questions such as what employees expect from their work, i.e. how exciting their job is, or questions about safety or possibility of promotion) (Poór et al., 2021, without page number). They articulate and express their needs more and more consciously as compared to Japanese employees belonging to the dominant culture. The attitudes of the subculture to the importance

of work-related goals thus differ from the characteristics of the dominant culture representing the "key values".

There are also significant differences between Hungarian and Japanese cultures in employee expectations and needs related to work (including the extent to which employees are satisfied in terms of, for example, individual performance or job satisfaction), which can be a source of many conflicts. This already problematic situation is further aggrevated by the conflict between manual and mental workers and those belonging to the younger and older generations. Accordingly, employees of Hungarian origin belonging to the younger generations performing intellectual work are characterized by the need to satisfy the job-related expectations and needs within the Hungarian branch.

In terms of preference for organizational and management approaches (for example, to decide whether the autocratic or more democratic management method is preferred by employees), as a result of the difference between cultures in the case of the Hungarian subsidiary, democratic leadership and related participatory decision-making emerges as a more significant need than in the case of the Japanese parent company's organizational culture. This contrast is one of the basic starting points of cultural shock and related conflicts in a heterogeneous system of conditions.

Significant differences and sources of conflict between cultures can also be discovered in terms of work rules and interpersonal relationships (when, for example, we examine the manager's relationship with subordinates). In the production / work areas and divisions of the Hungarian subsidiary's organizational culture the majority of work group leaders as direct managers do not have adequate leadership skills (especially in dealing with problems and conflicts of intercultural origin), which in many cases is a problem in their relations with their subordinates. This is not true in the case of the parent company. Under Hungarian conditions, though, conflicts arising from cultural differences have significant effect on organizational and operational efficiency. In order to compensate for the negative effects of this problem, the Hungarian subsidiary realized the need to pay more attention to the training and further training of lower-level managers. At the same time it also became apparent that the use of coaching for managers can also be a solution for dealing with problems, conflicts and stress situations between group leaders and skilled and semi-skilled workers.

However, with regard to uncertainty (i.e., how much employees prefer transparent and regulated situations to ad hoc and ad hoc solutions) (Poór et al., 2021, without page number), we no longer see as many differences between cultures as in the previous cases. In the case of both the Hungarian subsidiary as a "mixed" subculture and the employees of the Japanese parent company, it can be stated in general that they prefer transparent and regulated situations to occasional solutions characterized by greater uncertainty.

In terms of power distance (where, in the case of countries or cultures with a small power distance, we assume, based on the research results and experience available in the field, that employees prefer a participatory and democratic leadership approach, while in the case of high power distance cultures, top managers do not involve middle managers in decisions) (Poór et al., 2021, without page number) the Hungarian subsidiary clearly favors the involvement of middle

managers in decision-making processes. The organizational culture of the Japanese parent company is characterized by a greater power distance, so managers at lower levels of hierarchy are less frequently or more indirectly involved in decision making.

With regard to the research dimension of collectivism, however, both cultures consider it equally important and promote cooperation and work in groups and has lower preference for individual work.

In the case of the Hungarian subsidiary as a subculture, small community collectivism (relationships established and maintained in the micro-communities of the social groups represented by family, kinship and company members) cannot be detected (Poór et al., 2021, without page number), so it is not comparable in this regard with the parent company. This is somewhat contradictory to the fact that both cultures rely on traditional values that focus on family, kinship, friendship and co-workers.

There is a difference in the issue of gender equality (examining the extent to which organizational culture accepts the distinction between gender roles) (Jarjabka, 2012) compared to the Japanese company. There is no distinction between men and women in the subculture framework in terms of declared and practical behaviours. It should be noted that approximately one third of all employees in Hungary are women, some of whom hold managerial positions. The Japanese giant company, as the dominant culture, has also declared to make no distinction between men and women in enforcing rights and interests, however, in Japanese organizational culture female leaders are even more underrepresented.

