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# Study Regarding the Culture of Large Organizations from Romania in the End of 2008

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**Abstract:** The objective of our research is identifying elements of organizational culture in Romania, in 2008, year which meant for Romania the end of economic growth cycle which had begun in 2000. In order to underline these aspects related to cultural values, employee - employer labour relation we have conducted sociological research, at the end of 2008 (October – December), against the background of the beginning of an economic and financial global crisis and after almost two years since Romania's integration in the European Union. We have included in our sample 40 large organizations, with over 1,000 employees each and with an economic activity of national importance.

## 1. Introduction

The culture of organizations represents a management subject which always focuses the specialists' attention on new and interesting aspects. The members of organizations come from different social backgrounds, with ideas, feelings and personal attitudes which are shared, enriched or replaced within groups. These combinations result in beliefs, values and behaviours which lead to adopting norms and rules of configuration as regards organizational culture.

Together with the evolution of humankind there have been inevitable changes and continual adjustments of the organizational culture. These aspects draw the managers' attention to new perspectives which require changes in the employees' process of involvement in accomplishing their mission and the objectives taken on by the managers with regard to the owners of the company assets.

The year 2008 meant for Romania the end of the last phase of economic growth which started in 2000. At the same time, it witnessed the signs marking the beginning of a new period of financial and economic crisis with different social implications. Under these circumstances, the first symptoms are visible in large organizations and are then transmitted to medium-sized and small organizations.

The approaching of a sociological research as regards the tendencies visible at the level of large organizations in contexts of unfavourable change in the factors of economic and social background is of great importance to both managers and public authorities. These introductory arguments justify the actuality as well as the interest in the conducted study.

## 2. Data regarding the research sample

The research was conducted in the latter part of 2008 on a sample made up of 40 large organizations, with over 1,000 employees each, with economic activities of national importance. It involved 1,400 persons, of different professions and holding different positions, with years of service and work

experience, respecting the gender ratio (female-male), according to the staff structure in each firm and to the structure of employees at a national level, of 52% women and 48% men. 84% of the interviewed persons were over 30 years old (fig. 1), 90% of whom having a length of service of over 3 years (fig. 2) and 80% having a length of service in the organization of over 3 years (fig. 3). The information was gathered on the basis of a survey filled in anonymously.

The first conclusion regarding the organizations included in the research sample is related to the stability of employees within the same firm. The persons with a length of service in the same organization ranging between 1 and 3 years and those with a length of service ranging between 10 and 20 have the lowest fluctuation, whereas the youngsters with a maximum three-year length of service and the persons with experience and a twenty-year length of service have the greatest mobility (fig. 2 and fig. 3). We can say that the employees with a length of service between 1 and 3 years and between 10 and 20 years, respectively, have the greatest influence on the organizational culture in the cases under discussion.

