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A Comparison of Management Practices— the United States and Poland

Ann Metiva & Amy Radka

COLLEGE OF BUSINESS & MANAGEMENT

Nominated by Dr. George M. Puia

Dow Chemical Company Centennial Chair in Global Business



Ann Metiva is 21 years old and lives in Zilwaukee, Mich. She has attended SVSU full-time for three years, majoring in accounting. She has been active in the Accounting Club and the Polish Club at SVSU. In the fall of 2005 she will be attending Bradley University, where she will receive a master's in accounting in May 2007. She works part-time at J.R. Heineman & Sons, Inc., in the accounting department, is active in her religious community, and loves to travel and read.



Amy Radka, from Reese, is a 21-year-old student majoring in marketing, with minors in both management and accounting. Radka is currently employed at The Dow Chemical Company, headquartered in Midland, Mich. Her younger sister, Kelly, will also attend SVSU.

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Introduction

Considering the history of Poland, there really are no specific management practices that are truly Polish. Poland has not had the chance to fully develop as its own nation to have its own way of doing business. For the last 200 years or so, Poland has been occupied by other nations; it was last occupied by the Soviets for some 40 years. Under this rule, the government was also the management, and no individual firm could have control over management. Since 1989, Poland has been a democracy, which allows the government to finally develop its own views and allows firms to manage themselves (“New Private”). However, because of the legacy of the Communists, Poland still maintains socialist traditions. And joining the European Union (EU) in May of 2004 resulted in a halt to the development of ten years’ worth of its own ideas as Poland began adopting EU standards. Now, joining the EU is not like being under Soviet rule. Under the EU, Poland does have freedom; however, the EU will have an influence on Poland and will gradually convert its practices to the Western style. A study conducted by Steven K. Paulson, Jeffrey W. Steagall, Thomas M. Leonard, and Louis A. Woods concludes that there is a common management style taking shape among EU companies. The common characteristics include the ability to involve people, international skills, flexibility, intuition, and broad vision (Paulson, Steagall, Leonard, Woods). Thus, a study of European management, in general, can provide good insight into the emerging management practices of Poland.

In the last several years, Poland has also had an influence from the U.S. in several different ways. One is through the United States Agency for International Development (USAID). This program gives money and support to countries like Poland to help establish owners and agents (Schaw). Through this program, Poland, along with most of Europe, has tried to take the U.S. management model and apply it to its companies and circumstances. However, it is difficult, if not impossible, to take a theory that works in one place and try to apply it in another with vastly different cultural practices and backgrounds. Europe is learning this and is in the process of creating its own unique management model, adapted to the European cultures.

This new model of European management will not fully describe the situation in Poland, for Poland has a unique set of cultural traditions that set it apart from the rest of Europe. On the other hand, some important aspects to management, such as strategic planning, social responsibility, new ventures, and organization, are very much similar to other European countries. Both differences from, and similarities to, are important to understand.

Polish Culture

The culture of a nation or group of people has a deep and

profound impact on the way in which they interact with other people and do business on a global scale. Poland is no different from any other region in this aspect, and many things related to culture differentiate Polish business from American business.

Generally speaking, culture affects every part of a business transaction, including negotiating styles. For example, a Polish negotiator acts in distinct ways, some of which are quite different from the American style of doing business. Overall, a person of Polish heritage tends to be verbally frank and direct. Because of the homogeneity of the population, much understanding is implicit. Thus Poland is “high-context” in its communication style (Gesteland 38). Compared to the United States, its diverse population, and its typically “low-context” style, Poles are also formal on most occasions, which is a combination that is not found in many other places in the world; in essence, the Poles take on a combination of high-context and relationship-focused communication. In terms of personal relationships between business people, as with other parts of the world, whom one knows and has contacts with really matters, even though younger Polish business people are transforming into a more Americanized way of thinking and becoming more deal-focused (Gesteland 192-93).

Formality in business interactions is another aspect in which Poles and Americans differ. Personal introductions take place after the actual meeting has begun, which can also become a point of difference. The Polish are closer to the Germans and the French on this scale, and display a higher level of formality, not only in the way they conduct themselves in meetings and in exchanges, but also in the way they dress and present themselves. For example, when meeting another person, a Polish business person will make eye contact when shaking hands, and then state his/her name to the other person; after meeting someone, it is expected that one address a business counterpart by the academic or professional title in addition to the family name. In the United States, it is not uncommon for people to refer to others by their first name, whereas in Poland only very close friends and relatives refer to each other in this manner (Gesteland 193-94).

