

THE INFLUENCE OF SOCIETAL AND CULTURAL VALUES ON MANAGERIAL BEHAVIOUR IN LITHUANIA

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The behaviour of managers is influenced by a number of factors that shape it within work organizations (the macrocultural environment, industrial and organizational cultures, the goals of organization, professional values, psychological factors, etc.). As it is impossible to describe and analyse all of these factors in the present article, I will concentrate attention on the influence of national culture on the behaviour of managers in a given society. The analysis is based on the value-oriented approach, which makes it possible to distinguish certain macrocultural features specific to Lithuanian society and which appear meaningful for an examination of the conditions and character of managerial behaviour in the country.

As the relationships in the international business arena become closer and contacts become more frequent, managers are beginning to understand the impact of culture on the formation and maintenance of competitive advantage. Companies, paying attention to culture, are seeing the results on their bottom lines. Such companies are making use of cultural differences to better understand their partners and customers, and to improve the productivity and effectiveness of their managers.

Cultural competence is no longer a nice skill to have. It is an economic necessity. Cultural competence begins with open attitudes, which facilitate the development of self-awareness and the awareness of others; these need grounding in cultural knowledge for the translation of cross-cultural skills (Brake, Walker, 1995). It is obvious that culturally competent managers are now a top priority for many companies.

Numerous researchers in the cross-cultural management sphere have provided insights of value orientations that underpin much cultural

behaviour in their investigations. A culture's primary set of orientations is the context within which management practices are conducted.

But cultural values and norms are not unchangeable, as a culture is a dynamic phenomenon, though core value orientations change very slowly and behaviours that are acceptable are passed from generation to generation. At the same time, the wider environment in which the culture exists is in a state of flux; economic, political, and social changes make their influence felt, and the culture's and people's behaviour must adapt to the new conditions. This statement also relates to the managerial culture, which merely reflects the national culture.

Speaking about the profile of managerial behaviour in different cultures, one must remember that, except for the influence of national and regional culture (i.e. macro cultural foundation), there exists the impact of many other factors, i.e. the values of the profession, the values of the industry, and the values of the organisation. Therefore, it has to be taken into consideration that the behaviour of the individual manager will conform to the dominant value orientations of a national culture, but at the same time this behaviour may contain significant differences.

In order to analyse the impact of cultural specifics on the managerial behaviour in Lithuania, it has been necessary to choose a model for this investigation (see Figure 1).

The chosen **model of key cultural orientations** is based upon the theoretical findings of researchers whose studies deal with a value-oriented approach to understanding culture. This framework focuses attention on orientations associated with ten key variables: environment, time, action, communication, space, power, individualism, competitiveness, structure, and thinking (Brake, Walker, 1995:45). These variables have a practical value for managers (especially in the international field) for organising cross-cultural experiences and identifying and working with key cultural differences.

The model of key cultural orientations allows one to understand managerial behaviour in terms of culture. It is an important step in becoming aware of one's own cultural orientations and in discovering

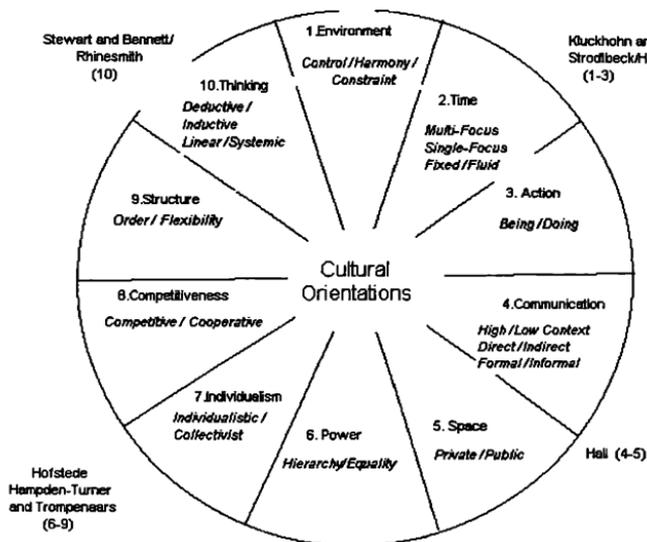


Figure 1 Cultural Orientations Framework

Source: Training Management Corporation (TMC), *Doing Business Internationally: The Cross-Cultural Challenges*, Seminar Coursebook: Princetown, NJ, 1992.

how these orientations impact the way of managing in one's own culture and through having contact with other cultures.

