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BUSINESS TARGETS AND CORPORATE GOVERNANCE MODELS

Adam SAMBORSKI

University of Economics in Katowice, Poland; adam.samborski@ue.katowice.pl, ORCID: 0000-0001-7330-5866

Purpose: The purpose of the study was to compare the management practices of American, German and Polish enterprises in the cross-section of business objectives analysed.
Design/methodology/approach: The paper assumes that the differences in setting business objectives result from the differences in corporate governance models. The study used the Kruskal-Wallis One-way Analysis of Variance by Ranks and multiple comparisons of mean ranks for all samples.
Findings: The study found that some of the management practices of German, Polish and American enterprises differed across business objectives. However, differences in management practices did not always coincide with differences in corporate governance models. The research shows that corporate governance institutions do not always explain existing differences in management practices, and that the setting of business objectives also depends on other factors.
Originality/value: The conducted research enriches the literature in the area of strategic management by issues concerning the determinants of setting business goals in enterprises.

Keywords: business targets, corporate governance models, differences in management practices.

Category of the paper: Research paper.

1. Introduction

The activities of an enterprise are purposeful in nature. The company's business objectives determine the direction of its development (Stoner, and Wankel, 1994). However, there are differences in the institutional set-up of individual countries. Businesses operate in a different socio-economic environment. Their behaviour and choices are influenced by different formal rules and informal constraints (North, 1992). It is therefore legitimate to ask – are the business objectives of companies operating in different countries the same or different (Hofstede, 2004). The research was limited to three groups of companies, adopting the criterion of country of origin, i.e. American, German and Polish. Each of these countries is associated with a different model of corporate governance. The category of a company's business goal is a very broad notion and requires specification. It includes: type of goals, their internal connections and time scope, as well as degree of difficulty and clarity of formulating goals (Bloom et al., 2021d).

The question about business objectives can be further clarified by pointing to specific questions such as:

- how are the financial and non-financial objectives of US, German and Polish enterprises set?
- what measures do US, German and Polish companies use to set their goals?
- what is the time horizon of the targets set by American, German and Polish enterprises?
- what is the degree of difficulty of the targets set by American, German and Polish companies?
- are the goals set in a clear way at American, German and Polish enterprises, and are individual employee performance against the goals compared?[1]

The institutional arrangements determining the behaviour of enterprises are linked to specific models of corporate governance (North, 1992; Hofstede, 2004).

Corporate governance creates a structure through which the company's objectives are set. The structure also provides the means to achieve these objectives and the means to track the company's performance (OECD, 2004). Corporate governance refers to the distribution of power within the company (Tricker, 2019). It includes the distribution of rights and the possibility to enforce them. This includes the rights of shareholders, creditors, employees, suppliers, subcontractors and customers of the company (Schmidt, and Tyrell, 1997). These rights derive directly from the company's articles of association and the legal framework governing its operation (Schmidt, and Tyrell, 1997). It consists of rights of decision-making, intervention or control in the company (Schmidt, and Tyrell, 1997). Besides formal rules, corporate governance is also shaped by informal constraints, such as voluntary codes of conduct, norms of behaviour, social values, conventions (North, 1992). It can therefore be defined as institutional and organisational mechanisms aimed at resolving conflicts of interest between different stakeholder groups within a company (Schmidt, and Tyrell, 1997). However, corporate governance cannot be confused with management. It is something different. Management is concerned with running the affairs of the company. The role of governing bodies, on the other hand, is to ensure that the affairs of the company are managed both well and in the right direction (Tricker, 2019).

Three models of corporate governance have emerged over the years.[2] These are: the market-based governance model (example United States), the relationship-based governance model (example Germany) and the transitional governance model (example Poland) (Praveen Bhasa, 2004). These models have developed in countries with different legal and financial systems, different ownership structures in companies, different cultures and different social, economic and political conditions (Adungo, 2012).

[1] The questions were formulated on the basis of a survey instrument: (Bloom et al., 2021d).
[2] The literature on the subject also proposes other divisions.

Differences and similarities in corporate governance institutions in the United States, Germany and Poland are presented in Table 1.

