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**SWP 20/93 CULTURAL STEREOTYPES AND BARRIERS
TO THE SINGLE MARKET**

PROFESSOR PAUL BURNS
3i Cranfield European Enterprise Centre

ANDREW MYERS
Human Resource Management Group

and

ANDY BAILEY
Strategic Management Group
Cranfield School of Management
Cranfield University
Cranfield
Bedford MK43 OAL
United Kingdom

(Tel: +44 (0)234-751122)

(Fax: +44 (0)0234-751806)

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CULTURAL STEREOTYPES AND BARRIERS TO THE SINGLE MARKET

PROFESSOR PAUL BURNS, ANDREW MYERS AND ANDY BAILEY

3i/Cranfield European Enterprise Centre,
Cranfield School of Management,
Cranfield, Bedford MK43 0AL, United Kingdom.

Tel: +(0)234 751122 Fax: +(0)234 751806

Introduction

How will SMEs cope with the opportunities presented by the Single Market? They are characterised as being attuned to local markets, cultures and tastes and some argue that the effect of the Single Market "will not be central to the activities of small firms in the 1990s" (Stanworth and Gray 1991). Is this true? How do they see themselves?

Added to this, the question arises whether managers of SMEs feel comfortable about dealing with managers from other countries in Europe. Each country has its own culture. How will this affect perceptions of, and relationships with, managers in other countries? How far does our cultural heritage affect our decision making through the non-rational, intuitional side of our minds?

Management is often perceived as a rational, scientific process, although managers' thinking styles vary from analytical to intuitive. However, we do not adequately understand to what extent managers deal rationally with uncertainty and the unknown. There is a growing feeling that the rational approach is not appropriate in the changing business world today (Nelson 1989). Holloman (1989) argues that 'opportunities exist for integrating the rational side of decision making with the non-rational, intuitional side' and that both approaches should be used as 'complementary components of any decision making process'.

As the Single Market develops so will trade between member states. Business to business sales are seen as a major growth area in the 1990s. Collaboration and joint ventures is seen as the low risk approach for SMEs seeking to expand into another country. These factors mean that effective communication between managers in different European countries will be vital. Managers' perceptions of each other and the relationships they build through negotiation will become increasingly important.

This paper reports the results from a recent survey of business managers working in SMEs (under 500 employees) in Europe. It set out to discover:

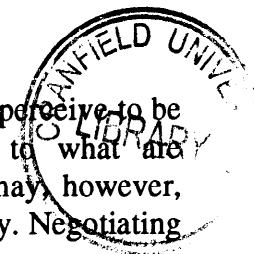
- Whether the advent of the Single Market has affected their business orientation; the way they view their company, its market, competitors, recruitment and performance.
- The differing perceptions held by managers of SMEs about the qualities of managers in various countries in Europe, and how this is at variance to their own view of themselves.

The paper goes on to discuss ways that this might affect management decision making processes for SMEs in a European context.

NEGOTIATION

Neale and Bazerman (1992) believe that there is nothing more central to business than negotiation. The first step to rational negotiation, according to them, is learning to avoid some 'pervasive biases'. Managers operate according to their perceived understanding of a situation, an understanding more often based on the assumptions and expectations of a situation than any objective facts. Indeed this is particularly so in new and novel situations such as that presented by the European market. They often operate and conduct their business based on 'schema' developed for other

situations and merely move their modus operandi from a situation they perceive to be similar to the new one. This schema, which provides a guide to what are "appropriate" acts, behaviours, and assumptions about the situation, may, however, prove to be unsuitable. Rules used in the domestic market may not apply. Negotiating with firms in other countries is, therefore, not likely to be without problems.



In negotiations between companies in different countries different cultural systems can produce divergent negotiating styles. One successful rule for negotiation (Kramer and Herbig 1991) is to recognise that a foreign negotiator may have different perceptions, beliefs and outlooks. The realisation of differences though may not alter the approach adopted. Indeed, de Ferrer (1989) believes that when dealing with unfamiliar people and cultures, it is very difficult not to communicate through cultural stereotypes.

