

Romania and the Anglo-Saxon Cluster

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Abstract: The purpose of the article is to present the multicultural and the multinationality of the Anglo-Saxon society, the cultural synergy and the commercial analysis that the countries from this cluster have with Romania. It also aims at highlighting the need for understanding the cultural differences specific to other inhabitants of the planet, as our activity is conducted in a global market, where the intercultural skills and knowledge are the basis of the innovative skills of international business. The reference model is the inductive consensual principle (Locke), as the research is based on the opinions of the specialists in the field, and the information is established after its correlation with the international statistical databases.

Keywords: multicultural; cultural synergy; international business

1. Introduction

The countries in Anglo- Saxon Cluster are characterized by the economic power acquired in time, with effects on the gross domestic product, performance in the economic research sustained by prestigious universities, by the politic and military presences worldwide, and the big number of Nobel prizes turns these countries into a model for the other societies. Regarding the size, this Cluster is the most diversified, containing a big part of the planet: *Great Britain, Ireland, United States, Australia, New Zealand, South Africa* (white sample). The Anglo- Saxon culture is seen as a reflection of assets based society which has as an ideal the success in life. We mention that in this Cluster we understand a group of countries or interconnected companies and associated institutions which are close to each other from geographical point of view; their activity field is similar, connected through common or complementary elements. (Porter 2000 *apud* Dudian & Craciun, 2011).

The Cluster is influenced by natural and human resources, capital, administrative, IT, scientific and technological infrastructure, the context of companies' strategies and the competition, by the local request – or its anticipation, but this does not

mean necessarily formal commitments between the countries. In *Romania*, the adaptability to change is quite low; it is not seen with enthusiasm, maybe also due to the fear caused by a potential failure which has repercussions both on the individual and on the group. (Burdus, 2006).

2. Specific Anglo-Saxon Elements

The success capacity of this cluster was due to the way it managed to attract immigrants from all the corners of the world, who contributed to the development of the cultural profile of these countries. The technology, the science, the capital markets, the Anglo-Saxon multinational companies became, during the contemporary period, the classic symbols of globalization.

This type of culture is characterized in the first place by the respect given to the individual performance; each must take care of themselves, to have initiative and to improve their skills.¹

The new world brought the concept of existential equality, the opinion of each person, if it proved its value, managing to be validated and continued to be used. For progress, the hierarchy was established based on the criteria of performance, the success of a leader being established through skill and initiative, proving the ability of using all opportunities. The openness to change (technology, music or fashion) proved the desire of experimenting and assuming risks, being a statement of the creativity. Every statement had to be empirically proved, by measurable proofs, thus prevailing the quantitative approaches. Regarding the articles submitted for approval in the scientific journals, Hofstede points out that: “the articles written by Germans and French often present extended conclusions without the support of quantitative data. The manuscripts written by British and American present an exhaustive analysis of data, but they are shy in presenting daring conclusions. Germans and French tend to reach the truth by deduction, and Britains and Americans through induction.” (Hofstede & Hofstede, 2005, p. 201).

It can be noticed that, through the above statement, the preference for induction and operational thinking is strongly appreciated by the Anglo – Saxon. The Anglo-Saxon have high rankings regarding the orientation towards performance, low for the group collectivism and average rankings for the other cultural dimensions.

¹The desire of performance is found in the protestant ethics which taught the work as the most pleasant thing for God. In conclusion, every person that did not acquire fortune was inevitably labeled as lazy in the eyes of the society.