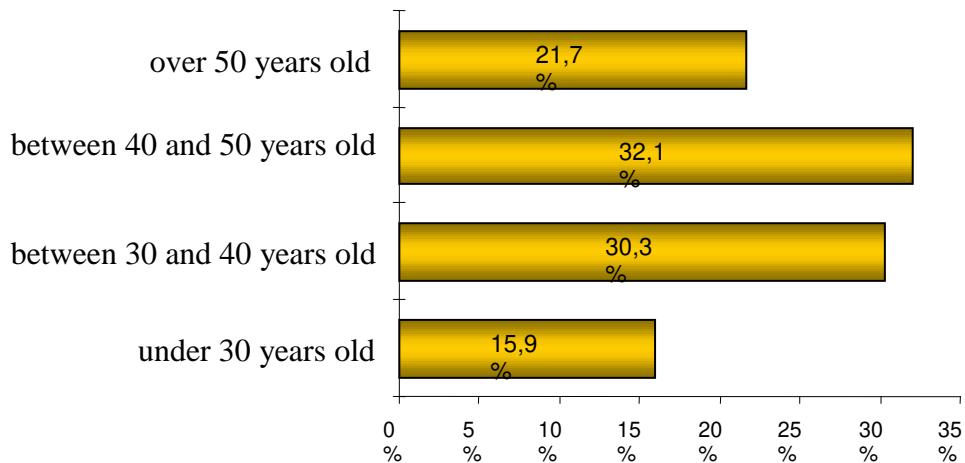


Fig.1. The age of the interviewed persons

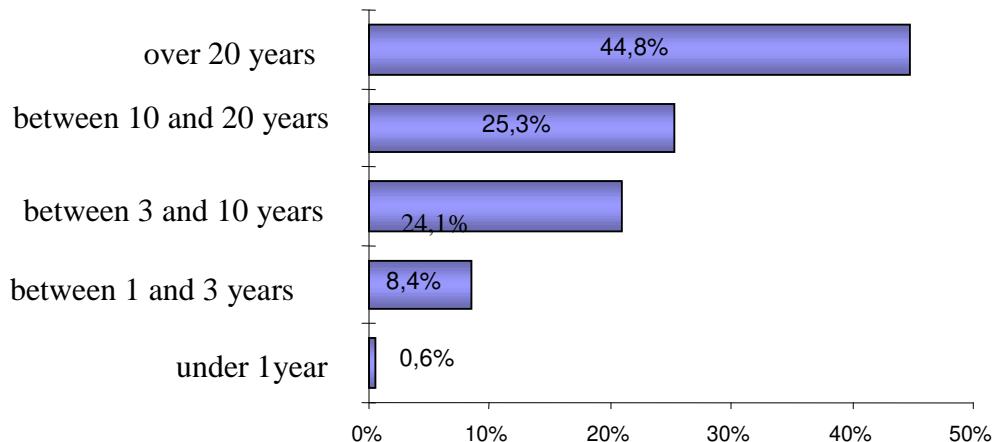


Fig.2. Length of service of the interviewed persons

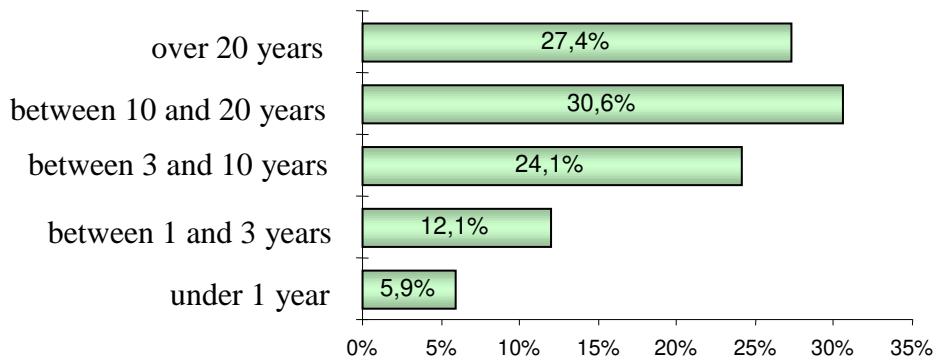


Fig.3. The length of service in the organization of the interviewed persons

### 3. The evaluation of research results

The first aspect taken into account while conducting the study refers to prioritising the cultural values specific to large companies. A set of 15 values was analysed: punctuality at work, participation in decision making, equality of chances for both men and women as regards career promotion, participation in the creativity and innovation processes, the importance of moral qualities, management democratization human solidarity, employee autonomy at the workplace, meeting deadlines, self-improvement, discipline, taking responsibility in accomplishing tasks, getting involved in forming opinions regarding the future of the organization, commitment.

