

Theories and Practices of Cross-Cultural Management that Challenge Ethnocentrism within the European Union

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Abstract

Despite the advocates of the common EU identity, many people and scholars do believe that the EU will not ultimately prevent them from being French, German, Polish, and so on. It is almost impossible to avoid recognition of the opposing phenomenon of common identity, growing ethnocentrism, particularly when the EU is seen from the perspective of the smaller countries and cultures. Many of them seem sincerely concerned about the prospects of the effective preservation of their cultural specifics within the EU common socio-cultural context, if ever fully established. We argue that contemporary corporate management theory and practice can offer several concepts and cases that can lead to the desired achievement of a common identity, while not suppressing the individual goals, values and cultural identity of the EU member states. The aim of this paper is to contribute to the project of future Europe, by presenting an insight into the set of best-practices in the cross-cultural management within a selected group of big corporations, that can almost in their original form be transposed onto the areas of social life and politics.

*“We are all angels with only one wing,
only when we come together can we fly.”
– Luciano De Crescenzo,
Italian writer, film actor, director*

A Common EU Culture?

Do the EU common decision making and the defense policies ultimately lead to a common EU culture? Does the institutional EU reference induce a personal EU reference? Does a no-physical-borders policy really lead to a “no borders” identity amongst EU citizens? Although the examples of, apparently easily reached “consensuses” regarding these quandaries are quite numerous, it seems that the disagreements are even more frequent.

For the sake of the truth, the advocates of the common EU identity are rare (Orakzai, 2006). People and scholars, in general, do not believe that the EU will ultimately prevent them from being French, German, Italian, and so on. Despite the efforts leading to a real Pan-European identity through steps like: The 500 million EU citizens, but no borders; Euro - one currency; EU common policies, it seems that the national heritage, the local languages and the various national identities will effectively obstruct the way to creation of the hypothetical United States of Europe. However, it is almost impossible to avoid the recognition of an emerging EU nationalism, if not a full-fledged ethnocentrism, especially coming from established EU members towards the new EU members and the non EU cultures and peoples. They echo in the background of the emerging common EU identity, the “naïve” tendency to stigmatize some nations, as being more prone more “than us” towards, for example tax evasion, binge spending or corruption could very easily get out of control and strongly damage the common EU identity idea. Bearing in mind the concept of European dual identity, discussed in Bruter’s book *Citizens of Europe?* (2005), and the ineffectiveness of the concept of “embraced differences” envisioned by the current multiculturalism in the EU countries, the need for a different approach to the issue is obvious.

To fulfill the three objectives of the EU institutional framework, as defined by the Treaty of Rome and reemphasized in the Treaty of Maastricht (Gastelaars & De Ruijter, n.d.) will be one of the most challenging, if not the critical issues that will ultimately determine the overall prospects of the EU. It is becoming obvious that the objectives of Europe as an important factor in the World, a Community that will serve as a model for human rights and democracy and a Society that will not only preserve, but effectively promote the existing national states, will be an extremely challenging task. We argue that contemporary corporate management offers concepts and cases that can lead to the desired achievement of a common identity, while not suppressing

individual goals, values and culture. Even more, that the individual specifics can be used for the creation of an interchange of examples of best practices and as a means to introduce concepts of continuous improvement in which everybody learns from the best in a particular area of social life, and that the rich body of knowledge and experience of corporate management and organizational science, can be applied to social and political life.

What is Europe?

Before even going deeply into the identity issues, a closer look at Europe and what it represents today might be helpful. Apparently, the EU has become an extensive entity of little similarity with its Carolingian core (Ash, 1994). With the regular border expansions the answer on the question what Europe is becomes even more vague. Gstelars and De Ruijter are among those who argue that it is increasingly hard to determine Europe culturally, historically and geographically. Since we need to define Europe for the sake of identity, it is good to determine where Europe starts and ends and whether Europe is discussed in terms of continents or a membership to the Union on the territory of this continent. Attali (1994) sees two forms of Europe as a base for European identity, the political which produces a super state and the geographical, which greatly opposes the views that the persistency of the name is a condition of every "identity". Belonging to a group and groups with no name, or a temporary one, creates a feeling that it is a temporary community. Individuals find it hard to and unworthy of attaching to a temporary community (Balibar, 2001). In societies in which the language does not distinguish between words for nation, people, citizens, citizenship and/or ethnicity find it hard to develop a particular identity because of the temporary nature that concepts with no name or a confusing name reflect in public discourse (Popadic, 2008). Or to put it in other words; these societies will never fully accept some super EU identity if there is no EU state with the regular national symbols (flag, anthem, coat of arms, national colors, etc.).

