

MULTICULTURAL LABOUR MARKET IN THE SME'S SECTOR – INTRODUCTION TO COMPARATIVE STUDY OF THE SITUATION IN POLAND AND CZECH REPUBLIC

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Abstract:

In this article the author has presented and analysed three research problems related to SME's labour market in Poland and Czech Republic. The scientist has focused on multicultural aspect of changes among human resources needed and existed in both countries. Based on findings identified during the scientific project, a diagnostic tool (Application RIO) has been presented, which helps to measure the degree of preparedness of organizations for the management of multicultural human resources. The author has also formulated recommendations for the use of this tool and the rules of interpretation of results specified by the application.

Key words:

Multicultural labour market, Intercultural management, SME

JEL: M14

1 Introduction

Intercultural human resources in enterprises for many European and worldwide organizations are obvious elements of a company. But, due to existing and dynamic demographic trends in the field of migration, intercultural management has become a major challenge for small and medium-sized enterprises in Europe. This problem is particularly important for companies which operate in countries where previously coefficient of multiculturalism of society was relatively low, that are, Poland and Czech Republic. Therefore, the author decided to analyze the following research problems: 1 / whether the labour market in the SME's sector in Poland and in the Czech Republic can be described as multicultural; 2) whether the economic, legal, demographic and social situation favours the development of multiculturalism in Poland and the Czech Republic; 3 / if the answer to the second question is "yes", how to prepare owners, managers and employees to work with foreigners.

Following above mentioned questions, the author has decided to analyze and underline particular facts which should affect acceleration of implementation of multicultural management in the SME sector in chosen countries. So, the main goal of the paper is presentation of economic and demographic features, ratios and trends that justify SME sector development, internationalization of societies and, as an consequence, necessary changes in human resource management in small and medium enterprises. Moreover, the author has briefly described a IT tool which can help to diagnose and improve interculturalism in SMEs. Research and analysis has been done based on official reports, statistical data and professional statements issued by reliable organization of worldwide influence, i.e. Global Entrepreneurship Monitor, OECD, European Union, etc. Besides, the author has used results of the study presenting RIO Application.

The issue raised in the paper is very practical in nature. Globalization trends, including the mobility of people, especially the emigration, justify the need for the acquisition of competence in management by the owners and managers of enterprises from the SME sector. This fact should be

seen by a broad sector entities, education, business consulting and management support (i.e. a company providing management tools, such a IT industry). Intercultural HR Management is also an interesting area of research for the representatives of different fields of science, particularly interdisciplinary teams.

2 Theoretical framework – multicultural labour market and enterprise

To define the meaning of ‘multicultural labour market’ let’s compare two phenomenon: ‘multiculturalism’ and ‘labour market’. Joseph Raz explained that multiculturalism means *the coexistence within the same political society of a number of sizeable cultural groups wish-ing and in principle able to maintain their distinct identity* (Raz, 1998). Current definition of the labour market was delivered by Lewis Abbott and presents as follows that *the labour market is that part of the economy in which one-person intermediate industrial – commercial services of various kinds are bought, sold, and priced. Employment may refer to participation in the labour market on the supply and/or demand side – or buying and selling of labour as a factor of production distinct from other factors* (Abbott, 2010). On this basis we can conclude that multicultural labour market is a part of economy were both demand and supply side is multicultural. In other words, both those who look for a job and those who offer it are from different nations and/or cultures.

An important complement to this definition is the notion of a multicultural enterprise that can be presented by following features:

- co-work of representatives of different ethnic and national groups, but the largest ethnic / national group is not more than 70% of the total number of employed;
- implemented organizational culture allows all employees to assimilate and integrate;
- conditions for equal treatment of workers have been created;
- an objective employee assessment system is provided (Czainska, 2010).

Moreover, it is also necessary to distinguish the phenomenon of multiculturalism and interculturalism. The first term defines the situation when representatives of different cultures operate in one place, but maintain their identity, and sometimes they manifest it. Instead, interculturalism is related to the mixing and penetration of culture in a community composed of representatives of different nationalities and ancestry. Authors dealing with issues of interculturalism additionally emphasise following phenomenons related to it:

- diffusion of culture – as a process of learning and adaptation of materials and practices between cultures (Chaney, Martin, 2007);
- melting pot – a sociocultural assimilation of people from different cultures and nationalities by loosing ethnic differences and forming one, large and new society cultures (Chaney, Martin, 2007; Schneider, Barsoux, et al., 2009);
- culture shock – psychosomatic syndrome felt by a person and caused by culture differences (Hofstede, Hofstede, 2005; Żymierska, 2008).

The issues of interculturalism has become a very important topic in the contemporary world. Representatives of various fields of science has began to be interested in it. There were even specialities focused on the subject, such as cultural psychology (Boski, 2009; Matsumoto, Juang, 2007), and intercultural management (Deresky, 2008).

Therefore, it was decided to examine whether the labour market in the SME sector in Poland and in the Czech Republic meets the criteria of the multiculturalism. In addition, it was decided to determine the degree of multiculturalism (interculturalism) of enterprises in the indicated sector in both countries.

3 Economic and demographicsituation in Czech Republic and Poland

Both countries are adjacent to each other, they are members of the European Union and the Visegrad Group, but differ in terms of economy and demography (Table. 1).

