

# THE INFLUENCE OF CULTURE ON ORGANIZATIONAL STRUCTURES IN ROMANIA

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## *Abstract*

Culture exists at multiple levels, ranging from broad societal or national cultures to individualized corporate or organizational cultures. Within an organization, culture serves the same function as personality does to the individual—a hidden yet unifying theme that provides meaning, direction, and mobilization. The importance of studying organizational culture is determined by its practical valences, this variable being used increasingly in maximizing the performance of an organization. The present paper aimed to study the connections and influences that may arise between national culture and organizational structures.

**Keywords:** national culture, organizational structure, cultural dimensions

## **1. National culture and organizational structures**

There are two directions when it comes to research into national culture.<sup>1</sup> The first direction perceives culture as something tacit which arises naturally. The other, more common view is that culture is something explicit, which arises from social interaction. Hofstede<sup>2</sup> sees culture as patterned ways of thinking and feeling that constitute the “mental programming” distinguishing members of one group from another. Such mental programming consists of patterns of ideas and especially their attached values, which are conserved and passed on from generation to generation. Values may be manifested in practices, including rituals, heroes, and symbols. A society’s value systems constitute the societal norms determining practices such as those relating to social stratification, socialization, educational systems, and legislation.<sup>3</sup>

Hofstede<sup>4</sup> investigated national and organizational culture. He argues that there are four manifestations of culture, and the differences between national and organizational culture are due to their different uses. Hofstede differentiates between layers that have symbols that represent the most superficial culture often described as practice, layers that have values which represent the deepest manifestations of culture, and intermediate layers which describe heroes and rituals indicative of the organizational culture. He claims that national culture differences reside more in values and less in practices, and organizational culture differences reside more in practices and less in values.

Furthermore, Hofstede claims that we can detect national and organizational culture differences using a set of dimensions. Based on extensive empirical studies, Hofstede

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provides four dimensions that differentiate between national cultures: power distance, individualism–collectivism, masculinity–femininity, and uncertainty avoidance.<sup>5</sup>

## 2. Cultural Dimensions – Romanian case

Hofstede defined culture as “the collective programming of the mind which distinguishes the members of one human group from another. Culture in this sense, includes systems of values; and values are among the building blocks of culture.”<sup>6</sup> For Hofstede, then, cultural values are mental programs that are “partly unique, partly shared,”<sup>7</sup> “take both the person and the situation into account,”<sup>8</sup> and lead to “the same person showing more or less the same behavior in similar situations.”<sup>9</sup> Through mental programs, culture is to human groups what personality is to individuals. Hofstede identified three levels of cultural values: universal, collective, and individual.<sup>10</sup> Universal level values are the most basic and shared of human mental programs and include expressive behaviors such as laughing and weeping. Collective level values are shared by some, but not all, people; “they are common to people belonging to a certain group or category.”<sup>11</sup> Individual level values are the most unique and account for a diversity of behaviors within the same collective culture.

Hofstede’s study identified four principal dimensions of culture: power distance, uncertainty avoidance (UA), masculinity-femininity, and individualism- collectivism. These cultural dimensions influence individuals’ communication and, therefore, will affect the functioning of any organization.<sup>12</sup>

Based on the cultural dimensions, Romania is characterized by the following features:

- **Power Distance** - that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally.

- **Collectivism** - Communication within the group is strong, the relationship is more important than the task. Emphasis is placed on affiliation to organizations, awaiting help from the community, the lack of initiative, counterproductive vision on private property as well as the primacy of group interests.

- **Masculinity to femininity** – The Romanian culture is not homogeneous, as it comprises a set of very masculine tendencies (pronounced distinction between the behaviour of both sexes) and a set of very feminine tendencies - egalitarianism, negative vision on the wealthy persons, indolence, etc.

- **Average uncertainty avoidance** - this dimension is characterized by contrary tendencies: on the one hand, elements of strong avoidance (social impact of religion, the need of greater control over citizens), on the other hand, evidence of acceptance of uncertainty (neglect, carelessness, lack of rigor).

- **The average long-term orientation** - a consequence of traditionalism that exists at the deepest levels of culture as well as the ease of change at superficial level.

### 3. Influence of culture on organizational structures

The national culture of a country can influence the structure of human resources management. The organisational structures can be classified based on power centralization and degree of standardization, planning and formalization of roles. These two important elements are actually two cultural dimensions - power distance and uncertainty avoidance. The hierarchical distance gives the degree of decisions centralization which are set in a country and the uncertainty control explains the degree of roles formalization in organizations, namely job descriptions, rules and procedures standardization.

Taking into account these cultural dimensions, Romania fits into the group of countries with a high index of uncertainty avoidance and a high hierarchical distance, leading to a pyramidal bureaucratic organizational model.

The *pyramid, bureaucratic organization* is formalized and centralized; the hierarchical structure is based on control and regulation unit, the decisions being centralized by the head of the organization. Working procedures and relations between individuals are provided in a rigid manner, either through formal rules or laws or by custom and tradition. However, in the Romanian organizations often the relations between individuals are strictly set, but not the working procedures, the authority being represented by the main character - a kind of “father-leader” who holds power. Therefore rules and regulations are not always respected or are most often unclear and confusing.

In a feminine culture the “tough” human resource management practices are not easily accepted and group affiliation and solidarity are important, even in relation to personal welfare. In such an organization it is often accepted and even expected the recruitment of members of the same family, so, in Romania recruitment based on family relationships is very developed, especially in public organizations. In Romania, in recent years there have been considerable changes in terms of national cultural characteristics, being recorded an increasing number of masculine traits, that is why the individual performance is valued, taking the form of material and individual achievements.

