Mojić Dušan
Faculty of Philosophy
Belgrade

THE INFLUENCE OF NATIONAL CULTURE ON ORGANIZATIONAL SUBCULTURES AND LEADERSHIP STYLES IN SERBIAN ENTERPRISES: AN EMPIRICAL ANALYSIS[1]

Uticaj nacionalne kulture na organizacione potkulture i stilove vođstva u preduzećima Srbije: empirijska analiza

APSTRAKT *Glavni cilj ove studije jeste analiza kulturnih uticaja na stilove vođstva i organizacione potkulture u preduzećima Srbije. Hofstedovo poznato istraživanje o nacionalnim kulturama je uzeto kao teorijski okvir za istraživanje pomenutih organizacionih fenomena. Rezultati studije potvrdili su ranije nalaze o nacionalnoj kulturi u Srbiji koja se odlikuje visokom distancom moći, visokim izbegavanjem neizvesnosti, snažnim kolektivizmom i, pretežno, "ženskim" vrednostima. U pogledu vođstva, istraživanje pokazuje da je autoritativni stil apsolutno preovlađujući obrazac ponašanja menadžera u preduzećima Srbije.*

KLJUČNE REČI *preduzeća Srbije, nacionalna kultura, organizacione potkulture, stilovi vođstva, autoritativno vođstvo*

ABSTRACT *The main intention of this study was to analyze cultural influences on leadership styles and organizational subcultures in Serbian enterprises. Hofstede's well-known research about national cultures has been used as the theoretical framework for examining the above-mentioned organizational phenomena. The results of the study confirmed earlier findings about national culture in Serbia, which is characterized by high Power Distance, high Uncertainty Avoidance, strong Collectivism and, mostly, "feminine" values. As for leadership, the study reveals that authoritative style is absolutely prevailing pattern of managerial behavior in Serbian enterprises.*

KEYWORDS *Serbian enterprises, national culture, organizational subcultures, leadership styles, authoritative leadership*

Introduction

Cultural influences on organizational practices and processes have become a very important research topic in the field of management and organization since the last decades of the 20th century (Boddewyn, 1965; Schollhammer, 1969; Adler, 1983; etc). National (also called societal) culture has been seen as one of the most influential contingent (situational) factors, which determine organizational phenomena. More recently, after the collapse of socialism, the role of national culture in organizational processes in countries in transition is becoming a widely recognized and studied topic (Ardichvili, Kuchinke, 2002; Pearce, 1991).

However, empirical studies about cultural influences on organizational subcultures and leadership styles in Serbian enterprises are not very frequent in contemporary literature. In fact, there are almost no relevant attempts to examine these phenomena. Nevertheless, after democratic political changes in October 2000, we can observe a growing interest in understanding national culture and leadership processes in Serbian organizations, as well as in the whole Serbian society.

Therefore, the main purpose of this article is to empirically investigate the influence of national culture on organizational processes and practices (subcultures and leadership styles) in Serbian enterprises. Widely known Geert Hofstede's value/belief theory of culture (Hofstede, 1980; 2001) with its theoretical and methodological premises has been used as a starting point of this study.

Theoretical Framework

Geert Hofstede's concept of national culture (Hofstede, 1980; 2001) made a great breakthrough in understanding the relationship between organizational behavior and cultural factors. Hofstede examined differences between national (societal) cultures through four dimensions: Power distance, Individualism, Masculinity vs. Femininity and Uncertainty Avoidance. Power Distance is a crucial dimension of national culture that influences leadership and subcultures in organizations and will therefore be discussed in more detail here.

Power Distance Index (PDI) scores inform us about dependence relationships in a country. In small power distance countries there is limited dependence of subordinates on bosses, and a preference for consultation, that is interdependence between boss and subordinate. The emotional distance between them is relatively small: subordinates will quite readily approach and contradict their bosses. In large power distance countries there is considerable dependence of subordinates on bosses. Subordinates respond by either preferring such dependence (in the form of

an autocratic or paternalistic boss), or rejecting it entirely, which in psychology is known as counter dependence: that is dependence, but with a negative sign.

Large power distance countries thus show a pattern of polarization between dependence and counter dependence. In these cases, the emotional distance between subordinates and their bosses is large; subordinates are unlikely to approach and contradict their bosses directly. Power Distance can therefore be defined as "the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally" (Hofstede, 1997: 27-28).

Recent cross-cultural organizational theory leave no doubt that behavior in organizations is culturally contingent. For example, Jung et al. (1995) hypothesize that transformational leadership emerges more easily and is more effective in collectivistic cultures than in individualistic cultures. High uncertainty avoidance cultures, with the resulting emphasis on rules and procedures, may place other demands on leaders than low uncertainty avoidance cultures, with the resulting attitude of tolerance of ambiguity and innovative behavior. Also, more "masculine" cultures are probably more tolerant of strong, directive leaders than "feminine" cultures, where a preference for more consultative, considerate leaders seems more likely. Further, preferences for low power distances in societies could result in other desired leader attributes than a preference for high power distance. For instance, a less negative attitude towards authoritarian leaders may be found in high power distance societies. In such societies, dominance and strong displays of power might be appropriate for leaders. In contrast, in more egalitarian societies leaders should perhaps emphasize their equality to others (Den Hartog et al, 1999).

The main source for creating the theoretical framework for my research was found in above-mentioned Geert Hofstede's research about national culture. Former Yugoslavia participated in a well-known cross-cultural study, which resulted in the book *Culture's Consequences: International Differences in Work-Related Values* (Hofstede, 1980). Yugoslavia scored high in Power Distance (76 index "points") and Uncertainty Avoidance (88), and low on Masculinity (21) and Individualism (27). Based on these results, Hofstede placed former Yugoslavia into the cluster of Latin-American countries.

