EXPLORING HOFSTEDE'S FRAMEWORK IN PRACTICE

A Case Study of Cross-Cultural Management in a Croatian–Indian Context

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Abstract

This study examines how cultural distance is interpreted and managed in a Croatian–Indian business collaboration and evaluates the practical usefulness of Hofstede's framework. While Hofstede's cultural dimensions remain widely applied, their ability to explain everyday managerial interaction in cross-border settings is limited. Using an exploratory qualitative case study, the analysis combines secondary cultural data with an in-depth interview with a Croatian manager coordinating collaboration with Indian teams. Thematic analysis focused on hierarchy, communication, uncertainty, status, time orientation, and feedback. The findings indicate that Hofstede's framework helps identify broad cultural tendencies but does not fully capture how cultural differences unfold in practice. Cultural misalignment was shaped largely by organizational context, communication practices, and managerial expectations. The study concludes that effective cross-cultural management requires complementing national culture models with context-sensitive and practice-oriented approaches.

Keywords: Hofstede's cultural dimensions, cultural distance, managerial misalignment, cross-cultural management, Croatia, India.

1. Introduction

Understanding cultural differences is central to effective collaboration in global business environment. Hofstede's Cultural Dimensions Theory is one of the most widely used frameworks for explaining cross-national variation in behavior, communication, and organizational practices across different countries and societies, largely due to its clarity and accessibility. It provides a systematic framework for comparing cultures across six key dimensions, expressed as indices: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, long-term vs. short-term orientation, and indulgence vs. restraint (freedom in fulfilling desires). However, global business increasingly involves distributed teams, outsourcing, and multicultural project structures

in which cultural dynamics are shaped not only by national values but also by organizational context, power relations, and interpersonal adaptation. Such situational influences are not easily captured by static, country-level indices.

Recent international business management research, therefore, highlights the limits of relying exclusively on national culture scores to explain everyday collaboration. Aggregate measures may dim intra-country variation, overlook interactional processes, and provide limited insight into how culture is negotiated in practice. Complementary perspectives, such as the GLOBE project, conceptualize culture as enacted and adjusted through interaction rather than as a fixed national attribute. From this perspective, cultural distance should be examined not only as a structural difference between countries but also as a perceptual process that shapes managerial interpretation and interaction.

This paper addresses this gap by examining how cultural distance is perceived and managed in a Croatian–Indian business collaboration. Given notable differences across several cultural dimensions, this context allows assessment of how national culture frameworks translate into workplace behavior. Rather than testing cultural predictions, the study focuses on managerial interpretations of hierarchy, communication, feedback, time orientation, and teamwork in cross-border coordination, with the aim of identifying both the explanatory value and the limits of Hofstede's framework in practice.

Guided by an exploratory interpretivist approach, the study addresses research questions concerning managerial perceptions of cultural distance, their alignment with Hofstede's model, and dynamics that extend beyond it. The paper reviews relevant literature, outlines the research design, presents empirical findings, and discusses their implications and limitations.

The remainder of the paper is structured as follows. Section 2 reviews national culture frameworks and critiques of the Hofstede's model. Section 3 presents the research problem, objectives, and research questions. Section 4 describes the research design and methodology. Section 5 reports the findings. Section 6 provides the discussion, and Section 7 concludes with implications, limitations, and directions for future research.

2. Literature Review

Culture shapes how people think, act, and organize their work. Hofstede (2011) defines culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another." The sociocultural environment consists of shared values, norms, and practices that guide behavior within a society and influence both consumer and organizational decisions (Hofstede, 2011; Huang et al., 2024). It includes language, religion, education, family, and social organization, all of which affect communication, motivation, leadership, and market behavior (Hollensen, 2019; Iriste & Katane, 2019).