Different cultures can range from the polychronic to monochronic categories. In a monochronic culture, one similar to the United States, when a businessperson says that a meeting has a start time of 9 AM, it is expected that the meeting should start at 9 AM. In countries that take on more polychronic attitudes, less emphasis is placed on time, punctuality, and deadlines, which can pose some problems to people doing business on a global scale. In terms of rating countries on this particular scale, Poland comes in as moderately monochronic (Gesteland 55), but more flexible than the U.S.

The culture of a nation can also be compared using Geert Hofstede’s four cultural variables (quoted in

Bateman and Snell): femininity versus masculinity, individualism versus collectivism, power distance, and uncertainty avoidance. The latter three variables were among several different cultural aspects studied in the Global Leadership and Organizational Behavior Effectiveness research project (Project GLOBE). (See Figure 1.)

Figure 1
Four Country Analyses
of Hofstede’s Cultural Aspects in GLOBE
(on a scale of 1 to 7)

	Sweden	Poland	U.S.	Russia	World
Institutional Collectivism	5.22	4.53	4.20	4.45	4.235
Power Distance	N/A	5.10	N/A	5.56	5.147
Uncertainty Avoidance	5.32	3.62	4.15	2.85	4.158

Sources: András, Bakacsi, Sándor, and Viktor (Sweden, Poland, Russia and World); Javidan and House (U.S.)

Hofstede’s first variable to consider is masculinity versus femininity. Masculinity refers to the degree to which a society values quantity in life, such as money and accomplishments, whereas femininity refers to quality in life, such as beauty and compassion. In this scale, the United States falls more towards the masculine end of the spectrum, whereas Poland is closer to the feminine side (Javidan and House).

The second variable, individualism versus collectivism, is defined as the level at which people work as a group and think in terms of the group rather than as individuals (Bateman and Snell 201). In terms of this characteristic, the United States is individualistic (see Figure 2). Poland is also individualistic to a degree, but not to the same level as the U.S.

Figure 2
Most Individualist Countries in GLOBE
(on a scale of 1, most individualistic,
to 7, most collectivist)

Most Individualistic Countries in GLOBE	Medium Individualistic Countries in GLOBE	Most Collectivist Countries in GLOBE
Greece 3.25	Hong Kong 4.13	Denmark 4.80
Hungary 3.53	U.S. 4.20	Singapore 4.90
Germany 3.56	Egypt 4.50	Japan 5.19
Argentina 3.66	Poland 4.53	South Korea 5.20
Italy 3.68	Indonesia 4.54	Sweden 5.22

Source: Javidan and House

The third characteristic, power distance, contrasts high-power distance and low-power distance. In high-power distance cultures, such as Poland, inequalities in power and influence are not only common, but accepted as well. The United States differs in this arena, as it is considered a low-power culture, in which managerial practices such as empowerment are highly successful (Marchese).

The fourth and final aspect of Hofstede’s cultural variables is uncertainty avoidance. This aspect of culture reflects the extent to which a society relies on social norms and procedures to deal with unclear and vague situations (Bateman and Snell 201). Poland has a greater tolerance for uncertainty and ambiguity than the United States, where rules and procedures govern many interactions.

Other characteristics of Polish culture can be identified by comparing it with other cultures (see Figure 3):

Figure 3
Four Country Analyses of Additional GLOBE
Cultural Aspects (on a scale of 1 to 7)

	Sweden	Poland	U.S.	Russia	World
Future Orientation	N/A	3.11	N/A	2.80	3.837
Human Orientation	4.10	3.61	4.17	3.97	4.092
Performance Orientation	3.72	N/A	4.49	3.32	4.094
Group/Family Collectivism	3.66	5.52	N/A	5.67	5.118
Assertiveness	3.38	3.75	4.55	3.75	3.858

Source: András, Bakacsi, Sándor, and Viktor (Sweden, Poland, Russia and World); Javidan and House (U.S.)

Overall, Richard Gesteland, in his book *Cross Cultural Business Behavior: Marketing, Negotiating, and Managing Across Culture*, shares two “iron rules” relating to international business. The first is that “the seller is expected to adapt to the buyer.” If a seller expects a potential customer to want to do business with him/her, that seller should respect the culture that the customer comes from and act accordingly. Failure to do so portrays that the culture of the customer is not important to the seller, and thus, in an indirect way, the customer really isn’t appreciated in the way that he/she would wish to be. The second rule goes hand in hand with the first for many of the same reasons; it states that the “visitor is expected to observe local customs” (Gesteland 15-16).