Nevertheless, the survey itself was carried out in 1971 in one enterprise ("Intertrade") in the Republic of Slovenia, which was at that time one of the Yugoslav federal units, and now is an independent state. Because of the cultural heterogeneity of former Yugoslavia, it is questionable whether it is possible to generalize results from one federal unit (cultural region) to whole country. However, Hofstede recently reanalyzed the data from the original study since the survey was not conducted only in the company's head office in Ljubljana (Slovenia), but also in two branch offices: Zagreb (Croatia) and Belgrade (Serbia). These results (Table 1)

give a much better reference point in studying influence of national culture on subcultures and leadership in Serbian enterprises.

Table 1. Comparison of Dimensions of National Culture in Serbia, Croatia and Slovenia

	Power Distance	Uncertainty Avoidance	Individualism	Masculinism
Former Yugoslavia (total)	76	88	27	21
Serbia	86	92	25	43
Croatia	73	80	33	40
Slovenia	71	88	27	19

Source: Hofstede, 2001: 501

Some Serbian sociologists (Lazić, 1995) emphasize the fact that numerous individuals in the former Yugoslavia simultaneously accepted liberal and traditional values. The interpretation suggests that traditionalism has deep roots in the, until recently prevailing, rural way of life, and that some of its basic values, although in a somewhat transformed form, were also promoted in the socialist system (collectivism, solidarity, equality). At the same time, due to the quasi-market nature of the system, which was fairly opened to the West, the society was penetrated by liberal values. Since, however, they could not get a firm hold due to the nature of the dominant relations, they retained a primarily declarative character.

However, the state disintegration, civil war, UN sanctions and the economic collapse have, to all appearances, given authoritarianism in Serbia an even more powerful impetus. Strong authoritarian tendencies have been noted with 1/5 of professionals, 2/5 of skilled workers, 3/5 of peasants etc, while moderate authoritarianism was manifested by another 1/4 of professionals, 1/4 of qualified workers and 30% of peasants. In other words, strong authoritarianism is characteristic of nearly half the population, while the professionals (along with the unemployed – in this sample mostly young people with university degrees) are the only stratums where authoritarianism does not account for majority (Lazić, 1995: 240).

The Main Hypotheses of the Research

The review of the previously presented studies provides a theoretical background for drawing hypotheses about changes in national culture and leadership styles in Serbian enterprises. As for the characteristics of national culture in Serbia, war and other political, economic and social changes are supposed to have exerted an influence in preserving and, even strengthening, previous orientation. Therefore,

1. It can be expected that the Power Distance Index score will be very high, as in Hofstede's research (86 index "points").

2. Uncertainty Avoidance is supposed to be still strong (originally - 92).

3. Individualism is expected to be low (Hofstede's study – 25).

4. "Feminine" values are supposed be prevailing over "masculine" (43 originally).

5. It can be expected that there is a subculture of managers that differs distinctively from the subculture of other (non-managerial) employees. This subculture should include lower Power Distance and Uncertainty Avoidance, higher Individualism and Masculinity orientation (or, in other words, more "market and entrepreneurial orientation").

Leadership styles in Serbian enterprises are expected to be to a large extent determined by high Power Distance, high Uncertainty Avoidance, weak Individualism and a strong "Feminine" orientation. Therefore,

1. An absolute prevailing of authoritative leadership can be expected (perceived by managers' immediate subordinates).

2. The next hypothesis is that preferred leadership style of the subordinates tends to be more consultative or participative.

3. Based on the findings about the correlation between occupation and authoritarianism in Serbia, it is expected that workers would prefer a more authoritative leadership style of the manager, while clerical workers and experts would "choose" a more consultative or participative manager.

4. Another correlation (between age and authoritarianism) could influence preferred leadership styles by different age categories; younger respondents would ask for a more participative manager, while older categories are expected to prefer authoritative leadership.

Sample and Data Collection Techniques

The survey was conducted in May and June 2000 in 14 enterprises in Belgrade and Vojvodina. This was a period of time immediately before the elections that ended the rule of Slobodan Milošević and his régime. A very serious obstacle for the research was clear distrust and fear of any kind of communication, shown by managers and workers. It was very hard to obtain consent from the management of the enterprise for survey and interviewing. That fact, also, speaks by itself as a characteristic of the national culture. All legal and organizational forms of the enterprises were represented in the sample. The size of the enterprises (in terms of number of employees) was also taken into account (see Appendix for more detailed information).

Two main data collection techniques were survey and interview. While 132 subordinates participated only in the survey, 30 managers were also interviewed. The questionnaire for subordinates included standard set of demographic information (age, sex, education etc.) and items on national culture. The questionnaire for managers also had a detailed set of questions (items) as indicators of leadership style. This part was taken from Likert's New Patterns of Management (1961). Other required data referred to managerial level of a respondent, his social background, features of the enterprise etc. The interview consisted of five topics, which were aimed to encourage the managers to express their own thoughts about national culture and leadership in Serbian enterprises.

Results of the study

Serbian Managers and National Culture

The four dimensions of national culture do not have the same effect on leadership processes in organizations. Power Distance is the most important indicator for the relationship between leader and subordinates in an organization. The fact that Serbia (as a part of former Yugoslavia) participated in Hofstede's research allows us to compare the scores on some dimensions. As for the Power Distance, Serbia scored very high in Hofstede's study – 86 index "points".

Power Distance Index has been calculated upon respondents' answers on three questions:

1. "How frequently, in your experience, does the following problem occur:

Employees being afraid to express disagreement with their managers?"

Five offered answers went from "very frequently" to "very seldom".

For second and third research question (item) a description of four managers was brought:

Manager 1. Usually makes his/her decisions promptly and communicates them to his /her subordinates clearly and firmly. Expects them to carry out the decisions loyally and without raising difficulties.

Manager 2. Usually makes his/her decisions promptly, but before going ahead, tries to explain them fully to his/her subordinates. Gives them the reasons for the decisions and answers whatever questions they may have.

Manager 3. Usually consults with his/her subordinates before he/she reaches his/her decisions. Listens to their advice, considers it, and then announces his/her decision. He/she then expects all to work loyally to implement it whether or not it is in accordance with the advice they gave.