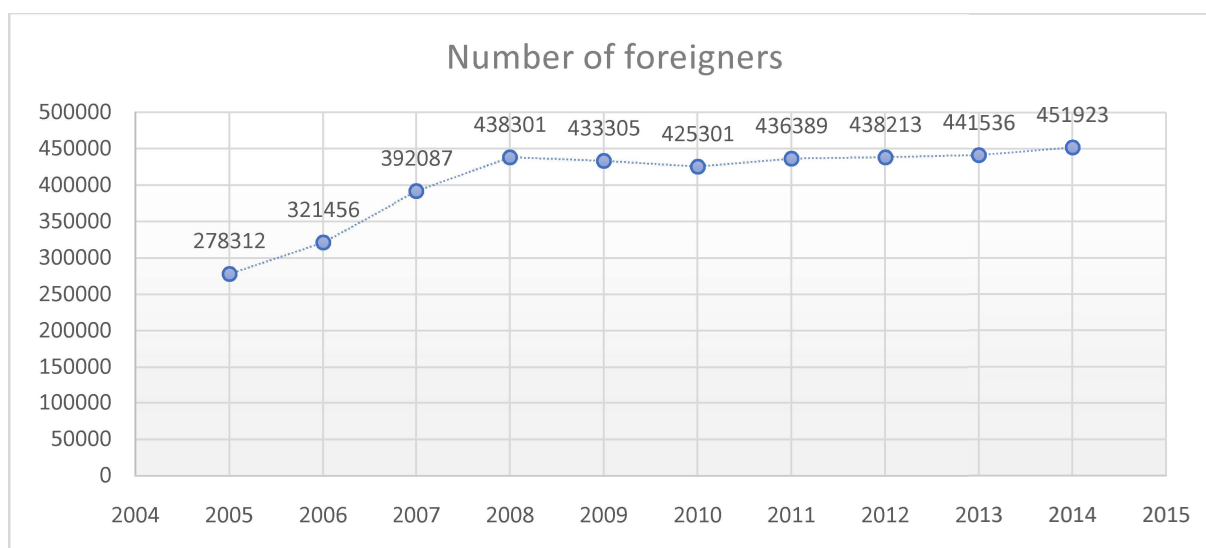
Table 1 Comparison of economic factors – Poland / Czech Republic 2015

| FACTOR | POLAND | CZECH REPUBLIC | COMPARISON PL / CZ |
|--|--------|----------------|--------------------|
| GDP per capita (EUR) | 11,25 | 15,60 | -4,35 |
| GDP (EUR BN) | 428 | 164 | 264 |
| Economic Growth (GDP, annual variation in %) | 3,6 | 4,3 | -0,7 |
| Unemployment Rate | 9,8 | 6,5 | 3,3 |
| Public Debt (% of GDP) | 51,3 | 41,1 | 10,2 |
| Export (EUR billion) | 172 | 118 | 54 |
| Import (EUR billion) | 170 | 111 | 59 |
| External Debt (% of GDP) | 69,2 | 70,7 | -1,5 |

Source: based on FOCUSE ECONOMICS data (2016)

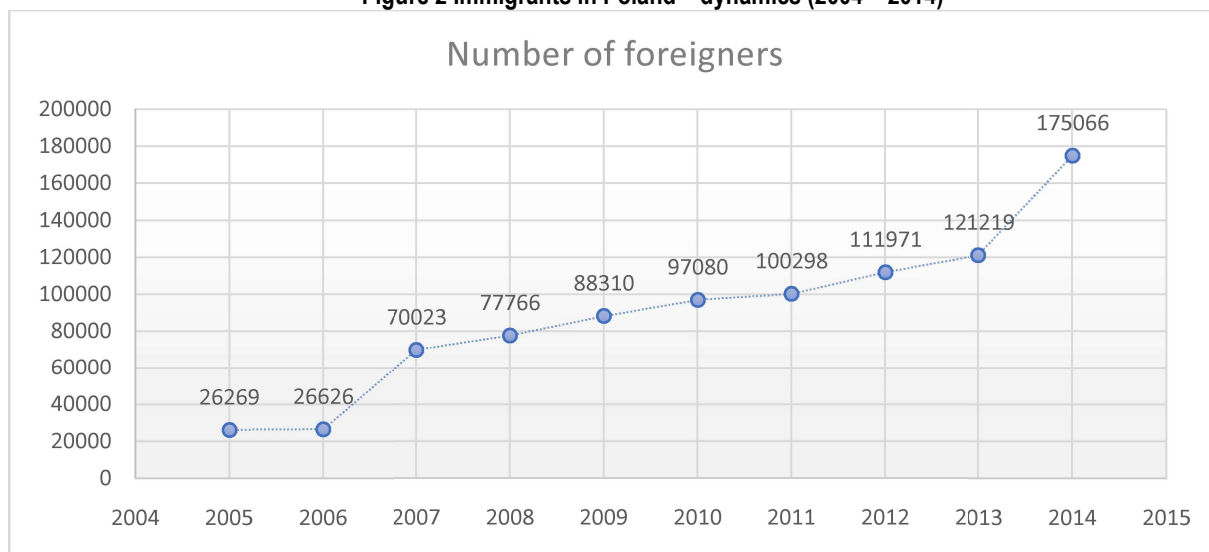
Both countries have in common the need to adapt to the European trends such as, increasing level of multicultural societies, and thus of human resources in organizations. Compared to other European countries, the level of multiculturalism in Poland and the Czech Republic still is not high (Fig. 1, 2). According to European Commision (2015), in 2013 the number of immigrants to Czech Republic was approximately on the level of 30,1 th., and 220,3 th. to Poland. The largest number of immigrants was reported in Germany (692.7 th.), followed by the United Kingdom (526 th.), France (332.6 th.), Italy (307.5 th.) and Spain (280.8 th.).