A high uncertainty avoidance affects motivation, which are aimed at personal safety through membership and the support of the group they belong to (in a feminine culture) or by acquiring wealth through hard work (in a masculine culture). In general, countries that record a high hierarchical distance are those that have retained a collective mentality. Both dimensions, although they are different concepts, express a lower or a higher dependence of individuals on people who have power (in the case of the hierarchical distance) and on groups, communities or organizations they belong to (in the case of individualism / collectivism).

Romania records a high hierarchical distance, indicating the need for strict authority from superiors, but our mentality is a collective one with more individualistic accents, which makes us say that Romanians are moderate individualistic, dependent on authority and community. These features are contradictory because the authority is still present within organizations, but many employees want to remove the direct relationship of

dependency. This conflict can be resolved by a bureaucratic system which promotes centralization and impersonalized rules.

Regarding the management style that will be attracted by these two cultural dimensions, we can say that Romania is characterized by an autocratic management style acceptable to subordinates, through clan and family support, but also a paternalistic management style with many individual initiatives of employees.

With a high hierarchical distance, high uncertainty avoidance and a mostly collectivist and feminine orientation, Romanian organizations will prefer employees who respect and fulfil orders, hierarchical levels and tasks, even if they disagree with them, and the flow of information and documents is contained in the job description in detail, although most times, it is not effective. The ideal candidate will place group interest before the private one, being sociable, cooperative and helpful.

To avoid ambiguity and uncertainty, organizations rely on rules and regulations, the tasks and jobs being stipulated, but due to a high hierarchical distance, they are not often observed or not taken into account, the employees being disrupted by an “avalanche” of new tasks which they were not aware of. Short-term orientation and high uncertainty avoidance make Romanian organizations respond more slowly to change, that is why the job analysis is done only if it is necessary, using more often job specialization and widening than job enrichment and rotation.

Of all human resource management practices, performance appraisal is the most susceptible to cultural influence, highlighting the desire to involve employees in this process. In this case, also, we can not include Romania in a specific group. There are clear trends among employees to be increasingly involved in decisions making or performance and quality evaluation processes. But there is a lack of commitment and slack mentality, employee “homogeneity” within the group, thereby wishing a reduced visibility of the employee as a person. In Romania, the evaluation results are often used to determine the salary levels and helps in its administration.

In a feminine culture with a high power distance, the staff promotion is not always based on results and performance or competence, but on relations that have been established within the group and respect for authority. In this case, also, there have occurred changes, more and more promotions are made based on performance assessment and competence, especially for those managers who understand that human resource is a competitive advantage.

In our opinion, in Romania the employees still prefer benefits that offer certainty and security, both for individuals and families, seen as a community (in addition to the organizational one) that need to be looked after. Also, due to a high hierarchical distance, a subordinate will not accept a reward greater than that offered to his/her boss, being perceived negatively and somewhat threatening.

The Romanian employees generally prefer a group-oriented training in an informal setting to allow experimentation and active practice. Unlike Americans, Romanians have

not developed a teamwork spirit, tasks being undertaken individually, both at work and in an educational framework.

If we consider the legislative framework and the influence it can have on human resource management practices, in Romania there are no legal constraints regarding labour practices but there is no consistency and coherence in this direction, so many deviations occur from the legislative framework but also a certain freedom for human resources managers.

The analyzed organizations – 13 hospitality companies from Mureş county, fall within the national and organizational framework described above, being characterized by a high hierarchical distance, a feminine culture with masculine accents (though there is not a great differentiation of roles based on gender), they have a predominantly collectivist mentality but there are also individualistic orientations among employees and an average uncertainty avoidance. The changes that should be made in the management system of the studied organizations refer to changing the management style from an autocratic style to a participatory-consultative one, increasing thus the confidence in people and empowering them to participate in making decisions process.

Even if the firms are based on strict rules and regulations, they should be set out more clearly and promotions to meet the criteria of performance and competence. Human resource planning should be considered more carefully and, even if found to be important, the results highlight that it is almost inexistent. It should therefore be left to specialists.

### **Conclusions:**

If we characterize the organizational culture of the studied hospitality companies, in terms of national cultural dimensions (Trompenaars's classification), the organizations have a more family-type culture, although there are other influences and interference. In this culture the relations between employees are scattered and individuals are considered family members. People's satisfaction comes from the inside, they want more to be respected and loved, both by superiors and colleagues (most of the employees interviewed considered disregard from colleagues and leaders, as well as employees' ignoring as a person and their performance are the factors that lead most to a decreased performance at work).

Thinking and training is intuitive, comprehensive, lateral and in successive stages, and resolving conflicts and criticism is done by bridging disagreements and attempt to maintain the authority and face at any price. Authority is held by figures symbolizing the "father" (they are those who guide every move), people with strong character and are close to employees.

The national cultural dimensions of collectivism, high power distance, masculinity to femininity which characterizes Romania can be found in all these features of organizational culture. The high uncertainty avoidance is less represented, but trying to settle conflicts, they being regarded more negatively than positively, may express a desire

to maintain the present situation and the approach to avoid the unpredictability and uncertainty.

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- <sup>4</sup> Geert Hofstede, 1994, op. cit.
- <sup>5</sup> Geert Hofstede, 1994, op. cit.
- <sup>6</sup> Geert Hofstede 1984, "Culture's Consequence: International Differences in Work-Related Values," Newbury Park, CA: Sage, p. 21
- <sup>7</sup> Ibid, p. 15
- <sup>8</sup> Ibid, p. 14
- <sup>9</sup> Idem
- <sup>10</sup> Geert Hofstede, 1984, op. cit.
- <sup>11</sup> Ibid, p. 15
- <sup>12</sup> William B. 1997, Gundykunst, "Cultural Variabilities in Communication: An Introduction," *Communication Research* 24, pp. 327–348.