Manager 4. Usually calls a meeting of his/her subordinates when there is an important decision to be made. Puts the problem before the group and tries to obtain consensus. If he/she obtains consensus, he/she accepts this as the decision. If consensus is impossible, he/she usually makes the decision him/herself.

Then, respondents have been asked to answer next two questions:

2. "Now for the above types of manager, please mark the one which you would prefer to work under."

3. "And, to which one of the above four types of managers would you say your own manager most closely corresponds?"

Formula for actual calculating Power Distance Index (PDI) is:

PDI = 135 – 25 x (mean score employees afraid) + (% perceived manager 1+2) – (% preferred manager 3+4)

PDI = 135 – 25 x 2.72 (mean score employees afraid in this research) + 71.4(% perceived manager 1+2 in this research) – 55.1 (% preferred manager 3+4 in this research) = 135 – 68 + 71.4 – 55.1 = 83.3 ≈ 83

As we can see, Power Distance Index score for Serbian managers is 83, which is slightly lower than in Hofstede's original research. Therefore, in that respect, the hypothesis was confirmed.

For example, one of the interviewed managers emphasized the following characteristics of national culture in Serbia: "There is a differentiation of masculine and feminine jobs, need for authority and some sort of collectivism." (Financial manager, female, 38 years, E 8).

Uncertainty Avoidance is also an important dimension that influences behavior of managers and subordinates in leadership process. If the Uncertainty

Avoidance is high, subordinates expect from leader to take all the responsibility and risk by making all important decisions by themselves.

Three questions were used for determining Uncertainty Avoidance Index:

4. Respondents were asked to mark to what extent they agree (or disagree) with the following statement:

"Company rules should not be broken – even when the employee thinks it is in the company's best interests."

5. "How long do you think you will continue working for this company?"

Four possible answers went from "two years at the most" to "until I retire".

6. "How often do you feel nervous or tense at work?"

For this questions five possibilities were offered from "I always feel this way" to "I never feel this way".

Formula for calculating Uncertainty Avoidance Index (UAI) is:

UAI = 300 – 30 x (mean score rule orientation) – (% intending to stay less than 5 years) – 40 x (mean stress score)

UAI = 300 – 30 x 2.60 (mean score rule orientation in this research) – 20 (% intending to stay less than 5 years in this research) – 40 x 2.73 (mean stress score in this research) = 300 – 78 – 20 – 109.2 = 92.8 ≈ 93

Uncertainty Avoidance Index calculated for managers in this research (93) showed to be higher than in previous research by Hofstede. Therefore, my second hypothesis concerning national culture was also confirmed.

The survey questions on which the Individualism Index and Masculinity Index are based in Hofstede's research belong to a set of 14 "work goals". People were asked: "Try to think of those factors which would be important to you in an ideal job; disregard the extent to which they are contained in your present job. How important is to you to …" followed by 14 items, each to be scored on a scale from 1 (of utmost importance to me) to 5 (of very little or no importance). When the answer patterns for the respondents from 40 countries on the 14 items were analyzed they reflected two underlying dimensions. One was individualism versus collectivism. The other came to be labeled masculinity versus femininity.

The dimension to be identified with individualism versus collectivism was most strongly associated with the relative importance attached to the following "work goal" items. For the individualist pole:

1. Personal time – Have a job, which leaves you sufficient time for your personal or family life (Loading = 0.86)[2]

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[2] The "loading" represents the correlation coefficient across the 40 countries between the factor score and the country mean score for each work goal.

2. Freedom – Have considerable freedom to adopt your own approach to the job (0.49)

3. Challenge – Have challenging work to do – work from which you can achieve a personal sense of accomplishment (0.46)

For the opposite, collectivistic pole:

4. Training – Have training opportunities (to improve your skills or learn new skills) (- 0.82) (Hofstede, 1997: 51-52).

5. Physical conditions – Have good physical working conditions (good ventilation and lighting, adequate work space, etc.) (- 0.69)

6. Use of skills – Fully uses your skills and abilities on the job (- 0.63) (Hofstede, 1997: 51-52).

Exactly the same questions were repeated in my research. Nevertheless, factor analysis simply could not be performed meaningfully on such a small sample (30 managers and 132 non-managerial employees). The same problem occurred in follow-up studies that were conducted after the original Hofstede's research. Therefore, my choice was to compare the mean scores for all 14 items and discover their importance for Serbian managers and subordinates in enterprises.

Data from Table 3 gives us an opportunity to compare rankings of the above mentioned individualistic versus collectivistic work goals. Three items from the individualistic pole have the following ranks: Personal time – 13, Freedom – 3 and Challenge – 7. Mean ranking for these three work goals is 7.67. Three collectivistic items were ranked as follows: Training – 5, Physical conditions – 9 and Use of skills – 2. Mean ranking for "collectivism" is 5.33. Therefore, we can conclude that the hypothesis about low individualism (or high collectivism) has been confirmed. However, a rather controversial orientation can be observed from Table 3. For example, Freedom is ranked very high (3) for a collectivistic culture such as Serbian. The fact that these data come from a sample of managers could partially explain such controversies.

