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# Public ethnocentrism. A cognitive orientation and preventive measures

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**Abstract.** The concept of sustainability requires a reduction in the scale of different economic and organisational obstacles, which destabilise domestic economies. The preliminary study showed that there is a specific motivation influencing public decision-making behaviour in the course of public purchases of goods and services, namely public ethnocentrism. Despite several studies, this phenomenon remains mostly unexplored, especially in the field of preventing ethnocentric behaviours that may lead to epistemic injustice. This study was aimed at initiating an effort to fill the research gap by creating a generally accepted approach to evaluating ethnocentric attitudes in the public sector. Based on the literature review, which includes the well-known Norton-Kaplan Balanced Scorecard, we formulate the original four-element model of preventing public ethnocentrism in the public sector supplemented by nine variables of effectiveness in preventing public ethnocentrism. We offer a new, additional worldwide tool for measuring economic freedom. This research provides the basis for elimination of public constraints in achieving sustainability.

Keywords: sustainability, public management, ethnocentrism, business excellence, constraints.

JEL Classification: D73, M21, Q01

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## 1. INTRODUCTION

The phenomenon of ethnocentrism was identified more than 100 years ago, but research on public ethnocentrism began only relatively recently (Dobrowolski, 2017; Danaj et al., 2018). The first world preliminary research on public ethnocentrism conducted by Dobrowolski and Lebiocka - mainly in Poland - confirmed the existence of ethnocentric attitudes among public decision-makers that may affect entrepreneurs by distorting the correct public choice (Dobrowolski, 2017; Lebiocka, 2017; Dobrowolski & Szejner, 2019). Sustainable development requires a multidimensional balance in public and economic life, which has been widely described in literature (c.f., Emerson, 2006; Aidt, 2009; Stachowicz-Stanusch & Sułkowski, 2010; Freckleton et al. 2012; Forson, 2016; Blanc et al., 2018; Danaj et al., 2018; Dobrowolski & Sułkowski, 2020). Public ethnocentrism is one of the obstacles to achieving this balance.

Although public ethnocentrism negatively influences sustainable development, there is a gap in studying the preventive measures. This study fills this research gap and is aimed to determine how public organisations should prevent the occurrence of public ethnocentrism in their activities. This aim is related to management sciences. The research focuses on the control function of management, the necessity of which was repeatedly underlined in literature.

The paper proceeds as follows: First, we discuss the research methods. Next, we review the previous studies on the ethnocentrism concept and review the last research on public ethnocentrism. We identify a comprehensive preventive approach to public ethnocentrism. Finally, we formulate conclusions and present areas for future research.

## 2. MATERIALS AND METHODS

During the literature review on public ethnocentrism, we found that there is a lack of research studies on this phenomenon except studies carried out by Dobrowolski (2017; Dobrowolski & Szejner, 2019) and Lebiocka (2017). According to research, pointed out above, we assumed that public ethnocentrism could be studied similarly to the case of consumer ethnocentrism, where a significant body of literature exists (c.f., Shimp, 1984; Shimp, & Sharma, 1987; Sharma et al., 1994; Watson, & Wright, 2000).

The review of the literature of ethnocentrism showed a lack of research on ways to counteract ethnocentric behaviour in public organisations. Therefore, this study aimed to determine how should public organisations prevent the public ethnocentrism in their activities. This aim allows one to formulate the following research question: How can public ethnocentrism be prevented? The research effort was to propose a model to prevent public ethnocentrism in each organisation and to identify and to describe critical questions that may be used in measuring the scale of ethnocentric attitudes in the public sector and during the formulation of a worldwide Public Ethnocentrism Perception Index.

To address the research goal, we reviewed the literature included research on consumer ethnocentrism. Considering the effects of public ethnocentrism and thus the distortion of correct public choice, which is also the result of corruption, we also decided to examine the literature on corruption to develop proposals to counteract public ethnocentrism. We decided to apply well know the concept of balanced scorecard in the practice of management, and we assume that it can form a starting point to build a model for the effective prevention of public ethnocentrism.

