

**THESES OF DOCTORAL (Ph.D.)  
DISSERTATION**

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**FACTORS OF CULTURAL CHANGES IN THE  
ORGANIZATIONS OF ENTERPRISES IN FEED  
INDUSTRY**

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## **1. ANTECEDENTS OF THE RESEARCH, OBJECTIVES**

Since the past decades, the international researchers have been focusing on the main issues of the intercultural management and communication. The intercultural communication referencing to the organizations international relations and communication being introduced as new subject at Europe's several universities.

The effects of the present globalization events in Hungary have justified the actuality of this topic.

After the political and economical changes of the late 1980's in Hungary the inland market of the agricultural sector and it's international relations has been newly built up. Mediating the plant culture and animal breeding feed industry has taken over its strategic key role to follow the changing of the economical environment.

International global enterprises had been invited to the local market, this way creating the right scene for meeting national organizational cultures.

The University of Kaposvár, Faculty of Economic Science, Department of Corporate Economics has permitted of analyzing the organizational cultures of global enterprises in the feed-industry sector.

To analyze these topics, I needed to focus not only on the economical issues but also had to acquire the appliances of sociological and the science of behavioral approaching. The hypothesis of the research was, that people with different cultural background are difficultly able to work together, effecting social strains and motivation problems. Studying the literature on this object it can be presumed, that cognition the peculiarity of local markets is difficult, as well as integrating or pushing an advantage of local assets in order to achieve high efficiency.

I defined the new requirements on the area of business environment, internal strategies, and different communication elements, in consideration of the factors of human researches.

Thus, as the main aim of this dissertation, I defined to work out how it s possible to adapt modern communication procedures, organization and management strategies in Hungary, that was originally evolved in a different cultural environment on the area of joint businesses at the sector of feed industry.

## 2. MATERIAL AND METHODS

All enterprises are unit of a huge system, where each element tries suit to their business environment. Through their continuous changing structure all business entities are facing ongoing challenges.

By studying several international literatures during the secondary research phase, I could get information on the national as well as international tendencies, procedures. I have also received some useful information on the main political measurements, regarding this area. The primer research phase was focusing on the human research, management strategies, and all strategies, tendencies, and politics converted by these two areas, observing only companies functioning in the agricultural sector.

Primer researches were made by questionnaires. To give representative samples, companies with turnover over 10 milliard HUF and over 250 employees were examined. In the comparing analyses I involved 21 employees from different scope of activities, from 7 entertainments. 5 of the entertainments work as a joint-stock company, 2 of them were a limited liability company.

The applied questionnaire was focusing on the changes of enterprises in the altering political economy mostly since the 1990's, especially with regard to structural changes and connecting provisions mapping different events in an interdisciplinary way. As research method essentially I used the appliances of economic-science, but also integrated the elements of the sciences of sociology, psychology, linguistically- and cultural anthropology. I tried to recover how working conditions, strategies, and elements of communication change in the human approach during the structural changes in the whole.

Data processing splitted into four parts: meaning the checking of the questionnaires, coding data, filling up in charts, and preparing diagrams and tables.

Mathematical-statistical evaluation was designed by common scaling, and for carrying out I used the necessary IT programs, (Word, Excel, PowerPoint). Record, were anchored during the deep interviews, were wrote up as caseworks as well.

### **3. RESULTS**

#### **3.1. BUSINESS ORGANIZATIONS AND OWNERSHIP**

Before the privatization all examined companies had less than 30% foreign ownership stake. Most of these enterprises became 100% foreign owned companies and the new corporate forms appeared on the market, like joint-stock companies, limited liability companies.

Strategies of organizational changes used the “top down” method, which could not achieve changes in the approach of employees, thus, it resulted only primary issues in the short term. The low level of wages was the other factor to impend developing employees loyalty or notion of adapting.

The motivations of newly intaken employees were different, wherefore their abilities of socialization at occupation, or adjustable suiting in the new structure resulted the positive expectations of employers. Also their cognitions of foreign languages or communication techniques were improving.

Foreign parent company did not make efforts to establish the attitude of “learner company” foreign top managers rather tried to phase in a bureaucratic and centralized working method.