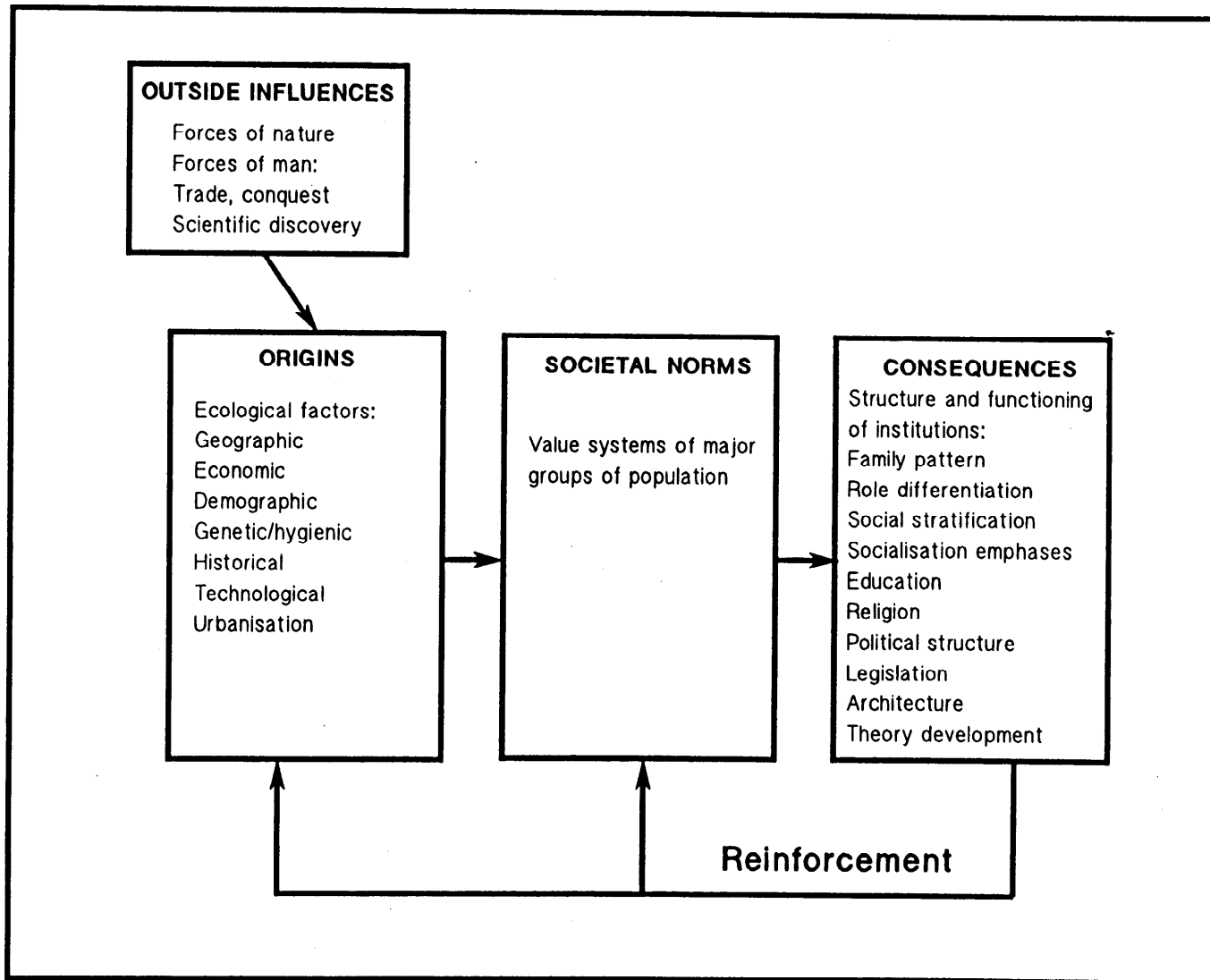
CULTURAL STEREOTYPES

Horton (1992) suggests that the behavioural traits of most people are not really subject to change. A manager's perception of a manager from another country is likely to be predetermined, perhaps in a stereotypical manner, and as such may significantly affect the way negotiations are conducted and decisions are made.