Table 3. Comparison of relative importance that Serbian managers give to different work goals

Item	Mean	Rank
Cooperation (Work with people who cooperate well with one another)	1.80	1
Use of skills (Fully use your skills and abilities on the job)	1.80	2
Freedom (Have considerable freedom to adapt your own approach to the job)	1.87	3
Manager (Have a good working relationship with your manager)	1.93	4
Training (Have training opportunities – to improve your skills or learn new skills)	1.93	5
Earnings (Have an opportunity for high earnings)	1.97	6
Challenge (Have challenging work to do – work from you can get a personal sense of accomplishment)	2.00	7
Advancement (Have an opportunity for advancement to higher level jobs)	2.10	8
Physical conditions (Have good physical working conditions – good ventilation and lighting, adequate work space, etc.)	2.13	9
Employment security (Have the security that you will be able to work for your company as long as you want to)	2.20	10
Desirable area (Live in an area desirable to you and your family)	2.30	11
Recognition (Get the recognition you deserve when you do a good job)	2.33	12
Personal time (Have a job which leaves you sufficient time for your personal or family life)	2.37	13
Benefits (Have good fringe benefits)	3.20	14

The second dimension, which resulted from the factor analysis of 14 work goals in Hofstede's research, came to be labeled masculinity versus femininity. It was associated most strongly with the importance attached to:

For the "masculine" pole:

1. Earnings – Have an opportunity for high earnings (Loading = 0.70)

2. Recognition – Get the recognition you deserve when you do a good job (0.59)

3. Advancement – Have an opportunity for advancement to higher-level jobs (0.56)

4. Challenge – Have challenging work to do – work from you can get a personal sense of accomplishment (0.54)

For the opposite, the "feminine" pole:

5. Manager – Have a good working relationship with your manager (0.69)

6. Cooperation – Work with people who cooperate well with one another (0.69)

7. Desirable area – Live in an area desirable to you and your family (0.59)

8. Employment security – Have the security that you will be able to work for your company as long as you want to (0.48)

Ranking for the "masculine" items are as follows: Earnings – 6, Recognition – 12, Advancement – 8 and Challenge – 7. Mean ranking for these four work goals is 8.25. "Feminine" items were ranked this way: Manager – 4, Cooperation – 1, Desirable area – 11 and Employment security – 10. These four work goals' mean rank is 6.5. The hypothesis is confirmed again: Serbian national culture belongs to "feminine" cultures. However, managers showed again some mixed and indecisive feelings toward offered 14 work goals. Namely, three of four "masculine" work goals (Earnings, Challenge and Advancement) have ranks that are in the middle of the scale or above it (6,7 and 8). Therefore, it is obvious that Serbian managers accept some "masculine" values mixed with the still prevailing "feminine" orientation.

Another example from the interviews shows very strong criticism of the national culture in Serbia. According to one of managers, its very important features are "Aggressiveness, uncultured and primitive relations with people, resistance toward authority, laziness and ignorance about the main business principles." (Production manager, male, 25 years, E 11).

Serbian Non-Managerial Employees and National Culture

The procedure for determining indexes for all four dimensions was explained in the section about managers and, therefore, it will not be repeated here. Only the actual calculation of these indexes will be presented.

Power Distance Index (PDI) for employees from Serbian enterprises is:

PDI = 135 – 25 x (mean score employees afraid) + (% perceived manager 1+2) – (% preferred manager 3+4)

PDI = 135 – 25 x 2.51 (mean score employees afraid in this research) + 61.8 (% perceived manager 1+2 in this research) – 66.4 (% preferred manager 3+4 in this research) = 135 – 62.75 + 61.8 – 66.4 = 67.65 ≈ 68

As we can see, the Power Distance Index score for employees in Serbian enterprises is 68, which is considerably lower than in the original Hofstede study (86). Thus, Power Distance is still strong but not as strong as before.

Uncertainty Avoidance Index score will be:

UAI = 300 – 30 x (mean score rule orientation) – (% intending to stay less than 5 years) – 40 x (mean stress score)

UAI = 300 – 30 x 2.84 (mean score rule orientation in this research) – 27.3 – 40 x 3.13

(mean stress score in this research) = 300 – 85.2 – 27.3 – 125.2 = 62.3 ≈ 62

Uncertainty Avoidance is shown to be significantly lower (62) than in the previous study (92). This is an extremely interesting and unexpected result. Obviously, there are many factors that influence this dimension, which will be discussed later in the text.

Table 4. Ranking of work goals by employees in Serbian enterprises

Item	Mean	Rank
Personal time	1.81	1
Earnings	1.86	2
Cooperation	1.92	3
Use of skills	1.99	4
Manager	2.00	5
Employment security	2.05	6
Desirable area	2.05	7
Physical conditions	2.05	8
Challenge	2.11	9
Training	2.23	10
Freedom	2.34	11
Advancement	2.39	12
Recognition	2.66	13
Benefits	3.03	14

Again, ranking for individualistic and collectivistic items will be emphasized. For the individualistic pole we have: Personal time – 1, Freedom – 11 and Challenge

– 9. Mean rank for these items is 7. Three collectivistic items were ranked as follows: Training – 10, Physical conditions – 8 and Use of skills – 4. Mean rank for collectivism is 7.33. These results show almost equal presence of collectivistic and individualistic orientation among the Serbian employees. Nevertheless, if we observe other items, which can be observed as exclusively collectivistic (Cooperation, Manager etc.), we can see that they are placed at the very top of the scale (ranks 3 and 5). On the other hand, last four places of the scale are occupied by work goals that clearly refer to individuals (Freedom, Advancement, Recognition and Benefits). That indicates that Serbian employees still show a highly collectivistic orientation.

As for the Masculinity versus Femininity, four items for both poles of this dimension were extracted. For the "masculine" orientation the following ranks were found: Earnings – 2, Recognition – 13, Advancement – 12 and Challenge – 9. Mean rank score for them is 9. On the "feminine" pole ranking of four items is as follows: Manager – 5, Cooperation – 3, Desirable area – 7 and Employment security 6. Mean rank for these items is 5.25. The difference between these two mean scores is considerable and significant, which tells us about persisting pattern of "feminine" national culture in Serbia.