The Lessons from Ancient Rome

For many sociologists and historians Europe, as we are trying to build it, a crucial piece of the story of who we were and are is the Roman Empire. This idea and the idea of diversity management affecting organizations is

discussed and two case examples are given – The Persian and Roman Empire in a study published in 2002.

An interesting comparison is given between the Roman and the Persian Empire regarding the inclusion/exclusion of various cultural groups. While the Persian Empire was exclusionary, the Roman Empire was inclusionary and, more importantly, based on merit, which led to increased organizational effectiveness primarily in terms of increased organizational resiliency across time (Daniel et al., 2002).

It is very interesting to explore the way in which the Roman Empire was able to effectively manage the diversity on different geographical and cultural landscapes under its control. First of all, its central machine was astonishingly light, in terms of the bureaucracy and military. Its component parts were largely self-governing. In addition, members of the surrounding areas (provinces) had an opportunity to actively participate in the central decision-making. Even emperors were drafted from Spain, North Africa, the Balkans and the Near East.

It seems that the culture, that of the elite and that of the masses was effectively shared among the entire Empire. Rome established and spread many of the structures on which modern Europe as we know it depends. Moreover, it is an abundant source of various power and cultural models to imitate, even nowadays. To start with, four major organizational issues were successfully resolved: (1) the legitimacy of power, (2) anti-corruption, (3) stability of the system, and (4) effective leadership (Daley, 1998). Further on, the facets of the regime were accepted as “organizational culture” by all strata of the society, almost equally. It also seems that the regime and the related law system effectively managed to fight with the corruption practices. It is amazing, but it seems that the Romans were able to establish a ubiquitous, yet light and effective state system (administration) and military.

Last, but not least, the Romans were able to produce sufficient visionary leadership, personalized in its emperors. The Roman Empire endured the effort to integrate these four elements: legitimacy, anti-corruption, stability, and leadership. Largely, this success represents a triumph of its management practice and concepts. Its features are shaping our contemporary management practice, too. Some indicate that the system simply made the rebellion of the parts more difficult. The center (Rome) received tax revenue from the regions and in return provided services, including security. The degree to which the central government could enforce its directives depended, most fundamentally, on the level of resistance from

regional governments. The central governments used a common institutional reform to gain control over the regions; specifically, they assumed the power to appoint key regional officials and diffused authority among a greater number of officials. This set of reforms had the effect of increasing coordination costs within the regional governments, thereby making rebellion and resistance to central directives more costly (Edwards, 2009).

The Common EU Identity

“Identity has become the watch word of our time” (Shotter, 1993, p.188) and since we will be limiting our identity discussion to the European Union it is useful before stating the problem of European identity to specify what is meant by identity. In almost all theories of identity, the universalistic (Habermas, 1976), the sociological (Giddens, 1991) or the social-psychology theory (Tajfel, 1981), the identity can be used with respect to individuals. However, the individuals do not act on their own, they rather associate in groups and communities, and that fact greatly influences their identity. Moreover, the above mentioned theories of identity stress that it is not a static, but a dynamic cultural process (Gstelaars & de Ruijter, n.d) and that is why it cannot be statically defined. The common or social identity is not independent of the individual identity.

Only individual identity determined by the forms of association exists. It is not a question of setting a collective identity against individual identities. All identity is individual, but there’s no individual identity that is not historical, or in other words, constructed within a field of social values, norms of behavior and collective symbols. The real question is how the dominant reference points of individual identity change over time and with the changing institutional environment (Balibar, 1991, p.94).