## 3. PREVIOUS RESEARCH AND THEORETICAL FOUNDATION

## 3.1. The concept of sustainability

The concept of sustainability, which consists of three essential aspects of development: economic, environmental and social, requires stability. It means a balanced use of natural resources, economical use of energy and the use of renewable sources. It necessitates ensuring equal development opportunities and security for citizens regardless of their level of wealth (Harris, 2003). The implementation of sustainable development goals requires large financial outlays. The study of Sokolovska and Kešljević (2019) show transition to sustainability implies high private and public costs causing trade-off (between costs and investments) to private investments. To solve it, we need public support to sustainability transition to deal with the private investments trade-off. The implementation of renewable energy sources and the combination of this energy production method with nuclear reactors - meeting the highest safety standards - requires significant public expenditure. Growing social expectations in the field of health care means that the theory of Wagner's rising expenses is being realised in practice. Finally, ensuring equal development opportunities for all, means enormous investment in social policy, social housing, education and social assistance. Customer-based perceptual corporate sustainability has significant impact on customer loyalty with the strongest impact in the financial industry and telecommunications. Corporate sustainability increase customer loyalty varying across industries having important impact on company's performance (Moisescu, 2018; Korzh et al., 2017). The implementation of all these public tasks is a challenge for every country. It requires a strong economy based on solid principles, which is underlined in the literature (c.f., Harris, 2003; Emerson, 2006; Aidt, 2009; Aidt, 2011; Freckleton e al., 2012; Boyer et al., 2016; Chohaney et al., 2016; Herremans et al., 2016; Forson, 2016; Blanc et al., 2018; The United Nations, 2019; Dobrowolski & Sułkowski, 2020). Corruption, well researched and described in the literature, destroys economic balance. Public ethnocentrism, which is the phenomenon described a few years ago, may have the same impact (Dobrowolski & Szejner, 2019). Economic sustainability in research must include a subfield of financial sustainability having significant impact on microfinance institutions and associated effect on poverty-lending (Ullah et al., 2019). Sustainable entrepreneurship (company efforts to meet sustainable developments and customer needs) improves firm performance through increase in customer loyalty satisfaction (Scridon et al., 2019; Bilan et al., 2017).

## 3.2. The preliminary research on public ethnocentrism

Ethnocentric behaviour exists when one's group is the centre of everything, and all others are scaled and rated regarding it (Bizumic, 2014). The term ethnocentrism was created by Sumner, who used it in 1906, but Polish scientist Gumplowicz had used the concept of ethnocentrism (more specifically, "Ethnocentrismus") for the first time in print in 1879 (Bizumic, 2014; Dobrowolski & Szejner, 2019). Shimp and Sharma created the concept of consumer ethnocentrism. They defined as a belief shared by consumers as to the need to purchase goods of domestic origin (Shimp & Sharma, 1987). This belief is fuelled, among other things by fears, like the loss of jobs.

The general concept of ethnocentrism was presented descriptively more than one hundred years ago and consumer ethnocentrism and its influence on business and other areas of public life was recognised more than 40 years ago (e.g., Rierson, 1966; Schooler, 1971; Anderson & Cunningham, 1972; LeVine & Campbell, 1972; Markin 1974; Bannister & Saunders 1978; Berkman & Gilson 1978; Shimp 1984; de Ruyter, 1998; Brown & Wahlers, 2002; Bizumic & Duckitt, 2012; Zeugner-Roth, 2015; Hales & Edmonds, 2018; Karoui, 2019; Basfirinci & Cilingir, 2020) The phenomenon of public ethnocentrism was described three years ago (Dobrowolski, 2017). Shimp and Sharma (1987) created the concept of consumer ethnocentrism.

Dobrowolski defined the public ethnocentrism as a belief shared by decision-makers of public organisations that public needs should be met using goods and services of national or local origin (Dobrowolski, 2017; Dobrowolski & Szejner, 2019).

Operationalising public ethnocentrism, as in the case of consumer ethnocentrism, is complicated by the absence of a suitable scale of measurement. The California F-scale from 1947, as well as E scale designed by Adorno to measure the general structure of ethnocentrism, were considered inappropriate by Shimp for his research because of excessive generality. The same applies to the study of the phenomenon of public ethnocentrism. As in the case of consumer ethnocentrism, failure to locate an acceptable ethnocentricity scale requires the design of open-ended questions. The choice of open-ended questionnaires and interview techniques is justified, as the issue of public ethnocentrism is a complex, as in the case of consumer ethnocentrism. Shimp and Sharma developed a research tool for measuring ethnocentric attitudes. It is the CETSCALE questionnaire that consists of several seven-point Likert-scale questions related to consumer ethnocentrism. It seems that a similar approach can be used in the case of public ethnocentrism (Dobrowolski, 2017; Dobrowolski & Szejner, 2019; Androniceanu & Tvaronavičienė, 2019). One can generalise there is a need to assume that research of public ethnocentrism should use a strategy of epistemological pluralism that assumes the possibility of combining approaches taken from different paradigms of management science, provided that consistent research results are achieved (Dobrowolski, 2017; Dobrowolski & Szejner, 2019; Androniceanu et al., 2019).