Hofstede (1980) maintains that all organisations are culture bound. He defines culture as the collective programming of the mind. In uncertain situations this force is particularly strong. Culture patterns are influenced at an early age by historical events or by geographical factors and are rooted in value systems which take a long time to change. Hofstede believes that there are mechanisms in national cultures which allow the maintenance of stability in culture patterns across a number of generations (see Figure 1). In each national culture a different value system is likely to exist which can produce divergent decision making styles. At the centre of Hofstede's notion is a system where 'societal norms' are defined which are shared by the major groups of the population. Their origins are in a variety of ecological factors, in other words, factors affecting the physical environment. These societal norms will have led to the development and pattern maintenance of institutions in society with a certain structure and way of functioning. These include the family, education systems, legislation and political structure. Once established these institutions they reinforce the societal norms and the ecological environment that led to their creation. Changes in these norms, and subsequently in the systems which support them, come largely from outside the systems, either through forces of man or forces of nature.

Perhaps the hardest crosscultural chasm to bridge is our stereotype of a colleague's ethnic and national identity. This has appeared as a problem for Americans dealing with "Europeans" and has affected their decision making and negotiations (Le Poole and Samfrits 1989). Europeans have been characterised as living in a world that is larger than just their own, spending holidays abroad, speaking foreign languages, reading foreign books and watching foreign television and films. In other words, they are seen as more cosmopolitan. But, how true is this? Do European managers have their own stereotypes and how different are the perceptions of these stereotypes from one country to another?

Figure 1: The Stabilising of Culture Patterns



Source: Hofstede (1980), 'Culture Consequences'

THE SURVEY

The survey was carried out by the 3i/Cranfield European Enterprise Centre in November 1993. It covers five major EC countries: Britain, France, Germany, Italy and Spain. Over 8,000 managers received a postal questionnaire and 1,016 responded (a 13% response rate). The questionnaire was translated into the appropriate languages and then translated back into English to check for consistency in meaning.

The characteristics of the responses are highlighted below:

- 433 are from Britain, 127 from France, 135 from Germany, 185 from Italy and 136 from Spain.
- 46% are in manufacturing, 23% in services, 20% in retail/wholesale, 6% in construction and 4% in transport/communications.
- 17% have up to 50 employees, 42% have 51-200 employees and 41% have over 200 but less than 500 employees.

BUSINESS ORIENTATION

Managers were asked how they viewed their company, market, competitors, source of top management recruitment and the influences on their company's performance. The results are shown in figure 2. Generally, most SMEs had local and national orientations. Conversely, manufacturing companies were more European and international in their orientation than those in other sectors. Those with broader horizons tend to have an international rather than a European orientation.

Overall, German SMEs came over as having a marked international orientation. Whilst British SMEs also had an international orientation, this seemed to be at the expense of Europe. French SMEs tend to be the most introvert, with the greatest local and national orientation. Italian and Spanish SMEs tend to have the greatest European orientation.

1. Companies

Although most managers (54%) see their companies as local or national, the surprising result is the high proportion (26%) seeing them as international; more than the proportion seeing their companies as European. Perhaps a European orientation is just a stepping stone on the route to a global perspective. German and British companies lead other countries in this and manufacturing leads other sectors. Germany also had the smallest proportion of companies seeing themselves just as local. Italy and Spain had the highest proportion of "European" companies.