In the case of Lithuania, it has to be remembered that, during the period of Communist rule, the behaviour of Lithuanian managers was largely determined by the social and political order: namely, by the domination of politics over the economy, production over efficiency, and high centralisation over decentralisation; therefore, the current transition from a centralised command economy to a market economy requires not only major policy changes aimed at correcting the macro-economic

imbalances and the micro-economic inefficiencies of the past, but also fundamental changes in the management culture and behaviour of people and enterprises (UNDP for Lithuania,1995).

Local traditions of sound economic management existed in the pre-Second World War era, but the reign of the command economy was long and strong enough to eradicate most of them. Basic managerial and entrepreneurial skills have been neglected during the last decades, and it will require considerable time and effort to reintroduce them into the new generation of Lithuanian enterprises and business managers.

A half-century of Soviet rule and the economic system to which Lithuanians had to adjust in their day-to-day lives left, of course, an imprint in terms of popular attitudes towards work and social life. The group most heavily affected by the consequences of this system were managers and the upper echelons of the government bureaucracy. It strongly rewarded conformist attitudes and discouraged independence and initiative. What became the cultural norms were as follows: aversion to change; endeavouring after the preservation of the status quo; maximisation of security; and compliance with the directives and demands of power centres outside the enterprise.

The so-called "nomenklatura" system was combined with a widespread mechanism of negative selection. Many years of such negative selection and the interlocking of this mechanism with other built-in characteristics of the centrally planned economy (e.g. the primacy of production and replacement of the market with administrative means of resource allocation) meant that Lithuania embarked on her transition from a planned to market economy with a structural excess supply of managerial and administrative skills and psychologies which, for the most part, were of no use to management in a competitive environment.

In many cases, managers, who owed their appointments to the nomenklatura system, retained their posts in the state sector and/or privatised companies. Their professional backgrounds and experience, the behaviour and reaction instilled by the bureaucratic central planning system, and other such handicaps made them, on the whole, ill-equipped to cope with the challenges of a market economy.

Managers were generally regarded as an undesirable addition to production and improvement in efficiency was associated with reducing managerial costs to a minimum. Managers were commonly treated as ordinary employees, authorised by ministries and agencies to carry out the functions associated with managing the national economy on a lower level. For example, managers were mainly confined to controlling the manufacturing processes within enterprises, as long as the physical output of goods was always the highest economic priority. Appointments to managerial jobs were not based on objective selection criteria, but on ideology and politics.

Most managers were members of the Communist party and at least formally accepted the Communist ideology and its resultant policies. This is why ideological and political reasons had priority over economic efficiency. A considerable number of managers were actively engaged in party politics. It is hard to clearly state to what extent this attitude resulted from internal conviction. Part of the managers felt their mission in life was to build a better social and economic order. Another "ideology" was also observable, which consisted of efforts to retain the humble position and material goods that this category of managers had earned (Kozinski, Listwan in Peterson, 1993:186).

The creation of a market economy in Lithuania required a radical transformation of the values molded and firmly entrenched under the socialist economy, such as a sense of security, conformism, obedience and self-effacement, and deference to the decisions of higher-level authorities. These values, which in the past determined the behaviour of managers, grew into norms and evolved into an organisational culture which can be qualified as bureaucratic. Some qualities that were not required from managers in this Soviet period that are of great importance nowadays are as follows: innovativeness, entrepreneurship, and strategic thinking about the future of the organisation.

After this description of the impact of the former Communist system on the management sphere, which is necessary for a better understanding of the behaviour of Lithuanian managers, the author will present the

value orientations which influence the managerial activities in Lithuanian society. The dominating value orientations will be described according to the model of key cultural orientations (see p. 47).

ENVIRONMENT

When speaking about the orientation towards the environment in Lithuania, it has to be pointed out that there is no one straight trend. There is a mixture of *control and constraint trends*. A constraint orientation is noticeable, as life is uncertain and people associate control over their lives with the government, fate, i.e., with some external forces. Lithuanians are a more fatal culture. Seventy per cent of Lithuanians consent with the phrase, "If God wishes it to be so" (Gaidys, 1995).