Managers and Non-Managers in Serbia: Comparison on Dimensions of National Cultures

Comparison of scores on dimensions of national culture for managers and non-managers in Serbian enterprises brought some surprising and unexpected insights. Quite opposite to my expectations, Serbian managers have showed higher Power Distance, higher Uncertainty Avoidance and stronger Collectivism than non-managerial employees in Serbian enterprises. Only the fourth dimension followed the expected pattern; the presence of "masculine" values in the predominantly "feminine" culture was higher among managers than among non-managers. Power Distance Index for managers was 83 and for other employees 68. That means the Power Distance for managers slightly decreased compared to the previous research (86), but significantly for non-managers. As for the Uncertainty Avoidance Index, the score for managers (93) is higher than in Hofstede's study (92), but the score for non-managerial employees is considerably lower (62). Mean score rank for three individual work goals for managers was 7.67, while for collectivistic goals it was 5.33. Employees' "individual" mean rank score was 7, while "collectivistic" mean rank score was 7.33. But, if we observe other values, which correspond with either of these two orientations, we can see that collectivism is still predominant among Serbian employees. Nevertheless, it does not change the fact that Serbian managers show an even stronger collectivist orientation than non-managers. These results confirm Hofstede's findings about Serbian national culture as an extremely

collectivistic one. As for the last dimension, Masculinity versus Femininity, the previous pattern about predominant "feminine" values was confirmed again. The only difference here is that managers' subculture has showed to be slightly "less feminine". Mean rank score for four "masculine" items was 8.25, while for "feminine" items it was 6.5. Non-managers "masculine" mean rank score was 9, while "feminine" mean rank score was 5.25. An attempt of explanation of this data will be given in the conclusion.

Managers and Leadership

The first important issue about Serbian managers was their own opinion about desired leadership traits that a successful manager should have. A list of 14 managerial traits was offered in the survey and the respondents were asked to think of one successful manager that they are familiar with. Then their task was to evaluate to what extent that manager is characterized by each one of those 14 traits. The offered answers ranged from 1 ("He/she does not posses that trait at all") to 5 ("He/she is extremely characterized by that trait"). Relative ranking of these 14 traits can be observed in Table 5.

One of the respondents gave a detailed description of the main personal traits of a successful manager. "Successful manager's characteristics are communicativeness, dynamism, calmness, width of education, personal charm (speech and behavior), quick decision-making, consistency in carrying out the decisions, self-criticism (in the case of mistake), risk taking but with a firmly set goal" (Production manager, male, 25 years, E 11).

We can see that Serbian managers emphasize most of all the importance of negotiation and communication. Next two ranks are occupied by mainly "personalized" traits – individualism and self-confidence. Further three positions in upper half of the scale belong to more "feminine" traits, such as consistency, calmness and patience. Bottom half of the scale is completely occupied by predominantly "charismatic" set of traits, which include personal charm, fast acting, charisma, extroversion, risk taking, good looks and aggressiveness. These findings are similar to results of another study about managers in Serbian enterprises [Milisavljević (ed.), 1994]. Namely, best evaluated traits were those that referred to independency (individualism, self-confidence). On the other hand, lowest ranks were assigned to extroversion and other traits that go with direct and open appearance (aggressiveness, charisma and risk taking). Considering the fact that communicativeness and negotiating skills are also highly evaluated, the authors conclude that Serbian managers prefer "politically preconceived" appearance to

open, charismatic way of communication with their environment [Milisavljević (ed.), 1994: 112].

Table 5. Serbian managers' evaluation of 14 traits that successful manager should have

Managerial trait	Average mark	Ranking
Negotiating skills	4.85	1
Communicativeness	4.69	2
Individualism	4.46	3
Self-confidence	4.42	4
Consistency	4.23	5
Calmness	4.23	6
Patience	3.96	7
Personal charm, style	3.96	8
Fast acting	3.84	9
Charisma	3.81	10
Extroversion	3.80	11
Risk taking	3.73	12
Good looks	3.27	13
Aggressiveness	2.72	14

As a concluding remark about how Serbian managers see personal traits of a successful manager, there is another example from the interviews. "More successful managers are more communicative people, constantly in a positive mood and they care a lot about their appearance" (Human resources manager, female, 45 years, E 8).

Likert's concept of management systems (leadership styles) was used in survey about Serbian managers. The questionnaire itself was taken from Likert's book *New Patterns of Management* (1961), but it was adapted in according to recommendations of Robert Albrook (Albrook, 1967). Nineteen items in questionnaire are divided into six dimensions: leadership, motivation, communication, decisions, goals and control. Four possible answers for each item form a continuum from left to right side of questionnaire, or from "more authoritative" to more "participative" alternatives.

Likert distinguishes four kinds of management system:

System 1 - "Exploitive-Authoritative"

System 2 - "Benevolent-Authoritative"

System 3 - "Consultative"

System 4 - "Participative-Group".

These systems might be described as follows:

System 1. Management has no confidence or trust in employees and seldom involves them in any aspect of the decision making process. The bulk of the decisions and the goal setting of the organization are made at the top and issued down the chain of command. Employees are forced to work with fear, threats, punishment, and occasional rewards. Need satisfaction is at the physiological and safety levels. The limited management-employee interaction that does take place is usually with fear and mistrust. Although the control process is highly concentrated in top management, an informal organization generally develops in opposition to the goals of the formal organization.

System 2. Management has only condescending confidence and trust in employees, such as a master has toward the servants. The bulk of the decisions and goal setting of the organization are made at the top, but many decisions are made within a prescribed framework at lower levels. Rewards and some actual or potential punishment are used to motivate workers. Any interaction takes place with some condescension by management and fear and caution by employees. Although the control process is still concentrated in top management, some control is delegated to middle and lower levels. An informal organization usually develops, but it does not always resist formal organizational goals.

System 3. Management has substantial, but not complete confidence and trust in employees. Broad policy and general decisions are kept at the top, but employees are permitted to make more specific decisions at lower levels. Communication flows both up and down the hierarchy. Rewards, occasional punishment, and some involvement are used to motivate workers. There is a moderate amount of interaction, often with a fair amount of confidence and trust. Significant aspects of the control process are delegated downward, with a feeling of responsibility at both higher and lower levels. An informal organization may develop, but it may either support or partially resist goals of the organization.

System 4. Management has complete confidence and trust in employees. Decision-making is widely dispersed throughout the organization, although well integrated. Communication flows not only up and down the hierarchy, but also among peers. Workers are motivated by participation and involvement in developing economic rewards, setting goals, improving methods, and appraising progress toward goals. There is extensive friendly management-employee interaction, with a high degree of confidence and trust. There is widespread responsibility for the control process, with the lower units fully involved. The informal and formal

organizations are often one and the same. Thus, all social forces support efforts to achieve stated organizational goals.