Hofstede's Model of National Cultures identifies six dimensions that explain cross-societal differences in values and behavior: Power Distance (acceptance of unequal power), Individualism vs. Collectivism (individual achievement vs. group harmony), Masculinity vs. Femininity (competitiveness vs. care), Uncertainty Avoidance (comfort with ambiguity),

Long-Term vs. Short-Term Orientation (future rewards vs. immediate results), and Indulgence vs. Restraint (freedom in fulfilling desires) (Minkov, 2017; Hollensen, 2019; Espig et al., 2022; Bouderbala et al., 2020). These dimensions are widely used to compare national cultures and anticipate patterns in managerial behavior, organizational design, and market responses. Empirical studies confirm the model's relevance in leadership, human resource management, and entrepreneurship. High power distance societies tend to favor hierarchical decision-making, whereas lower power distance contexts support more participative management (Bouderbala et al., 2020). Individualism is often linked to self-directed learning and innovation, while collectivism emphasizes group harmony and relational obligations (Espig et al., 2022). Cultural values also shape attitudes toward risk and entrepreneurship, as lower uncertainty avoidance and higher individualism are frequently associated with greater risk-taking and creative behavior (Espig et al., 2022). In this respect, Hofstede's dimensions provide a useful heuristic for anticipating broad tendencies relevant to cross-cultural collaboration and internationalization strategies (Hollensen, 2019).

Despite these contributions, Hofstede's framework has been widely criticized. McSweeney (2002) and Williamson (2002) question the validity of deriving stable national culture profiles from IBM data and national averages, noting that such indices overlook intra-national variation and temporal change. Hollensen (2019) and Akoh (2020) further emphasize that regional differences, industry contexts, and organizational cultures significantly influence how values are expressed in practice. More recent research calls for updating Hofstede's model to reflect globalization, technological change, and sustainability-related value shifts (Minkov, 2017; Huang et al., 2024). These critiques converge on the concern that static, country-level scores provide limited insight into cultural interaction within specific organizational settings.

More recent perspectives therefore, conceptualize culture as dynamic and context-dependent. Behavior is understood as evolving through interaction, adaptation, and learning rather than as a direct reflection of fixed national traits (Akoh, 2020; Bouderbala et al., 2020). Managerial interpretation, organizational context, and prior cross-cultural experience shape how values are enacted in everyday work. Globalization and digitalization further blur cultural boundaries, producing hybrid value patterns and accelerating change (Minkov, 2017; Huang et al., 2024). Extending Hofstede's framework with socio-economic, sectoral, and organizational factors can improve its explanatory capacity in specific settings (Abdullahi & Zainol, 2016). Building on this logic, scholars increasingly advocate integrating situational, organizational, and interpersonal elements to better understand how managers respond to cultural diversity in practice. Multilevel approaches such as the GLOBE project explicitly address these limitations by complementing national value dimensions with leadership practices and contextual contingencies, thereby offering a critical extension of Hofstede's original model (Javidan et al., 2006). This perspective links cultural distance, managerial adaptation, and organizational outcomes, yet empirical illustrations of how these processes unfold in practice remain limited, particularly in Central and Eastern Europe.

Unlike Hofstede's framework, which captures culture primarily as stable national value orientations, the GLOBE project conceptualizes culture as a multilevel construct in which societal values interact with leadership practices and situational contingencies, making it

particularly relevant for examining managerial behavior in specific organizational contexts (Javidan et al., 2006).

2.1. Sociocultural Environment in Croatia

Croatia is characterized by relatively high power distance and uncertainty avoidance, reflecting centralized authority, hierarchical structures, and a preference for stability and formal procedures (Švarc et al., 2019). At the same time, regional and generational shifts indicate increasing openness to participation and innovation, particularly in urban and technology-oriented sectors (Damić et al., 2019; Espig et al., 2022).

Although Croatian society has traditionally been collectivist, globalization and EU integration have strengthened individualism, self-reliance, and merit-based achievement, especially among younger professionals (Bulog et al., 2024). Cultural femininity supports cooperative leadership and work–life balance, even though more traditional gender roles remain visible in rural contexts (Švarc et al., 2019; Bulog et al., 2024).

Croatia's restrained culture emphasizes moderation and self-control, while its time orientation combines respect for tradition with increasingly pragmatic and future-oriented planning in internationally exposed sectors (Minkov & Kaasa, 2021; Damić et al., 2019). Overall, Croatia displays a mixed cultural profile: hierarchical yet increasingly adaptive. This suggests that national-level scores provide only a partial explanation of managerial behavior and should be interpreted in light of sectoral, generational, and organizational variation (Hollensen, 2019; Dubina & Ramos, 2013).