To comply with this second rule, there are many practice tips for American managers heading abroad to do business in Poland. First, be aware that if invited to a “business lunch,” one shouldn’t expect to be eating until nearly 4 or 5 in the afternoon, as the Poles usually do not take breaks during the day for lunch. Second, when bringing gifts to a business meeting, a bottle of imported spirits such as

cognac or Scotch would be appropriate. Vodka, however, would not. Good vodka is readily found in this region and would not show forethought. Finally, being invited to a Polish home is a high honor and should not be refused, and if one is invited to a Polish home, one should bring flowers, but ensure an uneven number, avoiding red roses and chrysanthemums. An even number of flowers implies a romantic interest, and red roses and chrysanthemums are used for funerals and would send the wrong message to a business partner. In addition to flowers, other appropriate gifts would be cigarettes, imported wine, perfume, coffee, or chocolates (Gesteland 194).

American and European Management Styles

The culture of a country influences numerous aspects of management practices. In the case of the U.S. and Poland, some of the differences are significant, while others not so drastic.

Planning and Strategy

Comparing the United States and Poland, differences in strategic planning are apparent. According to Investorwords.com, the definition of strategic planning is “the process of determining a company’s long-term goals and then identifying the best approach for achieving those goals.” This implies that there can be many ways to plan for a company’s success.

Traditional strategic planning in the U.S. formerly involved top managers devising overall plans and sending them down to the middle managers in the form of tactical plans. These plans were then organized into operational plans for the line managers. It was a top-down approach to strategic planning (Bateman and Snell 115). However, in order for the middle and line managers to truly believe in the strategic plan, they too must be involved in the preparation. For this reason, strategic planning in the US has changed. For example, a CEO or top manager may have a certain vision in mind for the company. A meeting is then held with several managers throughout the company to discuss the vision and gather input on the vision. The top managers will then restructure their vision to accommodate the input from the middle and line managers and adjust the tactical and operational plans as needed. The United States now accepts this new way of integrating all managers to form strategic management. It is a way to unite all managers in the hopes of gaining new insight and ways of thinking and a sense of unity throughout the company.

On the other hand, European planning is still done in the former U.S. traditional way by using the top-down approach. However, there is a slight twist to the model. This traditional way works better in Poland because top managers put extra effort into explaining the reasoning behind the company vision. European managers are more

people-oriented, which allows them to communicate their reasoning more effectively. There are many tactics that managers use, including seminars, meetings, and conferences (Calori 32). In a sense, they try to persuade the middle managers to have the same vision. Even with the new dimension added to the traditional way of planning, however, there are still many problems to the method. Even when executives try to explain their vision in unique ways, the middle and line managers have no say about the direction the company is headed. If managers are not persuaded and there is a lack of input from all managers, the employees may not put as much trust and commitment into the company. Also, the top managers may have a distorted view of the middle managers’ roles and not address certain issues in their vision for the company.

Comparing strategic planning in the United States and Poland demonstrates two different ways of managing. Both management styles work because the cultures are different. Thus, the strategic planning practices are customized to fit the needs of the society.

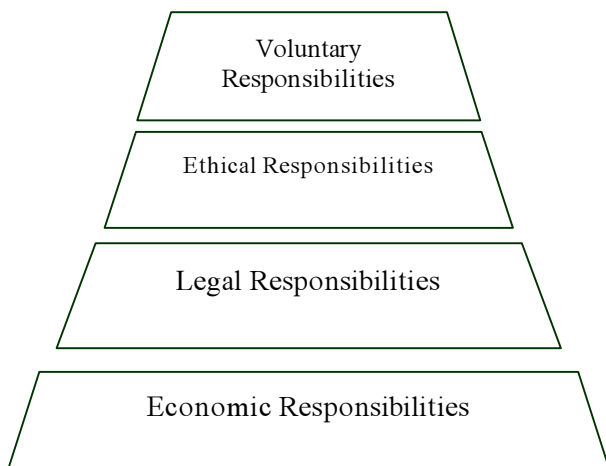
Social Responsibility

As in strategic planning, the differences in culture also affect the social responsiveness of companies. Corporate social responsibility in the U.S. is more a reactive approach than an active approach. Companies are willing to assist society when a problem arises; however, it is more difficult to get these companies to aid in the prevention of a problem. In Europe, on the other hand, companies for the most part don’t think twice before aiding the community. The U.S. looks toward profits while Europe looks at both profit and social responsibility as main priorities. The main differences between the U.S. and Europe are seen in the “Social Market Economy” system. This system takes a stakeholders approach rather than a shareholders approach (Calori 35). Yes, shareholders are a part of stakeholders, but the emphasis is that European managers concentrate on more than just making a profit for the shareholders. They take the utilitarian approach and try to “achieve the greatest benefit for people affected” (Bateman and Snell 139). Even though it is not possible to make everyone happy, the effort can please more people than is possible with the shareholder approach. European managers seem to have social responsibility as a part of what they do, while U.S. managers have to work it into their daily activities.