Table 1.
Corporate governance institutions in the United States, Germany and Poland

	United States	Germany	Poland
the company concept	instrumental (shareholder-oriented)	institutional	institutional
the company's core business objective	shareholder value, profitability	stakeholder value, multiple objectives (profitability, market share, employment)	stakeholder value, multiple objectives (mainly profit or other economic objectives)
concentration of ownership in listed companies	low-dispersed ownership	moderate/high	high
dominant entities in the ownership structure of listed companies	portfolio investors (small shareholders)	strategic investors (large shareholders, stable shareholding)	large shareholders
shareholders of listed companies	mainly individuals, and institutional investors	families, industrial companies, financial institutions	companies, financial institutions, individuals, State Treasury (large companies)
key stakeholders in listed companies	top management, shareholders	banks, top management, employees (stakeholders represented at board level)	shareholders, top management, employees
the importance of the capital market in the economy	high - strong capital market with high liquidity	moderate/high-capital market with relatively low liquidity	moderate
external control market of the corporation of an active nature	yes	no	no
rewarding top managers in listed companies based on performance/market incentives	high	low	low
board structure in joint stock companies	one-tier board structure	two-tier board structure	two-tier board structure
the cultural aspect of decision-making	individualism	collectivism	individualism/collectivism
economic relations	short-term, focus on short-term results	long-term (complex links, interconnections, mutual agreements)	medium-term
competition strategies of enterprises	radical innovation (in new economic sectors), price competition (in established economic sectors)	non-price competition (incremental innovation)	price competition
responsibility towards society in listed companies	voluntary, defined at strategy level	mandatory	voluntary
labour market	decentralised, flexible forms of employment predominate	centralised, stable labour market	centralised

Source: (Praveen Bhasa, 2004; Weimer, and Pape, 1999; Desender et al., 2020; Meier, H.H., and Meier, N.C., 2014; Vitols, 2001; Franks, and Mayer, 2017; Jackson, and Moerke, 2005; Mintz, 2005; Casper, 2001; West, 2009; Adamska, 2013; Aluchna, and Tomczyk, 2016; Kozioł, 2008; Łudzińska, and Zdziarski, 2013).

The characteristics of the different corporate governance models have important implications for the type of business targets a company adopts. The type of business objectives within a company depends on both internal factors and institutional and economic conditions (Howe, 1986). Numerous constraints influence the shape of business objectives. These arise from limited access to capital, from legal constraints on the company's growth potential or market share, as well as from cultural constraints and the strategy adopted (Howe, 1986). However, the development strategies of individual enterprises are influenced by their ownership structure (Adamska, 2013). The ownership structure determines the financial objectives adopted. This is because small investors have different expectations of the company, while sectoral or institutional investors (e.g. investment funds, pension funds) have different ones (Howe, 1986). These expectations relate to financial objectives, their balancing with non-financial objectives, and the time horizon of return on investment. Corporate objectives and strategy are also affected by the degree of ownership concentration. When ownership is separated from control in dispersed ownership structures, shareholders have less influence over managers. It is then the managers who determine the shape of the strategy and the types of objectives pursued (Howe, 1986). This is different in the case of concentrated ownership structures, where the dominant shareholder directly controls the managers.

The choice of business objectives is influenced by the overriding interest perspective adopted within the company: shareholders or stakeholders (Maassen, 2002). Taking the shareholders' perspective, the goal of a company's action is to maximise its value. Taking a stakeholder perspective, the task of managers is to act in the interests of various entities (Jensen, 2001).

The time horizon of the objectives, in addition to the strategy already mentioned, is also influenced by the nature of the economic relationship (short-term vs. long-term), the importance of the capital market (large vs. small) and issues concerning the way top managers are remunerated. A strong capital market, linking manager remuneration to pro-market incentives, results in managers focusing on short-term performance (Praveen Bhasa, 2004; Weimer, and Pape, 1999; Howe, 1986). In such a situation, short-termism also applies to economic relations (Weimer, and Pape, 1999). Long-termism in economic relations, on the other hand, is associated with an economic model in which the capital market plays a lesser role (Weimer, and Pape, 1999). In this case, the time horizon of the objectives becomes longer.

The degree of difficulty of formulating objectives is related to the specifics of the labour market, the strategies pursued and cultural aspects. Research shows that clearly formulated goals increase employee motivation and productivity. Employees then take responsibility for team goals and it is easier to set individual work goals in the context of team goals (Mayer, Dale, and Fox, 2020). As regards comparability of objectives, the nature of the local labour market and cultural aspects play a key role.