Tabel 1. The main determinants Anglo – Saxon Cluster

Country	SUA	Great Britain	Ireland	Australia	New Zealand	South Africa (white sample)
Surface (km2)	9,826,675	243,610	70,273	7,692,024	286,021	1,221,037
Population (mil. loc)	315,585	63,181	4,588	22,917	4,451	51,770
Ethnic Structure	American, South-African etc.	English, Welshmen, Scottish, Irish	Irish	Australians European, Asian emigrants	Zealanders (Europeans) Maori	South – Africans (black part - 79%; White part- 9%)
Languages	English	English	Irish English	English	English Maori	English Afrikaans ndebele zulu etc
Climate	temperate	temperate oceanic	temperate oceanic	tropical	tropical	tropical temperate
Politic and economic specific	federal republic	constitutional-monarchy	constitutional-monarchy	constitutional-monarchy	constitutional-monarchy	parliamentary republic
Main export partners (%)	Canada-18, Mexico-14, China-14	Germany-11 USA-10 Netherlands-8	USA-23, Belgium-14 Germany-8	China-29, Japan-19 South Korea-8	Australia-21 China-11 SUA-8	China-13 USA-10 Japan-8
Main import partners (%)	China-18, Canada-14, Mexico-12	Germany-13 China-8 Netherlands-7	USA-32, Germany-7 China-6	China-18, USA-12, Japan-8	Australia-18 China-16 USA-10	China-13, Germany-11 USA-7
Distance towards	49	35	28	36	36	49
Individualism	90	89	70	90	90	65
Masculinity	62	66	68	61	61	83
Avoidance of uncertainty	46	35	35	51	51	49
Long/ short term perspective	26	51	24	21	21	34
Indulgence/restraining	68	69	65	71	71	63

*Systematization of the author (apud Gavreliuc (2011), (Hofstede & Hofstede, 2005), Wikipedia. Com, CIA World Factbook

It can be noticed an emphasized *individualism* of Anglo-Saxon societies. Every person cherishes privacy, always expresses his own opinion and valorizes every opportunity to grow. *Masculinity* is also high and, in general, the avoidance of

uncertainty is above the average. The short term perspective is low which proves the trend of immediate gain; the indulgence is very high, respecting the democracy and ethnics of heterogeneousness principles.

3. Specific Cultural Aspects of European South-East and Anglo-Saxon Area

USA society is considered as being significantly assertive, with a high level of masculinity in comparison with other countries. In business, the competition is seen as going forward on the hierarchic scale of a field, clearly separating personal life from the professional one, with a Spartan and well directed communication style. The Australians cherish the discussion, and the Zealanders have very low rankings regarding the assertiveness, cherishing politeness and good manners.

Eastern Europe was involved in many conflicts along history, this making the population to have a conflictual and aggressive behavior, mainly for protecting their own rights. However, people believe in the Christian spirit and in the saying: "Love your neighbor as yourself", this being encouraged by children' parents and teachers. (Chhokar *et alli*, 2008, p. 782).

Regarding time orientation, Anglo -Saxon managers are characterized as persons who give a great importance to plan the investment in future, not accepting immediate rewards. The concept of American time is linear passing from past, present towards future, with a strong preference for present and future.

If in the past the Australians gave a great importance to plan the future (uncertain economic situations, the imminence of world war, etc.), today the main problems that they are facing are the high level of divorces, big real estate loans, intercultural problems (Chhokar *et alli*, 2008, p. 306). For South Africans (white part) planning the future is quite important, appreciating the development and the rewards.

In Romania the orientation towards future is quite high, this being noticed especially in the west side, the most influenced by the European management. (Onea, 2011).

Regarding the equality between genders, women in USA have a big role in management almost directly proportional with the one of men, both in business (where 3 out of 10 of PhD graduates in business - management are women) and in the political area.

For Australians, but also for the Zealanders, even if there is a slight orientation towards men, the society is very opened to feminine values, these two countries being the first which decided to grant women the right to vote (Chhokar *et alli*, 2008, p. 308).

The Irish consider that their society has low rankings in this dimension, which up to recently had a strong patriarchal character, even if the directives of European Union have contributed to harmonize the laws in this dimension.

The countries in South-East cluster are generally ranked in the middle of the values between masculinity and femininity (except Poland which has the highest score of masculinity), with trends towards accepting the feminine values, the emphasizing the professional cooperation, the need to insure the safety at the place of work and the protection of the family environment.

In the Anglo-Saxon cluster we are permanently searching for the continuous performance at individual and institutional level, and the innovation is seen as purpose and improvement. In the historical and cultural context, for the Anglo-Saxon countries the most important innovations that humanity enjoys today are: water, air and rail transport, electricity, telecommunications, internet, etc.