2. Markets

Most managers (57%) see their markets as European or international. Again the surprising result is the high proportion seeing markets as international (33%). German and British companies once more lead for internationalisation but Italy has an outstanding European orientation. All in all, German and Italian companies have the

FIGURE 2: BUSINESS ORIENTATION

(% respondents)	<u>Britain</u>	<u>France</u>	<u>Germ'y</u>	<u>Italy</u>	<u>Spain</u>	<u>Europe</u>
How do you see:						
Your company?						
Local	20	29	11	21	17	20
National	33	39	38	29	35	34
European	15	16	15	33	29	20
International	32	16	36	17	19	26
Your market?						
Local	17	20	9	17	16	16
National	28	30	28	17	34	27
European	18	29	22	35	24	24
International	37	21	41	31	26	33
Your competitors?						
Local	19	19	7	15	12	16
National	46	46	37	38	42	43
European	14	19	23	35	32	22
International	21	16	33	12	14	19
Your source of top management recruitment?						
Local	18	25	5	30	28	21
National	69	55	36	57	60	59
European	6	16	25	11	11	12
International	7	4	34	2	2	8
Influences on company's performance?						
Local	10	11	4	6	5	8
National	41	36	41	37	35	39
European	17	30	26	30	33	24
International	32	23	29	27	27	29

greatest European and international orientation.

3. Competitors

In contrast, most managers (59%) see their competitors as local or national. Only 41% of see competitors as European or international. This appears somewhat inconsistent with their view of the market. However, there are three distinct groups. Britain and France are far more locally and nationally orientated, Italy and Spain are far more European in their orientation and Germany international.

4. Sources of top management

Most countries look to their national market as a source for top management. It is noticeable that British companies source its management overwhelmingly (87%) from local and national markets. German companies had by far the greatest European and international orientation (59%) However, it was surprising that so many (34%) German managers say they looked to international markets for top managers.

5. Influences on company performance

Whilst most companies (39%) still see the greatest influences on their performance as national, a surprisingly large proportion see these influences as European (24%) and international (29%). Britain has the lowest proportion citing European influences and the highest proportion citing national and international influences.

6. Size differences

As you might expect, the smaller the company, the greater the tendency for it to have a local orientation. However, the largest proportion of these companies see themselves, their market, competitors and source of management as national. Overall, 63% of the smallest companies (under 50 employees) see their company as local or national, 52% see their market as local or national, 64% see their competitors as local or national and 86% source their top management locally or nationally. More of these companies have a European orientation than have an international orientation.

The larger the company, the greater the tendency for it to have an international orientation. More companies with over 200 employees have an international orientation than have a European orientation. 34% of them see themselves as international, 40% see their market as international, 24% see their competitors as international and 11% source management internationally.

COMMENTARY

Europeanisation is argued by some commentators to be the first step towards global integration. This would involve a great deal of coordination at a European level rather than a national level "to serve a common cause in culturally, historically, economically, socially, ideologically, and politically heterogeneous environments" (Caproni et al 1991). The Single European Act attempts to facilitate such coordination, by working towards a homogeneous environment. It has been perceived

as a process towards deregulation by creating a freer market through the breaking down of fiscal and physical barriers (Lockhart and Myers 1993).

Guterl (1989) believes that to succeed in Europe managers must "react quickly to changing market conditions and must start to act like Europeans" By using the term "Europeans" he is defining a population that is the direct result of Europeanisation. However, to start acting like a European is something that does not just happen overnight. Eurobarometer (1991) posed the question "how frequently does one feel European?" Only 15% of citizens in the EC said they thought of themselves "often" as both a national and EC citizens, 33% said "sometimes" and 49% said "never". The business orientation of our SMEs seems to be little different. A positive shift is likely to take time.

This survey underlines that SMEs have a long way to go before they can claim to have a European orientation. It also highlights wide variations in orientation from country to country and raises the question to what extent these divergent views reflect differing attitudes to other European countries. The survey does, however, support the view that Europeanisation is just one step towards global integration, a process that seems strongly associated with the growth in size of the business.