The shape of the business objectives set is linked to specific corporate governance institutions. However, corporate governance models are not permanent. They change over time. Some researchers expect that in the near future, national differences will lose their importance and a single corporate governance model will emerge (West, 2009). They foresee the triumph of the shareholder-oriented corporate governance model (Hansmann, and Kraakman, 2000). In such a situation, one would expect a standardisation of management practices within companies. For other researchers, however, there is no reliable evidence for this (Adungo, 2012; Rossouw, 2009; West 2009). In their view, differences in the governance structure and ownership of companies are key (Adungo, 2012). They also point to factors such as the path of dependency, cultural values, economic, social and legal conditions (Testy, 2002). Undoubtedly, however, corporate governance models are intertwined. They share characteristics of other models (Thomsen, 2003). Convergence is particularly evident in economic sectors dominated by multinationals. However, this observation does not apply to small and medium-sized enterprises, which are often managed differently from multinationals. Consequently, corporate governance models not only differ from one another, but are also internally diverse (Edwards, 2004). The convergence process itself depends on many factors (Yoshikawa, and Rasheed, 2009). The degree of similarity between corporate governance models is influenced by economic integration. Harmonisation of corporate governance practices is also fostered by the process of harmonisation of legal solutions across countries (Palepu, Khanna, and Kogan, 2002). Convergence can also take different forms, namely: functional, formal and contractual convergence. It all depends on the flexibility of the institutional set-up in a given country (Gilson, 2000).

Consequently, there can be no single model of corporate governance. Although corporate governance models are intertwined as a result of progressive economic integration, each has retained basic characteristics that result from different economic, social and legal conditions. This diversity translates into differences in corporate management practices between countries. By grouping enterprises according to their country of origin, i.e. Germany, Poland, USA, it can be assumed that management practices of German, Polish and American enterprises differ.

The aim of the study is to compare management practices in American, German and Polish enterprises in terms of the business objectives analysed.

2. Method

The data used in the study comes from The World Management Survey and was obtained from the Harvard Dataverse Repository (Harvard Dataverse, www 2022). The World Management Survey (hereafter WMS) is a collection of data on management practices in enterprises that has been developed to measure their quality. The WMS is international and cross-industry. It is an interview-based tool for assessing the quality of management practices in companies. The WMS defines 18 key management practices in companies from 35 countries. These practices are rated on a scale from 1 to 5 ("worst practice" – "best practice"). The WMS assesses the key areas in which companies operate, i.e. monitoring, objectives, people management (Bloom et al., 2021a; 2021c).

The research used data on management practices in American, German and Polish companies operating in the Manufacturing sector (2-Digit SIC, www 2022). A total of 430 German, 238 Polish and 953 US companies were surveyed (Bloom et al., 2021c). Data on management practices relate to business targets and include:

- Target 1. Types of objectives and balancing of financial and non-financial targets.
- Target 2. The interrelationship between goals.
- Target 3. Time range of objectives.
- Target 4. Degree of difficulty of the objectives and their rationality.
- Target 5. Clarity of the formulation of the objectives and their comparability (Bloom et al., 2021d).

A description of management practices for setting business objectives is provided in Table 2.

Table 2.
Management practices for setting business objectives (rating scale from 1 to 5)

	worst practice (assessment 1)	**best practice (assessment 5)**
Target 1	setting purely financial or operational targets	balance between financial and non-financial objectives
Target 2	setting targets solely on the basis of accounting data	setting targets based on shareholder value linked to individual objectives
Target 3	short-termism of goals in top management practices	linking long-term objectives to short-term objectives in such a way as to help achieve long-term goals
Target 4	setting goals that are too easy or impossible to achieve	adopting challenging targets based on sound reasons
Target 5	adopting complex and incomprehensible performance measures and not making individual results public	adopting well-defined performance measures, communicating them properly, ranking them and making individual results publicly available

Source: (Bloom et al., 2021a; 2021b; 2021c; 2021d).

Countries (Germany, Poland, USA) were used as grouping variables, ratings of management practices were used as dependent variables.