2.2. Sociocultural Environment in India

India's sociocultural environment is marked by high power distance and strong collectivist orientations, where hierarchy, loyalty, and interdependence structure both professional and personal relationships (Panda & Gupta, 2004; Singh, 1990). Family and community obligations often outweigh individual goals, although economic liberalization and globalization have fostered rising individualism among urban professionals (Gallego-Álvarez & Pucheta-Martínez, 2021; Minkov & Kaasa, 2021).

Indian organizations typically display moderate masculinity, combining achievement orientation with relationship-based management practices (Singh, 1990; Kuźmińska-Haberla, 2017). Lower uncertainty avoidance supports flexibility and pragmatic problem-solving, particularly in technology-driven sectors, while more traditional industries remain relatively risk-averse (Panda & Gupta, 2004; Gallego-Álvarez & Pucheta-Martínez, 2021).

India also demonstrates a strong long-term orientation rooted in cultural and religious traditions, alongside a generally restrained value system emphasizing discipline and conformity (Hofstede, 2011; Hur et al., 2015). Taken together, these characteristics form a cultural context that is hierarchical yet adaptive, requiring foreign managers to balance respect for authority with deliberate efforts to encourage participation and open communication (Hofstede, 2011; Kuźmińska-Haberla, 2017).

2.3. Comparative Analysis of Croatia and India Using the Hofstede Insights Country Comparison Tool

To contextualize the sociocultural environments of Croatia and India, the Hofstede Insights Country Comparison Tool was used to compare the two countries across all six cultural dimensions (The Culture Factor Group, 2023). The results, summarized in Table 1, indicate areas of similarity as well as meaningful differences relevant for managerial collaboration.

Table 1. Comparison of Croatia and India Across Hofstede's Cultural Dimensions

Dimension	Croatia	India	Interpretation
Power Distance	73	77	Both cultures accept hierarchy; India shows slightly stronger deference to authority.
Individualism vs. Collectivism	33	48	Croatia remains more collectivist overall; India combines collectivist norms with growing urban individualism.
Masculinity vs. Femininity	40	56	Croatia leans toward cooperative, relationship-oriented values; India places greater emphasis on achievement and competitiveness.
Uncertainty Avoidance	80	40	Croatia shows high preference for structure and predictability; India demonstrates greater tolerance for ambiguity and flexible problem-solving.
Long-Term vs. Short-Term Orientation	58	51	Both societies display pragmatic tendencies; Croatia's long-term orientation has increased under EU influence.
Indulgence vs. Restraint	33	26	Both cultures are generally restrained; India expresses restraint more strongly.

Source: Hofstede Insights Country Comparison Tool (The Culture Factor Group, 2023).

The comparison presented in Table 1 highlights areas of cultural convergence as well as differences between Croatia and India. Both societies exhibit high power distance and a generally restrained cultural orientation, indicating acceptance of hierarchy and limited emotional expressiveness. Several dimensions, however, reveal contrasting tendencies with practical implications for cross-cultural collaboration. Croatia's high uncertainty avoidance reflects a preference for structure, predictability, and detailed planning, whereas India's lower score indicates greater comfort with ambiguity and flexible problem-solving.

Differences also appear along the masculinity–femininity dimension: India's more achievement-oriented profile contrasts with Croatia's stronger emphasis on cooperation and relational cohesion. Individualism further differentiates the two contexts, as Croatia is predominantly collectivist, while India shows a mixed pattern combining collectivist norms with rising urban individualism. Both countries display pragmatic time orientations, although Croatia's long-term focus has strengthened under EU integration.