Figure 1 Foreign nationals residing in the Czech Republic in the last decade (2004 – 2014)



Source: based on *Czech Republic. Migration Profile Light. 2015*, International Centre for Migration Policy Development (ICMPD), Prague, 2015, p. 9

Figure 2 Immigrants in Poland – dynamics (2004 – 2014)



Source: based on J. Konieczna - Salamatin, *Imigracja do Polski w oczach opinii publicznej. Komentarz do wyników badań CBOS [6.07.2016]* and *Dane liczbowe dotyczące postępowań prowadzonych wobec cudzoziemców w 2015 roku, Urząd do spraw cudzoziemców [6.07.2016]*

Referring to the report presented by International Centre for Migration Policy Development (ICMPD, 2015) in 2015, 451,9 th. foreigners lived in Czech Republic (4,3% of the total population of the country). They originally come from Ukraine, Slovak Republic, Vietnam (all together accounting for about 57 % of all foreigners legally residing in the Czech Republic), and Russian Federation, Germany, Poland, Bulgaria, Romania, USA and the United Kingdom.

According to Polish statistics (Konieczna – Salamatin, 2015; UDS 2015) in 2014 the numbers of foreigners holding all possible residence documents was 175,07 th. (0,46 % of the total population of the country). It increased in 2015 up to 211,87 th. (0,58% of the total population of the country). Ukrainians were the largest group registered (40% of the total numbers of foreigners), followed by those from Vietnam, China, Belarus, India, Uzbekistan and Moldavia.

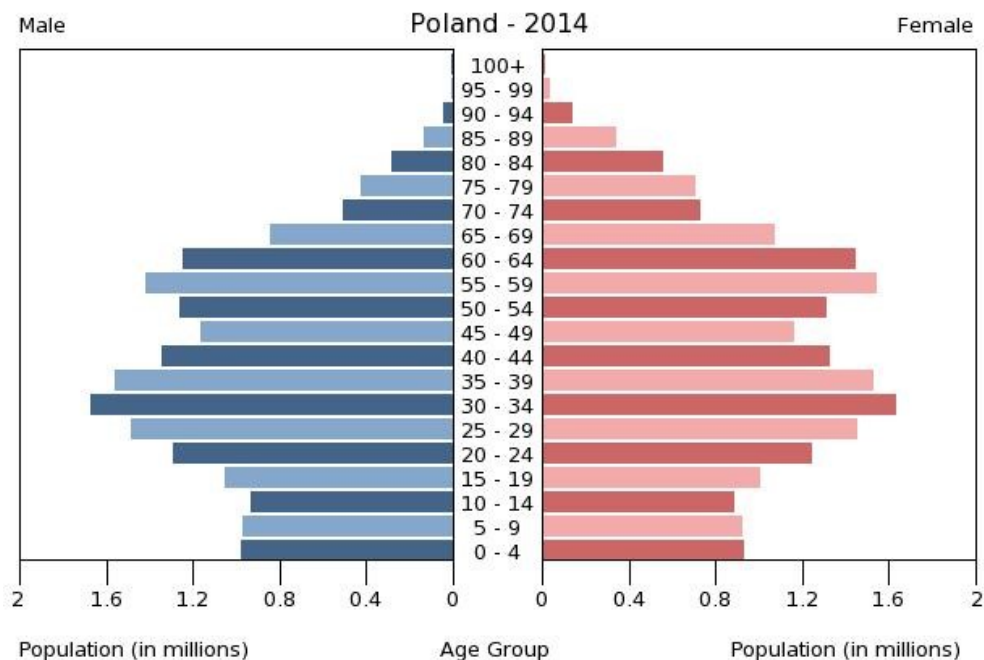
Concerning findings presented in 2016 by OECD (OECD, 2016), permanent migration flows increased by around 10% in 2015, and because of many reason (i.e. conflict in Syria) this trend will still increase. So, it can be concluded that it affect changes of labour market in OECD countries, including Poland and Czech Republic. Presented market trends of internationalization of employees in the SME sector should lead to the activation of processes, trainings and researches in this field, both from the academic and business perspective.

Changes of labour market are caused not only by external factors, but also by internal, demographic situation [Fig. 3 - 4]. In the coming decades, the population will be getting older and less and less numerous. Demographic projections i.e. for Poland show that the population decline will be 3% between 2015 and 2030, and 10% between 2015 and 2050. The number of people aged 15-64 will decrease even more, by 11% in 2015-2030 and by 28% in 2015-2050. By contrast, the number of people aged 65 or over will increase by 43% between 2015 and 2030 and by 83% between 2015 and 2050 (Lewandowski, et. al., 2017).

Significant changes in the size and age structure of the population will significantly affect the size and structure of the workforce. This will have important implications for the labor market as fewer potential employees will translate into lower employment levels, which in turn can reduce future economic growth and the level of income and consumption. Currently, companies which operate in Poland and Czech Republic need employees, mostly with practical skills. Labor supply has declined, despite a slight increase in the activity factor - growing activity does not counterbalance negative demographic trends. There is a positive impact on the labour supply of the increase in professional