The argument that European identity has different meaning to different people is neither surprising nor bad, because numerous efforts have been made to define European identity and all led to division between personal and social identity, civic and cultural identity, and patriotism versus nationalism (Caporaso & Kim, 2009). Bruter (2005) acknowledges the distinction between civic and cultural identity as the most important one. He explains that, when European citizens say that they feel ‘European’, they are referring to the civic component of the European identity (European Union) and not the cultural one (Europe as a whole). This is important, because the ethnic diversity in Western Europe has been rising constantly since the 1970s, as seen when

adding up to the migration data for the ex-colonial powers like France, Spain, the United Kingdom, Belgium or the Netherlands. Later, newly democratized countries in Eastern Europe became a target of migration as well as countries like Portugal, Spain and Italy, which in the 1990s got an influx of migrants from Africa and Latin America (Castles & Miller, 2003). This resulted in widespread ethnic diversity in almost all European countries. The overall result is that, in practically every country in Europe, ethnic diversity has become more widespread. The numbers show that in 1980, 3.3 percent of the population of the European states, members of the OECD, were foreigners which increased to 5.3 percent in 2004. While in the 1980s, all European OECD countries, on average received 1,070,000 migrants, in the 1990s this was up to 2,000,000 every year (Hooghe, Trappers, Meuleman & Reeskens, 2006). The diversity has been identified as a prime threat for increased negative out-group orientations (Hooghe, Reeskens, Stolle, & Trappers, 2006).

The European Identity and the Issue of Nationalism

Detrimental nationalism was often the leading social mover that decided the fate of various social groups, ethnicities, even countries and their various political and/or economical alliances. Consequently, it is fully understandable why the most important question for the EU identity is whether, or not this type of nationalism can be confined and even overcome to some degree, if not entirely, during the creation of the EU common identity. One option would be to balance ethnicity and identity, since according to Popadic (2008) those are the two "villains" of the identity-building process. The fact that, even in some political and academic discourses, the national identity is confused with ethnic identity on terminological and conceptual levels, leads to confusion in terms, and consequently in the understanding of concepts. Above all, national states in Europe often mix or equal *ethnos* and *demos*, which leads to inner group tensions, fear and discrimination of the members of the smaller ethnic groups (Stojkovic, 1993).

The Projects of Future Europe

The issue of strong cultural differences drives some to the conclusion that culture is not a good starting point for a political project, at least not for a project of integration. Instead, the building of common culture and identity

should be the final success of an integration project based on synchronization and the union of many aspects (Mokre, 2002). Despite the efforts leading to a real Pan-European identity through steps like: The 500 million EU citizens, but no borders, Euro - one currency, EU common policies, does it seem that the national heritage, the local languages and the various national identities, all together, will effectively obstruct the way to the creation of a hypothetical United States of Europe? According to some scholars, they will not. So far, the European Union has done a good job in laying the foundations of a common EU identity and culture by establishing a common market, common currency and abolishing national borders and not just traditions, common cultural heritage and ethnicity (see e.g. Puntischer Riekmann 1998, p.21). However, the criterion of cultural identity also needs political determination. The European Commission acknowledges this in the Culture 2000 Program:

If citizens give their full support to, and participate fully in the European integration, greater emphasis should be placed on their common cultural values and roots as a key element of their identity and their membership of a society founded on freedom, democracy, tolerance and solidarity. A better balance should be achieved between the economic and cultural aspects of the community, so that these aspects can complement and sustain each other (Decision Establishing Culture, 2002, p.1).

Still, this and other projects of future Europe raise many practical questions regarding the prospective EU identity, like: shall there be a new WE, a new people (*demos*) some sort of EU-neans, and shall the formation of these EU-unians be based on previous national identities or independent of them? Does a new form of ethnicity that is proper to Europeans emerge? (Balibar, 1988).

Internal logic or explanation of the questions lies in the background of the problem. It will be useful to look at the goals of Europe from its beginnings. In the 1970s, the prime goal was to have a European consciousness. A political goal motivated by the notion of becoming a supra-nation. In the 1980s, although the market and the economic issues were predominant, the identity as a goal was also there. In the late 1980s, Euro-symbolism was the mark of the EU and the goal of the 1980s, and for the EU to become a single market came into effect in the 1990s. These goals were aided by the Treaty of Maastricht and the introduction of the so-called European citizenship, which was in a way, the envisioned supra-national legal status.

Almost simultaneous to these projects of future Europe, three strategies for EU identity were being executed:

Common culturally defined European identity – common cultural heritage, political and legal background (Roman descent) symbols; flag, passport, education schemes (Erasmus)

Treaty of Rome, basic rights legal system, free movement, European parliament and Ombudsman

Support outside the EU (Gastelaars & de Ruijter, n.d.).