Overall, the comparison highlights both convergence and divergence between the two national profiles. Shared hierarchical values broadly align with Hofstede's predictions, yet developments such as Croatia's growing participatory practices and India's expanding individualism point to cultural dynamics that static national scores cannot fully capture (Bulog et al., 2024; Minkov & Kaasa, 2021; Kuźmińska-Haberla, 2017). These patterns confirm the usefulness of Hofstede's framework for broad cultural comparison but also reveal its limits in explaining how managers interpret and respond to cultural distance in specific organizational settings. These limitations motivate the present study's exploratory, context-sensitive examination of how cultural distance is perceived and enacted in practice.

3. Research Problem, Objectives and Research Questions

Globalization has made intercultural collaboration a central feature of modern business (Hollensen, 2019). Yet managers continue to face difficulties in interpreting and managing cultural differences that affect communication, leadership, and organizational performance. Hofstede's Cultural Dimensions Theory remains one of the most widely used frameworks for analyzing cross-national variation in managerial behavior (Hofstede et al., 2010). Its national-level, static orientation, however, has been widely criticized for its limited ability to explain how cultural expectations are enacted, negotiated, and adapted in real organizational settings (McSweeney, 2002). Contemporary international collaborations, particularly those involving outsourcing, distributed teams, or hierarchical interorganizational structures, require attention to situational, relational, and organizational influences that extend beyond country averages (Hollensen, 2019).

The Croatian–Indian collaboration examined in this study provides an appropriate context for exploring these challenges. The two countries somewhat differ across several of Hofstede's cultural dimensions, yet their interaction is shaped by asymmetrical task structures and offshore coordination practices. Such contextual factors are often overlooked in national culture models but are central to understanding managerial sensemaking in practice.

This study, therefore, responds to the need to move beyond static cultural models toward more contextualized interpretations of cultural distance. It complements Hofstede's framework, informed by multilevel approaches such as the GLOBE project (Javidan et al., 2006) and practice-based cultural perspectives (Pirlog, 2021; Minkov, 2017).

Based on the identified gap, the study pursues three objectives:

1. To explore how a Croatian manager perceives and interprets cultural distance when collaborating with Indian teams.

2. To examine the extent to which these perceptions correspond with expectations derived from Hofstede's cultural dimensions (Hofstede et al., 2010).

3. To identify cultural or organizational dynamics that fall outside Hofstede's model and require complementary theoretical perspectives, including those emphasized in the GLOBE project (Javidan et al., 2006) and in more recent cultural interpretations (Pirlog, 2021; Minkov, 2017).

The study is guided by the following research questions:

RQ1: How does a Croatian manager perceive and interpret cultural distance in collaboration with Indian teams?

RQ2: To what extent do these perceptions align with expectations derived from Hofstede's cultural dimensions (Hofstede et al., 2010)?

RQ3: Which aspects of the observed collaboration fall outside Hofstede's framework and point to the need for alternative cultural or organizational explanations, such as those highlighted in GLOBE (Javidan et al., 2006) or recent cultural updates (Minkov, 2017)?

4. Research Design and Methodology

This study employs an exploratory qualitative single-case design to examine how cultural distance manifests in managerial practice.

The research began with an extensive review of literature on culture and Hofstede's model of national cultures, focusing on its origins, extensions, and major critiques. Secondary data were collected through desk research, including academic literature, professional reports, and the Hofstede Insights Country Comparison Tool. These sources provide the theoretical and comparative context for interpreting the interview findings.

Primary data were collected through an in-depth, semi-structured interview with the director of Nexi Croatia, a manager directly involved in the company's internationalization to India. The interview lasted approximately one hour and addressed communication practices, leadership expectations, perceived cultural differences, project coordination, and adaptation strategies. This experience-based account provides insight into managerial sensemaking processes that are not captured by quantitative cultural indices.

Consistent with qualitative research traditions, the study adopts an interpretivist approach aimed at understanding how managers interpret cultural differences in practice. The methodological framework follows the descriptive and comparative procedures outlined by Zelenika (2000), which are appropriate for examining complex sociocultural phenomena.

The interview transcript was analyzed using qualitative thematic analysis (Zelenika, 2000). This process identified key themes related to hierarchy, communication style, uncertainty tolerance, collaboration, feedback patterns, and adaptation mechanisms. The emergent themes were compared with expectations derived from Hofstede's cultural dimensions and examined alongside alternative explanations, including onboarding quality, organizational processes, and power asymmetries typical of offshore collaboration.