Speaking of future orientation (answering the question of how long cultures plan ahead and how valuable they consider future-oriented behaviour to be), the dominance of the Japanese parent company prevails in the organizational culture of the subsidiary, since the future existence and the maintenance of operation of the subsidiary is entirely the responsibility of the Japanese decision-makers. Those who have a significant ownership interest in the giant company decide exclusively on the different time periods of the future, even if the Hungarian subsidiary otherwise favours and follows future-oriented behaviour.

In terms of assertiveness (Poór et al., 2021, without page number), neither the organizational culture of the Hungarian subsidiary nor the Japanese parent company tolerates the confrontational forms of behaviour used in the representation of individuals' interests. Both cultures place significant emphasis on supporting moderate and caring behaviours in the organizational culture.

As far as performance orientation is concerned, the Hungarian company specifically defines performance expectations for employees, which are accompanied by appropriate incentives, but in accordance with the cultural characteristics mediated by the parent company, individual rather than collective (represented by work groups, organizational units) performance is rewarded.

To strengthen human orientation (i.e., how much culture encourages and rewards that its members are empathetic, altruistic, caring, kind, tolerant, fair to each other) (Poór et al., 2021, without pages) both the dominant Japanese and the domestic organizational culture pays considerable attention. This is supported by specific rules in the company's new code of ethics. In addition the expected behavior

between the members of the organization is also strengthened by a special training, in which all employees must participate. Leaders of both cultures consistently take action against workers who violate and endanger human-oriented behaviour.

International companies operate in differentiated social, economic and cultural conditions of different countries and nations. Accordingly, the Hungarian national culture also influences the organizational culture of the subsidiary as cultural values and forms of behaviour flow from the different levels and dimensions of the national culture into the patterns of the corporate culture. The phenomenon called cultural diffusion (Poór et al., 2021, without page number) is represented by nationally based organizational culture groups operating within the organizational culture of the subsidiary. The characteristics of the organizational culture of the Hungarian subsidiary can be seen, for example, in the greater preference for autonomy and subordination compared to the organizational culture of the parent company.

However, characteristics similar to the organizational culture of the Japanese parent company can also be observed in the case of the subsidiary, based on the strict structure covering all levels and the regulated processes, as well as the strong segmentation and hierarchy. Although they are present to a lesser extent, neither the dominant culture nor the Hungarian subsidiary is influenced by excessively strong person-oriented bureaucracy and paternalistic superiority.

"Miscommunication" means the failure to transmit or record certain messages or the complete or temporary lack of communication that should be properly handled and interpreted, which can lead to a lack of information or misunderstanding that results in additional problems. Communication in a heterogeneous cultural environment may lead to a more frequent occurrence of "miscommunication". In the case of the Hungarian subsidiary, one of the typical causes of "miscommunication" is the temporary lack of information arising in communication between different cultures in the case of both parties due to the clarification (interpretation) of information and messages from each other. In order to accurately understand and interpret certain messages, the parties communicating with each other will not send and receive further communications at a given interval until the previous clarification serves the full understanding. Temporary "outages" can impede the free flow of communication.

"Mismanagement" draws attention to the mistakes, shortcomings and anomalies of management that can result in efficiency problems. "Governance, risk management & compliance" within the company framework, as well as coaching as a management support tool and method help to prevent "mismanagement", to resolve its typical situations, to manage the negative effects of management errors and deficiencies. They have an important role in strengthening managerial work, increasing its efficiency and effectiveness.

Summarizing the answers to the questions, we can say that in the case of the subsidiary operating in Hungary, which represents a heterogeneous cultural environment, both Hungarian and Japanese national cultures, thus Eastern European and Confucian Asian cultural clusters, are present. Based on the different cultural characteristics revealed during the GLOBE international research examining the national cultural characteristics appearing in the organizational

environment, Hungary can be classified into Eastern European and Japan into Confucian Asian culture (Poór et al., 2021, without page number).