MANAGER PERCEPTIONS

Managers were asked to score themselves and managers in every other country against twelve "quality" indicators:

Competence, efficiency, tenacity, reliability, hard work, entrepreneurship, education, trustworthiness, punctuality, humour, compassion, ability to get-on with others

A "quality score" (QS) for each indicator was calculated for every country. This was the arithmetic average of the individual scores of respondents compared to the median or satisfactory level. Scores range from +200 to -200, with "0" as satisfactory. A positive (+) score indicates better than satisfactory. A negative (-) score indicates less than satisfactory. Average scores for each country were calculated.

This methodology allowed us to measure the difference between the self perception of one nation compared to the perception of it held by other nations. This "perception distance" (PD) is calculated by subtracting the national quality scores from the arithmetic average of the scores given by the other countries. The sum of the national quality score (QS) and the perception distance (PD) therefore equals the score given to that country by managers in the other four countries. The larger the perception distance, the greater the difference between what that nation and the other countries perceive as its managers' competences. When this is positive (+), it means that the other countries think more highly of the nation than it thinks of itself. When it is negative (-), vice versa.

Perception distances are important because they have implications for how we view and communicate with each other. High perception distances represent barriers of prejudice. These are often based upon national stereotypes. A perception distance is particularly significant, if, when added to the national score it changes the sign of the

FIGURE3: NATIONAL VIEWS ON MANAGERS AND PERCEPTION DISTANCES

	<u>Britain</u>		<u>France</u>		<u>Germ'y</u>		<u>Italy</u>		<u>Spain</u>	
	QS	PD	QS	PD	QS	PD	QS	PD	QS	PD
Competent	+39	-35	+29	+10	+71	+15	+44	-64	0	-38
Efficient	+27	-36	+38	-13	+75	+19	+19	-34	-05	-36
Tenacious	+25	-21	+18	-07	+56	+21	+55	-70	+21	-43
Reliable	+53	-35	+38	-32	+49	+34	+02	-46	-02	-39
Hard working	+62	-77	+51	-25	+62	+03	+90	-101	+31	-45
Entrepreneurial	+22	-22	+30	+02	+41	+05	+63	-47	+15	-25
Educated	+04	+19	+39	+07	+39	+27	+20	-20	+19	-40
Trustworthy	+80	-59	+21	-13	+52	+08	-11	-15	+12	-29
Able to get-on with others	+65	-71	+27	-24	+15	-11	+81	-55	+42	-29
Punctual	+64	-42	+06	+06	+59	+24	-11	-14	-04	-28
Humorous	+76	-60	+21	-29	-33	-14	+78	-52	+57	-46
Compassionate	+43	-74	0	-07	-02	-31	+89	-77	+27	-14
AVERAGE SCORE	+46	-43	+26	-10	+40	+09	+43	-48	+18	-34
AVERAGE SCORE BY OTHER COUNTRIES	+3		+16		+49		-5		-16	

QS: Quality Score

PD: Perception Distance

score. When this happens, it means that the other countries hold the opposite view of the quality indicator to that held by the nation.

Figure 3 shows the quality score (QS) managers in each country gave to themselves and the perception distance (PD) from the aggregate score of the other four countries. German managers were generally scored more highly than managers in other countries. Perception distances are high compared to quality scores, indicating considerable differences in perceptions. Most perception distances are negative indicating a country's managers think more highly of themselves than do other countries. Only in Germany are the average perception distances for managers significantly positive meaning that the other countries think even more highly of German managers than they think of themselves. Average perception distances are highest, and negative, for Italian and British managers.

British managers tend to have a higher opinion of themselves [based on averages] than do other managers from other European countries. This finding is most notable when we look at the qualities of hard work, compassion and ability to get on with others. Other countries are more likely to feel that British managers lack compassion, are inefficient, not hard working and are unable to get on with others.

Perception distances are relatively small for French managers. Their views of themselves are broadly shared by others. However, other countries are likely to feel that French managers lack humour and compassion.

Perception distances are also relatively small for German managers. They know they are good but acknowledge their managers lack humour and compassion. Generally, managers in other countries think more highly of the Germans than they think of themselves. This may go some way to explain why they have such an international orientation.