The analysis incorporates a reflexive component, acknowledging that the findings reflect a Croatian managerial perspective shaped by cultural background, organizational role, and the hierarchical nature of the outsourcing relationship. This reflexivity prevents treating managerial perceptions as objective cultural facts and recognizes the influence of cultural bias and power relations.

The single-case design is appropriate for illustrating the contextual limits of national culture models. Case studies are particularly valuable for capturing practice-based manifestations of cultural distance and adaptation that may be overlooked in national-level frameworks (Hollensen, 2019).

The full interview transcript is included in the Appendix.

Language clarity and editorial precision were improved with the assistance of OpenAI's ChatGPT (September–October–December 2025).

5. Research Results

Nexi Croatia d.o.o. is a subsidiary of the Italy-based Nexi Group, a leading European paytech company specializing in digital payment solutions. In Croatia, Nexi operates as a key provider of card and payment services for financial institutions and merchants within the broader European digital payments network. An hour-long, in-depth interview with Nexi's director, Irina Bručić, examined the company's recent experience of internationalizing operations to India. The interview provided detailed insights into how cultural distance was perceived and managed in everyday collaboration with Indian teams.

A thematic analysis of the interview identified several recurring patterns related to hierarchy, communication, uncertainty, status, planning, and feedback. These themes do not correspond to Hofstede's dimensions in a one-to-one manner, which is expected in exploratory qualitative research. Instead, they illustrate how the interviewee interpreted cultural tendencies in ways that both align with and extend expectations derived from the model. The findings are organized into key themes and discussed in relation to relevant cultural dimensions and contextual factors. Table 2 summarizes these themes, and the following sections elaborate on each in turn.

Hierarchy and Communication Openness

The manager perceived Indian team as operating within a strongly hierarchical structure, which she associated with reluctance to question instructions or request clarification. This interpretation suggested that hierarchical expectations increased communication risk and contributed to misunderstandings or delays. Croatian teams also function within hierarchical settings, but the interviewee expected more open dialogue and proactive clarification. Differences in perceived authority and comfort with upward communication were described as a source of friction in project coordination.

Collectivism and In-Group Dynamics

Indian team members were described as demonstrating strong internal cohesion and a tendency to prioritize information sharing within the local group. The interviewee perceived this as limiting transparency toward Croatian team unless information was

explicitly requested. Croatian teams, by contrast, were described as more individually autonomous and more direct in communication. These differences created mismatched expectations regarding cross-team information flow and initiative.

Sensitivity to Status and Collaborative Challenges

According to the manager, concerns related to status, respect, and role hierarchy shaped interaction patterns within the Indian team. These behaviors influenced how feedback was received and how collaborative tasks were approached. Croatian team was described as more accustomed to egalitarian work relationships, which required the manager to adopt a more relationship-oriented leadership style to sustain trust and cooperation. This adjustment highlights the role of status expectations in cross-cultural teamwork.

Different Approaches to Uncertainty and Planning

Differences in uncertainty tolerance emerged as a salient theme. Croatian team was perceived as preferring detailed explanations, structured plans, and explicit clarity regarding deliverables. Indian team was described as flexible but hesitant to express uncertainty or request additional guidance. According to the interviewee, deadlines were sometimes accepted without signalling difficulty, resulting in partial or delayed delivery. This pattern illustrates how cultural interpretations of ambiguity and risk can affect task execution.

Time Orientation and Work Coordination

Both Croatian and Indian colleagues were described as pragmatic, but this pragmatism was applied differently. Indian employees were perceived as focusing on immediate compliance with instructions, whereas Croatian team emphasized consistent scheduling, medium-term planning, and transparent progress tracking. These differing orientations contributed to recurring misalignments in expectations, pacing, and project communication.

Restraint, Feedback, and Expressiveness

Although both cultures score relatively low on indulgence, the manager perceived differences in how restraint was expressed. Indian team was described as reluctant to voice disagreement or personal opinions unless prompted directly. Croatian managers therefore needed to actively encourage participation and clarify that questions or concerns were welcome. Silence was often interpreted as agreement or understanding, reinforcing the need for explicit invitations to share viewpoints.