But, this common European identity definitely is not the end case of the overall efforts of the EU. However, by forming this identity, some believe, that the EU will indeed become more stable and able to diminish the tensions between dissimilar social and ethnic groups whose past testifies to numerous conflicts and hostile situations (Popadic, 2008). Eurobarometer tries to measure the so called European identity by asking the EU citizens: 'In the near future, will you see yourself as [nationality] only, [nationality] and then European, European and then [nationality], or European only?' Although, most Europeans still think "Country first, but Europe, too", Table 1 shows that the majority of the respondents do have some sort of, primary or secondary, identification with Europe. In addition, according to them, the European and national identity seem compatible.

Table 1 Europeans' identification with their own countries and Europe as a whole in percentages

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
[Nationality] only	38	40	33	40	46	45	43	45	38	44	38	40	41	41
[Nationality] and European	48	45	46	46	40	40	43	42	49	44	49	47	47	48
European and [nationality]	6	7	10	6	6	6	7	6	6	6	7	7	7	7
European only	4	4	7	5	5	5	4	4	3	3	3	3	3	3

Source: Eurobarometers 37, 40, 42, 44, 46, 47, 50, 52, 54, 56, 58, 60, 62, and 64.

Note: Percentage for 'don't know' is not shown.

Other Eurobarometer surveys show that the majority of Europeans support joint decision-making in the policy areas like foreign policy, currency, immigration, defense, and political asylum, but still prefer their government to decide in education, health and social welfare, culture, broadcasting, justice and police (Caporaso & Kim, 2009).

Ethnocentrism vs. Polycentrism

Ethnocentrism has been studied in social sciences for over a century and still no consensus about it has been reached. From some early works, like that of McGee (1900) and Sumner (1906, 1911) who agreed that ethnocentrism is a form of narcissism on a group level, up to some recent studies like that of Bizumic, Duckitt, Popadic, Dru and Krauss who conclude that ethnocentrism includes terms like self-importance and self-centeredness, rather than just out-group negativity. According to some of them, the point of ethnocentrism is that the (own) group is (by default) more important than other groups (Bizumic & Duckitt, 2008). Ethnocentrism in its extreme leads to “ethnocratic” states in which single ethnically defined groups assume power (Yiftachel, 2004). This state will try to eliminate all identified with ‘minorities’ who refuse to join to the “common” identity. Ethnocentrism is Popadic’s villain, present in many “crafted” or spontaneous (impulsive) identity projects. However, it has failed on multiple levels and so far it has not been seen as a success because it refuses and rejects any differentiated social positioning (Essed & Goldberg, n.d).

The European Union does not aspire to any form of ethnocentrism. However, being a social project it is not immune to the presence of Popadic’s villain. We still need to monitor closely the trends in society in order to prevent it. The EU has been already threatened by this undesired collective identity as Fulton (2011, p.1) puts it “integration has been pushed to the forefront of political debate” because the scope and population increase constantly with every enlargement. Moving beyond the goal of creating an economic free trade area and a political entity, the process came to a point when it was necessary for an EU identity to be created, and the “villains” as side-effects had already crawled in. The opening of the borders did create and promote freedom of travel, but strong anti-immigrant sentiments also emerged that could easily threaten the whole project of future Europe.

The anti-immigrant sentiment is dangerous also because it creates situations where there is no trust and no togetherness between various social and cultural groups. Ethnic prejudices and ethnocentrism are detrimental for the maintenance of social cohesion (Hooghe, 2009). The EU enlargement formed infra-regional tensions that eventually held back the civic integration of immigrants. The German Chancellor Merkel said recently that “This multicultural approach – saying that we simply live side by side and are happy

about each other – this approach has utterly failed” (“German multiculturalism has failed,” 2010). These anti-immigrant sentiments are justified with arguments that the immigrants deliberately segregate themselves through language and culture and that they cost too much for the already burdened state budgets and that the differences in the language, customs, and religion are weakening the society as a whole.