The strong image of German management has some very positive marketing advantages. Fouke (1989) stresses that marketers need to research the culture's language and history, as well as the cultural variations in such elements as colours, symbols and gestures. He believes that marketers need to design strong, effective campaigns using positive images and values such as competence, efficiency and reliability that are shared by the target audience and the people of the culture appearing in the campaign. This, of course, was the very effective line taken by Audi in its advertising campaign "Vorsprung durch technik". However, an interesting variant on this has recently appeared on British television. It shows a German male telling a simple joke to an audience. The joke was not amusing. The message to the British audience was that Germans do not have a sense of humour, but can build cars. Could it be that perception and reality are becoming increasingly intertwined for Germans?

Italian managers score themselves high on a number of management qualities. Notably they view themselves as hard working, entrepreneurial, compassionate, as able to get on with others and as having a sense of humour. However, managers from the other countries score them significantly lower on these characteristics. Other countries are more likely to think that Italian managers lack competence, efficiency, tenacity, reliability and are not hard working, trustworthy or punctual.

Overall, Spanish managers were rated the lowest in the countries surveyed. Perception distances are all negative. The other countries are more critical of Spanish managers than the Spanish are of themselves. Other countries are more likely to think that Spanish managers lack competence, efficiency, tenacity, reliability and are not hard working, entrepreneurial, educated, trustworthy or punctual.

NATIONAL PREJUDICES

Neither quality scores nor perception distance necessarily measure reality. They are probably based upon national stereotypes. However, when perception distances are high it means that the likelihood of miscommunication or misunderstanding is high, and that has important business implications.

Figure 4 shows what managers in the other countries think about British managers, compared to the perceptions held by the British. Whilst all perception distances are high, overall, Italians and French seem to hold views that are furthest away from the British and it is these nationalities they will have the hardest job working with.

FIGURE4: VIEWS ON BRITISH MANAGERS

	Britain	France	Germ'y	Italy	Spain
	QS	PD	PD	PD	PD
Competent	+39	-31	-04	-49	-55
Efficient	+27	-27	-49	-50	-18
Tenacious	+25	-14	-12	-40	-19
Reliable	+53	-43	-34	-46	-15
Hard working	+62	-70	-69	-101	-67
Entrepreneurial	+22	-47	-07	-33	-01
Educated	+04	-09	0	+43	+40
Trustworthy	+80	-71	-55	-57	-58
Able to get-on with others	+65	-51	-64	-94	-75
Punctual	+64	-56	-45	-40	-26
Humorous	+76	-65	-57	-35	-83
Compassionate	+43	-64	-60	-91	-79
AVERAGE	+46	-46	-38	-49	-38

QS: Quality Score by British managers

PD: Perception Distance

There are a number of interesting observations to be made. Whilst British managers think they are easy to get on with, Italian and Spanish managers actually find them difficult to get on with. This sort of misunderstanding can have all sorts of important consequences since this it may be a prerequisite to building a relationship that may lead to deals being struck.

Italian and Spanish managers also do not rate British managers high on competence. Such a finding is likely to have an enormous impact on the way British SMEs are perceived by Italian or Spanish managers when doing business. In terms of negotiating a contract for example, a British manager may feel that their company is competent enough to do the job. However, success will depend on whether they can overcome this barrier and persuade the Italian or Spanish managers that they are competent. We are making an assumption here that a British company is going to be considered for the contract in the first instance. However, we have to bear in mind that Italian or Spanish managers may not even consider Britain as an option in the first place because of their perceptions of British managers on the competence issue. In other words they could be influenced by the stereotypical perception and not on analytical or logical assessment.