The bonuses payment system and the reward for top performers are part of the common things, arguing the statement according to which a person can be able to accomplish everything he plans. The desire to excel was made known especially in the recent years when the technology of information and globalization accelerated this trend. The Australians and South – Africans aspire to a high level of performance, based on welfare and reward, the British have a moderate attitude in comparison with the enthusiasm of the people in New Zealand who are the champions of many contemporary scientific successes.

In Romania we are seeking to focus more on the performance of the company itself than the performance of some members. The small businesses, undeveloped yet, prove a very high orientation towards performance, with a responsible managerial behavior from the social point of view.

The Anglo – Saxon mindset, especially the North – Korean one, encourages, in the first place, the individual accomplishments which have to be translated into a personal and collective welfare. The above statement finds three fundamentals. The politic fundamental, especially the North - American and Irish one, is based on the fact that only a well - formed individual (small distance to power), who is integrated in the community can prevent some peoples' tyranny. The economic fundamental is based on the fact that the system of the free market is given by the reach of goals of some persons who's free actions can determine the evolution of demand and offer. From the point of view of philosophical and theological fundamental, the free persons are asked, but also obliged to develop at maximum their skills in order to reach *perfection* in front of God. (Chhokar *el alli*, 2008, p. 507). The British accept this form of collectivism, which reflects the influence of the welfare on the social life, high scores being specific for both Irish and Zealanders.

Even if for the Anglo – Saxon tradition societies the interest of the group (company) prevails in front of the personal one, the East- European Cluster, except Poland, the most collectivist country, presents strong individualism trends, jobs which offer enough time for the family life and personal activities, and for problem solving only the personal approach is cherished. (Hofstede& Hofstede, 2004, p. 76).

4. The Analysis of the Commercial Trades between Romania and the Anglo-Saxon States

The United States is a multicultural state, characterized by a big variety of traditions and values, but the *American culture*, as it is today, exported from all over the world, it has its origins in the European tradition, especially in the one of the British Empire (new elements were added due to both the African population and the Hispanic one in the south).

In the United States people cherish very much the property, having *Sole Proprietorship* (company with unique, family type associate), *Partnership* (the partnership between several persons), *The Corporation* (Corporation – the basic form of the US economy), and finally, *Joint Stock Company*, which resembles to the last one, but different by the fact that the capital input consists of share packages, and the association is anonymous (Burciu et alli, 2007, p. 103).

US management is one of the most copied in the world, and the department managers can freely use their knowledge in order to increase the efficiency of the company; on the other hand, there is a minus, because it centralizes the responsibilities only for the superior level of management. (Burdus, 2006).

The United Kingdom of Great Britain and North Ireland is a constitutional monarchy, and queen Elisabeth the 2nd is recognized as head of the state in all the fifteen countries of the Commonwealth. The prime minister is the head of the Government and he receives only formally the investiture from the monarch.

In Great Britain the managers prove diplomacy trying to achieve equilibrium between the long term projects and short term projects, most of the technical decisions not being in the top attributions of the managers, and the task of adopting them is in the attributions of the middle managers, specialized on technical problems. (Constantinescu *et alli*, 2002, p. 88). Here they promote a social system which divides the young people on different social classes The one who afford to go to private schools, well - known universities (Oxford or Cambridge), their graduation guaranteeing them superior positions in any company. The overwhelming majority of the middle managers are graduates of state schools, specialized in technical profile. When the superior managers are promoted in new

positions which demand technical knowledge, being aware of some lacks, they prefer a decentralized management system and avoid important decisions, which are strict coordinated by the people responsible with the technical problems. (ibidem).

Ireland is a parliamentary republic, which officially left the Commonwealth in 1949, member of the European Union, but did not join Schengen treaty. Even if the export of this country is dominated by the activity of multinational companies, the GDP *per capita* of this country is the second in the European Union after Luxemburg, and in 2007 surpassed even the one of the United States.

Australia began being colonized by the British in 1788, and in the contemporary period this country is a constitutional democracy based on the power separation (the official form of government is constitutional monarchy with a parliamentary system, and queen Elisabeth the 2nd is officially recognized as head of state). The economy of Australia is a very competitive one, comparable with the one of the strong states in the west of the European continent, and this success is due to the early reforms, low inflation and also the constant collaboration with the Asian countries, like China.