During the preliminary research (covering Poland), the behaviour of public employees in Polish local government was analysed. The atudy aimed to determine whether these public employees were ethnocentric and whether they were indeed aware of it. The choice of city – Czestochowa was not accidental. It was chosen because the Silesia Region where Czestochowa City is partially located in a region with a different dialect, and with slightly different customs from other regions in Poland. The ethnocentric attitudes of public officials from Czestochowa City were compared with the ethnocentric attitudes of public officials from other cities in Western Poland. This comparison was aimed at assessing whether ethnocentric attitudes existed only in Silesia Region or whether they were widespread. Data for this research was collected using a questionnaire that was anonymously administered to 60 City Hall staff members (Lebiocka, 2017; Dobrowolski, 2017; Dobrowolski, 2017; Dobrowolski, 2019).

The 60 respondents were randomly selected. The questionnaire responses showed that a majority (90%) of Czestochowa City Hall respondents expressed views in support of ethnocentric attitudes. Besides, such ethnocentric attitudes existed even though a majority of respondents (87%) reported that they did not understand the concept of public ethnocentrism (Dobrowolski, 2017; Lebiocka, 2017; Dobrowolski & Szejner, 2019). In the opinion of most respondents (85%) when selecting products/services public sector, staff should take the origin of a company into account.

Furthermore, most respondents (80%) believed that in product/service selection, it is necessary to take account of whether a company is from the near vicinity or not. Considering the origin of a company when selecting products/services can be viewed as a manifestation of an ethnocentric attitude. However, more than half of the surveyed group (70%) held the view that considering the brand is an essential determinant in the choice of products/services. It supports the idea that popular brand products can attain higher levels of consumer trust. Therefore, although - based on respondents' views - the origin of a product/service can significantly influence the decision to choose a supplier, it is worth noting that the product/service brand can also play an essential role in this process (Lebiocka, 2017). Most of the respondents (70%), held the opinion that choosing local products/services had a positive impact on the social or economic situation of the region, by reducing the level of unemployment. More than half of respondents (58%) believed companies from Czestochowa and the surrounding area were more trustworthy than those from other areas. Distrust of firms that are not local may be due to various factors including

prejudice, fear of the unknown, or ignorance of companies which are not local. About one-third of respondents (35%) viewed local products/services to be natural to obtain. Despite the positive views of local products, some respondents did not believe that local products/services were of satisfactory quality. Besides, only 17% of respondents felt that local products/services were well known to them. Although 8% of respondents do not think that local products are of good quality, the vast majority (92%) of respondents still had positive views of local products/services (Lebiocka, 2017). These survey results are suggestive of ethnocentric attitudes. Another public ethnocentrism research effort using an interview technique (openended interview) included 60 randomly selected employees of municipal offices located in western Poland. This effort found that these employees also showed ethnocentric attitudes. Most (80%) of interviewed employees believed that awarding a contract to a local producer/ service provider supported the local labour market. Most respondents (90%) perceived ethnocentric behaviour as a risk-mitigating factor in public procurement (the supplier is known). Foreign respondents stated that public ethnocentrism could be seen as a manifestation of the attitude of "local patriotism", protection of jobs of their relatives, friends. Public ethnocentrism in the opinion of respondents from Germany, the Czech Republic and Austria may have resulted from the conviction that services or goods produced in these countries are better than in other countries and must be protected against unfair competition resulting, for example, from lower labour costs (Dobrowolski & Szejner, 2019).

Based on preliminary research on public ethnocentrism, it was found that public ethnocentrism can lead to nepotism and can be closely related to other corrupted practices. Public ethnocentrism differs from corruption in that it is not penalised. There is one more difference between these two phenomena. Corruption is generally understood as a common irregularity. Ethnocentric behaviour, on the other hand, is tolerated and even supported by government policies in various countries (job creation in individual countries, supporting the national automotive industry, advertising products with a logo in the form of national flags). Preliminary studies of the phenomenon of public ethnocentrism have allowed the formulation of a generalisation that this phenomenon is a substitute for customs barriers in the period of globalisation. It seems that the differences between these two phenomena end there. There are many similarities. First, in both phenomena, the consequences are the exclusion of specific entities, entrepreneurs from free economic competition. Second, both phenomena lead to epistemic injustice and catalyse other organisational pathologies. Finally, in the end, both phenomena generate social costs (Dobrowolski, 2017; Dobrowolski & Szejner, 2019). Therefore, informing the public about the harmful effects of public ethnocentrism leads to epistemic justice. The approach to global justice should be based upon what one can call as a global understanding of public ethnocentrism as systemic injustices in public life. Preventing attitudes of public ethnocentrism can be considered as an effort to meet a minimal condition of decency, which is necessary to prevent economic opportunism (Dobrowolski, 2017; Dobrowolski & Szejner, 2019). Limiting economic opportunism is essential to reduce transaction costs. Therefore, it is in the interest of both entrepreneurs and purchases of goods and services, including public organisations.