Below is the U.S. pyramid of corporate social responsibility. This pyramid shows the order of responsibilities U.S. companies take when making decisions. First and foremost are economic responsibilities. A manager’s first instinct is making profits. A manager might ask the question, what type of service or product will generate maximum profits for the shareholders? The second responsibility is to obey all laws. The third and fourth dimensions of the pyramid include ethical or social expectations and vol-

untary responsibilities, respectively (Bateman and Snell 147). (See Figure 4.) The reasoning behind economic responsibility being the most important is that without profits, companies will not reach the other three responsibilities. As Bateman and Snell describe it, it is “the foundation upon which all others rest” (148). There is sense to this reasoning; however, there seems to be a gradual move toward a more horizontal image where all four responsibilities have equal importance

Figure 4
Pyramid of Corporate Social Responsibility



Source: Bateman and Snell 148

The Poles started with a horizontal approach to social responsibility; their active approach to social responsibility makes it just as important as their economic responsibility (see Figure 5).

Figure 5
Horizontal Approach to Social Responsibility



Source: Bateman and Snell 148

New Ventures

New ventures play a big part in job creation throughout the world. The U.S. sees this significance and encourages entrepreneurship through programs to help new businesses. There are numerous programs, and some of the more common governmental assistance comes in the form of grants and loans. In contrast, the government of Poland has stopped most, but not all, of its support for new businesses for several reasons. The government lacks funds to support the sector. Although the U.S. way seems to have a lack of funds as well, it still sees support for new businesses as important. The second issue the Polish government has with supporting businesses is the lack of structure and development of programs to assist entrepreneurs

(Zapalska). Poland has been a democracy for only 16 years, compared with over 200 years for the U.S; only time can help develop the programs needed by new businesses.

In the mid-1980’s, a form of “shock therapy” was used in Poland, as there was a “rapid introduction of market factors including the abolishment of state subsidies, reorganization of state enterprises, profit incentives, price liberalization, incentives for foreign trade, and the opening of markets to foreign investment” (Fogel and Zapalska). The “rapid introduction” that occurred in Poland may have seemed as though the government opposed or did not want new businesses to develop; however, this is not true. The plan was to convert the Communist economies to market economies. The Polish government saw the importance of new business and promoted it as much as it could, but it could do only so much in such a short period of transition. The new ventures that have formed since then have helped Poland to offer diverse goods and services, job opportunities, and long-term economic growth (Zapalska). Entrepreneurs just need a little more assistance to provide the motivation to start more businesses.

Organization

Organization is a major managerial function that is essential to the success and prosperity of a business no matter where one is in the world. Human resource management (HRM) is a huge portion of this function, as is the ability to manage a diverse workforce of people. There are many things related to HRM that differentiate the United States from Poland, as described in Michael Duane’s *Policies and Practices in Global Human Resource Systems*. Duane describes discrimination laws, child labor laws, and workplace regulations as important aspects of Human Resource Management in both the U.S. and Poland/Eastern Europe. In the U.S., equal opportunity laws prohibit gender discrimination, though it still occurs.

Although Poland is considered to be one of the more modernized countries in Eastern Europe, gender discrimination is still prevalent, though generally denied by the government; there are also no laws prohibiting race discrimination. This is surprising since, as shown in Figure 6, Poland is one of the least gender differentiated countries in the world (Duane 122). (The world average for gender egalitarianism is 3.397.)

Figure 6
Most Gender Differentiated Countries in GLOBE
 (on a scale of 1 to 7)

Most Gender Differentiated Countries in GLOBE	Medium Gender Differentiated Countries in GLOBE	Least Gender Differentiated Countries in GLOBE
South Korea 2.50	Italy 3.24	Sweden 3.84
Egypt 2.81	Brazil 3.31	Denmark 3.93
Morocco 2.84	Argentina 3.49	Slovenia 3.96
India 2.90	Netherlands 3.50	Poland 4.02
China 3.05	Venezuela 3.62	Hungary 4.08

Source: Javidan and House

The Poles have taken steps to decrease the level of discrimination towards disabled people, although implementation laws currently in place fall short of an acceptable level. Currently, the laws provide that buildings “should be accessible,” rather than forcing the owners of buildings to ensure that access is fair to all. It is expected that the Poles will follow suit with some of their neighbors in the future. Hungary, for example, passed a law in 1998 that by 2008, all public buildings will be required to be accessible to those with disabled status (Duane 123).