Table 6. Means on 19 items about leadership styles (self-perception of Serbian managers)

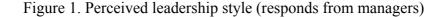| Item	Mean	Rank
Decision-making level	2.07	1
Concentration of review and control	2.37	2
Levels of responsibility for organization's goals	2.43	3
Direction of information flow	2.50	4
Subordinates' involvement in decisions	2.57	5
Using of subordinates' ideas	2.63	6
Establishing of organizational goals	2.70	7
Using of control data	2.80	8
Communication for achieving organization's objectives	2.87	9
Subordinates freedom of talking to superiors about job	2.93	10
Superiors knowledge about subordinates' problems	2.97	11
Superiors awareness of problems at lower organizational levels	3.00	12
Confidence in subordinates	3.03	13
Contribution of decision-making process to motivation	3.10	14
Covert resistance to goals	3.13	15
Accuracy of upward communication	3.14	16
Means of motivation	3.17	17
Acceptance of downward communication	3.29	18
Informal organization	3.31	19

Since the theoretical mean for these items is 2.50 we can see (Table 6) that only four items belong to the left, "authoritative" side of the scale, while fifteen items testify about prevalence of "consultative" or even "participative" leadership in Serbian enterprises. Of course, this data show the self-perception of one "side" which is involved in leadership process – superiors. Theory and research about managerial behavior tell us that we should not believe in managers' "reflection in the mirror", but rather in the evaluation of their subordinates. Nevertheless, it is interesting to analyze some items from Table 6.
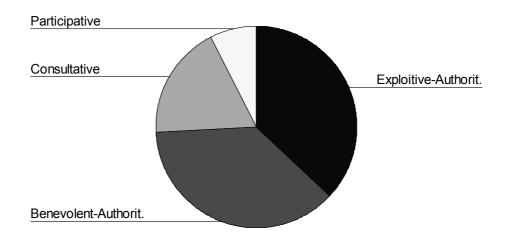
For example, 73.3 % of all managers claim to show substantial or even complete confidence in subordinates, while only 26.7 % of them have condescending confidence. Exactly the same percentage of them thinks (73.3) that employees are rather free or fully free to talk to superiors about job. More than half of managers (56.7 %) say that some of subordinates' ideas are used.

Another 73.3 % of the Serbian managers claim to be quite well or very well familiar to problems faced by subordinates. As for the subordinates' involvement in decision-making related to their work, 10 % of managers do not include subordinates at all in this process, while 33.3 % occasionally consult them. Employees under 46.7 % managers are generally consulted in decision-making process and 10 % of managers claim that their subordinates are fully involved.

Here is an example of successful manager in one of the respondent's opinion. "Successful manager has an emphasized combination of authority and closeness with subordinates. He/she is able to listen to the employees and to consult them, but also to impose certainty that final decision has been properly made. Unsuccessful manager express only extreme personal traits, which means that he/she can be extremely good on one side and extremely bad on the other." (Financial manager, female, 38 years, E 8)

This data are "naturally" complemented with responds on two items about national culture or, more accurate, Power Distance. Namely, four managers that match with Likert's model were described and respondents (or in this case managers) were asked to mark their preferred and perceived manager. Of course, this claim referred only to lower managerial levels (or managers with superiors above them).

Figure 1. Perceived leadership style (responds from managers)

This data show completely different picture than previosly stated results. We can see that 35.7 % of managers claim to have exploitive-authoritative superior, while another 35.7 % of them perceive immediate superior as benevolent-authoritative. So, 17.9 % of Serbian managers view their manager as consultative, while only 3.6 % see their superior as being participative. Therefore, if we aggregate first two categories, we can see that 71.4 % of higher-level managers in Serbian enterprises are seen as authoritative by their immediate subordinates (lower-level managers)!

Next example from one of the interviews with managers will clearly support these results. "One (manager) should not adjust to subordinates, but in every moment in most rational way organize the execution of all the necessary conditions for achieving as better results as possible, respecting the abilities of the employees" (Financial manager, male, 45 years, E 10).

On the other hand, preferred manager by the same respondents is quite different. Namely, only 13.8 % of them would like to work under an exploitive-authoritative superior and another 31.0 % would prefer benevolent-authoritative manager, while 37.9 % of lower managers "choose" consultative superior and 17.2 % participative manager. If we observe these four possibilities as two aggregated categories, we can see that 44.8 % of the lower managers prefer authoritative superior, while 55.2 % of them prefer consultative or participative superior. Therefore, there is a clear discrepancy between lower managers' preferred and

perceived superior. While only 44.8 % of them "choose" an authoritative manager, they report to actually work under 71.4 % such superiors. It is interesting to see how this discrepancy reflects on behavior (leadership style) of these (lower) managers toward their own subordinates.
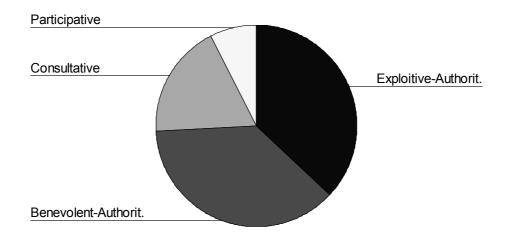
Figure 2. Preferred leadership style (responds from managers)

Very mixed beliefs about desirable leadership style in Serbian enterprises brought some of the managers to the understanding of a necessity for a situational or contingent leadership. "Every employee is a person for oneself and, therefore, leadership style should be adjusted to each individual. You ought to know people in order to lead them. Sometimes you have to use stronger authority and sometimes it is all based on friendly treatment." (Human resources manager, female, 39 years, E 7).