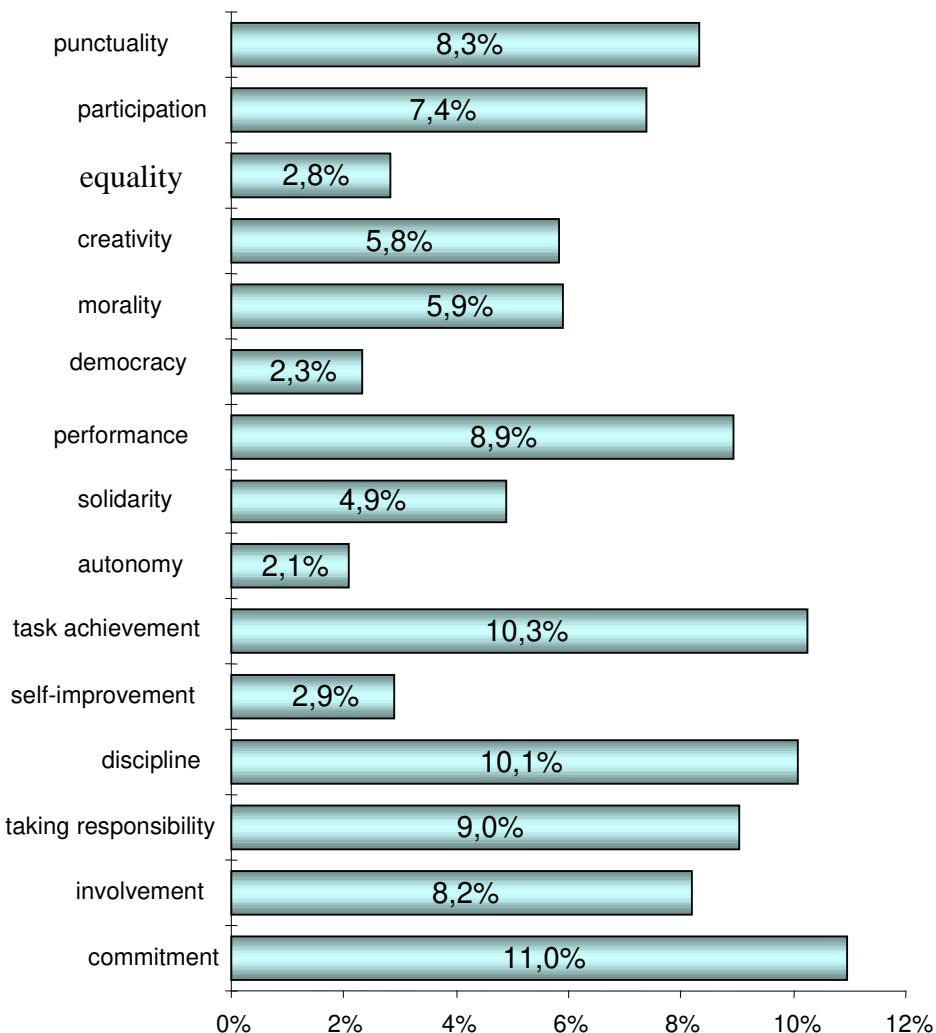


Fig.4. The hierarchy of cultural values in an organization

In figure 4 we can notice that the most appreciated values are commitment, responsibility and discipline in work whereas autonomy, democracy and equality of chances are ranked among the last. People take on and, to a great extent, develop the values regarding discipline and accomplishing tasks at the workplace, accepting the managers' authority and giving up on the equality of chances, autonomy and democracy.

Another aspect also regarding the non-visible part of the culture of organization refers to prioritising the customs passed on informally among the members of the organization from one generation to the next. In this way, the following unwritten norms have been tested: good relations with the managers, the appreciation of the activity performed by the other colleagues in the organization, maintaining good relations with the colleagues, considering the organization as a second family, taking on risks or accepting the managers' precise instructions, perceiving perfect agreement between what both leaders and colleagues say and do, the involvement of the organization in the employees' professional self-improvement, the leaders' openness to the suggestions of the organization members, accepting divergent opinions from colleagues, the freedom of action in creativity and innovation, the family's agreement and support to the organization, encouraging individual opinions.