##### **3.1.1. Structural changes of organizations**

Among competing companies, sampling in the research, belonging to the same category, could be recognized parallelism in database of the research. The modernization and reformation of the company structure was in all cases going hand in hand with the alterations. The Hungarian business approach and the foreign manager’s cultural background generated the new environmental structural changes in structural development as it is introduced in the followings:

In the traditional model of corporate enterprises in Hungary the top management coordinated and directed exclusively all activities. For this reason a bureaucratic multilevel structure was evolved. All decisions were made exclusively by the top management, employees were not involved in the procedure. Characteristically the multilevel decision-making process caused a complicated inner connection ship in the organization. Answers were given for the questions in the questionnaire have shown a clear view on the multilevel and centralized company structure (Figure 1).

This system had the following effect on the functioning of the enterprises as the personal interviews reflected, that the achievements were just partially accepted by the top management. The opened-question in the questionnaire reflects concordantly a pretty low loyalty towards the employer and the company. It could be resulted by the isolation the top management and indirect contact between them and the employees, the conventions of deferred and one-way communication structure, which gives no opportunity for feed-back.

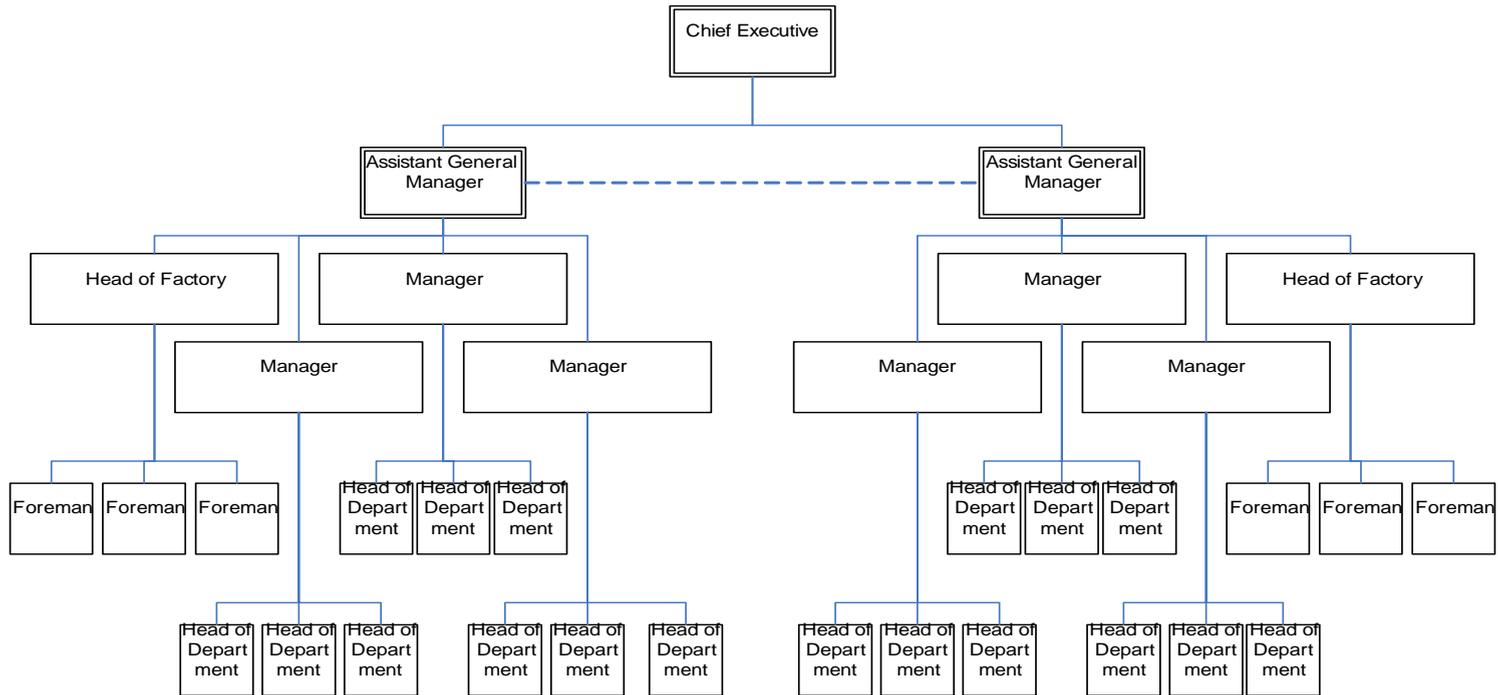
Representing the traditional organizational-cultural conditions, decision-making mechanism of these companies was centralized, slow, and risk avoider. These circumstances didn't allow them to cope other counterparts and to adapt new challenges of the continuously changing business environment. Top management had an introverted decision making mechanism, shared with its different interests. Therefore this system was foredoomed to failure in the period of the changing of economical market.