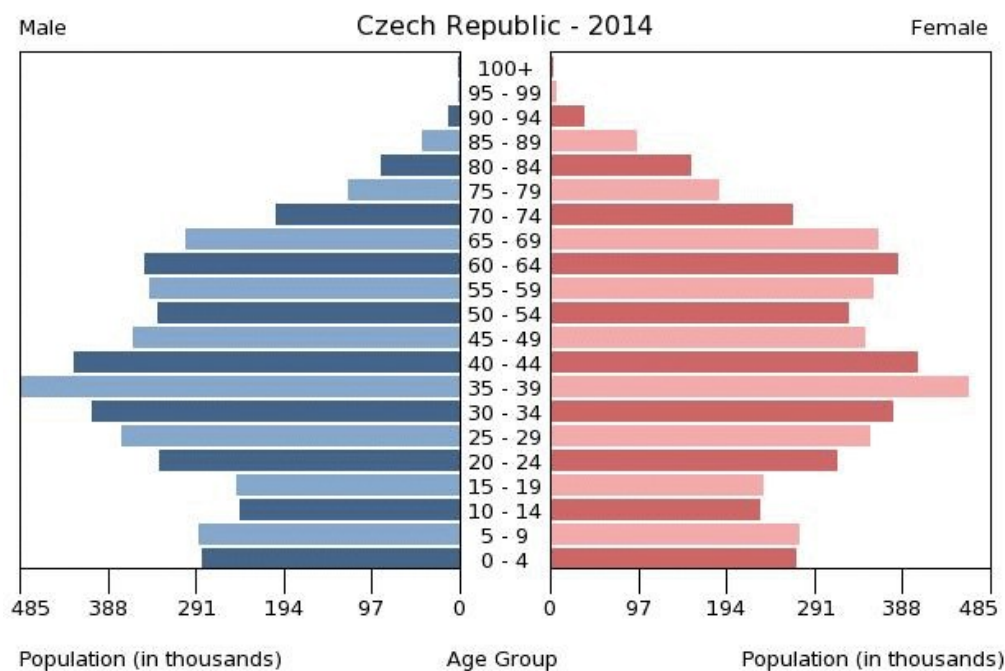
activity of people in the pre-retirement age. In the coming quarters, a steady decline in the number of economically active people can be expected. Constant and growing demand for workers results in legal changes facilitating obtaining a work permit for foreigners.

Figure 3 Population pyramid – Poland - 2014



Source: based on INDEX MUNDI data (2017)

Figure 4 Population pyramid – Czech Republic - 2014



Source: based on INDEX MUNDI data (2017)

4 Level of entrepreneurship and SME's sector in Czech Republic and Poland

The European Union noticed the importance of SME for the economy and improvement of the citizens life conditions. Therefore, it was decided to pursue a policy of supporting their activity. One of the first initiatives in this regard was to develop unified rules of eligibility of enterprises. The first recommendation establishing a common SME definition was adopted in 1996 by the European Commission (1996). In 2003, the European Commission implemented a new recommendation (2003) in order to take account of economic developments since 1996. It entered into force in 2005 and applied to all the policies, programmes and measures that the European Commission operates for SMEs. For EU Member States, use of the definition is voluntary, but recommended. So, according to mentioned acts: *the category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro*(European Commission, 2003).

Moreover, in 2008 the European Commission presented a proposal for a Small Business Act for Europe (SBA) to recognise the central role of SMEs in the EU economy and establish a comprehensive policy framework for the EU and its Member States through(European Commission, 2008):

- a) a set of 10 principles to guide the conception and implementation of policies both at EU and Member State level, as follows:
 1. Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded,
 2. Ensure that honest entrepreneurs who have faced bankruptcy quickly get a second chance,
 3. Design rules according to the "Think Small First" principle,
 4. Make public administrations responsive to SMEs' needs,
 5. Adapt public policy tools to SME needs: facilitate SMEs' participation in public procurement and better use State Aid possibilities for SMEs,
 6. Facilitate SMEs' access to finance and develop a legal and business environment supportive to timely payments in commercial transactions,
 7. Help SMEs to benefit more from the opportunities offered by the Single Market,
 8. Promote the upgrading of skills in SMEs and all forms of innovation,
 9. Enable SMEs to turn environmental challenges into opportunities,
 10. Encourage and support SMEs to benefit from the growth of markets.
- b) a set of new legislative proposals which are guided by the "Think Small First" principle, i.e.:
 - General Block Exemption Regulation on State Aids (GBER),
 - Regulation providing for a Statute for a European Private Company (SPE),
 - Directive on reduced VAT rates,
- c) a set of new policy measures which implement these 10 principles according to the needs of SMEs both at Community and at Member State level.

EU recommendations have been introduced both in Poland and Czech Republic. In both countries the share of SMEs in total number of enterprises is about 99%, what is consistent in the general European trend. In the overall ranking of quantity of SMEs in EU, Poland achieved 5th place, and Czech Republic 6th place. Leaders are Italy, France, Spain, Germany and the United Kingdom (EUROSTAT, 2015).

Small and medium sized enterprises are an important sector of the economy of Czech Republic. These companies contribute more than 50% of the GDP and are the biggest employers. There is a positive trend in the overall number of SME's with a slight fall in 2005 and 2010. A significant drop was noticed in 2010, but it was influenced and connected with the residual effects of the world economic crisis. According to S. Richter and L. Štěrbová, who analysed the ratio of entrepreneurs and legal entities, the share fluctuates since 2005 *around 16% to 17% of legal entities and 84% to 85% of the entrepreneurs, when it starts rapidly rising in the middle of the period and hitting 30% of the legal entities and 70% of the entrepreneurs in 2011. Because the absolute number of SME companies is more or less constant with some little increase, this trend is indicative for changes in the business*

environment as more and more entrepreneurs are establishing legal entities in order to expand their business and to be considered “more professional” (Richter, Štěrbová, 2013).

The situation is similar in Poland, where small and medium-sized enterprises are a major driver of the economy, and thus indirectly affect the social climate in the country, generating income, jobs and affecting empower citizens. According to a recent report by the Polish Agency for Enterprise Development (PARP, 2015) on the sector of small and medium-sized enterprises in 2013, Poland had 1.77 million non-financial companies known as the active companies. Small and medium enterprises are in this up to 99.8%. It is also important to notice the fact that the SME's sector generates up to 48.5% of Polish Gross Domestic Product, and among all groups of enterprises, the largest share in the GDP is created by microenterprises - approximately 30%. Another area in which the importance of the SME's sector can be emphasize is employment. At the end of 2013 number of persons employed in enterprises in Poland amounted to nearly 8.9 million people, of which 6.2 million (69%) worked in the SME's sector entities, including micro and small businesses employ more than half (4.6 million people) of the population employed in the entire sector enterprises; medium-sized enterprises employ every fifth employee (1.6 million people) and large - almost one third (2.7 million people).