In contrast to these assumptions, many European economies were strengthened, rather than weakened, by immigrants in the years following the fifth wave of enlargement (Fulton, 2011). Regrettably, the results of the EU identity strategies are not far beyond common EU artifacts (flag, anthem, coat of arms, national colors, etc.) and separate queues at the EU entry points. This EU di-vision of the people and nations has nothing in common with the EU vision, but does add extra fuel to the fire at the EU skeptics’ camps, inside and outside the EU. Despite the efforts leading to a real Pan-European identity it seems that the national heritage, the local languages and the various national identities will effectively obstruct the way to the creation of a hypothetical United States of Europe.

Some think that if common political values would be in front of nationality, heritage and language, the detrimental effect of ethnocentrism would be avoided. Mokre (2002) points out several important drawbacks of common political values: European rulers are only partly accountable for their national policies and that there is not a clear-cut between the legislative, executive and judiciary branches of EU politics. Moreover, the EU Parliament is not a legislator in the classic sense of the term and the Commission is not a classic government. On the other hand, for a group identity to exist, the smaller groups must see it worthwhile to be attached to the higher group. Creators of the future Europe might find it useful to study the case of Yugoslavia. That state naively tried to deal with the ethnocentrism of its units by stressing the class instead of the ethnic identity and by fostering the artificial Yugoslav identity. It was a way of cross-cutting that helped soothe ethnic tensions (Popadic, 2008), although that social-engineering ended in a virulent inter-ethnic civil war.

The research in the EU so far does not provide evidence for a European identity at the group level. In spite of the fact that the majority of EU citizens acknowledged themselves not just in terms of their nationality but as Europeans, the proportion with primarily national identity generally increased while that of European identity did not really change between 1992 and 2005.

Identity is a complex concept and David Quammen, the American writer and traveler born in Ohio, is right when he stresses that it is such a crucial affair that one shouldn't rush into it. Some answers to it and some examples of good practices can be found in the corporate management science and practice which can aid this identity building process.

Corporate Experience as a Source for Possible Ways of Dealing with Integration and Cultural Identity

It is becoming obvious that the objectives of Europe as an important factor in the world, a community that will serve as model for human rights, democracy, and a society that will not only preserve but also effectively promote the existing national states, will be an extremely challenging task. Contemporary corporate management offers concepts already used in the practice of multinational companies that can be used as models for achievement of common goals, while not suppressing individual aspirations, values and local cultures.

Globalization requires the big multinational companies actively to seek ways how to adapt to the local cultures, while not changing the overall culture and profile. Examples of companies like Coca-Cola who manage to put forward their product practically unchanged are rare. In many cases, the adjustments are unavoidable. It seems that a multi-domestic strategy is much closer to the realities of the modern world than the rigid global strategy. And this is not only a case of simple customization of the product and service mixing terms of the local culture into the translation of the users manuals, but it needs substantial intervention into the "our way of doing business" model.

Some companies learn the hard way and some use best practices to avoid making the same mistakes. The case of Disney teaches us how unwillingness to change anything even though there are many examples of companies going abroad, and we are not referring to sacred symbols here, can lead to an unsuccessful integration. When Disney tried to move to Europe, Paris, in the beginning of the nineties, they lost \$1 billion in the first 18 months. The problem was that Disney did not consider the differences in European and American culture. Namely, Europeans are not that strict about dress codes and management rules like Americans and employees found it hard to adjust. In addition, they did not account for the European tradition of dining after eight or the tradition of wine drinking in France, which was banned

in this theme park. As soon as these changes were made, the park started to make profit!

Maybe one of the best companies to execute a strategy for success in every country where it competes is Vodafone, a company successfully operating in 40 countries. The basis of its strategy, called "Partner Market Agreements", lie in their willingness to change since Vodafone allows various levels of brand association of products and services (McKee, 2012). Or McDonald's, who in the Indian market adapted its sandwiches by making them predominantly chicken and in the Balkans predominantly meat. Moreover, these individual specifics can be used for the creation of developing best practices, the concept of continuous improvement in which everybody learns from the best in a particular area of the social life.