The main interests of modernization ambitions of the newly built company structure by all enterprises were similar. Reaching market goals the new, simplified organizational structure was shaped, as it is introduced on Figure 2.

Thus, the new structure was a more simplified regulation system, indicating less bureaucracy, and particularly reduced in the number of employees. This way it allowed a more effective and obligates, two-way communication system, also with feedback from employees.

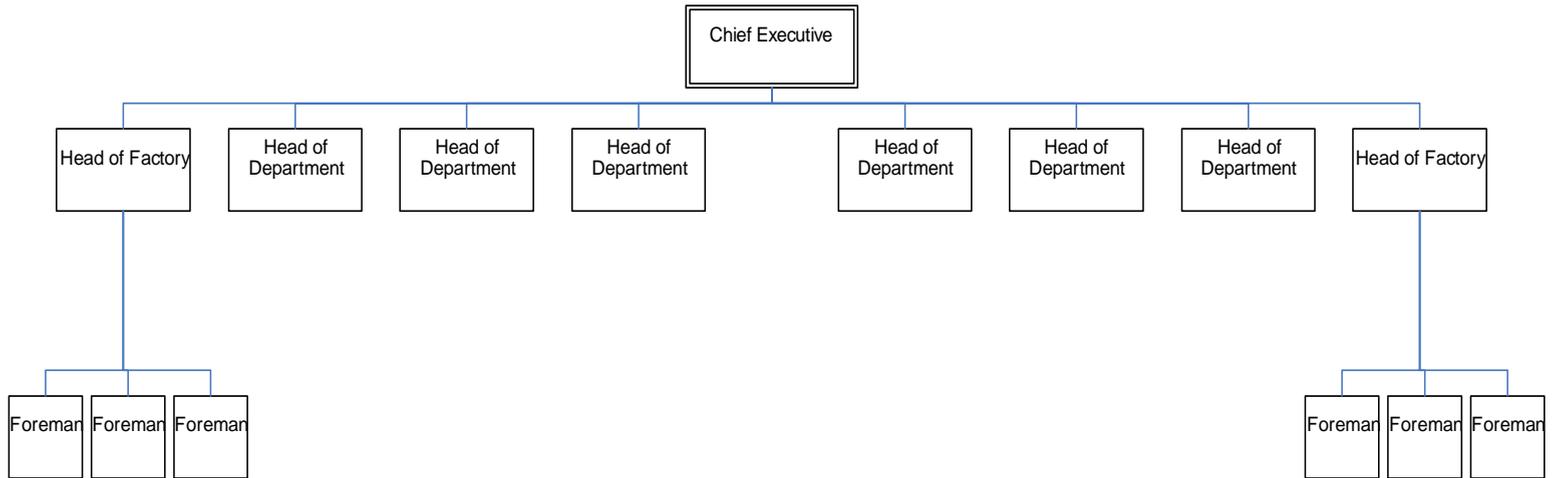
Reducing the number of hierarchic levels squarely brought forth the transparency of actions of structure. New structure was focusing on that the top management is a decision making level, with the main aim to organize the employees every-day task, directly and efficiently. The communication guidelines among the management and employees were simplified in order to achieve high level of service for the customer. Still, results were far from the desired optimum.

**Figure 1. Organizational conformation before structural changes**



Source: own results

**Figure 2. Organizational conformation after structural changes**



Source: own results

### 3.2 ORGANIZATIONAL CULTURE

The applied questionnaire has included open questions in consideration of organizational-cultural relationships. It was due to be able to compare different cultural attitudes, and these relationships obviously. To evaluate the cultural attitudes and connections, they were categorized at different levels. Moreover the open question system has also allowed presenting individual cases. All companies, developed from the same cultural background, based on common historical past showed the similar starting organizational structure according to open questions of the questionnaire. Thus, each organization had a similar structure, and size, the management has also had the same educational and political background as they solved organizational challenges considering their executive abilities. According to Handy's approach, the basic culture was compounded by two main elements: compounded the power-based and the personal character-based management (Table 1.). The operatives were against the new structure called the figure-culture by Handy's system, since they previously used to get on a system, which was not functioning anymore. The method of cultural changes was the assimilative way by all examined companies. The previously practiced and regular ambition strategies didn't work anymore in the new structure. The new system was focusing on the management position, but not on the person, who is holding the position. This alteration has different effect on the efficiency of the operatives' daily routine.