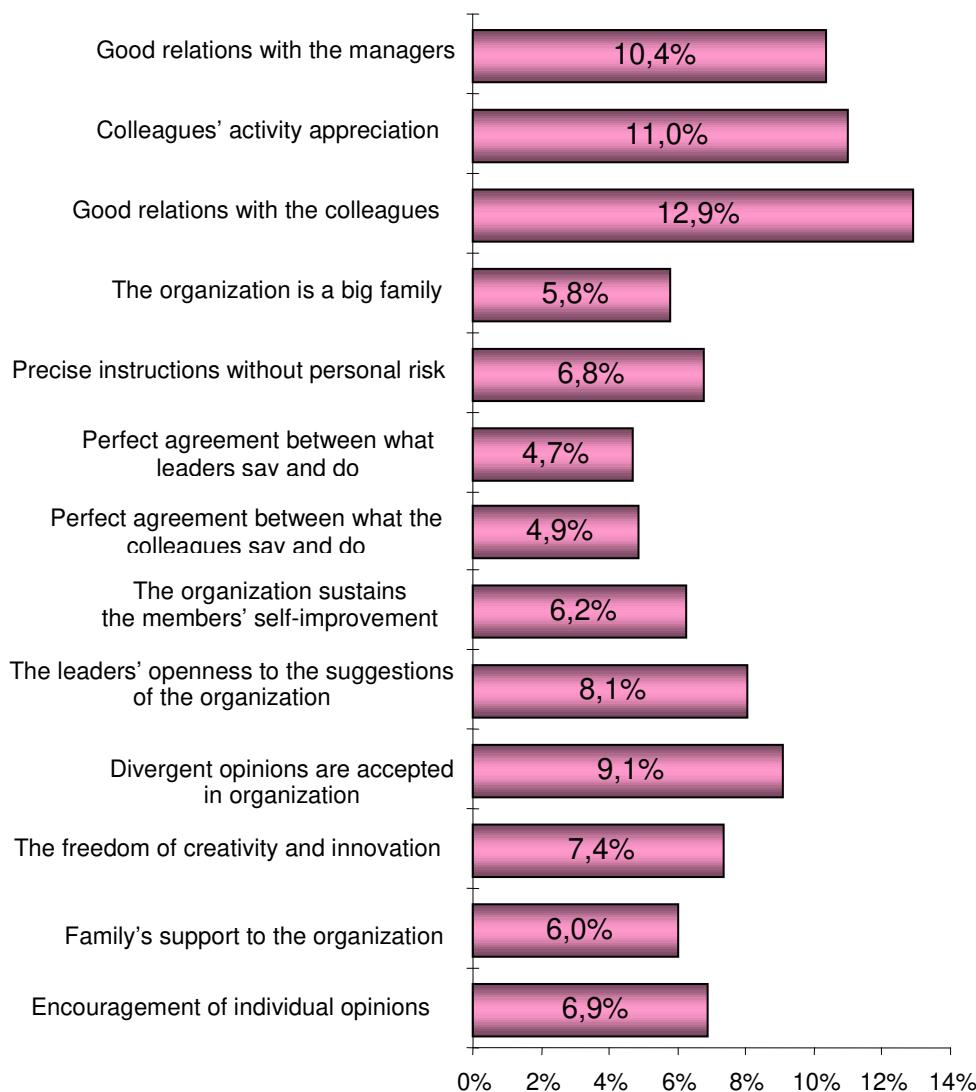


Fig.5. The hierarchy of organization's customs / practice

As we can notice from figure 5, the most appreciated customs or habits refer to having good relations with both one's colleagues and with the managing staff. There is a medium level of appreciation for the leader's openness to the suggestions of the organization and for the acceptance of divergent opinions from the members of the organization. The least appreciated customs are the incongruity between words

and deeds as regards both the colleagues in the organization and the leaders, which results in a state of general lack of trust in people. Neither the family's support to the organization nor the organization as a family enjoys too much popularity.

In table 1 we have a presentation of the results of evaluations regarding the visible elements of the culture of the organizations under study. The analysis of the data leads to the conclusion that people consider that the most important visible elements of the organization refer to the respect shown to partners (clients, suppliers and banks), to respecting legitimacy (corporate governance) as well as knowing and respecting the formal rules established by the firm. Medium importance is given to real estate symbols (buildings, lands, parking lots), to order and the aspect of indoor and outdoor spaces, to mass-media advertising, to beliefs and values reflected in the employees' behaviour, to credible perspectives offered to employees by the employer as well as to technical symbols created by the organization (technological means, inventions, products, licences etc.). The least important elements are the stories and the legends regarding the members of the organization as well as the popularity or the fame of the firm's founders and managers.