In addition to the interaction between the Japanese and Hungarian national cultures that determine the organizational culture of the Hungarian subsidiary, we can also get an idea of the areas of problems and conflicts arising from different cultural influences in the case of a subsidiary with a heterogeneous culture. Based on the answers given during the interview, the figure below was created to present the cultural differences that lead to the development of cultural shocks and conflicts (thus organizational problems) to be managed by intercultural coaching in the organizational environment of the Hungarian subsidiary displaying heterogeneous culture (Figure 1).

Areas of analysis / intervention showing significant cultural Occurrence of differences, dimensions cultural shocks Generation of The importance of work-related and conflicts due organizational goals to differences in Intercultural operational national cultures coaching Meeting employee expectations problems as present in a development / (developing and needs related to work culturally performance intervention intercultural heterogeneous needs intelligence and organizational Preference for organizational and competencies environment management approaches within the company) Rules of work and interpersonal relationships

Figure 1. Areas of analysis / intervention to be managed primarily by intercultural coaching, dimensions in the case of the Hungarian subsidiary

Source: own editing

Organizational leaders at different levels obviously have a significant role in dealing with conflicts and problems arising from different cultural influences. Their support is thus necessary, for which the application of coaching as a tool for the development of intercultural intelligence and competencies in a heterogeneous organizational environment is useful.

### **Summary and suggestions**

In this work I made an attempt to explore the theoretical and practical contexts of culture, national and organizational culture, coaching and intercultural coaching. Through the study of the organizational culture of a Japanese company's Hungarian subsidiary I tried to present the influence of different national and organizational cultures on each other and the advantages of using coaching as a complex management support method and toolkit in intercultural conditions.

Based on the results of the interview analysis, it can be stated that cultural alienation and the resulting cultural shock are the source of many conflicts in the internal environment of a Hungarian subsidiary with a heterogeneous cultural

composition influenced by different Hungarian and Japanese national cultures. Since these conflicts decrease organizational and operational efficiency, the issues and problems arising from these differences pose significant challenges to the managers of the subsidiary, who also act as a "bridge" or "connecting link" between different cultures. Based on the expectations of managers and the need to ensure a consistently high level of performance, there was a need for an effective learning and development method in the case of the Hungarian subsidiary, which supports managers and thus employees in trying out and implementing new ideas and solutions which contribute to organizational and operational efficiency. Recognizing this need and necessity, the management of the Hungarian company has recently started to deal with the conflicts arising from cultural differences and the related organizational and operational problems by various means, among which the use of coaching service now has a major role. Experience has shown that managers who use a coaching service are much more aware of their leadership role and related tasks and responsibilities. On the one hand, this has an incentive effect on their work, and on the other hand, they are more efficient and effective as a result of stronger representation of their activities and managerial positions, as well as the increase in their commitment to the company. Experience has shown that coaching has a leading role in recognizing and resolving the tensions arising from the cooperation of different cultures and the factors affecting the work of individuals and groups. Coaching as a part of the leadership development "package" requires an external professional armed with intercultural competencies and also coach attitudes, roles and techniques. This way it can significantly contribute to the increase of efficiency directly at the individual (managerial) and indirectly at the group or organizational level, as well as to the development of a unifying, hybrid organizational culture.

As a consequence of the above, the implementation of other types of coaching should be considered, as well as conducting intercultural training (intercultural communication and relocation, and intercultural coaching-type trainings) of lower-level managers and subordinates working in a heterogeneous cultural organizational environment. In addition to senior and middle managers, lower-level managers and subordinates also benefit from intercultural training and coaching, as they can significantly develop intercultural competencies based on cultural intelligence and cultural sensitivity. These competencies include the need to understand each other and accept the 'otherness' of the other, an objective approach to ourselves, self-esteem, adaptation to cultural differences, openness and inclusion towards intercultural relations and learning. These are essential in order to adequately improve the cooperation, the integration and, at the same time, the performance of those on differentiated cultural foundations. Cultural intelligence is the set of intercultural competencies developed through learning, by which individuals and groups are able to adapt effectively to their different cultural environments (Borgulya, 2010). During the human resource development interventions participants of intercultural training and coaching may be able to identify national / organizational cultural differences and to recognize and jointly manage the resulting organizational problems and conflicts, to involve new aspects and creative solutions in problem-solving processes, thus to mutually promote their development. By identifying and understanding the different cultural characteristics within a supported framework, organizational leaders are able to make effective decisions about the organizational strategy, the management method used and the technology chosen in order to achieve organizational goals. In this way, culture can provide a competitive advantage and business success for the company (Jarjabka, 2012).