A null and an alternative hypothesis were formulated for each management practice. The null hypothesis assumed that all mean ranks of management practice ratings in the study population of enterprise groups are the same (across individual business objectives). In the alternative hypothesis, on the other hand, it was assumed that at least one pair of mean ranks of management practice ratings is different (across individual business objectives) (Holmes, Illowsky, and Dean, 2018; Sheskin, 2000; Rabiej, 2012). For three groups of enterprises (German, Polish and American) and five objectives, we have:

Null hypotheses:

$H_{0\,1}: \bar{R}_{1\,1} = \bar{R}_{2\,1} = \bar{R}_{3\,1}$

$H_{0\,2}: \bar{R}_{1\,2} = \bar{R}_{2\,2} = \bar{R}_{3\,2}$

$H_{0\,3}: \bar{R}_{1\,3} = \bar{R}_{2\,3} = \bar{R}_{3\,3}$

$H_{0\,4}: \bar{R}_{1\,4} = \bar{R}_{2\,4} = \bar{R}_{3\,4}$

$H_{0\,5}: \bar{R}_{1\,5} = \bar{R}_{2\,5} = \bar{R}_{3\,5}$

Alternative hypotheses:

$H_{a\,1}$: At least two group means of management practice ratings $\bar{R}_{1\,1}, \bar{R}_{2\,1}, \bar{R}_{3\,1}$ are not equal to.

$H_{a\,2}$: At least two group means of management practice ratings $\bar{R}_{1\,2}, \bar{R}_{2\,2}, \bar{R}_{3\,2}$ are not equal to.

$H_{a\,3}$: At least two group means of management practice ratings $\bar{R}_{1\,3}, \bar{R}_{2\,3}, \bar{R}_{3\,3}$ are not equal to.

$H_{a\,4}$: At least two group means of management practice ratings $\bar{R}_{1\,4}, \bar{R}_{2\,4}, \bar{R}_{3\,4}$ are not equal to.

$H_{a\,5}$: At least two group means of management practice ratings $\bar{R}_{1\,5}, \bar{R}_{2\,5}, \bar{R}_{3\,5}$ are not equal to[3].

The Kruskal-Wallis One-way Analysis of Variance by Ranks was used to test the significance of differences between the mean scores of management practices in companies from three groups of countries, namely Germany, Poland and the USA (Kruskal-Wallis test) (Kruskal, and Wallis, 1952; Siegel, 1956; Rabiej, 2012; Śmigielski, www 2022; Śmigielski et al., 2020). The use of Kruskal-Wallis test was dictated by the fact that the assumptions of ANOVA analysis of variance with normal distribution of the variable were not met (in order to check the normality of distribution the Shapiro-Wilk test was used) (Rabiej, 2012; Śmigielski et al., 2020). The Kruskal-Wallis test examines the null hypothesis in which all samples are assumed to come from identical populations. In practice, as in ANOVA, two hypotheses are accepted, i.e. the null hypothesis, which assumes that the population means are equal, and the alternative hypothesis, which assumes that at least one of them is different (Kruskal, and Wallis, 1952).

In order to clarify the differences detected by the Kruskal-Wallis test, multiple comparisons of mean ranks for all samples were used (post hoc analysis). This allowed the means to be grouped and homogeneous groups to be identified. In order to assess differences in management practices in German, Polish and American enterprises, descriptive statistics were used, i.e. median and quartile deviation (Rabiej, 2012; Śmigielski, www 2022; Śmigielski et al., 2020). Calculations were performed using the Statistica programme (TIBCO Software Inc., 2017). The level of significance was adopted for $p < 0.05$ (Śmigielski et al., 2020).

[3] In formulating the hypotheses, the following were used: Holmes, Illowsky, and Dean, 2018; Sheskin, 2000.

3. Results

The Kruskal-Wallis One-way Analysis of Variance by Ranks shows that at least two group means of management practice ratings in the surveyed population of enterprises across the analysed objectives, i.e.:

$\bar{R}_{1\,1}, \bar{R}_{2\,1}, \bar{R}_{3\,1}$;

$\bar{R}_{1\,2}, \bar{R}_{2\,2}, \bar{R}_{3\,2}$;

$\bar{R}_{1\,3}, \bar{R}_{2\,3}, \bar{R}_{3\,3}$;

$\bar{R}_{1\,4}, \bar{R}_{2\,4}, \bar{R}_{3\,4}$;

$\bar{R}_{1\,5}, \bar{R}_{2\,5}, \bar{R}_{3\,5}$

are not equal (Table 3). The differences between them are statistically significant. The p-values for each objective are: $p_1 = 0.031$, $p_2 = 0.001$, $p_3 = 0.028$, $p_4 = 0.011$, $p_5 = 0.001$. At the assumed level of statistical significance, the verified null hypotheses:

$H_{0\,1}: \bar{R}_{1\,1} = \bar{R}_{2\,1} = \bar{R}_{3\,1}$;

$H_{0\,2}: \bar{R}_{1\,2} = \bar{R}_{2\,2} = \bar{R}_{3\,2}$;

$H_{0\,3}: \bar{R}_{1\,3} = \bar{R}_{2\,3} = \bar{R}_{3\,3}$;

$H_{0\,4}: \bar{R}_{1\,4} = \bar{R}_{2\,4} = \bar{R}_{3\,4}$;

$H_{0\,5}: \bar{R}_{1\,5} = \bar{R}_{2\,5} = \bar{R}_{3\,5}$

about the equality of the mean ranks of management practice ratings in the population of enterprises under study should be rejected.