Consider, for example, Americans. Among the many cultural symbols that they have, American football might be the most sacred one for them. It represents their culture; they are passionately attached to the NFL and they have numerous rituals surrounding the Super bowl. Some Americans go so far that they organize their lives around this game. Nevertheless, American football, just like any other successful business, aspires to entering new markets. Seeing Europe as a suitable market, they tried in the beginning of the 90s to establish it there. After many failed attempts, football was successfully established only in Germany. Why did it fail and why did American football succeeded in Germany whereas it failed in Spain? This in many ways is a cultural issue. The Spanish culture is represented by grandiose and artistic spectacles of blood violence, danger and pride. The bullfights, as a metaphor for Spanish culture, represent the same. In Germany, on the other hand, there was a success due to the fact that German culture is based on rules and order, and American football is all about stop-and-go pace timed to the second. Thus, the appeal of American football has varied from country to country due to cultural differences (Cavusgil, Knight & Reisenberg, 2008).

Cross-cultural setting is a particularly significant aspect of modern business, directly influencing organizational competence and its competitiveness. Fast-paced globalization requires organizations to operate with diversified workforce and identities. Management approaches from the perspective of people and culture let us comprehend the power of national and ethnic cultures organizational functioning. Companies that see the value of multicultural teams invest in education and training for operation in multicultural setting.

The answer to the problem can be found in the concept of cultural synergy. As a way to manage the impact of cultural diversity it involves a process in which managers from organizational policies, strategies, structures, and practices, based on, but not limited to, the cultural patterns of individual organization members and clients. This approach recognizes global organization as a composition of similarities and differences among the cultures that suggests that they do not ignore or minimize cultural diversity, but see it as a source in designing and developing organizational systems (Adler, 2002).

The model of organizational cross-cultural competence formation and management offered by Kristina Kersiene and Asta Savaneviciene, involves five newly stated organizational cross-cultural competence formation principles:

1. Integrated network structure and geocentric approach are two organizational characteristics that influence the formation of organizational cross-cultural competence;
2. The ability to adapt in different cultural environment, the ability to absorb spread and create knowledge, and the ability to execute successful international assignments are organizational abilities that form cross-cultural competence;
3. Cultural integration strategies and HRM oriented towards organizational cross-cultural competence formation are employed as management instruments;
4. The sense-making of different cultures is an organizational cross-cultural formation process;
5. Cultural synergy comes as the result of the successful integration of the entire organizational cross-cultural competence formation and management.

This model enables us to integrate and replace ethnocentrism, a belief that one's culture is superior to that of others, with cultural literacy, a detailed knowledge of a culture that enables a person to function effectively within it, by understanding cultural differences, being culturally literate and localizing policies (Kersiene & Savaneviciene, 2009). In the words of Hofstede, Namewirth, and Weber: "A system of values and norms that are shared among a group of people and that when taken together constitute a design for living" (cited in Hill, 2007, p.94).

Leaders of big companies (Jobs, Gates...) manage to convey clear visions to a more diversified and larger work group than the EU setting. Some

politicians need to learn from managers' simple yet clear ways of communication (Steve Jobs presenting iPod for example). Business managers are aware that a good product and service does not necessarily mean successful sales and a lot of attention needs to be paid to the ways of bringing the new product to the customer. Politicians think that this can be done with press-conferences at which reporters wait for hours in order to be convinced of how hard the debate was, are sufficient for conveying an idea.

In the corporate world, there is a strong and clear link between vision and mission. When Dell announced their vision to become number one in the world of personal computers, the company also dedicated time and money to achieving this goal. Michael Dell has not achieved that goal yet, but clear-cut instructions and operational programs which cover executing the main goal were outlined. Not to mention the amounts of money, marketing, and time dedicated to this idea. The question emerges: Will the EU be as successful as it wants to be in global declarations like: to become the most innovative economy in the world ("The Lisbon Treaty", 2007) if the programs and instruments for realization still persist with being vague and overcomplicated. For example, in the sphere of small and medium enterprise (SME) support, up till the Lisbon Treaty, the European Charter for SMEs was in act, which was simple enough and down to earth, to be replaced by the Small Business Act (2008) which is too ambitious and over demanding for the majority of European companies, and not only for the small and underdeveloped. The Charter had a practice for peer-review between countries creating best practices that were easily implemented, and that concept was abandoned as naïve. On the other hand, all easy concepts can be labeled as naïve, but for the business, it is not an obstacle for success, but an advantage.

The Project Management has become a simple outlined routine for the majority of companies. However, this does not stop the Project Management Institute, the World's leading not-for-profit membership association with more than half a million members and credential holders in 185 countries (<http://pmi.org>) from creating the world's leading concept of continuous improvement in the area of its competency.