Interpretation of Performance and Skill

Initial assessments by Croatian managers suggested lower levels of competence or initiative among Indian team members. These interpretations were later reconsidered by the interviewee, who attributed many observed behaviors to cultural factors, including hierarchy, communication avoidance, and concern about negative consequences. This reassessment illustrates how cultural distance can be misinterpreted as a skill gap when contextual and interactional factors are not fully considered.

Table 2. Overview of Emergent Themes and Their Relation to Cultural Dimensions

Theme (Emergent From Data)	Illustrative Interview Insight	Related Hofstede Dimensions	Interpretation
Hierarchy and Communication Openness	Manager perceived the Indian team as reluctant to question authority or ask clarifying questions; Croatian team expected more open dialogue.	Power Distance	Hierarchy shapes communication risk; silence may mask uncertainty and impede coordination.
Collectivism and In-Group Information Flow	Strong cohesion within the Indian team and limited information sharing unless explicitly requested; Croatian team communicated more directly across units.	Individualism vs. Collectivism	In-group loyalty restricts cross-team transparency, creating mismatched expectations.
Status Sensitivity and Team Dynamics	Sensitivity to hierarchical roles and concern for social status shaped interaction within the Indian team; Croatian team expected more egalitarian collaboration.	Masculinity; Power Distance	Status considerations influence feedback dynamics and require relational adaptation.
Approaches to Uncertainty and Planning	Manager perceived the Indian team as accepting deadlines without signaling concerns; Croatian team expected clearer structure and explicit clarification.	Uncertainty Avoidance	Differing uncertainty tolerance leads to delays and perceived competence gaps.
Time Orientation and Coordination	Manager perceived focus on immediate task compliance in the Indian team; Croatian team emphasized structured scheduling.	Long- vs. Short-Term Orientation	Distinct expressions of pragmatism shape pacing and expectations around progress.
Restraint and Feedback Behavior	Limited expression of disagreement and low direct feedback unless invited; Croatian team encouraged open expression.	Indulgence vs. Restraint	Restraint influences communication tone; active prompting is needed to surface concerns.

Interpretation of Performance and Skill	Initial perception of "skill gaps" was later reframed as culturally patterned communication and hierarchy-related behavior.	Indirectly linked across dimensions; shaped by context	Illustrates how the interviewee's interpretation highlights limits of Hofstede in explaining relational and organizational dynamics.

Source: Authors' Work

6. Discussion

This exploratory case study illustrates how cultural distance is interpreted and enacted in a Croatian–Indian collaboration and highlights both the usefulness and limitations of Hofstede's framework in explaining such dynamics. The emergent themes identified in the analysis (Table 2) show that hierarchy, collectivist tendencies, uncertainty tolerance, status sensitivity, time orientation, and feedback behavior manifest in ways broadly consistent with Hofstede's dimensions. This confirms the model's heuristic value as a starting point for understanding cultural tendencies (Hofstede et al., 2010).

At the same time, several findings extend or challenge the explanatory adequacy of the model. Communication avoidance and reluctance to seek clarification were shaped not only by high power distance but also by organizational structures, outsourcing arrangements, and Croatian managerial expectations, factors not captured by national culture scores. Perceived competence gaps were later reinterpreted as culturally patterned communication styles, supporting critiques that national indices offer limited insight into situated interaction (McSweeney, 2002; Javidan et al., 2006). Status sensitivity and face-saving behaviors, as perceived by the manager, revealed context-specific expressions of masculinity and hierarchy that align more closely with GLOBE's focus on leadership contingencies and culturally embedded practices than with static dimensional models (Javidan et al., 2006).

These findings support the view that cultural dynamics are relational and adaptive rather than fixed. They develop through interaction, trust-building, and managerial adjustment. Croatian managers moderated cultural distance by encouraging explicit feedback, adopting more relational communication, and recalibrating expectations related to time and task structure. Such adaptive mechanisms highlight the need to complement Hofstede's framework with more dynamic and multilevel perspectives, including insights from the GLOBE project (Javidan et al., 2006).