A review of the literature on ethnocentrism (c.f., bibliography of this article) showed that there are no published studies on ways to identify and counteract ethnocentric behaviour in the public sector. Meanwhile, public ethnocentrism may distort correct public choice, including in public procurement.

## 4. RESULTS

Public ethnocentrism like consumer ethnocentrism may affect entrepreneurs. Therefore, there is a need to create the Ethnocentrism Perception Index (EPI), which ranks all countries and territories by their perceived levels of public sector ethnocentrism according to experts and business people. EPI, as in the CPI case, should use a scale of 0 to 100, where 0 means that a country is highly ethnocentric and 100 means

the country is clear of from ethnocentric attitudes. Such EPI should reveal if a particular country implements solutions, which prevent and eliminate ethnocentrism in the public sector (Dobrowolski & Szejner, 2019). One can summarise both indexes: EPI and CPI will better measure constraints of business operations and will be a supplement to the World Bank study on doing business.

One needs to assume the EPI methodology should include (as in the case of CPI) selection of questions used in surveys. Proposed examples of such original questions, based on Transparency International concept related to corruption (2018), are presented in Table 1.

Public ethnocentrism questions

Questions for public officials

Table 1

Range from a low of

Questions for public officials	Kange nom a low of
	1 to a very high of 10
How does public officer grade the risk that individuals/companies will face public ethnocentrism to carry out business, from securing major contracts to being allowed to import/export a small product or obtain everyday paperwork?	
How common is it for firms to meet public ethnocentrism connected with the following:  a) Imports and exports b) Public utilities c) Annual tax payments d) Awarding of public contracts and licenses	
e) Obtaining favourable judicial decisions	
Is the country's economy free of excessive state involvement?  Are there clear procedures and accountability governing the use of public funds? Is there a tradition of taking into account the country of origin of goods or services during public procurement?	
Has the government implemented active anti-ethnocentric initiatives in the public sector? (Assessments range from a low of 1, where the government fails to contain public ethnocentrism in the public sector, and there are no integrity mechanisms in place to a high of 10, where the government is successful in containing public ethnocentrism, and all integrity mechanisms are in place and active).	
Is the government free from excessive bureaucratic regulations, registration requirements, and other controls that increase opportunities for public ethnocentrism?  Are there significant limitations on the participation of government officials in economic life?	
Are there adequate laws prohibiting conflict of interest?  Does the state enforce an effective legislative or administrative process—particularly one that is free of prejudice against one's economic competitors?  Do whistle-blowers, NGO's activists, investigators, and journalists enjoy legal protections that make them feel secure about reporting cases of public ethnocentrism?	
Are identified examples of public ethnocentrism given a thorough and extensive airing in the media?	
To what extent are public officeholders prevented from ethnocentric attitudes in their decisions?	
(This question addresses how the state and society prevent public officials and decision-makers from accepting ethnocentric attitudes by applying mechanisms to guarantee the integrity of officeholders).	
To what extent are public officeholders who abuse their positions prosecuted or penalized?	
Does the public display high intolerance for public ethnocentrism?	

Source: own elaboration

Successful preventive systems need a compliance culture based on openness to experience and change, creativeness, ethical behaviour, all of which are crucial drivers of balanced prevention of non-compliance. Taking into account requirements of the successful prevention system we modify the Norton and Kaplan balanced scorecard and Dobrowolski and Szejner Balanced Scorecard of Compliance Culture Model for Innovation Ecosystem (Figure 1 and 2), and we propose comprehensive an anti-ethnocentrism approach to each organisation. Based on Dobrowolski and Szejner (2019a) comprehensive anti-corruption approach, we propose a simultaneous analysis of four variables of comprehensive anti-ethnocentrism. This balanced approach to nurture a culture of anti-ethnocentrism is based on assumption, where a mechanism for building relationships and other intangibles between individuals and entities are just as important as the ability to financing conceptualisation of innovative ideas to prevent ethnocentric attitudes in the public sphere.