#### References

- Bakacsi Gy. (2013): Értékkutatás a GLOBE módszerével. In: Varga, K. (2013): Fénykör Értékszociológia, Nemzetstratégia. Budapest: Akadémiai Kiadó, 2. kiadás.
- Baracskai Z. Mérő L. Velencei J. (szerk., 2009): *Ezerarcú coaching 2007-2008*. Székesfehérvár: Üzleti-Coach Alumni Egyesület
- Baracskai Z. Mérő L. Síklaki I. Velencei J. (szerk., 2009): *Ezerarcú coaching 2008-2009*. Székesfehérvár: Üzleti-Coach Alumni Egyesület
- Barnard, R. (1974): A szervezetfejlesztés stratégiája és modelljei. Budapest: KJK
- Bausinger, H. (2002): Interkulturális igények és kulturális identitás. *Kultúra és közösség*, (6. évf.) 3, p. 101-108
- Bitterli, U. (1982): "Vadak" és "civilizáltak". Az európai–tengerentúli érintkezés szellem- és kultúrtörténete. Budapest: Gondolat Kiadó
- Borgulya I. (1996): *Üzleti kommunikáció kultúrák találkozásában*. Pécs: JPTE Egyetemi Kiadó
- Borgulya I. Vető Á. (2010): Kommunikációmenedzsment a vállalati értékteremtésben. Budapest: Akadémiai Kiadó
- Borgulya I. Vető Á. (2014): *Kulturális távolságok vállalatokon belüli és országok közötti interakciókban*. Budapest: Typotex
- Boromisza D. (2003): Az interkulturális félreértés kutatásának fő irányzatai. *Szociológiai szemle*, 4. p.76-87.
- Cope, M. (2007): A coaching módszertana. Budapest: Manager Könyvkiadó.
- Dobák M. (1988): Szervezetátalakítás és szervezeti formák. Budapest: KJK
- Earley, P. C. Ang, S. (2003): *Cultural Intelligence: Individual Interactions Across Cultures*. Stanford Business Books, Stanford University
- Elbert N. F. Karoliny M. Farkas F. Poór J. (2000): *Személyzeti / emberi erőforrás menedzsment kézikönyv*. Budapest: KJK-KERSZÖV Jogi és Üzleti Kiadó Kft
- Elbert N. F. Farkas F. (2000): Az emberi erőforrások fejlesztése. In: Elbert, N. F. Karoliny, M. Farkas, F. Poór, J. (2000): *Személyzeti / emberi erőforrás menedzsment kézikönyv.* Budapest: KJK-KERSZÖV Jogi és Üzleti Kiadó Kft, p. 291-333
- Falkné Bánó K. (2008): Kultúraközi kommunikáció. Budapest: Perfekt
- Falkné Bánó K. Kommunikációs kultúra kulturális / interkulturális kompetencia, kulturális intelligencia; az interkulturális kompetencia fejlesztésének módszerei. interkulturális kompetencia.pdf\_(Letöltés dátuma: 2021. 04. 08.)