The results should be interpreted reflexively, as they reflect the perspective of a single Croatian manager within an asymmetric outsourcing relationship. Nevertheless, the findings illustrate how cultural tendencies intersect with organizational context and managerial sensemaking. They suggest that effective cross-cultural collaboration requires moving beyond static national culture scores toward more context-sensitive and interactional interpretations of culture.

7. Conclusion

This study examined how cultural distance is experienced in a Croatian–Indian collaboration and assessed the practical value and limitations of Hofstede's framework in explaining these dynamics. The findings indicate that Hofstede's dimensions provide a useful reference for anticipating broad cultural tendencies relevant for managerial coordination, including hierarchy, restraint, and differing approaches to uncertainty. None of the observed patterns contradict Hofstede's cultural expectations.

At the same time, the analysis shows that these tendencies interact with organizational context, task structure, leadership expectations, and prior cross-cultural experience in ways that managers cannot address through national culture scores alone. Several themes extend or contextualize Hofstede's framework by revealing actionable nuances beyond its dimensional logic. These include the influence of offshore organizational structures on communication avoidance, the reinterpretation of perceived competence gaps as culturally patterned interaction styles, the role of status sensitivity and face-saving concerns in shaping collaboration, and the managerial need for explicit encouragement to elicit feedback in restrained communication environments. Managerial flexibility, relational adjustment, trust-building, and iterative communication emerged as key mechanisms through which managers can actively reduce misalignment in cross-cultural collaboration.

Overall, the results suggest that Hofstede's model remains a valuable heuristic for managerial sensemaking, but offers limited guidance for managing day-to-day interaction in complex cross-border settings. Effective cross-cultural management therefore requires complementing national culture frameworks with context-sensitive, relational, and adaptive managerial practices rather than relying on cultural scores alone (Javidan et al., 2006; Pirlog, 2021).

7.1. Limitations

This study is subject to several limitations. Its qualitative scope and single-case design restrict generalizability. Although the study offers valuable contextual insight, it may not capture the full range of Croatian–Indian cross-cultural experiences, as the findings reflect the perspective of a single Croatian manager. These subjective interpretations, shaped by the specific outsourcing context, may not represent the views of other team members or the Indian side of the collaboration. In addition, the use of time-specific secondary data may limit the accuracy of cultural comparisons in a rapidly changing environment. These limitations are inherent to exploratory qualitative research and are acknowledged to ensure transparency.

7.2. Future Research Directions

Future research should examine multiple cases and, where appropriate, apply mixed or quantitative methods to assess whether the patterns identified here extend across different organizational contexts. Studies incorporating perspectives from both Croatian and Indian teams would reduce reliance on a single managerial viewpoint and provide a more

balanced account of cross-cultural dynamics. Comparative research across additional countries or industries could further clarify how cultural distance shapes leadership, communication, and collaboration. Further work should also explore alternative or updated cultural frameworks, such as the GLOBE project or models addressing globalization, digitalization, and generational change, to extend beyond the limits of Hofstede's original dimensions.

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9. Appendix: Interview with Irina Bručić, a CEO of Nexi Croatia, March 2024

Q1. Can you briefly describe the core sociocultural challenges your company faced when entering or operating in India?

Answer: When they entered that market, there was a hard time evaluating which programmers knew how to do their job, as there was a big difference between European education and Indian education. Many of the workers were not skilled enough and were not asking questions when they didn't know something. The benefit of entering that market was the lower pay for workers, and the Indian company provided many more workers for the same price than Croatia could.

Q2. How have Hofstede's six dimensions of national culture (Power Distance, Individualism vs. Collectivism, Masculinity vs. Femininity, Uncertainty Avoidance, Long-Term Orientation vs. Short-Term Normative Orientation, and Indulgence vs. Restraint) manifested in your business practices and consumer interactions in these markets?