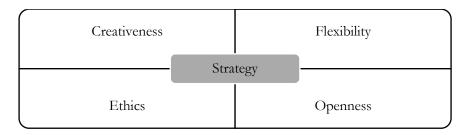


Figure 1. Balanced Scorecard of Preventing Public Ethnocentrism

Source: own elaboration based on own elaboration based on Kaplan Norton Balanced Scorecard

To succeed in combating	Creativeness				
public ethnocentrism, how	Objectives	Measures	Targets	Initiatives	
will we sustain and					
develop our ability to					
change and make					
improvements?					
To achieve our vision,	Flexibility				
how will we sustain and	Objectives	Measures	Targets	Initiatives	
develop our ability to act					
flexibly to effectively					
prevent public					
ethnocentrism?					
To satisfy our clients	Ethics				
which business processes	Objectives	Measures	Targets	Initiatives	
must we excel at?					
To achieve our vision how	Openness				
should we communicate to	Objectives	Measures	Targets	Initiatives	
our clients?					

Figure 2. Elements of Balanced Scorecard of Preventing Public Ethnocentrism

Source: own elaboration based on own elaboration based on Kaplan Norton Balanced Scorecard

Effective management of combating public ethnocentrism requires the appropriate formulation of objectives, design and management of each of the three levels: organisation, process and workplace. One can specify nine variables that create the anti-ethnocentrism effectiveness matrix (figure 3). Three variables

affect the organisation's anti-ethnocentrism performance in each of its areas. They show ways in which the organisation's goals are achieved, the way of designing the activities and the way of managing the organisation may influence three levels of efficiency: the level of organisation, the level of the process and the level of the workplace. This approach is similar to the one proposed by Rummler and Brache in achieving organisational effectiveness (Dobrowolski & Szejner, 2019a; Rummler & Brache, 1995).



Figure 3. Nine Variables of Anti-Ethnocentrism Effectiveness

Source: Own elaboration based on (Dobrowolski & Szejner, 2019a; Rummler & Brache, 1995).

Design of anti-ethnocentrism policy in the public sector requires a precise definition of organisational goals (according to the well-known SMART concept). It means that the goals of organisations combating public ethnocentrism should reflect not only the organisation's intentions but also the expectations of its clients. The organisation's goals must follow from the adopted strategy of operation. Therefore, the questions should be answered: has the organisation specific and understandable organisational goals that relate to counteracting public ethnocentrism? Does the organisation differ in this respect (positively) from other organisations? (Dobrowolski & Szejner, 2019a; Rummler & Brache, 1995).

The way of designing the organisational structure, process and workplace can influence the achievement of the goal. In the case of organisation design, one should answer the question: does the organisational structure allow effective implementation of strategy vis-a-vis public ethnocentrism? What should be changed in this structure, and why? Even if the organisation has goals related to combating public ethnocentrism and the appropriate structure, it can nonetheless achieve poor results due to improper management. One should, therefore, distinguish: 1) management of combating public ethnocentrism in the organisation. Each department should have defined goals that will help achieve the goals of the entire organisation; 2) management of performance indicators, which should be understood as acquiring information, how entities from external environments assesses the organisation, and how this assessment relates to the previously established assessment criteria. It should also be understood as taking corrective actions according to the concept of continuous improvement; 3) resource management. Resources should be so separated to enable each department of the organisation to implement goals; 4) management of interactions between organisational entities and solving intra-organisational problems, providing adequate support for joint activities of various parts of the organisation, through the adequate exchange of information. The implementation of tasks by an organisation is the result of processes taking place inside the organisation. Therefore, each of the processes must have set goals. It also applies to inter-entities processes that may affect the implementation of the organisation's strategy. The objectives of processes must be related to the requirements of clients. They must promote a compliance culture given that compliance is an essential requirement of reducing transaction costs. Next, it should be determined whether the method of designing the process allows effective implementation of the objectives. As part of process management, it should be determined whether sub-objectives have been set for each relevant activity in each process. One needs to establish whether clients have provided information about the results of the process; whether the results achieved were compared with the adopted criteria; whether as a result of the adjustment, the activity was regulated or the process objectives were changed to reflect the expectations of clients and the organisational possibilities. Resource management involves providing resources necessary to carry out individual activities in the process (Dobrowolski & Szejner, 2019a; Rummler & Brache, 1995).