Nassir Nicolas Taleb (2010) is a popular American professor and futurist who believes that in the following thirty years, only the simple concepts will have a chance to endure (basic cell phone, printed book, Facebook, or Tweeter). Nobody wants to be related with concepts too complicated and too difficult to comprehend, particularly not the new

generations that adore the simplicity and the speed of the most popular social network today, Facebook.

This is just a modest selection of the theories and the practices of corporate and organizational management that can be used in a search for the answers to previously mentioned dilemmas related to building EU resistance to extreme ethnocentrism and polycentrism. It seems that the EU institutions and leaders can learn a lot from their colleagues in the corporate world and the dedication, passion and leadership traits that they show. Any common social concept, as the EU is, should be able to demonstrate its ability to effectively deal with any “disobedient” member (politician or state) if it strives with others to be willing to consider their worthiness for attachment to it.

Conclusion

So far, the European Union has done a good job in laying the foundations for a common EU identity and culture by establishing a common market, common currency and abolition of national borders and not just traditions, common cultural heritage and ethnicity. However, the criterion of cultural identity also needs political determination. We can learn a lot from the history of the ancient Roman Empire. First of all, it seems that the state then, was extremely open to including various groups, nations and cultures. Moreover, it was based on a merit system, not on other criteria like blood lineage or political links. The Roman Empire had an extremely successful management of its cultural diversity. The central administration was simple and based on limited tax burdens upon its constituencies.

To summarize, the idea of this research paper is to discuss certain issues connected to EU identity and to answer the question of whether or not the EU has a potential of becoming the most innovative economy in the world and how that can be achieved? A few issues have been identified in this paper as crucial for the EU project:

Successfully fulfilling the objectives of the Treaty of Rome will, in the long run, determine the prospects of the EU and it will make Europe an important power factor in the world, once again.

Even though there is no strong evidence that identity exists on a group level not all efforts are in vain. As we already mentioned, identity is a dynamic process and it should be a final success of an integration project based on synchronisation and union.

Anti-immigrant sentiments and out-group negativity as side-effects of every integration project should be approached with utmost importance and sensitivity because they silently lead to ethnocentrism and prevent the strengthening of the economy through high net fiscal contribution, income tax, government revenue and labour force.

The concept of cultural synergy, which is a way to manage the impact of cultural diversity, involves a process in which managers from organizational policies, strategies, structures, and practices, based on, but not limited to, the cultural patterns of individual organization members and clients can be used as a tool to aid the identity building process.

Contemporary corporate management practices offer concepts already used in the multinational companies that can serve as models for achievement of common goals, while not suppressing the individual aspirations, values and local cultures. Globalization requires the big multinational companies to seek actively the ways to adapt to the local cultures, while not changing the overall culture and profile. Examples of companies like Coca-Cola who manage to put forward their product practically unchanged are rare. In many cases, adjustments are unavoidable. It seems that a multi domestic strategy is much closer to the realities of the modern world than the rigid global strategy. And this is not only a case of simple customization of the product and service mixing local cultural terms into the translation of the users manuals, but it needs substantial intervention into the "way of doing business". Some companies learn the hard way and some use best practices to avoid making the same mistakes (Disney, Vodafone and McDonalds). Thus, the emerging question is answered: The EU will be successful in becoming the most innovative economy in the world if the programs and instruments for realization cease to be vague and overcomplicated and become simple.

In this paper we presented just a modest selection of theories and practices of the corporate and organizational management through examples like Disney, Vodafone and McDonalds that can be used in a search for answers to the previously mentioned dilemmas related to building EU resistance to the extreme ethnocentrism and polycentrism. Without a pretension to claim that the corporate world is by default a better performer in "solving" the cultural and political ethnocentrism vs. the self-management conundrum, (it has enough of its own illusions and inefficiencies to fight) it seems that the EU institutions and leaders can still learn a lot from their colleagues in the corporate world. We are also fully aware that in the case of

any comparisons between the political and corporate leaders, the former might be the subject of discrimination on at least two instances. Firstly, they are sometimes under a cruel scrutiny by the media and their mistakes and wrongdoings are often, in fact exaggerated, while their achievements relegated, particularly by their political opponents. And, secondly, the image that corporate leaders enjoy, could be in fact a result of their PR department engineering, rather than a result of their personality or public actions.

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