FIGURE5: VIEWS ON FRENCH MANAGERS

	France	Britain	Germ'y	Italy	Spain
	QS	PD	PD	PD	PD
Competent	+29	-12	+38	+11	+01
Efficient	+38	-31	-22	+17	-15
Tenacious	+18	+04	-18	-06	-09
Reliable	+38	-47	-37	-06	-36
Hard working	+51	-25	-24	-09	-41
Entrepreneurial	+30	-05	-18	+21	+11
Educated	+39	+20	+07	+23	-09
Trustworthy	+21	-42	-12	+27	-25
Able to get-on with others	+27	-52	+02	-08	-38
Punctual	+06	-01	-10	+19	+17
Humorous	+21	-52	-03	-23	-32
Compassionate	0	-06	+26	-22	-26
AVERAGE	+26	-21	-06	+4	-17

QS: Quality Score by French managers

PD: Perception Distance

Figure 5 shows what managers in other countries think about the French. Perception distances are generally low. However, all but the Germans do not seem to trust French managers - surely a prerequisite for any collaboration or joint ventures. The British seem to have the most divergent views about French competences. At the very least they do not seem to understand French humour.

FIGURE6: VIEWS ON GERMAN MANAGERS

	<u>Germ'y</u>	<u>Britain</u>	<u>France</u>	<u>Italy</u>	<u>Spain</u>
	QS	PD	PD	PD	PD
Competent	+71	+14	-03	+58	-08
Efficient	+75	+11	+3	+58	+02
Tenacious	+56	+25	+05	+46	+09
Reliable	+49	+36	+17	+68	+14
Hard working	+62	+12	-08	+41	-26
Entrepreneurial	+41	-26	-18	+45	+20
Educated	+39	+62	+08	+48	-12
Trustworthy	+52	-03	-04	+50	-13
Able to get-on with others	+15	-25	+28	-24	-24
Punctual	+59	+41	-15	+54	+16
Humorous	-33	-50	+17	-35	+13
Compassionate	-02	-39	-09	-50	-27
AVERAGE	+40	+5	+2	+30	-03

QS: Quality Score by German managers

PD: Perception Distance

Figure 6 shows what managers in the other countries think about German managers, compared to the perceptions held by the Germans. Managers in Germany are generally rated highest in the five countries and every country seems to agree. However, they are seen as difficult to get on with by every country other than France and every country agrees (including the Germans) that they lack humour and compassion. They are scored high, particularly by Italian managers, on a number of qualities, most notably competence, efficiency and reliability. It would seem that German managers are highly regarded by managers in other European countries and this probably goes a long way to explaining why they are accepted as business minded internationally, and why they are more likely to see their markets as being international.

French views about German managers are closest to the German managers' perceptions. Similarly, German views on French managers were the closest to French managers' perceptions. This close symmetry of views must mean that French and German managers are best placed to develop a close working relationship in the new Single Market.

FIGURE7: VIEWS ON ITALIAN MANAGERS

	<u>Italy</u>	<u>Britain</u>	<u>France</u>	<u>Germ'y</u>	<u>Spain</u>
	QS	PD	PD	PD	PD
Competent	+44	-85	-42	-80	-49
Efficient	+19	-63	-14	-47	-13
Tenacious	+55	-84	-62	-71	-62
Reliable	+02	-61	-27	-54	-43
Hard working	+90	-113	-90	-110	-91
Entrepreneurial	+63	-41	-30	-78	-40
Educated	+20	-24	+01	-40	-18
Trustworthy	-11	-31	+18	-33	-12
Able to get-on with others	+81	-47	-76	-57	-38
Punctual	-11	-37	-07	-10	-03
Humorous	+78	-48	-60	-58	-40
Compassionate	+89	-68	-79	-69	-92
AVERAGE	+43	-58	-39	-59	-41

Figure 7 shows what managers in the other countries think about Italian managers. Whilst all perception distances are high, overall, the British and Germans seem to hold views that are furthest away from the Italians and it is these nationalities they will have the hardest job working with. For example, if a British SME were in a situation where they had to work with a European partner on a project where delivery time was crucial, they would be more likely to choose a German rather than an Italian partner based upon their preconception about punctuality. Only the French regard Italian managers as trustworthy - despite the fact that even the Italians do not regard themselves as trustworthy!