Quantity of small and medium-sized enterprises in a country depends on number of legal, economic and social factors. However, one of the most important factors is the level of entrepreneurship of citizens.

Comparing the basic parameters of entrepreneurship analyzed by the Global Entrepreneurship Monitor (tab. 3) it could be considered that entrepreneurship in Poland is at a better level than in the Czech Republic. Polish people see more opportunities, they are focused on success as entrepreneurs and finally being an owner of a company (even a small one) brings positive response from society (in 90's of XX century the meaning of a word “entrepreneur” was almost equal to “thief”, which comes both from communists' propaganda and real cases of frauds noticed those days).

Table 2 Entrepreneurial Behaviour and Attitudes (%) - 2011¹

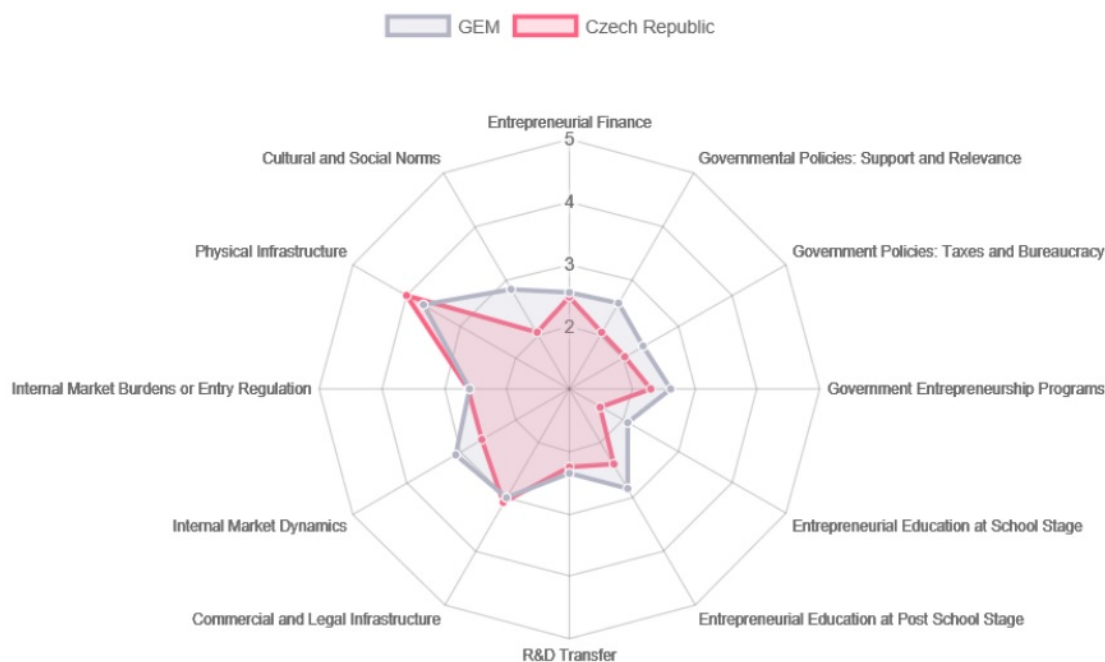
| FACTOR | CZECH REPUBLIC (CZ) | POLAND (PL) | DIFFERENCE CZ/PL |
|---|---------------------|-------------|------------------|
| SELF- PERCEPTIONS | | | |
| Perceived opportunities rate | 23,9 | 33,1 | -9,2 |
| Perceived capabilities rate | 39,2 | 52,0 | -12,8 |
| Fear of failure rate | 34,6 | 42,9 | -8,3 |
| Entrepreneurial intentions rate | 13,9 | 22,7 | -8,8 |
| SOCIETAL VALUES | | | |
| Entrepreneurship as a good career choice rate | N/A | 64,4 | N/A |
| High status to successful entrepreneurs rate | 47,8 | 72,9 | -25,1 |
| Media attention for entrepreneurship | N/A | 58,0 | N/A |

Source: D.J. Kelley, S. Singer, M. Herrington, *Global Entrepreneurship Monitor. 2011 Global Report*, <http://gemconsortium.org/report> [04.01.2017]

Result of evaluation of so-called Entrepreneurial Ecosystem² is also better in Poland (fig. 3- 4). If, however, recognize that the determinant of the level of entrepreneurship in the country is the number of operating enterprises, the Czech Republic can boast much better result than Poland (Tab. 4).