Answer: Regarding Power Distance, they respected the order and never questioned why the boss was doing anything. This was a big problem when they didn't know or understand something, as they were afraid to ask, fearing repercussions. In terms of Individualism and Collectivism, they were very collectively focused but only within their group in India. When collaborating with Croatian teams, they were very closed and didn't share information. Both cultures scored high on Masculinity, but in India, it was more related to social status,

and women had far fewer opportunities, which was evident in their behavior. Regarding Uncertainty Avoidance and Long-Term vs. Short-Term Orientation, both were quite similar.

Q3. What specific adaptations or strategies did your company implement to align with the cultural norms and values of India and Italy?

Answer: NEXI sent a few managers and programmers to India for a two-week trip to build connections with the Croatian teams. When they arrived, they were treated as more important, and Croatian managers noticed that the Indian employees were very afraid of their boss, not because the boss was intimidating, but due to their mindset of not asking questions and simply doing what they were told. The trip helped them realize they needed to work on encouraging the Indian teams to participate in mutual meetings and share their opinions on what their work should look like or the timeframe they needed for certain tasks.

Q4. Could you share an instance of a cultural misunderstanding or oversight impacting your business operations?

Answer: There was a time when they were working on a project with a specific deadline. The Croatian team asked if the Indian team could finish the task in two weeks and whether they needed any help with understanding the task. The Indian team said yes to the timeframe and that they didn't need help. However, after two weeks, the project wasn't even halfway done because they didn't know how to proceed. The Croatian team realized they needed to improve their collaboration and make the Indian teams feel comfortable enough to share their thoughts on the task and its details.

Q5. In what ways have you had to adjust leadership and management practices to accommodate cultural differences in the workplace between these markets?

Answer: One of the key adjustments was realizing that they couldn't manage Indian teams the same way they managed Croatian teams. In Croatia, managers could set clear tasks with specific deadlines, and employees would communicate openly if they needed more time or clarification. However, in India, due to cultural norms related to Power Distance, the Indian teams were hesitant to challenge deadlines or ask for more time. They often felt compelled to agree with the instructions given by their superiors, even if they didn't fully understand the task or knew they couldn't meet the deadline. To address this, NEXI had to create an environment where Indian teams felt more empowered to express their needs and concerns. Managers began offering Indian teams more flexibility in setting their own timelines and encouraged open communication. They also adopted a more collaborative approach, where instead of simply assigning tasks, they asked for input on how much time and resources were needed. This helped create a more balanced working relationship and improved productivity over time.

Q6. Looking back, what are the key lessons your company has learned about navigating sociocultural environments in international markets?

Answer: The most important lesson they learned was that understanding the local culture is crucial to establishing a successful working relationship. NEXI realized that they should have invested in cultural training and research from the very beginning, which would have allowed them to anticipate potential challenges and develop strategies to address them before they became problems. For instance, if they had known earlier about the cultural reluctance to question authority in India, they could have implemented strategies to foster

more open dialogue right from the start. Another key lesson was the importance of patience and adaptability. Managing a team with a different cultural background required more flexibility and time than anticipated, and being rigid with deadlines or communication expectations only created more stress and confusion. Ultimately, they learned that investing in understanding cultural differences and building trust pays off in the long term by creating smoother collaboration and better results.

Q7. Based on your experiences, what recommendations would you make to other businesses looking to enter these markets, in light of cultural considerations?

Answer: The manager recommended that businesses entering culturally different markets should invest in cross-cultural training for both sides, managers, and employees, before they start working together. This kind of preparation helps both teams understand not only the cultural norms of their colleagues but also how these norms will impact daily operations, such as communication, task execution, and problem-solving. Another important recommendation was to avoid making decisions based solely on cost advantages, such as lower wages. Cultural differences can introduce unexpected complexities that may require additional time and resources to address, potentially offsetting the initial cost savings. For example, businesses should be prepared to invest in team-building activities and regular feedback sessions to ensure that all team members feel comfortable contributing their ideas and concerns. Finally, there is a great importance of clear, open communication from the outset. Establishing mechanisms for honest feedback, where employees feel safe to express their difficulties or uncertainties, is essential for avoiding misunderstandings and ensuring that projects are completed successfully.