The use of multiple comparisons of mean ranks for all samples identified differences in the evaluation of management practices across groups as detected by the Kruskal-Wallis test.

For Target 1, the differences in management practices of US and Polish enterprises were found to be statistically significant (p = 0.032). The differences in management practices between US and German enterprises are not statistically significant (p = 0.899). This observation also applies to the differences in management practices between German and Polish companies, which also turned out to be statistically insignificant (p = 0.363). The median rating of management practices was at level 3 for all analysed groups of enterprises (Table 4). Differences were found in the quartile deviation and amounted to 0.5 (Germany), 1 (Poland), 0.75 (USA).

For Target 2, there were statistically significant differences in management practices between Polish and American enterprises (p = 0.001) and between Polish and German enterprises (p = 0.001). In contrast, the differences in management practices between US and German companies are not statistically significant (p = 1.000). The median score of management practices for Germany and the USA was at the same level – 3.33, while for Poland it was 3. The quartile deviation for Germany and the USA was 0.5 and for Poland 0.75.

Table 3.
Target 1-5 in enterprises – Kruskal-Wallis test and p-value for multiple comparisons (two-sided)

<table>
<tr><td rowspan="2">Variable dependent: target 1</td><td colspan="3">p-value for multiple comparisons (two-sided); target 1
Independent (grouping) variable: country
Kruskal-Wallis test: H (2, N = 1614) = 6.930 p = 0.031</td></tr>
<tr><td>Germany (R:799.59)</td><td>Poland (R:741.12)</td><td>United States (R:827.70)</td></tr>
<tr><td>Germany</td><td></td><td>0.363</td><td>0.899</td></tr>
<tr><td>Poland</td><td>0.363</td><td></td><td>0.032</td></tr>
<tr><td>United States</td><td>0.899</td><td>0.032</td><td></td></tr>
<tr><td rowspan="2">Variable dependent: target 2</td><td colspan="3">p-value for multiple comparisons (two-sided); target 2
Independent (grouping) variable: country
Kruskal-Wallis test: H (2, N = 1620) = 51.808 p = 0.001</td></tr>
<tr><td>Germany (R:832.63)</td><td>Poland (R:613.39)</td><td>United States (R:849.78)</td></tr>
<tr><td>Germany</td><td></td><td>0.001</td><td>1</td></tr>
<tr><td>Poland</td><td>0.001</td><td></td><td>0.001</td></tr>
<tr><td>United States</td><td>1</td><td>0.001</td><td></td></tr>
<tr><td rowspan="2">Variable dependent: target 3</td><td colspan="3">p-value for multiple comparisons (two-sided); target 3
Independent (grouping) variable: country
Kruskal-Wallis test: H (2, N= 1619) = 7.161 p = 0.028</td></tr>
<tr><td>Germany (R:850.29)</td><td>Poland (R:751.98)</td><td>United States (R:806.35)</td></tr>
<tr><td>Germany</td><td></td><td>0.028</td><td>0.318</td></tr>
<tr><td>Poland</td><td>0.028</td><td></td><td>0.326</td></tr>
<tr><td>United States</td><td>0.318</td><td>0.326</td><td></td></tr>
<tr><td rowspan="2">Variable dependent: target 4</td><td colspan="3">p-value for multiple comparisons (two-sided); target 4
Independent (grouping) variable: country
Kruskal-Wallis test: H (2, N = 1614) =8.957 p =0.011</td></tr>
<tr><td>Germany (R:811.48)</td><td>Poland (R:727.05)</td><td>United States (R:825.81)</td></tr>
<tr><td>Germany</td><td></td><td>0.076</td><td>1.000</td></tr>
<tr><td>Poland</td><td>0.076</td><td></td><td>0.011</td></tr>
<tr><td>United States</td><td>1.000</td><td>0.011</td><td></td></tr>
<tr><td rowspan="2">Variable dependent: target 5</td><td colspan="3">p-value for multiple comparisons (two-sided); target 5
Independent (grouping) variable: country
Kruskal-Wallis test: H (2, N = 1614) = 21.017 p = 0.001</td></tr>
<tr><td>Germany (R:771.45)</td><td>Poland (R:709.34)</td><td>United States (R:848.14)</td></tr>
<tr><td>Germany</td><td></td><td>0.301</td><td>0.014</td></tr>
<tr><td>Poland</td><td>0.301</td><td></td><td>0.001</td></tr>
<tr><td>United States</td><td>0.014</td><td>0.001</td><td></td></tr>
</table>

Calculations: STATISTICA program (TIBCO Software Inc., 2017), own rounding.