Lithuanians are more risk averse and somewhat suspicious of change. This can be explained by a national character feature like conservatism. But there is the tendency, especially among the young business managers, to make more risky decisions, and they are more open-minded to innovations. From this perspective, we can say that a control orientation towards the environment really does exist in Lithuania. Many business people claim that "Life is what you make of it." The environment and other people can be molded to fit human needs. Thus, planning in organisations tends not only to be at the strategic level, but, at the same time, has become more detailed, precise, and task-oriented. It is assumed that the new kind of leaders (those orientated towards the new economic situation) can take charge and push through changes, and that the staff will be evaluated on their ability to implement appropriate actions and add value to the organisation.

TIME

Lithuania has a strong respect for tradition. Progress and change are not respected for their own sake, as people in Lithuania are more conservative and do not easily accept changes.

Businesspeople have a more *single-focused* orientation to time. Schedules are detailed enough and followed rather strictly, though the idea of time is less rigid than in the West (the attitude that time is money is not particularly respected). Meetings may begin and end on time, though time schedules are not as important as feelings.

Lithuania is orientated more to the *past and present*, and both orientations are perceived as an entire whole. High value is placed on the maintenance of historical sensibilities. Ancestor worship and strong family traditions relate to this preference. The traditional, patriarchal family is still powerful among Lithuanians. As to organisational life, the present approach is a dominant factor. Planning is more short-term, and the division and coordination of resources is based upon present demands, which is undoubtedly a reaction to the Communist past as well as a response to the current conditions of uncertainty.

ACTION

Lithuania is a more *doing-oriented* than being-oriented country, though attitudes emphasising efficiency and pragmatism of action were moderated and reduced for ideological and political reasons.

As it is commonly known, motivation in *doing* cultures is achievement-based, and rewards such as bonuses, recognition, and promotions are given on the basis of goal achievement. In Lithuania, however, the system of motivation became deformed and the aspiration for a career grew as a very important factor of stimulation. People, seeking careers, tried to enter the party and fill higher posts. The self-seeking aspiration, "climb to the top" initiated deep roots of hypocrisy that especially grew during the Soviet period (Melnikas, 1995:119).

Lithuanian managers in difficult situations can attempt serious tasks and achieve the best results, especially when they are convinced of the purposefulness of the action. Younger business managers, especially, have more of a tendency towards a more action-oriented style and to seek

independence and autonomy; they painfully feel any restrictions in these fields.

As in the other post-communist countries, the development of relationships with outsiders in Lithuania has not been a high priority, while relationships with family, friends, and colleagues have been critical. Now the situation is changing, and the importance of relationship-building in business activities is widely recognised.

COMMUNICATION

The orientation towards communication in Lithuania can be characterised as the *middle to high-and low-context*. Though the primary function of communication here, as well as in the other low-context cultures, is to exchange information, facts, and opinions, good relationships are considered to be important for tasks to be accomplished.

The communicative style in Lithuania can also be described as direct, emotionally expressive, and formal enough. In direct cultures, communication tends to be either one-way or two-way. In one-way communication, information flows down the system in the form of orders and directives. When a conflict arises, it is dealt with from the top by means of power and force. In two-way communication, information flows up and down the system. There is often a high level of participation and teamwork. Conflict is handled on an interpersonal basis by negotiation (Brake, Walker, 1995). The first type of communication is dominant in the management sphere in Lithuania, though two-way communication appears in organisations where authority is orientated towards a democratic style of leadership (more in small and medium-sized private companies).

As Lithuania has a strong sense of history and tradition, it puts a high value on following social customs and tends to have a stronger hierarchical consciousness and respect for rules and procedures. Proper respect is given to status and rank, and proper titles are used.

SPACE

The organisation of work space is more public, and individuals often share their office space, though senior and middle-level managers tend to have more private work space (individual offices). There is also an increased emphasis on closed-door meetings.

Lithuanians generally tend to be more distant and reserved. In terms of personal space the social distance between people tends to be more distant, and during conversations, people usually do not touch each other.

POWER

Lithuania has a strong orientation toward *hierarchy*, which means that value is placed on power differences between individuals and groups.

Catholicism had a big influence on the origin of such an orientation, which accented the hierarchy and differentiation of the society. The principle of the cult of authority, which express the necessity to obey the direct authority figure and also says that his/her opinion is to be valued as indisputable/unquestionable, is now characteristic of Lithuanian management.