At the workplace level, goals should also be set. The workplace should be designed to allow effective implementation of the objectives related to combating public ethnocentrism. As part of task management, one should look to ask the following questions: Do employees know what work results are expected of them and what standards apply to them? Do employees have adequate resources, receive clear-cut priorities for action, as well as understandable and enforceable responsibilities? Are employees rewarded for achieving the goals of the role they carry out? Do they know how their work is evaluated? Do employees have the skills and knowledge necessary for the implementation of the tasks set? Do employee attitudes ensure that goals are achieved? (Dobrowolski & Szejner, 2019a; Rummler & Brache, 1995).

Next, the three levels mentioned above (organisation, process and workplace) should be included in the four-element model of combating public ethnocentrism in the organisation (Figure 4).

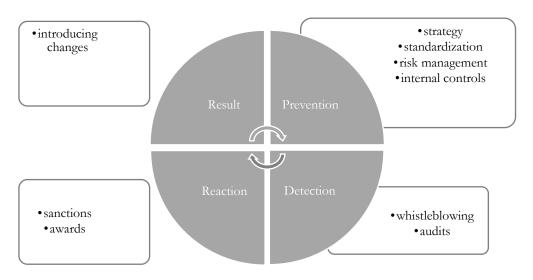


Figure 4. A four-element Model of Preventing Public Ethnocentrism

Source: Own elaboration based on (Dobrowolski & Szejner, 2019a)

Modifying Dobrowolski and Szejner (2019a) anti-corruption approach we formulate the following organisational tips. The management of the organisation is responsible for defining a compliance strategy, as well as a policy for counteracting public ethnocentrism and other pathological phenomena. The organisation should have documentation describing the principles (policies) adopted by it, in particular regarding 1) methods of protection of assets and liabilities against public ethnocentrism; 2) the manner of storing documentation, including whistle-blower notifications; 3) adopted rules for the classification of events; 4) description of the data processing system, methods of securing access to data and the system of their processing. The organisation should determine the tasks of internal controls in the field of counteracting and detecting ethnocentric attitudes in the public sector and also manages the risk of public ethnocentrism. As part of the detection process, the organisation introduces a system of notifying about irregularities and defines which protection measures should be taken against whistle-blowers. Appointment

of the representatives of the top-management the organisation for counteracting noncompliance enables, among other factors: 1) contact with whistle-blowers; 2) protection of whistle-blowers; 3) undertaking explanatory actions, including using the internal audit unit. Two activities should accompany the detection of public ethnocentrism cases: 1) one should draw a disciplinary consequence; 2) the recognition and reward of those who disclose public ethnocentric attitudes within the organisation. The last, fourth stage of the cycle in an organisation is also the basis for preventive activities (Dobrowolski & Szejner, 2019a).

## 5. CONCLUSIONS

Analysis of public obstacles on business allows a generalisation that there is a need to look at these obstacles in a multi-dimensional way. This means the need to see public ethnocentrism, which can lead to distortion of the correct public choice and increased transaction costs. The literature review showed that there was lack of methodology in preventing ethnocentric attitudes in the public sector. This article shows such methodology. The article is innovative and original. Realising the research goal, we offer a comprehensive analysis and prevention of ethnocentric behaviour in the public sector. Based on the experience of Transparency International, as well as Norton, Kaplan Balanced Scorecard, and anti-corruption accelerator proposed by Dobrowolski and Szejner, we formulate the comprehensive anti-ethnocentrism approach to each organisation. This approach is based on assumption, where a mechanism for building social capital is just as important as the ability to financing fight against ethnocentric attitudes in the public sphere.

Taking into account the requirement of the effectiveness of actions implemented in public organisations, we propose the formulation of objectives, design and management of each of the three levels: organisation, process and workplace. One can specify nine variables that create the anti-ethnocentrism effectiveness matrix. Besides, we formulate the nine variables of anti-ethnocentrism effectiveness and a four-element model of preventing public ethnocentrism. Being aware of the influence of ethnocentric behaviour on business, we postulate the need to create an Ethnocentrism Perception Index (EPI), which should be taken into account during the assessment of business freedom. To create EPI, we formulate questions, which enable the measurement of public ethnocentrism in the country level.

Future research should focus on developing and improving the methodology in determining EPI in each country of the world and assessing the public ethnocentrism influence on business operations. Further research may also focus on the role of particular public organisations in combating public ethnocentrism in the public sphere.

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