In regards to these areas, the United States differs tremendously. In the U.S., there are laws against every type of discrimination, laws enforced by the Equal Employment Opportunity Commission (EEOC). The primary laws in the United States that prohibit discrimination are the Equal Pay Act (1963), Title VII of the Civil Rights Act (1964), Age Discrimination in Employment Act (1967), Americans With Disability Act (1990), and the Civil Rights Act (1991), most of which were passed long before Poland was even beginning to examine these issues. Each of these acts addresses a different aspect of discrimination, ranging from the level of pay given to men and women and the rights of disabled employees, to the overall rights of those people regardless of sex or race (Duane 111-12).

Working conditions in Poland and Eastern Europe also differ from those in the United States. In Eastern Europe, the conditions for work are still generally poor, although the laws are expected to change as more countries have become members of the European Union. Membership in the EU requires that certain laws and standards be upheld, and as a result, the conditions in Poland are continually improving (Duane 124).

In terms of child labor laws, the United States has some of the stiffest regulations to protect against the mistreatment of children in a place of employment. The Fair Labor Standards Act (FLSA) of 1938 states that the minimum age that a young person be allowed to work without restrictions is 16, although persons aged 14 and 15 can work “outside of school hours, but they cannot work more than three hours on a school day, 18 hours in a school week, 8 hours on a non-school day, or 40 hours in a non-school week” (Duane 113). Audits are conducted on businesses that employ underage persons, and the laws are strictly enforced (113).

The FLSA applies not only to minors, but to the working regulations of adults as well. The U.S. requires that for hourly workers, all hours worked past 40 per week be paid overtime. In addition to the working regulations, the Occupational Safety and Health Act (OSHA), passed in 1970, authorizes the “federal government to establish health and safety regulations for businesses engaged in interstate commerce” (Duane 114). In addition to this act, all fifty states individually have passed rules that are applicable to the employers within their borders (114).

As can be seen in the following chart, Poland and the United States differ a great deal with regard to protecting human rights in the workplace. It is projected that as Poland has time to develop and becomes more integrated into Western culture, it will slowly evolve to higher standards of human rights and equivalency in the workplace; Poland has already made progress in recent years with regard to this aspect (see Figure 7).

Figure 7
Employment Laws in The United States and Poland

Country	Gender	Race	Disabled	Child Labor	Workplace Regulations
Poland			X	X	X
U.S.	X	X	X	X	X

Source: Duane 114

In addition to protecting human resources as described above, one can also analyze acquiring, developing and rewarding human resources as well as managing labor relations from the standpoint of both Poland and the United States.

In recent years, as Poland expressed interest in becoming a member and then in 2004 gained EU membership, planning in human resources has changed immensely to reflect more westernized views. Also changing is the way in which the area of human resources has been developing, although it is not changing to the degree that it is fully capable of. Because of the importance of education in the Soviet era, there are many highly educated and intelligent

Polish people without the understanding and skills required to increase their level of competitiveness in the global market. It has been seen for years that an increase in the amount of training in areas such as computers and language is needed to aid in global competitiveness. There is also a need to train in services to the customer and marketing skills, as well as to train in the European management styles (Duane 70-71).

In the United States, planning strategies used by companies typically depend on the type of organization and rely on this fact to determine whether a centralized structure or a qualitative analysis of the demand and supply of labor is needed. Typically, as one can see in Figure 8, just as in most areas of the world, whom you know (internal sources) can have a huge influence on whether a job is obtained or not.

Figure 8
Sources of U.S. Labor (in percentages)

Sources	Office/ Clerical	Production/ Service	Prof/ Tech	Commissioned Service	Managers/ Supervisor
Internal Sources					
Promotion from within	94	86	8	75	95
Employ referrals	87	83	64	76	64
Walk- Ins	86	87	64	52	46
Advertise					85
Newsp journal mags.	84	77	94	84	50
Radio/TV	6	7	54	33	2
Direct mail	3	6	3	3	8
Employ. Services					
U.S. Employ Services	19	20	11	7	7
State Employ Services	66	68	38	30	23
Private Employ Services	28	11	58	44	60
Search Firms	1	<1	36	26	63
Employee Leasing Firm	16	10	6	2	<1
Ed. Sources					
High/trade schools	60	54	16	5	2
Technical/ Voc.	48	51	47	5	8
College/ University	24	15	81	38	45
Prof. Societies	4	1	5	19	37
Unions	1	10	1	0	1
Comm. Agencies	33	32	20	10	10
Special Events					
Career/ Job Fairs	20	16	44	19	19
Open Houses	10	8	7	8	7

Source: Duane 77-78

Compensation is a vital factor in human resource management, and as can be seen in Figure 9, the level of compensation differs greatly in this region of the world compared to the United States.