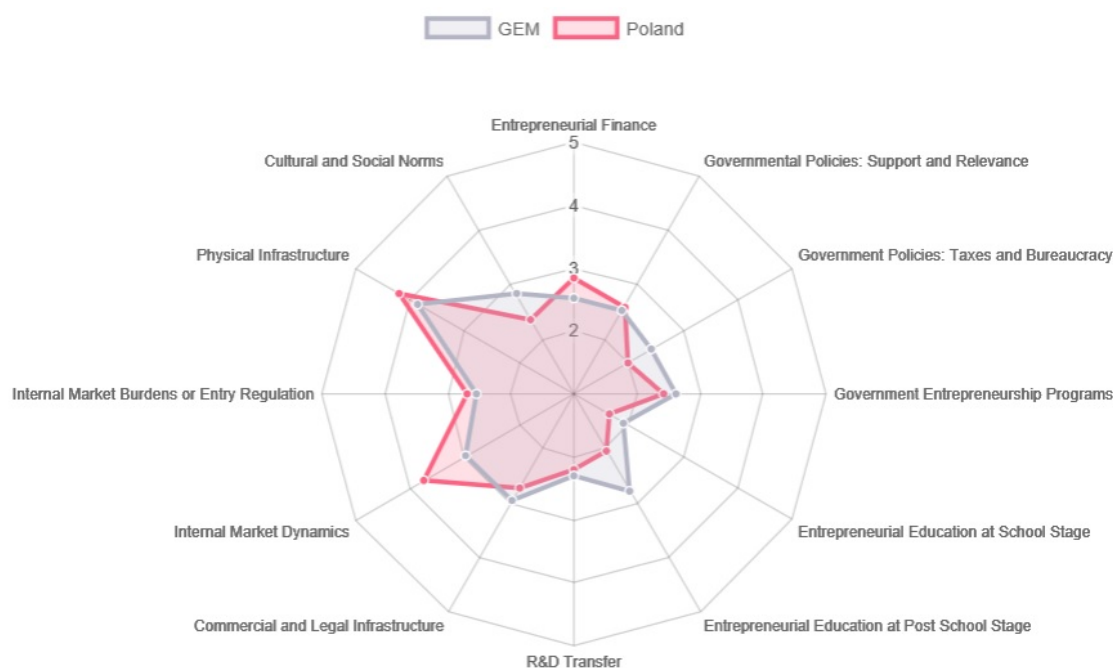
¹ Data listed in Table no.3 present situation in 2011, because further data from Czech Republic are not available in GEM

Figure 5 The Entrepreneurial Ecosystem – CZECH REPUBLIC



Source: based on The Global Entrepreneurship Monitor data (2017)
 Expert Ratings: 1 = highly insufficient, 5 = highly sufficient

Figure 6 The Entrepreneurial Ecosystem – POLAND



Source: based on The Global Entrepreneurship Monitor data (2017)
 Expert Ratings: 1 = highly insufficient, 5 = highly sufficient

²Entrepreneurial Ecosystem consist of: entrepreneurial finance; governmental policies: support and relevance, taxes and bureaucracy; governmental entrepreneurship programs; entrepreneurial education at school stage; entrepreneurial education at post school stage; R& D transfer; commercial and legal infrastructure; internal market dynamics; internal market boards and entry regulation; physical infrastructure; cultural and social norm.

Table 3 Quantity of SME in Poland and Czech Republic

| COUNTRY | TOTAL POPULATION OF THE COUNTRY | 15 – 64 YEARS OLD CITIZENS | NUMBER OF SME | SME / TOTAL POPULATION | SME / 15 – 64 YEARS OLD CITIZENS |
|----------------|---------------------------------|----------------------------|---------------|------------------------|----------------------------------|
| CZECH REPUBLIC | 10 512 400 | 7 109 400 | 1 006 434 | 0,096 | 0,142 |
| POLAND | 38 017 900 | 26 639 100 | 1 516 864 | 0,040 | 0,057 |

Source: based on EUROSTAT data (2015) and *Short Analytical Web Note 3/2015*, European Commission, p. 6, 22

5 Intercultural Aspect of SME Management in Czech Republic and Poland

As mentioned in the first part of the paper, both in Poland and in Czech Republic three trends can be observed: 1/ increasing number of SME's, which are the largest and most important employers; 2/ demand for labor force (low unemployment); 3/ increasing trend of the number of foreigners in the structure of society. Therefore, it is anticipated that in the next three years the number of employees (foreigners) in the SME's will increase. Consequently, increase in the so-called the level of multicultural human resources, will also be noticed. Considering the fact that entrepreneurs from both Poland and Czech Republic have no experience in managing such groups of employees, it is necessary among other things, to conduct information, consulting and training in this area. Moreover, targeted scientific projects should be conducted, as it was explained, i.e. by P. Krenar, P. Taraba (2010), M. Rozkwitalska (2007), K. Czainska (2010; 2013).

One of the tools intended to prepare the company for intercultural management is diagnosis of a company by using the IT application - RIO. RIO Application has been designed, projected and implemented by the author as a result of the research. It allows to specify the value of the so-called RIO (*Ratio of Interculturalism of Organization*) that estimate ability of organization to manage intercultural human resources. Diagnosis consists of eight thematic modules: (A) The nationality structure of human resources; (B) Recruitment; (C) Occupational Adaptation; (D) Training and Integration; (E) Internal Communications; (F) External Communication; (G) Organization of work; (H) Ethics. Study of using RIO Application is made on the basis of data collected through questionnaires completed by representatives of a particular company. Study using RIO Application is made on the basis of data collected through questionnaires completed by representatives of the company. After fulfilling questionnaire in RIO Application, respondent or group of respondents receive report that consists of: total value of RIO, short interpretation of RIO (tab. 1), results in particular modules in a table and a diagram (tab.2, dig. 1).

Table 4 The RIO interpretation

| RIO | Interpretation |
|--------------|---|
| 81 – 69 | Intercultural organization |
| 68 – 55 | Organization adopted in high degree to intercultural environment, yet requiring improvements in indicated domains |
| 54 – 42 | Organization adopted in average degree to intercultural environment, yet requiring considerable improvements in indicated domains |
| 41 - 30 | Organization very poorly adapted to intercultural environment, requiring total reorganization |
| Less than 30 | Organization not adapted to intercultural environment |