**Table 1. Percentage distribution of organization cultures according to the Handy-categories after the changes (%).**

<b>Culture of power</b>	<b>Role culture</b>	<b>Task Culture</b>	<b>Personality culture</b>
43,59	48,72	7,69	0

Source: own results

It has been confirmed by the results of the personal interviews. If the personality of the chief executive fits to the autocrat principles, he has gained the loyalty of the operatives. In case the chief executive's working knowledge and experience was not sufficient to fulfill this position, he has made some re-structuring by the company therefore making the system even more complicated. With the re-structuring it has managed to hide the incompetence of the chief executives. The employees of these companies had considered the structure of these companies clear, and obvious.

### 3.2.1. Changes of values at work

Since continuous changing of the political and economic environment resulted less safe employment policy, it resulted that "Stability of working place" and "competitive salary" has moved forward in the rank, namely taken over the first two places (2. Table).

Besides "substantive work" has also moved forward in the rank with the competitive salary and improving performance valuation systems. All global enterprises as the participants of the research are owned by multinational capitals, mostly with an Anglo-Saxon roots.

**Table 2. Rank of working values.**

Observation points	Rank	
	before changings	after changings
Substantive work	5.	4.
Utilizing own abilities during work	6.	3.
Self supporting working	2.	5.
Personality of manager	1.	6.
Safe of employment policy	3.	1.
Competitive salary	4.	2.

Source: own results

### 3.2.2. Main parameters of the intercultural communication in Hungary

#### 3.2.2.1. Changes of communication strategies

One of the main issues of research was to explore how hungarian employees can liaise with foreign managers, with their own cultural and communicational background, and how they can coordinate them with their own working habits.

Regarding the communication strategy, corresponding to the issue 's characteristic there were closed-questions drafted in the questionnaire. Results are unambiguously showing, that the language for external-communication is Hungarian. For internal-usage both languages are used, the local one and the language of the parent company. In this case it was the English in most cases. While Hungarian employees are pressed to learn English, foreign managers do not make any efforts to learn any Hungarian words, although workers would much appreciate their efforts.

By business communication, the main problem arises from the diversity of contexts of languages. Hungarian language characteristically has a high context-communication system, so it explains just a little, doesn't

give unnecessary additional information, to the basic instruction, as the language expresses the additional meaning of the instruction by itself. Therefore Hungarian employees have problem with the instructions with too much comments of the foreign management, as Anglo-Saxon language has low-context communication system.

The other projection of the problems of business communication is the differing time handling systems of cultures. Hungarian employees are dealing with their job rather polichronic way. For this reason, it s difficult for Hungarian employees to keep deadlines, in contrast with the Anglo-Saxon colleagues, with their monocronic attitude, which seems unreliable, irresponsible and impolite, from the Hungarian employees' point of view. Learning the way of communications of foreigners, and learning their motivations would be able to lead global companies to reach the "learner companies" position.

For the internal communication strategy, within one organization, all interviewers have suggested the heterarchic system, where the main element is the teamwork, and the major communication guidelines are opened, without any strict regulations. Although the personal interviews have confirmed that there are some cases where the top manager doesn't trust his employees, therefore he is also coordinating all workflow as operative manager as well. This communication system doesn't provide an objective view for effective function of the organization. It has a negative impact on relationship among the top management and its operatives and also the top management and its operative management as well. The loyalty for the company has declined by the operatives and managers.

### 3.3. CHANGES OF THE EMPLOYMENT STRUCTURE

Number of employees decreased in all examined cases. The size of top management decreased from 4-7 to 1-3, or in other cases from 10 to 4-7. The relatively young topmanagers in the average spent 10-12 years working and training period at the parentcompany, junior managers are a bit younger and spent lass years of working period at the company (Table 3.)

Duration of the employment is tendentiously rising if we are observing the hierarchy from junior manager to manual workers. Employees with degree are usually working by the same company for 5-6 years, administrative workers for 10-15 years, manual workers generally more then 15 years.

**Table 3. Average age of employees at different sectors of the company (years).**

Category	Average age	Average workingyears
Top Manager	35-45	10-12
Junior Manager	25-30	4-6
Employee having a degree	25-40	5-6
Administrative employee	38-42	10-15
Manual workers	30-50	>15

Source: own results

### 3.3.1. The main directions of mobilization tendencies

During the examinations I could point out that the total number of the employees has decreased by almost 9%. (Table 4) nevertheless the number of manual workers decreased more intensively by 9,3% and the white-collar job has represented 4,1 % reduction.