Figure 9
Monthly Average Wages for Workers in Poland

Year	Amt in PLN	Amt in USD
1999	1698.12	508.72
2000	1923.81	576.34
2001	2061.85	617.69
2002	2154.00	645.30
2003	2141.00	641.40

Source: Gardawski
(Conversion formula from "Currency Converter")

In the past several years, western European countries have begun to take advantage of low wages and welfare taxes and utilized the labor force available to them.

In the actual practice of compensation, inequality between men and women can still be seen despite the laws that are in place to ensure equality. In the United States, as mentioned previously, laws require equal pay for men and women, in addition to a minimum wage. However, women today still earn only about 79% of men's wages. In Poland, women "frequently are paid less for equivalent work, mainly hold lower level positions, are discharged more quickly, and are less likely to be promoted than men" (Duane 99).

Systems of compensation in the U.S are mainly used to obtain and keep the best possible workers, at least in the professional markets. Benefits, a huge portion of compensation, have a strong influence in getting good employees, and are thus not taken lightly. It is not uncommon for a U.S. worker to have health benefits, paid time off for vacations and sick leave, in addition to having company-paid vehicles and education. Comparing the benefits in the U.S. with those in Poland, it is not difficult to see why the U.S. is able to provide these types of benefits when many regions of Poland are not able to do so. The economic status and seniority of the U.S. allows it the ability to recruit and keep good employees with these types of benefits. Because benefits are so important to today's employees, they are causing some problems in Eastern Europe. Poles have to pay a much higher rate for their health care and other provisions of welfare; additionally, pension benefits are a huge portion of the Polish budget, accounting for nearly 15 percent of GDP (Duane 101-02).

Finally, the role of managing labor relations can be analyzed and compared to that of the United States. In Poland and many other regions once controlled by Communism, unions were in existence, but their role was much different from that of a union in the U.S. Unions in this region formerly had very close ties with the Communist Party, which

did not really aid in obtaining rights or advocating for the workers in the workplace. Current unions have become better at achieving these goals; however, evidence points to a decline in their degree of influence (Duane 143-44).

Managing labor relations in America is a much more formalized process. In some industries, unions have a great deal of influence on the businesses they work for, even though the level of membership in unions has decreased continually during the past 40 years. The percentage of membership in U.S. unions continues to decline.

Women Leaders

In the times of Communism, a Polish household could often survive on one income. However, Poland is fast becoming a developed country. With this, the national standard of living increases and additional finances are needed to support a household. Now, one income is not enough to support a household and both the husband and wife need to work. This is where issues start to rise. What happens to all the expectations of the wife to cook, clean, and raise the children? Does she still have to tackle those jobs, along with working outside the home? Is there just one answer to these questions? Is there a right and wrong answer? This is a difficult transition for any household and government to make, but it has happened in many other countries. The complicated process of women entering the labor market and competing with men is inevitable; it is just a matter of how individual governments deal with the situation.

After 1989, the Polish government did not wish to deal with the issue of equality. They changed the name of the Office of Plenipotentiary several times to avoid the focus on women. The government also removed many of the Office's powers, such as assigning tasks to different areas of the government (Nowakowska). The Office of Plenipotentiary became an advisory board only, with no power to make decisions or agendas for the government to follow. In 1994, Barbara Blida was assigned to the office of Government Plenipotentiary for Family and Women; she was not interested in women's rights (Nowakowska). These choices, which the Polish government made between 1989 and 1994, clearly showed a lack of support for women.

By 1995, a dramatic change had taken place that would set the government in the right direction towards equality, at least for a short term. Jolanta Banach replaced Blida and achieved many things (Nowakowska). She prepared a government report about the state of women in Poland, with the help of the Non-governmental Organizations (NGOs), for the UN Beijing Conference on Women. This was the first time that the NGOs were invited to help and this relationship between them and the Plenipotentiary evolved into the Standing Forum of Co-operation between Non-governmental Organizations and Government Plenipotentiary for Family and Women. Following the Beijing Conference, the Forum produced the National Plan of Action for Women

(Nowakowska). This Plan is still in effect today and since its inception in 1997, the Plan has gone through numerous battles to survive. The National Plan of Action for Women had specific goals when it was put into action:

- Improving the situation of women in industry and labor market
- Providing institutional mechanisms for the advancement of women, and
- Securing sharing of power and involvement of women in decision-making processes (Martynowicz).