New Zealand, former British dominion, attracted by the very beginning a big number of European colonists, especially from the United Kingdom. The prosperity of this country started to be known immediately after the Second World War when New Zealand turned from an agricultural economy dependent on the British concessions into an industrialized economy which can successfully compete worldwide.

New Zealand is perceived as a bicultural country where the European influence coexists with the Maori culture. The recent emigrants, from different countries, especially Chinese, brought this country richness, intercultural context thus created indicating the potential of this country. (Zhu, *et alli*, 2006, p. 325)

South Africa appeared as a state, as a consequence of the union created between the colonies of the Cape and Natal and of republics Orange and Transvaal (among the first laws of this country was to give to the African majority population only 7% of the surface of the country). The controversial *Apartheid* was abolished in 1994, when the African National Congress lead by Nelson Mandela won clearly the elections. The economy of South Africa is sustained by an abundance of natural resources, having competent legal and financial system and also a modern infrastructure which favors the distribution of assets in favor of the macroeconomic stability.

South Africa is now a novel mixture of cultures and subcultures, but the dominant managerial practices, from historical reasons, have a Eurocentric character. Lately, the South – African management trends to diversify and include all the ethnic

groups offering an alternative to the Eurocentric approach. (Zhu, *et alli*, 2006, p. 325)

With a short experience regarding the strategies of the running of the international market, *Romania* was affected by the chock of the financial crisis like other countries in the East and West of the continent. Even if during 2000 – 2008, for Romania the economical growth materialized with the increase of GDP with over 6% per year, this positive fact did not manage to reduce the effects of the recession because the number of exports decreased and the ephemeral progresses proved to be the consequence of the internal consumption and the inflow of the foreign capital (Steliac & Moisuc, 2011).

At macroeconomic level, the country risk has some political components, and the decision to invest will be based only on a real analysis of a potential risk. Based on the mentioned components, the rating agencies classified Romania in the category of countries with a high level of risk. The poor domains are: the slow level of privatization, hesitation of reforms in all sectors, big taxes, legal instability, corruption and political favoritism. (Voicilas, 2011) As a consequence of the economical crisis, but also of the demographic decrease, we are expecting for Romania the number of students would decrease. The diminution of families' income will allow the access to academic studies only to the one who come from rich families who will be able to afford the costs of schooling. Another problem is the weak stimulation of students, the scholarships being offered only according to performance, and not on social criteria. (Suciu *et alli*, 2011)

A problem to be solved for Romania is the promotion of a country brand (Irimia, 2006), that assumes a real involvement of the political class, the business environment and media which, first of all, have to analyze how the country is perceived - in order to identify the values that deserve to be promoted.

5. Conclusions

In the last five years, Romania exported slightly above 5% of the value of its assets towards the Anglo-Saxon areas. The exports are low, if we take into consideration the economical potential of the destination countries, the main countries interested in Romanian autochthonous products being: Great Britain and United States. This reality can be explained by the influence of the geographic proximity, the high transportation costs, preventing a higher shipment of exported assets, so that many of the products that Romania can offer are acquired by Australia, New Zealand or South Africa at costs lower than the one from the surrounding area

An explanation can be the fact that, for the moment, the Romanian companies extend closer to us, preferring many times countries with a similar background and

an economical situation sort of similar. “Overall, the Romanian companies, with a few exceptions, do not have yet the potential to consolidate substantially their direct external investment policy. The Romanian companies did not reach their maturity and the necessary development to extend and obtain profit on the regional and international markets.” (Bari, 2010, p. 257). Another explanation could be the economical and political fluctuations that Romania had to suffer in the latest years. Romania in the last 20 years passed through a transitory period, being necessary to increase the competition at the standards of the market economy and harmonize the national strategy with the acquis of the European Union. We may add the decrease of industrial potential requested on the South- American market, the depreciation of the national currency.

Regarding the interstate collaboration (at both level of relationships between the countries, and level of private companies), for maintaining and increasing the efficiency in business, it is desirable to increase the strategic alliances, long term partnerships, but especially the companies with mix capital. The convergence of the final goals and objectives between Romania and this region can be done efficiently by changing ideas and maintaining the same objectives.

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