Subordinates and Leadership

Responses to two answers were analyzed again for identifying perceived and preferred managers, only this time by non-managerial employees in Serbian enterprises. The presence of exploitive-authoritative manager was reported by 40.5 % of all respondents. Another 21.4 % of them view their superior as benevolent-authoritative; 18.3 % of subordinates perceive their managers as being consultative,

while 13.7 % of them think of their immediate superiors as participative one. If first two categories and last two are observed together, we can see that 61.8 % of the subordinates perceive their superiors to use authoritative leadership style, while 32.0 % of them view immediate managers as consultative or participative.
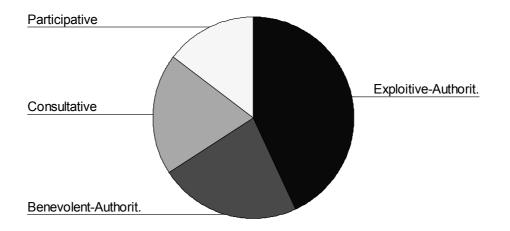
Figure 3. Perceived leadership style (responds from subordinates)

Preferred leadership styles were more consultative and participative, as it was expected in one of my hypotheses. For example, only 10.7 % of the employees would prefer an exploitive-authoritative superior, while 22.9 would "choose" a benevolent-authoritative one. Consultative manager is preferred by 24.4 % of the respondents, while whole 41.7 % of Serbian non-managerial employees wish to work under participative manager! Aggregated data gives us result of 33.6 % preferred authoritative managers against preference of 66.4 % subordinates for consultative or participative superior's leadership style.
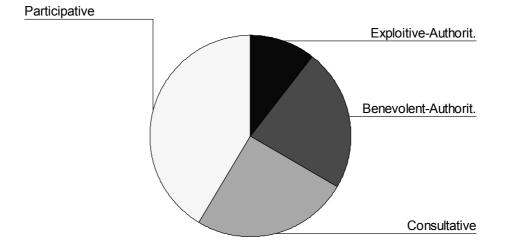
Figure 4. Preferred leadership style (responds from subordinates)

My third hypothesis about correlation about respondents' occupation and preferred leadership style was not confirmed. In fact, negative correlation, although very small (Spearman's rho = - 0.043), was found between occupation and preferred manager. For example, 30 % of the unqualified and semi-qualified workers prefer consultative leadership style, while whole 70 % of them ask for participative manager! And 43.2 % of the qualified and highly qualified workers "choose" one of two authoritative styles, while 56.8 % of them prefer consultative or participative manager. As for the technicians, 27.3 % of them ask for authoritative leadership contrasting 72.7 % who prefer one of two more participative styles. Clerical workers' choice was authoritative manager in 36.6 % of all cases, while another 63.4 % prefer consultative or participative manager. Finally, and maybe most surprising, 35 % of experts asked for authoritative manager in contrast to 65 % of them who prefer consultative or participative manager. Therefore, we can see that there are two categories who prefer more participative leadership styles more than experts do - unqualified or semi-qualified workers and the technicians!

Nevertheless, my fourth hypothesis, which refers to correlation about age and preferred leadership style of manager, was confirmed. Namely, I expected that younger respondents would more often prefer more participative manager, while older employees would ask for more authoritative leadership. Although correlation is not very high (Spearman's rho = 0.26), the predictions happened to be true. For example, participative manager was preference of 58.1 % of all respondents up to 30

years of age, 42.9 % of the employees between 31 and 40 years, 37.9 % of the respondents of age from 41 to 50 years and only 11.8 % of the employees from the oldest category (51 to 60 years).

Conclusion

This study clearly supported the prediction about the authoritative leadership style as a prevailing behavioral pattern of Serbian managers. Nevertheless, preferred leadership styles turned to be significantly more participative, especially for non-managerial employees.

Table 7. Perceived and preferred leadership styles in Serbian enterprises

		Managers		Subordinates	
		Perceived	Preferred	Perceived	Preferred
Leadership Style (%)	Exploitative-Authoritative	37.0	13.8	43.1	10.7
	Benevolent-Authoritative	37.0	31.0	22.8	22.9
	Consultative	18.5	37.9	19.5	24.4
	Participative	7.5	17.2	14.6	42.0
Σ		100.0	100.0	100.0	100.0

Similar results about leadership styles were reported in some other empirical studies [Lengyel (editor), 1996]. Comparative research on economic elites from three countries in transition (Hungary, Bulgaria and Yugoslavia) showed that Yugoslav managers evaluate their own leadership behavior as mostly authoritative. For example, 68.9 % of them reported to use one of the two authoritative leadership styles, while only 31.1 % applied consultative or participative leadership. Their perception of the "ideal" style of leadership turned to be even more authoritative. Namely, 78.1 % of them perceive authoritative leadership styles as the most appropriate for Yugoslav enterprises, while only 24 % see consultative or participative leadership as an "ideal" in their national culture.

Serbian organizational experts reported similar results regarding leadership styles in enterprises (Janićijević, 1998: 43). According to Janićijević, high Power Distance in Serbian national culture favors autocratic managerial behavior against

democratic or participative leadership style. The leader is expected to take all the responsibility and risk as well as to make decisions all by him/herself.

How can we explain these results? This kind of behavior most probably comes from the same source as authoritarianism – a syndrome of the authoritarian-traditionalist character or mentality. This syndrome originates from the traditional patriarchal saturated culture (Rot and Havelka, 1973). Empirical studies of Yugoslav sociologists showed that its national culture belongs to the group of pre-industrial cultures (Obradović, 1982). Such cultures are based on an implicit and subconscious "Image of Limited Good" (Foster, 1965). By "Image of Limited Good" Foster means that areas of peasant behavior are patterned in such fashion as to suggest that peasants view their social, economic, and natural universes – their total environment – as one in which all of the desired things in life such as land, wealth, health, friendship and love, manliness and honor, respect and status, power and influence, security and safety, exist in finite quantity and always in short supply, as far as the peasant is concerned. Not only do these and all other "good things" exist in finite and limited quantities, but also in addition there is no way directly within peasant power to increase the available quantities. It follows that an individual or a family can improve a position only at the expense of others (Foster, 1965: 296-297).