The Plan was supported by those in office at the time and was successfully carried out by the ministries. However, because of the government's poor budget planning and the changes in governmental power, the National Plan of Action for Women has sadly become weak and hardly influential. Since the Polish government's political powers were not encouraging the advancement of women, several organizations took up the challenge. Many tried to fight for legislation to protect women, but they have failed. The only women's group that has been relatively successful is the Parliamentary Group of Women (PGK). The main goal of this party is to "protect women's rights and interests" (Nowakowska). According to their website, the Parliamentary Group of Women is addressing specific issues such as these:

- a. Introducing legislative changes that would ensure equal rights and opportunities for women
- b. Establishing mechanisms of enforcing claims in cases where women's human rights have been infringed
- c. Increasing the participation of women in power structures
- d. Improving women's health conditions
- e. Eliminating all forms of violence against women (Parliamentary Group of Women).

The Parliamentary Group of Women is currently pushing for an adjustment to the legislation to meet European Union standards on equality. Other issues involving the Standing Forum of Co-operation between Non-governmental Organizations and Government Plenipotentiary for Family and Women include the Bill on Equal Status of Women and Men and "the harmonization of Polish legislation with European Union standards" in the context of Poland's introduction into the EU (Parliamentary Group of Women). Nevertheless, there are only two women with any power who work in the government: the ministers of justice and of education. With little involvement of women in the government to defend women's rights, it is not hard to see why there has been no legislation passed in favor of equality. Women need to be in positions of power and decision-making, just as men do, to ensure complete equality, for men cannot determine equal standards without the views

from women (Fuszara). They may not intend to be discriminatory, but by excluding women when forming rules and regulations, the men in the Polish government are indeed discriminating against women.

Discrimination against women is not limited to the government. As indicated previously, the labor market is another place where women are not treated equally. There are laws that specifically demand equal treatment of women and men in the workforce. Article 33.2 of the Polish Constitution “provides equal rights to men and women, rights which include social security” (Fuszara). However, these laws are not enforced to the extent they should be, because the laws are poorly written and contradictory. For example, the new pension law favors those individuals with longevity in regards to being insured and contributing to insurance plans. The law requires women to retire five years earlier than men, thus resulting in a pension that is only 61.8% of their male counterparts, though “Article 2a.1 of the Labor Code provides for equal treatment of all insured persons, regardless of gender or marital and family status” (Fuszara). Therefore, discrimination is written into the laws of Poland.

Moreover, several Polish laws have been written in the context of employees who are already hired. They leave out terms preventing discrimination in the hiring process. For example, a woman can be asked her age, if she plans on having children, or if she already has children. She can be subjected to a pregnancy test. She can be asked anything that might imply her needing an extended leave of absence. This is clearly discrimination; however, there are no laws preventing such inequality (Fuszara). In 2003, a draft law was proposed to the *Sejm* regarding the elimination of questions pertaining to private life from the hiring process. This draft has advanced in the *Sejm*, but has not been officially entered into law.

Another issue in the workforce that indirectly discriminates against women is maternity leave. The Labor Code mandates paid maternity leave for at least 16 weeks and up to a full 26 weeks (Fuszara). Now this does not seem like an act of discrimination; however, by making maternity leave obligatory, employers are less inclined to provide work for women who are at a great chance of giving birth. An alternative to this discriminatory approach is to require employers to make maternity leave an option for women, provided no pressures are put on the women to not take the leave.

Article 10.1 “grants everyone the right to freely chosen employment” (Fuszara), but several exceptions have been made for women. For example, the law prohibits pregnant women or women who are breastfeeding from a number of jobs. It also prohibits women, pregnant or not, from a list of jobs (Fuszara). The law contradicts itself by saying everyone has the right to her choice of employment, then turning around and saying women cannot perform certain

jobs. By excluding women from this free choice, “legislators regard women as persons unable to make autonomous decisions concerning their own well-being” (Fuszara). This is active discrimination and not in agreement with the European Union standards.