- Handy, C. (1993): Understanding Organizations. London: Penguin Books
- Heidrich B. (2000): *Szervezeti kultúra és interkulturális management*. Miskolci Egyetem, Vezetéstudományi Intézet, Miskolc: Bíbor Kiadó
- Heidrich É. (2007): A vezető magányossága, avagy a coaching, mint személyre szabott vezetőfejlesztési módszer vezetéselméleti megközelítésben. *Vezetéstudomány*, XXXVIII. évf. 2007. 3. szám, p. 12-27
- Hidasi J. (2004): Interkulturális kommunikáció. Scolar
- Hidasi J. (1989): Kommunikáció idegen kultúrákban. Budapest: Külkereskedelmi Főiskola
- Hidasi J. (szerk.) (2007): *Kultúrák, kontextusok, kommunikáció*. Budapest: Perfekt Kiadó
- Hofstede, G. (1991): *Cultures and Organizations, Software of the Mind*. McGraw Hill Book Co.
- Hofstede, G. Hofstede, G. J. (2008): *Kultúrák és szervezetek. Az elme szoftvere*. Pécs: VHE Kft
- Holt, D.H. Wigginton, K.W. (2002): *International Management*. Ohio: Thomson: South Western, Mason. 2. ed.
- House, R. J. (1998): A brief history of GLOBE. *Journal of Managerial Psichology*. Vol.13., No.3/4, p. 230–240
- House, R. Hanes, P.J. Javidan, M. Dorfman, P.W. & Gupta, V. (2004): *Culture, leadership, and organizations: The GLOBE study of 62 societies*. London: Sage
- Jarjabka Á. (2003): A magyar nemzeti szervezeti kultúra pozíciója a hofstedei modellben. *Marketing & Menedzsment.* XXXVII. évf., 2003., 1.sz., p. 29-45
- Jarjabka Á. (2012): *Kultúramenedzselési ismeretek*. Pécs: Pécsi Tudományegyetem Közgazdaságtudományi Kar
- Kelló Éva (2014): Coaching alapok és irányzatok. Budapest: Akadémia Kiadó
- Kilburg, R. (1997): Coaching and Executive Character: Core Problems and Basic Approaches: Consulting *Psychology Journal*. 49 (4)
- Konczosné Szombathelyi Márta (2003): Globális világ, nyelvi és kulturális hatások (Global World, Linguistic and Cultural Effects). *Tér és Társadalom* 17. évf. 2003/1. p. 117-129
- Konczosné Szombathelyi Márta (2008): Kommunikáló kultúrák. Budapest: L-Harmattan
- Korpics M. (2011): *Az interkulturális kommunikáció*. Pécs: Pécsi Tudományegyetem Bölcsészettudományi Kar
- Mezei A. Ördög L. (2001): Executive Coaching a "nyerő fegyver". *Munkaügyi Szemle*, 10. szám, p. 15–18
- Niedermüller P.: A kultúraközi kommunikációról. In: Béres I. Horányi Ö. (2001): *Társadalmi kommunikáció*. Budapest: Osiris Kiadó. p. 27-38

- Niedermüller P. (1989): Kulturális etnicitás és társadalmi identitás. In: Váriné Szilágyi I. Niedermüller P. (szerk.): *Identitás kettős tükörben*. Budapest, p. 204–233
- Poór J. (2013): Nemzetköziesedés és globalizáció az emberi erőforrás menedzsmentben. Budapest: Complex K., 3. átd. kiadás
- Poór J. et al. (2021): Nemzetközi menedzsment. In: Jarjabka Á: *Nemzeti és szervezeti kultúra nemzetközi környezetben.* Akadémiai Kiadó, Bp., 2021 (kézirat)
- Poór J. Farkas F. (2001): Nemzetközi menedzsment. Budapest: KJK-Kerszöv
- Poór J. Karoliny M. (főszerk., 1999): *Személyzeti / emberi erőforrás menedzsment kézikönyv*. Budapest: KJK
- Schein, E. H. (1985): *Organizational Culture and Leadership: A Dynamic View*. San Francisco: Jossey Bass Publications
- Schein, E.H. (1984): Coming to a New Awareness of Organizational Culture. *Sloan Management Review*, No. 2.
- Schein, E.H. (1991): What is culture? In: P. J. Frost, L. F. Moore, M. Reis Louis, C. C. Lundberg, J. Martin: *Reframing Organizational Culture*.
- Ternovszky F. (2007): *Nemzetközi menedzsment európai szemmel*. Budapest: Szókratész Külgazdasági Akadémia
- Török J.: Kultúraösszehasonlító (cross-cultural) és interkulturális (intercultural) kutatási modellek. Összehasonlító elemzés. http://publikaciotar.repozitorium.bgf.hu/777/1/t%C3%B6r%C3%B6k.pdf (Letöltés dátuma: 2021. 04. 07.)
- Vogelauer, W. (2002): *A coaching módszertani ABC-je. A sikeres tanácsadó gyakorlati kézikönyve.* Budapest: KJK-KERSZÖV Jogi és Üzleti Kiadó
- Vogelauer, W. (2008): Coaching a gyakorlatban. Budapest: KJK-Kerszöv Kiadó
- Whitmore, J. (2008): Coaching a csúcsteljesítményért a jobb teljesítményre való ösztönzés szelíd módszere. Miskolc: Z-Press Kiadó