Source: Data extracted from The World Management Survey dataset; (Bloom et al., 2021a; 2021b; 2021c; 2021d).

For Target 3, the differences in management practices between German and Polish enterprises are statistically significant ($p = 0.028$). In contrast, the differences in management practices between US and German enterprises ($p = 0.318$) and US and Polish enterprises are not statistically significant ($p = 0.326$). The median score of management practices for Germany was 3.5, for Poland and the USA 3. The quartile deviation for Germany and the USA was 0.5, for Poland 1.

For the fourth objective, there were statistically significant differences in management practices between Polish and American enterprises ($p = 0.011$). On the other hand, for differences in management practices between American and German enterprises ($p = 1.000$) and between German and Polish enterprises ($p = 0.076$), it can be concluded that they are not statistically significant. The median score of management practices for all groups studied was 3. The quartile deviation for Germany and the USA was 0.5, for Poland 0.75.

For Target 5, the differences in management practices between US and German enterprises (p = 0.014) and between US and Polish enterprises (p = 0.001) proved to be statistically significant. In contrast, the differences in management practices between German and Polish companies are not statistically significant (p = 0.301). The median score of management practices for Germany and the USA was 3, for Poland 2.5. The quartile deviation for Germany 0.5 for Poland and the USA 0.75.

Table 4.
Assessment of management practices on a scale from 1 to 5 in the area of business targets

	Germany	**Poland**	**United States**
Types of objectives and balancing of financial and non-financial targets			
Median	3	3	3
Quartile deviation	0.5	1	0.75
The interrelationship between goals			
Median	3.33	3	3.33
Quartile deviation	0.5	0.75	0.5
Time range of objectives			
Median	3.5	3	3
Quartile deviation	0.5	1	0.5
Degree of difficulty of the objectives and their rationality			
Median	3	3	3
Quartile deviation	0.5	0.75	0.5
Clarity of the formulation of the objectives and their comparability			
Median	3	2,5	3
Quartile deviation	0.5	0.75	0.75

Calculations: STATISTICA program (TIBCO Software Inc., 2017).

Source: Data extracted from The World Management Survey dataset; (Bloom et al., 2021a; 2021b; 2021c; 2021d).

4. Discussion

The research shows that some of the management practices of German, Polish and American enterprises differ in the cross-section of individual business objectives. These differences are to be found in formal institutions and informal constraints (Yoshikawa, Zhu, and Wang, 2014). Formal institutions and informal constraints influence each other to shape the country-specific corporate governance environment. Corporate governance, by providing a structure for setting business objectives (OECD, 2004), influences the way enterprises operate and their management practices. Formal institutions, through the legal framework, define the scope of discretion and shape the corporate environment. Within this discretion and the specific shape of the institutional environment, business objectives are formulated in enterprises. Informal constraints stem directly from social norms, certain conventions and specific values (Yoshikawa, Zhu, and Wang, 2014). Informal constraints shape individuals, their behaviour and their relationships with others. Socially formed attitudes are central to the objectives adopted in companies.

However, the differences in management practices of American, German and Polish enterprises in terms of individual objectives do not always coincide with differences in corporate governance models. Hence, it can be assumed that corporate governance institutions do not always explain the existing differences in management practices and that the setting of business goals depends on other factors as well. On this basis, additional questions may be formulated:

- what factors outside corporate governance institutions influence the setting of business objectives in companies?
- what role does flexibility of institutional arrangements and economic integration play in the convergence of management practices?
- which management practices tend to converge and which are specific to a particular community of values?
- do management practices differ according to the size of enterprises and their level of internationalisation?

Such questions may provide directions for further research in the area under consideration. The conducted research enriches the literature in the area of strategic management by adding issues concerning the determinants of setting business goals in enterprises. The research should be continued and extended to other countries.

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