Managerial behavior in Serbia represents a very good example of such orientation. Namely, research data about national culture in Serbia confirmed the facts from Hofstede's study about high Power Distance and Uncertainty Avoidance, and low Individualism and Masculinity. However, what was unexpected was the fact that Serbian managers had higher scores on Power Distance, Uncertainty Avoidance and Collectivism than non-managers. Only on the fourth dimension has the managerial subculture shown to be less "feminine" in comparison to value orientation of the other employees.

My assumption is that this orientation comes as a result of the specific position of Serbian managers in a country of "typical" blocked transformation such as Serbia (during the Milošević's rule). The Serbian economy was no longer command nor had it become market yet. Some Serbian authors (Antonić, 1993) define it as a system of "political capitalism". The concept itself was introduced in sociology by Max Weber, referring to economic systems based on the use of economically irrational, mostly politically created monopoles, in various forms of market (in a technical sense, as merchandise-monetary) economy (Weber, 1976).

Political capitalism in Serbia arouse, according to Antonić, after the breakdown of the former socialist system, in an institutional vacuum used by the new-old elite to take over complete administration of "social" property and, even more important, of the possibilities for "irrational" (non-market) profit gains. The war and UN sanctions gave this elite a "perfect cover" for various kinds of abuse, always justified by "higher national interests". Because of state-induced

hyperinflation, the last remains of the healthy economic "tissue" and normal economic logic were destroyed (Arandarenko, 2000: 347-348).

Such socio-economic circumstances gave the managers from all types of Serbian enterprises (especially "social" and state-owned) almost absolute power over all resources of the enterprise, including employees. This situation gave them many opportunities for corruption, autocratic behavior and almost open devastation of the "social" capital in favor of their personal interest. Therefore, what they wanted most of all was to keep the situation unchanged as long as possible. That is why they scored high on Power Distance (to continue being powerful autocrats), high on Uncertainty Avoidance (to avoid any change of an "ideal" situation) and high on Collectivism (to "hide" their personal interests behind the "collectivistic" orientation).

Nowadays, almost four years after the political changes in Serbia in October 2000, it would be very interesting to conduct research on organizational subcultures and leadership styles and analyze the direction and intensity of possible changes. The process of socio-economic transformation has started promisingly, but has slowed down recently causing the stagnation of industrial production. Privatization of "social" and state-owned enterprises is, no doubt, the most interesting process with significant influence on employee orientation. Does the possibility of losing "jobs" cause even more Power Distance, Uncertainty Avoidance and Collectivism among managers and subordinates, or, on the contrary, lead them to conclude that more market and entrepreneurial-oriented behavior is necessary? These questions remain as a challenge and impetus for further empirical research.

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Appendix

Table 8. Enterprises covered by the research

Enter-prise	Branch	Size (number of employees)	Organizational form	Ownership structure
E 1	Trade	1-20	Stock company	Private capital
E 2	Construc-tion	51-100	Stock company	Private capital
E 3	Insurance	51-100	Stock company	Private capital
E 4	Transport	51-100	Mixed joint-stock company	Mixed with majority share of social capital
E 5	Trade	101-500	Mixed joint-stock company	Mixed with majority share of social capital
E 6	Industry	21-50	Stock company	Private capital
E 7	Construc-tion	101-500	Social enterprise	Social capital
E 8	Industry	501-1000	Social enterprise	Social capital
E 9	Trade	51-100	Private enterprise	Private capital
E 10	Banking services	1-20	Stock company	Private capital
E 11	Trade	51-100	Stock company	Private capital
E 12	Industry	1-20	Stock company	Private capital
E 13	Public services	101-500	Stock company	State capital
E 14	Trade	1-20	Private enterprise	Private capital

Table 9. Sample of managers by level of education (N = 30)

Level of education	Frequency	% of the sample
Secondary school	5	16.7
High school	9	30.0
University	14	46.7
Specialist	1	3.3
Master's degree	1	3.3

Table 10. Sample of managers by age (N = 30)

Age category	Frequency	% of the sample
Up to 30 years	2	6.7
31 – 40 years	7	23.3
41 –50 years	9	30.0
51 – 60 years	9	30.0
61 and more	2	6.7
Missing	1	3.3

Table 11. Sample of managers by sex (N = 30)

Sex	Frequency	% of the sample
Male	20	66.7
Female	9	30.0
Missing	1	3.3

Table 12. Sample of managers by occupation (N = 30)

Occupation	Frequency	% of the sample
General manager	7	23.3
Deputy general manager	3	10.0
Financial manager	2	6.7
Marketing manager	2	6.7
Production manager	2	6.7
Human resource manager	3	10.0
Information system manager	1	3.3
Profit center manager	1	3.3
Executive board member	1	3.3
Foreman	3	10.0
Other	5	16.7

Table 13. Sample of non-managerial employees by level of education (N = 132)

Level of education	Frequency	% of the sample
Elementary school	4	3,0
Secondary school (3 years)	23	17,4
Secondary school (4 years)	63	47,7
High school	18	13,6
University	22	16,7
Other	1	0,8
Missing	1	0,8

Table 14. Sample of non-managerial employees by age (N = 132)

Age category	Frequency	% of the sample
Up to 30 years	31	23,5
31 – 40 years	49	37,1
41 –50 years	30	22,7
51 – 60 years	17	12,9
61 and more	2	1,5
Missing	3	2,3

Table 15. Sample of non-managerial employees by sex (N = 132)

Sex	Frequency	% of the sample
Male	59	44.7
Female	71	53.8
Missing	2	1.5

Table 16. Sample of non-managerial employees by occupation (N = 132)

Occupation	Frequency	% of the sample
Unqualified and semi-qualified workers	10	7.6
Qualified and highly-qualified workers	37	28.0
Technicians	23	17.4
Clerical workers	41	31.1
Experts	20	15.2
Missing	1	0.8