**Table 4. The average changings of number of employees (%).**

	Manual	White collar	Average
The average changings of number of employees	-9,3	-4,1	-8,8

Source: own results

The fluctuation for one year gives an objective picture how many new employees are by the company and how many has left it during the examined period. The fluctuation has been determined by the following formula:

$$\text{Fluctuation during a year} = \frac{\text{number of employees left the company in the last year}}{\text{average number of employees}}$$

Results improved the fact, that fluctuatipn was the higher inter well qualiflicated manpower. Before changings the very low (5%) fluctuation showed the HR model of Hungary at the time. During the changing period, the manpower-flow has grown up to 17%, which led to a well-balanced 10% after structural changings has finished.

**Table 5. Average fluctuation per employing categories (%).**

Period	Manual workers	Employees with a degree	Junior managers	Top managers	Average
Before changings	4,3	6,8	7,2	2,5	5,2
During changings	13,4	15,7	18,3	21,5	17,2
After changings	9,6	11,4	13,3	7,6	10,5

Source: own results

The internal mobilization procedures respecting the organizational structure had four main directions according to the questionnaire: previous manual worker became manual worker again, manual worker is doing white-collar job, employee who was doing white-collar job, remained in the same section, employee who was doing white collar job became a manual worker.

**Table 6. Annual internal fluctuation (%).**

	From manual to manual job	From manual to white collar job	From white collar to manual job	From white collar to white collar job
Before changings	50	10	35	5
After changings	35	25	40	0

Source: own results

Considering the results of the interviews, the rate of the internal fluctuation (Table 6.) shows that the fluctuation after the 1990' became more balanced then before. It means the present employment strategy has balanced the deficiency of the previous period.

### 3.3.2. Peculiar contexts of workgroups and teamwork

In my studies, the assimilative appearing of Anglo-Saxon cultural model the organizational model of agricultural companies, introduced by Berde (2003) has changed.

The main elements for the success and effectiveness for the work team are the followings: active participation in every-day work by the employees, trying to face all challenges of the team, as it was a personal challenge. Drawing a lesson of the interviews the most efficient strategies, as a learning-organization, took also into consideration of the national

cultural features, as work team-system was developed. This principle was also confirmed by the personal-interviews. The previous company structure was based on a centralized management system. After the economic change, Anglo-Saxon, West-European profession-specific model of the teamwork was taken over instead of the traditional workgroup-system, without any transitional period. New system was may implemented too quickly, so for this reason Hungarian management from the old structure could hardly approve it.

### 3.3.3. New management strategies and human resource developing conceptions

#### 3.3.3.1 *Changings of human resource managing functions*

In HR management functions ensuring manpower, applying, training, motivating and complacence with these functions success were measured. During organizational changings related to organizational cultures the ranks of functions changed (Table 7).

**Table 7. Changings of human resource managing functions (%).**

Functions	Rates of functions	
	before changings	after changings
Attending labour relationships	95,2	95,2
Evaluating scope of activities	42,9	76,2
Designing scope of activities	33,3	71,4
Incitement	71,4	100
Manpower demand prediction	47,6	61,9
Manpower planing	52,4	61,9
Ensuring resources	61,9	100
Introduction, training	66,7	42,9
Manpower developing	52,4	66,7
Achievment valuation	57,1	95,2
Business communication	42,9	90,5
Managing organizational changes	33,3	57,1

Source: own results

The highest rate in answers in the period before changings appeared “attending labour relationships” (95%), which was followed by “incitement” (100%), “ensuring resources” (100%), what was signed by all respondents through recruitment, selection and labour relationship. Assimilating Anglo-Saxon organizations culture the stronger functions were: “evaluating scope of activities” (76%), „designing scope of activities” (71%), „manpower

demand prediction” (62%), „manpower developing” (67%), „managing organizational changes” (57%). From all of the improving functions emerging „achievement valuation” and „business communication”, and the receding functions like „introduction and training”. These results consonancing with Berde (2003) studies, introducing agricultural entertainments’ HR functions.

The number of HR specialists per the average number of employments was determined to demonstrate HR functions of entertainments. During organizational changings the number of employees were decreased by 9%, while the number of HR specialists were increasing (Table 8). This tendency shows the crescending of HR functions. The number of HR specialists per 100 employees was duplicated.