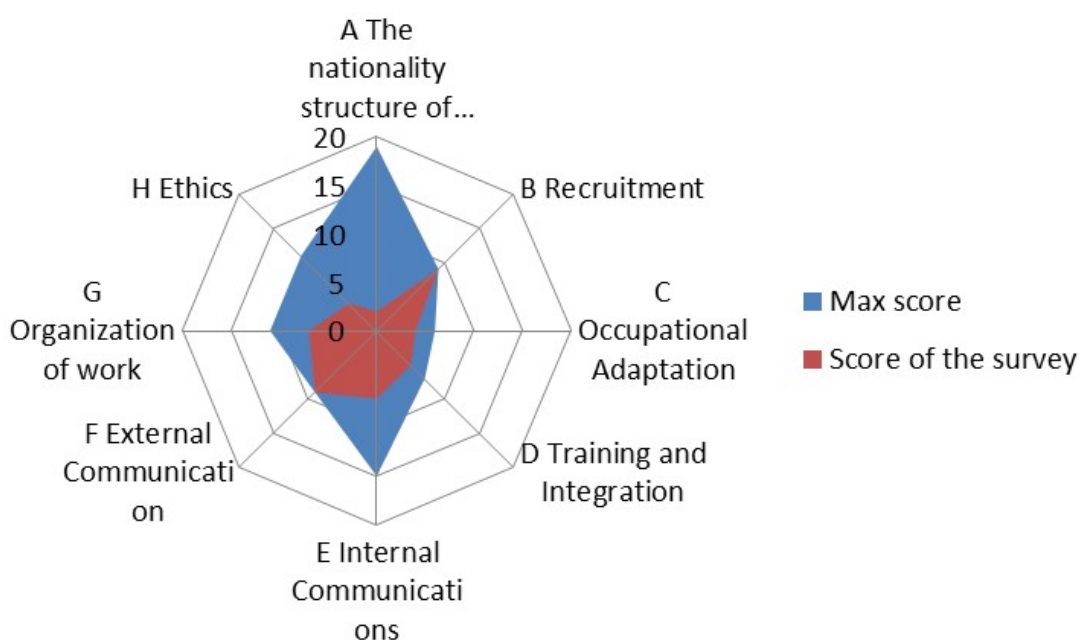
Source: own.

Table 5 The RIO results

| | Modules | Max score | Score of the survey | Comments |
|---|--|-----------|---------------------|-----------------|
| A | The nationality structure of human resources | 19 | 2 | Problem! |
| B | Recruitment | 9 | 9 | . |
| C | Occupational Adaptation | 6 | 4 | Problem! |
| D | Training and Integration | 7 | 5 | . |
| E | Internal Communications | 15 | 7 | Problem! |
| F | External Communication | 9 | 9 | . |
| G | Organization of work | 11 | 7 | Problem! |
| H | Ethics | 11 | 4 | Problem! |

Source: own.

Figure 7 The RIO results



Source: own.

The questionnaire consists of 30 questions related to each thematic module that is included in the RIO indicator (Table 4).

Table 6 Links between questionnaire questions and RIO thematic modules

| Modules | Quantity of questions | Numbers of questions |
|--|-----------------------|-------------------------|
| The nationality structure of human resources | 7 | 1, 2, 9, 10, 26, 27, 28 |
| Recruitment | 3 | 5, 6, 22 |
| Occupational Adaptation | 2 | 21, 23 |
| Training and Integration | 3 | 13, 14, 21 |
| Internal Communications | 5 | 3, 4, 24, 25, 29 |
| External Communication | 3 | 19, 20, 29 |
| Organization of work | 4 | 7, 8, 18, 30 |
| Ethics | 5 | 11, 12, 15, 16, 17 |

Source: own.

Two questions (No. 21, 29) were assigned to two modules, as the answers to them determine the situation in the given thematic areas. Each question has several answers. The number of assigned answers is due to the complexity of the question and the number of situations that may be the solution to the problem described. A minimum of three and a maximum of six possible answers have been set. Each answer is scored on a scale of 0 to 3, with "0" indicating a response indicating the organization's low level of includability to interculturality or the ignorance of the respondent. In contrast, "3" is an assessment that confirms a response that suggests that organizations are highly intercultural in their field. Points earned on each question are summed up by the system. The respondent receives information on the total number of points after completion of the questionnaire.

If the test is carried out in cooperation with only one representative of organization, system enables the identification of problems in the so-called subject modules by assigning ratings to the respondent, summing these assessments and identify appropriate interpretation.

Much more extensive analysis in system is used when the study involve more employees of the organization. The step of diagnosis is preceded by the analysis of the convergence of responses by Fleiss' kappa. The use of the above ratio was possible through the adoption of rules to select only one answer for each question.

So, in analytical panel of the application, it is implemented statistical analysis, based on following rules. It is assumed that N represents the total number of subjects, n the number of ratings per subject, and k the number of categories into witch assignments are made. Moreover, let the subscript i , where $i = 1, \dots, N$, represent the subjects, and the subscript j , where $j = 1, \dots, k$, represents the categories of the scale. Also, n_{ij} represents the number of raters who assigned the i -th subject to the j -th category.

The meaning of subscripts of Fleiss' kappa, implemented in RIO Application, should be understood as follow: N represent the total number of questions, n_{ij} represents the number of raters, k – represents quantity of possible answers for particular question.

Because, in the questionnaire of RIO survey there are different number of answers depending on the question, author has grouped questions in four categories, respectively, with three, four, five and six possible answers. As a result, developed four computational tables, presented below.

Table 7 Fleiss' kappa for k=3

| Respondent | Answer | | | P_i |
|------------|------------------|------------------|------------------|-------|
| | A ($j = 1$) | B ($j = 2$) | C ($j = 3$) | |
| 1 | | | | |
| ... | | | | |
| n | | | | |
| p_j | | | | |

Source: own.

Table 8 Fleiss' kappa for k=4

| Res pondent | Answer | | | | P_i |
|----------------|------------------|------------------|------------------|------------------|-------|
| | A ($j = 1$) | B ($j = 2$) | C ($j = 3$) | D ($j = 4$) | |
| 1 | | | | | |
| ... | | | | | |
| n | | | | | |
| p_j | | | | | |

Source: own.