# A COACHING INTERKULTURÁLIS SZERVEZETI FELTÉTELEK KÖZÖTT VALÓ ALKALMAZÁSA

Dr. Juhász Gábor

Míg az elmúlt évszázadokban nagyobb mértékben a világ felfedezése, a gyarmatosítás, majd az ipari forradalom által generált technikai-műszaki fejlődés és a nemzetközi kereskedelem kiterjedése állt a világ gazdasági - és ehhez kapcsolódóan - kulturális értelemben vett egységesülése hátterében, addig a legutóbbi évtizedekben sokkal inkább a piaci liberalizáció és dereguláció hatására korlátlanul áramló szabad tőke és a tulajdon világméretű integrálódása vált az új típusú globalizáció motorjává (Konczosné, 2003).

Az újtípusú globalizáció a kultúrák, illetve a kulturális integráció terén is jelentős változásokat generál. A multi-és transznacionális vállalatok vezető-, és ezáltal ellenőrző szerephez jutottak a világ kultúra- és ideológiafogyasztásának befolyásolása terén. Az ennek következményeként tapasztalhatóvá vált uniformizálódás egyaránt áthatja az általános és fogyasztói értékrend változását, a különböző termékek és szolgáltatások fogyasztását. A globális szereplők által irányított kereskedelmi média nem pusztán a fogyasztás, hanem hétköznapi létünk és gondolkodásunk más dimenzióinak a befolyásolására is tör, megváltoztatva az uralkodó értékrendet és az annak alapján álló világképet, közvélekedést (Konczosné, 2003).

A globalizációs folyamat révén felgyorsult tőkeáramlás és egyre fokozódó tőkekoncentráció, valamint az intenzív technikai, műszaki-, technológiai fejlődés eredményeként bekövetkező hatások vizsgálata révén egyre nagyobb figyelem összpontosult az elmúlt évtizedekben a nemzeti vagy társadalmi-, a helyi-, valamint szervezeti kultúra összefüggéseinek feltárására. A továbbiakban a nemzeti és a szervezeti kultúra fogalmaival ismerkedünk meg, valamint a különböző kultúrák találkozásának és együttélésének eseteit felmutató kultúraközi (cross cultural) hatások elméleti és gyakorlati vetületeivel.

A coaching, mint gyakorlatban alkalmazott komplex módszer és eszköztár gyakran irányulhat a multi-és transznacionális vállalatok, illetve leányvállalataik kulturális értelemben heterogénnek mondható szervezeti környezetében kialakult kulturális sokk és az ehhez kapcsolódó interkulturális konfliktusok feltérképezésére és kezelésére. Ennek megfelelően dolgozatomban szót ejtek az interkulturális coaching sajátosságairól is.

**Kulcsszavak:** globalizáció, multi- és transznacionális vállalatok, nemzeti kultúra, szervezeti kultúra, kultúraközi hatások, coaching, interkulturális coaching.