Some issues concerning the equal status of women and men have been addressed within the Polish government since 2001. Amendments to the Labor Code in August of 2001 have corrected for some of the discrimination. For example, the Office of Plenipotentiary for Family has now been changed to a Government Plenipotentiary for Equal Status of Women and Men. Sexual harassment is now defined in the Labor Code, as is direct and indirect discrimination (“EU Compliance”). A number of the laws in the Labor Code needed to have better, accurate definitions and provide specific wording to rid the Code of inaccurate, misperceived laws. However, there are still amendments to be made in order to fully comply with European Union standards.

Women in Poland have been struggling for equality for decades. They have been through Communism and failed pro-women schemes. They have seen the beginning of democracy with high unemployment rates and hardly any representation in the government. At the start of the 21st century, Polish women are now being heard and changes are being made to prevent discrimination in any way, shape or form. While the law is not completely non-discriminatory, it is finally making a positive impact to encourage and support women in the government and the labor market.

Competitive Advantage

Support for women in the government and labor market can also lead towards diverse and creative ideas in the workforce, creating a competitive advantage. Competitive advantage is described as “being better than your competitors at doing valuable things for your customers,” and all companies need competitive advantage to survive (Bateman and Snell 11). In the U.S., there are four main areas of interest that drive a company’s competitive advantage towards achievement. First, and one of the most important, is innovation, the ability to constantly change to meet the changing demands of consumers and competitors (11). This requires a significant amount of money and time put into research and development. However, if managed properly, costs incurred now can turn into considerable profits later.

In contrast, Polish companies have a completely opposite view of innovation. According to a study done by Marian Gorynia in “Competitiveness of Polish Firms and the European Union,” research and development, as well as technology, were ranked as least significant factors in the firms’ competitive strategy. It seems that innovation would be an obvious advantage for companies; however, some Polish managers (especially the older) still have the social-

ist way of thinking. That is, if it does not help increase profits now, then spending can be reduced in that area. Also, due to a lack of money, after paying for everything that has to be paid now, there is no money left for research and development. In Poland, innovation is viewed more as a luxury than a necessity.

The next area of competitive advantage is quality, the dependability of a product and consistency of the manufacturing process to limit defects or irregularities (Bateman and Snell 12). Polish managers agree that quality is a very important aspect of competitiveness (Gorynia). They even stress quality to a greater extent than U.S. managers do. It is heavily stressed for two reasons. One reason is the socially responsible nature of Europeans in general. The other is the Poles' natural reaction to being suppressed from providing quality under the Communist regime. The Poles wanted to give quality products; however, the Communists demanded concentration on mass production instead of quality. Poles now stress quality to a great extent.

Speed refers to the "fast and timely execution, response, and delivery of results" (Bateman and Snell 13). The faster a company can get a product or service for a customer, the less likely it is that customers will leave and go to the competition. Speed determines customer base, and more customers mean more profits. Therefore, speed equals more profits. This theory holds true in Poland as well. Poland ranks the promptness of the product or service as one of the most significant factors for competitiveness.

The final factor in determining competitive advantage is cost competitiveness. In order to keep costs to a minimum, increase profits, and lower prices to catch the attention of customers, the costs of the company need to be managed well. Polish managers also rank price as an important factor for cost competitiveness. However, another reason why Polish companies have the incentive to keep their operating costs low is to maintain profits that will support the company, since there is little support from outside sources, such as the government or an equivalent to the Small Business Bureau (Kissel 33).

Three of the four main competitive advantages—quality, speed and cost competitiveness—are viewed similarly in the US and Poland. The only significant difference is with the idea of innovation. Again, this is due to the socialist history of the Poles. However, as the younger generations are learning about the considerable advantages of research and development, it has and will continue to become more common for companies to incorporate innovation into their business plans.

Conclusion

Clearly, there are differences between the management practices of the United States and Poland; the differences range from the very subtle to the extreme. For example, the competitive advantages are similar, with only minor

variations; however, the culture that affects the management practices differs significantly. Europe is in the stages of forming a unique management model, which seems to combine traits of both the Japanese model and the U.S. model. With respect to the European and U.S. model, it appears as though the two are merging into middle ground. This can be seen in the area of social responsibility, where the U.S. is taking on more voluntary responsibilities and Poland is becoming more economically responsible. In addition to becoming similar to the U.S. in the area of social responsibility, Poland is also changing and updating many of its organizational functions, such as anti-discrimination laws and compensation. New ventures are now encouraged in Poland; however, in some instances the resources are not available for these new ventures to be as successful as they are in the United States. The managerial practices in Poland and Europe will not completely merge with the U.S. practices, because cultural differences have a significant impact not only on strategic planning, but on social responsibility, organization and gender roles as well. Poland has a lot of work to do in the next several years, but like anything else, hard work pays off in the end.

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