FIGURE 8: VIEWS ON SPANISH MANAGERS

	<u>Spain</u>	<u>Britain</u>	<u>France</u>	<u>Germ'y</u>	<u>Italy</u>
	QS	PD	PD	PD	PD
Competent	0	-37	+03	-67	-52
Efficient	-05	-38	-05	-60	-41
Tenacious	+21	-51	-13	-70	-36
Reliable	-02	-36	0	-76	-43
Hard working	+31	-53	-20	-69	-37
Entrepreneurial	+15	-25	0	-48	-26
Educated	+19	-35	-26	-55	-42
Trustworthy	+12	-23	+04	-53	-42
Able to get-on with others	+42	-22	-19	-75	0
Punctual	-04	-36	-06	-37	-31
Humorous	+57	-47	-63	-63	-10
Compassionate	+27	-24	-37	-40	+46
AVERAGE	+18	-36	-15	-60	-26

QS: Quality Score by Spanish managers PD: Perception Distance

Figure 8 shows what managers in other countries think about Spanish managers. Perception distances are highest for Germany, indicating managers from the two countries probably have problems working together. However, British and Italian managers also do not share the Spanish regard for their own management qualities. The French are least critical and are the only country to regard Spanish managers as trustworthy.

COMMENTARY

It is difficult to measure the quality of managers. Never the less, we often attempt it when we compare the performance of companies, for example by looking at their financial results. We do it at a national level, when we compare the performance of individual countries. We also do it at a personal level where we have a certain stereotypical perception of a typical manager from a particular country.

The results of this part of the survey highlights many of the cultural stereotypes that managers of SMEs have of themselves and their counterparts in other European countries. It tells us nothing about reality.

Hofstede (1980) explained how these cultural stereotypes might arise and how they might affect business decision making. The advent of the Single Market seems certain

to bring their existence to the fore. They will influence business relationships between member states for good and ill. What is disturbing is the extent of the divergence in stereotypes that still exists. With the possible exception of French and German managers, it is also disturbing that there is so little consensus about managerial qualities.

Relating these issues back to Hofstede's model (figure 1), over time the free movement of labour and closer business contact is likely to be a significant outside influence that makes managers consider themselves more "European". Gradually, as managers become more exposed to management in other countries and start to operate within similar environmental and operating constraints, a greater appreciation and even convergence of styles and qualities is likely to occur. It is perhaps then when our over simplistic stereotyping will become obsolete and we can truly call ourselves European.

However, the extent of the resistance by managers of SMEs should not be underestimated. With less resources than the larger firm, the manager in a SME is likely to fall back on intuition and stereotypes more often. The extent of networking between the small business owner manager and others within the wider economic environment has been much exaggerated (Curran et al 1993). Consequently, SMEs are likely to lag behind larger firms in becoming more "European".

CONCLUSIONS

This paper is based on a survey that gives a "snap-shot" of the views of managers of SMEs. Many aspects of the survey give an indication of the extent of "Europeanisation" in the five countries surveyed. It would be instructive to repeat the survey in a number of years to assess the influence of the Single Market and the extent of convergence in views over the period.

Whilst there are significant national differences, at the moment, SMEs continue to have local and national orientations. This confirms the view of Stanworth and Gray. What is more, a European orientation seems to be just a stepping stone to an international orientation. This transition from local to national, then to European and on to international orientation seems to be related to size and therefore, probably, growth stages.

Managers of SMEs do have cultural stereotypes of themselves and/or managers in other countries. With the possible exception of French and German managers, these stereotypes are divergent and therefore likely to create barriers to communication and trade within the Single Market. However, as trade increases, these stereotypes are likely to converge. If some of the stereotypes are true (whether held by indigenous managers or by managers in other countries), they indicate some significant deficiencies in the quality of management in particular countries.

The wide diversity of views about managerial qualities in different countries argues for managers relying on intuition to form judgements. This will probably effect decision making. Information about management in other countries would encourage the move to a more rational basis of forming judgements and making decisions. It would also help to bring down these artificial barriers to the Single Market.

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