**Table 8. Average number of employees and HR specialists per 100 employees.**

Period	Average number of employees	HR specialists per 100 employees
Before changings	325	1,23
After changings	296	2,7

Source: own results

### **3.3.3.2. Conceptions of manpower development**

According to the personal-interviews 80% of the training cost was spent on activity-based trainings, 20% was spent on team building, and cooperation-development-trainings. The activity-based trainings were focusing on achievement and efficiency development (48%). Remarkable is that all respondents have confirmed that companies do not organize any training on conflict-controlling techniques or on recovering tensions coming out of cultural background differences. These problems need to be solved by the employees themselves since the beginnings up to this day (Table 9).

The training costs per number of employees were examined as manpower developing standard.

$$\text{Training cost ratio (\%)} = \frac{\text{Training costs (HUF)} * 100}{\text{Manpower costs (HUF)}}$$

**Table 9. Average repartition of the training costs according to the structure of courses (%).**

Topics	Average repartition of costs
Training based on activity	80%; shared:
Language course	15
Change-management	17
Expansion of the achievement	25
Enhancement of the effectiveness	23
Organization development	20%; shared:
Team building	10
Personal development	4
Carrier management	4
Other skill and ability development	2
Settling matters arising from cultural differences	0%; shared:
Conflict management	0
Problem solving	0
<b>Alltogether</b>	<b>100%</b>

Source: own results

The companies with mixed working culture resulted a pretty high rate of training costs (Table 10), like 28%, which were four times bigger, than in the basic structure (6%). Training costs per employee is also increased from 0,1 to 0,9.

**Table 10. Changing of rates of training costs (%).**

Period	Training cost ratio	Training costs per employee
Before changings	6,0	0,01
After changings	28,1	0,09

Source: own results

### 3.3.3.3. *Business effectiveness of entertainments*

Financial indexes based on HR standards can be introduced according to the following formulas:

$$\text{Headcount proportion result (HUF)} = \frac{\text{Pre-tax result (HUF)}}{\text{Headcount}}$$

$$\text{Wages proportion result (HUF)} = \frac{\text{Pre-tax result (HUF)}}{\text{Labour cost (HUF)}}$$

All examined enterprises had a financial result over 10 billion HUF. The average headcount proportion result was 33.784 million HUF, wages proportion result shaped around 280.

### 3.4. VALUATION AND INCENTIVE OF BUSINESS PERFORMANCE

By the valuation of the achievements I have appointed 7 topics in the questionnaire, out of the respondents have appointed as the most important topics the "valuation of the group achievement" 27 % (Table 11). The following most important point has been given to "personal achievement valuation" 26 %, and then come "taking into consideration of the personal attitude and opportunities by the workforce-planning procedure" 21 %.

**Table 11. Main objects of the achievement valuation (%).**

No.	Topic	%
1	Trainings in consideration of the personal achievements	2,5
2	Awarding the personal achievements	25,9
3	Valuation of group achievements	26,8
4	Taking into consideration of the personal attitude and opportunities by the workforce-planning procedure	21,2
5	Take an advantage of personal skills by carrier planning	19,3
6	Dynamic development of the job description	2,5
7	Expanding the organization culture also to the employees	1,8

Source: own results

Suiting training strategies to personal demands, developing descriptions of scope of activities, and extending organizational culture to employees appeared by minimal rate, not even reaching 3% in the answers of interviewees. The same deficiency was introduced in a study of Karoliny and Poór(2004).

Personal and grouped achievement valuation methods were analyzed in 5 categories. (Table 12.) In most cases personal achievement was analyzed by the work-normative (68 %). The scoring and valuing scales were used roughly by 30 % and the informal conversation was used only in 3 %. Among the groups' achievement valuation methods, the most popular was the grading system with 76 % in contrast with the forced division (24 %).

**Table 12. Methods of the personal and grouped achievement valuation (%)**

Categories		%
<b>Personal achievement valuation techniques</b>		
1	Scoring and valuing scales	29,1
2	Work-normative	67,7
3	Informal conversation	3,2
<b>Grouped achievement valuation techniques</b>		
4	Ranking	75,7
5	Pressure division	24,3

Source: own results

Among the examined companies average gross salary was little more than 97.000 HUF in 2004. It is 67 % of average salary of the national economy. The increase of gross salary was 8,7 % in comparison with the year 2003. It was more than the national growth. Therefore the backlog of employees at this branch in compare with other sectors has diminished. (Table 13.) all employees considered the general growth of their salary as a higher appreciation of their work in this sector.