Table 9 Fleiss' kappa for k=5

| Respondent | Answer | | | | | P_i |
|------------|--------------|--------------|--------------|--------------|--------------|-------|
| | A (j = 1) | B (j = 2) | C (j = 3) | D (j = 4) | E (j = 5) | |
| 1 | | | | | | |
| ... | | | | | | |
| n | | | | | | |
| p_j | | | | | | |

Source: own.

Table 10 Fleiss' kappa for k=6

| Respondent | Answer | | | | | | P_i |
|------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| | A (j = 1) | B (j = 2) | C (j = 3) | D (j = 4) | E (j = 5) | F (j = 6) | |
| 1 | | | | | | | |
| ... | | | | | | | |
| n | | | | | | | |
| p_j | | | | | | | |

Source: own.

The analysis begins with the calculation of the indicators for each of the above cases (according to the data collected in the various tables). The first determines the values p_j and P_i . Uses in this area with the basic formula:

[1]

$$p_j = \frac{1}{Nn} \sum_{i=1}^N n_{ij}$$

Then P_i ratio is calculated for each row, using the formula:

[2]

$$P_i = \frac{1}{n(n-1)} \sum_{j=1}^k n_{ij}(n_{ij} - 1)$$

The next step is to determine the average value of the coefficient of P_i and do further calculations, according to the formula:

[3]

$$\bar{P}_e = \sum_{j=1}^k p_j^2$$

Putting achieved data to formula:

[4]

$$\kappa = \frac{\bar{P} - \bar{P}_e}{1 - \bar{P}_e}$$

results the value of the overall extent of agreement (Fleiss' kappa).

After completing these calculations, for each of the four variants, calculates an average coefficient value for the whole test. In order to facilitate the interpretation of the results, interpretative scale of J.R. Landis and G.G. Koch has been implemented. Based on the scale, results should be interpreted as follows:

- < 0,00 Lack of agreement
- 0,01 – 0,20 Poor
- 0,21 – 0,40 Fair
- 0,41 – 0,60 Moderate
- 0,61 – 0,80 Good
- 0,81 – 1,00 Very good.

If the value of the Fleiss' kappa does not disqualify the results of the study, which means that respondents demonstrate acceptable compliance, it is possible to continue to study and read the interpretation of the RIO. Form of presentation of results is the same as for individual examination. The difference lies in the fact that the data contained in the "test results" are scoring an average value of individual responses.

If the value of the Fleiss' kappa indicates the discrepancy of responses, results of research should not be automatically rejected. It is worthwhile to perform, respectively, one of the following procedures:

- if different answers comes from the only specific individuals, then the reasons for these discrepancies should be discussed with them;
- if different answers were given while a few people from the unit or branch, it should also determine the reason for the discrepancy, but paying attention to the fact that there is likely to diagnose the pathology and/or problems just in this unit/branch.

Discrepancies identified and analysed correctly will then become the basis for the formulation of particular conclusions of improvement and / or reorganization.

Interpretation of a total score is very general, but it is not mistake, it has been planned by the author. Professional diagnosis should consist of: collection of data related to company, interviews and observations. Based on results gained after all above mentioned analysis, a consultant can present final conclusion and suggest changes and/or improvements in particular modules of organizational culture (Czainska, 2013).

Management Consultancy provided by using RIO Application should result in the implementation of an organizational culture conducive integration of workers from different countries and cultures.

6 Conclusion

At the beginning of the paper the author presented three questions to verify. Question no.1: *whether the labour market in the SME's sector in Poland and in the Czech Republic can be described as multicultural*; the answer is *yes it can*. Both multicultural employees and employers are identified on both markets. Question no.2 *whether the economic, legal, demographic and social situation favours the development of multiculturalism in Poland and the Czech Republic*, has been also verified positively. To answer for question no. 3 (*how to prepare owners, managers and employees to work with foreigners*) author suggested diagnosis and training based on RIO Application solution.

As a background for further research, the following suggestions should be noted, which managers of intercultural teams have to take into account implementing new organizational culture (Czainska, 2010):

1. organizational culture is a phenomenon that is created continuously rather than rapidly; a manager cannot expect results of its implementation in a short time;
2. it is necessary to define the cultural pattern in a company, which is the most important for the organization objectives, outcomes, principles and values; this pattern must be communicated and explained to all members of the organization and particular managers;
3. implementation of a particular cultural pattern will allow employees to distinguish the culture of personal life (eg. family, religious) from culture of the workplace (organizational role);
4. organizational culture (both positive and negative) is always a tool for shaping the attitudes of its members;
5. if the organization professionally and consistently implements cultural pattern, it will become both the formal and informal mechanism of human resources management, at the stage of recruitment and selection it will make easier to choose appropriate people who will be able and will have the will to adapt to the rules operating in the enterprise, in adaptation phase and staff training will set the boundaries of non-compliance employee and the necessary range of training, and in the process of employee assessment it will allow managers to objectify the assessment, because you omit the aspect of the origin of the employee;
6. work with immigrants requires a longer period of professional adaptation, when managers should take into account the phenomenon of culture shock; the better mechanisms of formal and informal communication about the nature of organizational culture are used in the company (eg. Through training, familiar with the regulations and instructions), the shorter and less invasive process of adaptation;
7. in the process of resolving interpersonal conflicts manager should completely omit differences among cultures (ethnic or national cultures); the point of reference should only be a derogation of the employee from the organizational culture;
8. coherence of the working group, despite appearances, cannot be achieved by emphasizing the diversity of its members, but by emphasizing the unity of purpose and belonging to a group and the enterprise.

Based on above mentioned paradigms, further interdisciplinary research will be conducted, because it is necessary to analyze deeper social, legal and economic factors affecting intercultural management in SME's sector in Poland, Czech Republic, Ukraine and even other countries.

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