Lithuanians are highly sensitive about levels of authority and social positions. The power distance in Lithuanian society, which is high enough, relates to the mechanism of the need for individual achievements. Status symbols are strongly indicated in organisations. In the business context, authority streams from "positions" within organisational hierarchy, formal science, or occupational titles used in everyday social and organisational life.

The negotiation process with Lithuanians can be difficult and lengthy. The decision-making process is often obscure to the outsider, and there is a continual checking with higher levels of bureaucratic authority. Planning is still more autocratic and paternalistic, and appropriate relationships and connections may be the best way for a plan to be implemented.

Although in recent years the country has made a strong move towards democracy, the manner in which decision-making power is shared differs from the participative leadership which is gaining ascendancy in Western economies. This is the result of socialist management, in which two main principles have been embodied: (1) a communitarian, egalitarian ethic that favours democratic decision making ; (2) an authoritarian ethic that favours strong centralised control. Soviet management reconciled these two principles through the concept of democratic centralisation. Members of an organisation discussed and agreed on major policy decisions, and the leader was then accorded the legitimacy to carry out these policies in a firm, authoritarian manner in order to expedite action. Thus, two opposing principles were united into a dynamic tension by moving alternatively between democratic and centralised modes of power (Peterson, 1993).

The fact that people were made to adjust themselves to this reality, which was unacceptable both politically and morally, resulted in very negative moral consequences, for instance, in the sphere of motivation, where idealistic motivation lost its sense. Motivation in work is presently associated with cash incentives.

INDIVIDUALISM

Lithuania is a mixture of individualistic and collectivist orientations. The latter is strong enough as in the other Eastern European countries. There now exists the common tendency of a growth of individualism and a disintegration of the past relations of intercourse. Collectivism, as a form of intercourse, has, by no means, disappeared, though it now exists with different foundations than those of the past that support themselves with different factors of reliability. In general, Lithuanian national self-consciousness is more collectivist than individualistic. This is connected with the village community and the cultural traditions of Catholicism, and not with the Soviet collectivism of the past, which was a political

result, an attribute of the Soviet way of life, and a method of controlling the individual (Kuzmickas, 1996:83).

The previous Soviet system became a favourable background for cultivating anti-cooperative attitudes. In fact, there was nothing to discuss in the realm of organisational and industrial life, which were to function according to the centrally-given commands. Today Lithuanians often expect directions, commands, and concrete assignments when conducting a job. They often can not act independently and are not self-driven when performing their work. Despite the fact that decision-making is more group-oriented and loyalty is an important factor in personal success, Lithuanians can feel uncomfortable outside their primary social groups (family and friends) and the world of work organisations is not too attractive to them.

COMPETITIVENESS

Lithuania has a *competitive* orientation, and it can often be destructive, as sometimes businesspeople try to maximise their gains at the loss of others. In general, competitive cultures tend to measure success in narrow terms, such as profits or task achievement. The work is structured to permit and encourage individual achievement and satisfaction and to satisfy such motivational factors as high earnings, recognition, and advancement. Such an attitude still exists as a remnant of socialist times that, if forced to choose between strenuous work or a smaller salary, many people would choose the latter. The number of people who would like to earn money for not working is not small and in keeping with this attitude is the belief that scrupulous diligence lowers one's dignity.

STRUCTURE

Structure shows the extent to which the members of a culture experience threat or discomfort by ambiguity and uncertainty. Lithuania is order oriented because this value seeks to reduce ambiguity and

uncertainty (which is rather high in Lithuanian society) and make events predictable and interpretable. Conflict and change are perceived as threatening and, therefore, there is a need for rules, regulations, and procedures. Observance of protocol is very important in the negotiation process.

THINKING

Lithuanians have organic and *holistic* world views. Priority is given to *symbolic thinking* rather than the amassment of facts. Generalisations are derived from concepts by means of logic rather than the accumulation of facts.

The set of societal and cultural orientations presented above do not involve all the values that can be shared by Lithuanians. These orientations, however, seem to be significant in understanding the specifics of managerial activities and behaviour in Lithuania. Table 1 presents the link between cultural values, behaviour, and attitudes preferred by Lithuanian managers.

In summary, the author would like to point out that only some general patterns in the way Lithuanian managers behave in organisations have been described. Each organisation generates some unique and specific cultural features which may have not been mentioned and which can not be discussed on such a general level.