**Table 13. Average salaries by the examined companies (HUF).**

Year		Manual	White collar	Avg.
2003	Gross	93.571	264.510	126.582
	Net	69.385	152.881	84.844
2004	Gross	100.265	275.983	134.323
	Net	73.945	159.602	89.876
2005	Gross	104.323	287.537	140.105
	Net	78.409	168.117	95.271
2006	Gross	111.829	302.883	149.287
	Net	83.453	176.520	101.027

Source: own results

Average wages compared to wages in agricultural companies (Table 14) shows a 33-40% higher rate in gross, and 23-29% higher in net wages. Differences are decreasing from 2003-2006, but still present the appreciation towards employees.

**Table 14. Average salaries by the examined companies compared to agricultural wages.**

Year		Own studies (HUF)	Avg agricultural wages (HUF)	Difference (%)
2003	Gross	126.582	89.273	42
	Net	84.844	65.927	29
2004	Gross	134.323	97.014	38
	Net	89.876	70.959	27
2005	Gross	140.105	102.796	36
	Net	95.271	76.354	25
2006	Gross	149.287	111.978	33
	Net	101.027	82.110	23

Source: own results and KSH

### 3.5. SWOT ANALYSIS OF THE EXAMINED COMPANIES

According to the interviews, totalizing answers, the change management practice of the examined companies was modeled by SWOT-analysis (Table 15).

**Table 15. SWOT analysis of the examined companies.**

Strengths		Weaknesses	
Before changing	After changing	Before changing	After changing
Stabile market	Advantage of private ownership	Functioning and operational inflexibility	Tightening of financial support by the government
Wide spread of integrated relationship	Advantage of market orientation	Market and operation inflexibility	Tightening of the scope of activity
High capacity reserves	Flexibility gained by transformation period	Lack of private ownership attitude	Obsolete technology
	Period of Investments, and Developments	Effect of political ideology	
Opportunities		Threats	
Before changing	After changing	Before changing	After changing
Cheap resources	Cost-effective-management	Not highly motivated workforce	Tightening market, unstable economic environment
Available manpower	Quality production	Lack of Development Founding Expansion	Stronger competitors at the market
Social support and donation	Competitive company size	Prodigality Management	Lack of know-how
Financial and market security	Alteration of the scope of activity	Irrational Management decisions	Lack of business contact
	New management attitude and methods	Autocratic Management system	

Source: own results

## 4. CONCLUSIONS

Strategies of organizational changes used the “top down” method, which could not achieve changes in the approach of employees, thus, it resulted only primary issues in the short term. The low level of wages was the other factor to impend developing employees loyalty or notion of adapting.

The multilevel structure of companies were simplified by reorganization, decision making mechanisms became decentralized with less bureaucracy, but managers with poor HR experience did not map local cultural working conditions, thus polarizing cultural conflicts.

According to 40% of answers the assimilative cultural changings resulted the appearance the alloy of role-culture and power-culture. Inner mobilization opportunities on the basis of professional attainments ensured an adaptable humanpolicy. Outer mobilizations rates were high (17%) in the period of changings, and set around 10% with consolidation.

The ranges of values at work have been totally restructuring. The new form is reflecting the Anglo-Saxon model that comes from its cultural background and the re-shaping modern market condition – as the results of interviews showed it up.

The strategy of the external and internal communication has been also changing. The high context Hungarian language is in contrast with the low context English language. These marginal differences result dissonance by the Hungarian employees as well as by the foreign top managers.

All researches in the subject supported the hypothesis that Hungarian organization culture in comparison with the Anglo-Saxon model is more hierarchic, there are huger distances among the power of management and the operatives, and strongly tries to avoid instability. The activity of the Hungarian employees at occupation is rather more emotional, more dependent on the outstanding circumstances, while doing their job their time-structure is rather polichronic, in opposite to the Anglo-Saxon monocronic working style.

The conventional organizational groups have been changed by the modern and more effective team-culture. These changes in organizational strategies have given a squarely positive results, mainly at the enterprises, where national features were involved while reorganizing the structure -- as it has been confirmed during the personal interviews.

In HR functions “attending labour relationships” (95%), “incitement” (100%), “ensuring resources” (100%) appeared in the highest

rate. The most improving functions were “evaluating scope of activities” (76%), “designing scope of activities” (71%), „manpower demand prediction” (62%), „manpower developing” (67%), „managing organizational changes” (57%), „achievement valuation” (95%) and „business communication” (90%).