When looking at Lithuania through the prism of the framework of value orientations, it should be pointed out that the managerial behaviour and attitudes prevalent in the country can be described as low flexible in action, formal, having aversion to risky decisions, and containing a reduced ability for teamwork. A particularism of action, predominant here, has a high power distance, a high uncertainty avoidance, and a need for rules and regulations.

Table 1 Cultural orientations and their implications for managerial behaviour in Lithuania

CULTURAL VALUES/ ORIENTATIONS	PREFERRED MANAGERIAL BEHAVIOUR AND ATTITUDES
<p>Constraint</p> <p>Developing tendency to control</p>	<p>Control over people's lives is associated with fate, luck, or other external forces.</p> <p>low flexibility in action</p> <p>aversion to risky decisions and activities</p> <p>The new generation of managers stress their domination; the environment can be changed to fit human needs.</p>
<p>Single-focused and fluid view of time</p> <p>Past - Present</p>	<p>Managers are unlikely to engage in formal planning and detailed scheduling (difficulties with strictly acting according to a time schedule).</p> <p>strong respect for tradition</p> <p>short-term planning; coordination of resources based on present demands</p>
<p>More <i>doing</i> oriented</p>	<p>action-oriented style, especially among the new generation of managers (oriented towards a market economy)</p> <p>moderate optimism in action; caution in action</p> <p>moderate aspiration for promotion</p> <p>Motivation is associated with cash incentives and career possibilities.</p>
<p>More low than high context communication, Direct, expressive, formal</p>	<p>Good relationships are important for task accomplishment; things are done through informal contacts.</p> <p>formality, respect for rules and procedures</p> <p>conflict avoidance</p> <p>activity in informal groups</p>
<p>Private space perception</p>	<p>Space is an important status symbol; managers prefer their own offices.</p> <p>Personal space tends to be more distant.</p>

CULTURAL VALUES/ ORIENTATIONS	PREFERRED MANAGERIAL BEHAVIOUR AND ATTITUDES
Hierarchy	high power distance Organizational structure is "tall" and bureaucratic. aspiration for formal authority attachment to formal ranks and degrees reduced ability for teamwork
A mixture of collectivism and individualism	particularism of action, putting interests of internal units before interests of enterprises anti-cooperative attitudes insufficient cooperation in organised activities Loyalty is often directed towards the self, section, and one's own department.
Tendency to competitiveness	Managers try to maximise their gains at the losses of others. good results in the case of extraordinary challenges aversion to duties requiring a sacrifice in one's personal life
Order	high uncertainty avoidance a need for rules, regulations, and procedures
Holistic thinking	Priority is given to symbolic thinking rather than the accumulation of facts. capability of solving nonroutine problems

Discussing managerial values, it is essential to consider the influence of the social and political order which determined the behaviour of Lithuanian managers during the period of Soviet rule. Neither the cultural nor societal values inherited from the previous period of existence nor the socioeconomic order of postwar Lithuania favoured efficient

managerial behaviour. Only after the restoration of independence and the ensuring process of transition to an economy based on market rules did management have to undergo a radical change. These changes produced the demand for managers who were prepared to deal with a market economy in all its dimensions and managers who have not been contaminated by a centralised, bureaucratic mode of management performance.

It is obvious that Western experience has had an influence on the development of the new managerial culture and practices of Lithuanian society. At the same time, however, the simple copying of what others have done will not allow for the development of a new system capable of functioning effectively. Therefore, when searching for new systems and experience, the cultural characteristics of one's own society must be taken into account.

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This article is based on research carried out with the support of the Phare ACE Programme.

**SOCIALINIŲ IR KULTŪRINIŲ
VERTYBIŲ ĮTAKA VADYBINEI ELGSENAI LIETUVOJE**

S a n t r a u k a

Šalies socialinės ir kultūrinės vertybės turi nemažą poveikį vadybininkų elgsenai. Pasirinktas kultūrinių orientacijų modelis, apimantis tokius elementus kaip aplinka, laikas, veikla, komunikacija, erdvė, valdžia, individualizmas, konkurencingumas ir kt., leidžia nagrinėti vadybinę elgseną per kultūros prizmę bei nustatyti, kokį poveikį vadybai turi šios orientacijos atskirose šalyse. Pažymėtina, jog valdymui Lietuvoje didelę įtaką turėjo socialinė ir politinė tvarka, viešpatavusi sovietmečiu. Taikant šį modelį, aptariamas kultūrinių orientacijų, dominuojančių Lietuvoje, ir vadybinės elgsenos ryšys.