Number of HR specialists per 100 employees increased to 2-3 in all cases. In HR developing conceptions 80% of training costs demonstrated the basis of activities. Training cost ratio increased from 6% to 28%. Financial indexes based on HR standards improved the crescendoing of HR functions. Headcount proportion result was 33,8 million HUF, wages proportion result increased to 280.

The appearance of grouped achievement valuation was 53%, personal achievement valuation 42%. The preferred technique in grouped achievement valuation was ranking (76%), in personal achievement techniques work normative (68%). Management as material incentive can render continuous developing of salary-system. Gross wages in recent study was 33-40% higher than average agricultural wages, and 23-29% higher in the net comparison.

## **5. NEW SCIENTIFIC RESULTS**

1. In the examined companies Hungarian employees presented a huge power-distanced working culture, and strong uncertainty-avoidance attitude. The traditionally different motivation and attention of the foreign managers can be hardly accepted by the Hungarian operatives.
2. According to marginal cultural differences foreign managers with an Anglo-Saxon background could hardly conform to Hungarian working culture in feed-industry.
3. Results improved the differences in contexts in communication structure and the tendencies of the human resources and organizational development.
4. To keep intercultural-trainings is necessary to give the right opportunities for the real learner-organizations' integrations to get to know different cultures at both sides.

## 6. RECOMMENDATIONS

Examination of the implementation of knowledge-capital-innovation by the education and Human Resource Development strategies do not predestine the companies for the position of “**learning-organizations**”. Low exploitation of effectiveness and flexibility will result the follower-position of these companies at this sector. As the Hungarian feed culture branch has a relatively small size, the disadvantages will have its visible results only for the long term. This is one of the reasons, why the top-management doesn't realize the importance of these key-tasks. My examinations have pointed out that the personal achievement development and handling with cultural differences are still not popular among company training activities. If the employees are able to evaluate properly the cultural differences, it supports the efficiency of the organization structure, and gives clear picture on the other cultural environment. Furthermore, all of their experiences rely on observation, and all participants are willing to modify their opinion, in case of new impressions, experiences. If the accurate training policy and structure give opportunity to the employees of the company to take part in training course, then the company will take an advantage of it. Deficiencies of one cultural environment will be possible to substitute by the values of other cultural environment, and it will also work inversely. This way the negative attitudes will turn to become an advantage by the company.

The intercultural trainings would help to find solution for the a. m. problems and conflicts which would give opportunities to both cultures to learn more about the others through **intercultural trainings**. It would make the Hungarian and foreign managers realize the importance of learning other culture as well as their own culture.

In practice the intention of the intercultural trainings is to draw the participants' attention to overcome the negative stereotypes, and prejudice. It is important to point out the effect on achievement at work. The proper cultural behavior can also support the effectiveness of the organization.

To review the results and **personal experiences** I have collected during the interviews, I drafted the following **recommendation** to find solution for the intercultural communication problems:

1. The monocronic, universalistic American top management needs to take into consideration that the Hungarian operatives are rather polichronic, and particularist, who prefers relationship beyond the rules. The foreign management also needs to be flexible with the general rulings. If there is

a need for modification of the general rulings, the management needs to take the necessary steps.

2. With high-context cultural background, the Hungarian managers, and operatives don't need to consider as personal insult, if the American manager tries to explain all instruction repeatedly in detail, because the English language has a low-context cultural background. As the Hall categories have also reflected, divergence coming from communication differences, derives from the context differences, so it is not personal insult against the other colleague.
3. Personal meetings have confirmed that the Hungarian employees feel embarrassing the continuous testing of their work of the foreign (American, Dutch, British) top managers. It is also a good example for the monochronic, low-context communication, which is not against the Hungarian employees.
4. The examinations have confirmed, that it is worth for the foreign top manager to study the Hungarian language at a basic level, as it is considered by the Hungarian employees as a friendly step. Although it is obvious that it is not an easy task, even for those managers, who are speaking Latin languages.
5. The Hungarian managers are rather emotional. Therefore businessmen coming from Germany or the Netherlands, seem rather cross, neglectful, although this way of behavior is coming from the different cultural background. Dinner with the prospective business partner does not automatically mean signed contract, as the Hungarian managers would expect it in some cases.
6. The American, pushy negotiating features are hardly acceptable for the Hungarian partners. On the other hand, the American business partners need also take into consideration, that the Hungarian businessmen rather prefer to start the meeting with neutral, common topics.

## 7. PUBLICATIONS ON THE SUBJECT OF THE DISSERTATION

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