**The importance of visible cultural elements**

Table no. 1

<b>Visible elements of organization's culture</b>	<b>Without importance</b>	<b>Low importance</b>	<b>Medium importance</b>	<b>High importance</b>
The popularity and the fame of the firm's founders	24,5%	36,5%	26,8%	12,2%
Real estate symbols (buildings, terrains, parking etc.)	9,8%	26,2%	48,3%	15,7%
The order and the aspect of inside and outside spacing	2,8%	8,2%	41,5%	47,5%
Advertising (TV, radio, press, brochures, leaflets, etc.)	3,1%	13,5%	34,2%	49,2%
Rituals and ceremonies organized by the firm	21,9%	35,4%	33,7%	9%
Beliefs and values reflected in the employees' behaviour	8,9%	18,8%	36,6%	35,7%
Knowledge and observance of the norms set by the hiring firm	3%	7,3%	26,6%	63,1%
The basic conceptions of the organization managers	6,5%	14,6%	33%	45,9%
The respect for partners (clients, suppliers, banks)	3,6%	3,3%	8,8%	84,3%
The popularity and the repute of managers	11,3%	22,3%	31,4%	35%
Technical symbols (technological means, inventions, products, licences etc.)	2,3%	9,4%	30,8%	57,5%
The web page of the firm or organization	2%	8,5%	38%	51,5%
Mass-media publications (notifications, reports etc.)	5,8%	15,9%	34%	44,3%
The stories and the legends about the organizations' members	26,1%	30,2%	30,1%	13,6%
Legality observance (corporate governance)	2,1%	3,4%	11,9%	82,6%
Credible perspectives offered to employees by the employer	1,1%	6,3%	25,4%	67,2%

An important role in the configuration and the evolution of the culture of the organization is played by the labour relations between employee and employer. In table 2 we have a presentation of the data regarding the situations which reflect the quality of these relations. The lack or the low frequency of some situations indicates a good labour relation. In this way we notice the lack of promotion and the discouragement of arrogance and of bureaucracy or of the humiliating and discriminating rituals among people. The same objective is aimed at by encouraging the employees' initiative and by avoiding conservatism, by focusing on general objectives rather than on individual ones, by clearly formulating the internal norms of conduct and of functioning in the firm. There are also situations, frequent or not, which can

lead to a degradation of labour relations. Some of these are: giving jobs without respecting the candidates' intellectual ability, disrespecting the employees' autonomy in choosing the manners of accomplishing their tasks, a relatively calm and protective atmosphere for those who do not accept competition.

#### Aspects regarding the work relation employee - employer

Table no. 2

<b>Situations existent in the firm</b>	<b>Yes</b>	<b>Frequently</b>	<b>Rarely</b>	<b>No</b>
The work climate is tensioned and hard to tolerate	6,3%	13,5%	32,7%	47,5%
The personnel fluctuation is fairly high	16,4%	19,7%	28,4%	35,5%
The values and norms are clear, written, formal in tone and inflexible	36,3%	27,8%	20,8%	15,1%
The work climate is relatively calm and protective for the persons who accept competition with difficulty	19,5%	29,6%	28,2%	22,7%
The integration ceremonies are frequent	10,9%	16,4%	25,7%	47%
There is autonomy regarding the choosing of task accomplishment	22,7%	33,5%	26,3%	17,5%
The employees show indifference to organization	6,3%	16,6%	31,1%	46%
The management promotes conservatism and ignores any suggestion from the employees	10,2%	16,1%	25,2%	48,5%
The work posts are filled based on the intellectual potential of each candidate	36,9%	37,6%	14,9%	10,6%
The humiliating and discriminating rituals are dominant	7,4%	11,1%	18%	63,5%
Promotion is slow	38%	24,1%	20,3%	17,7%
The general objectives have priority to the individual ones	49,2%	25,4%	16,7%	8,7%
Arrogance and bureaucracy are encouraged	7,1%	8,6%	22,1%	62,2%

In the same context, that of quality of labour relation, we present in table 3 the results of evaluating the relation between managers and employees. Taking into account the data discussed previously, we are surprised by what people feel about their relation with their managers (supervisors). As we can notice, the situations existent in 2008 do not show a close relation between managers and direct subordinates. It is very rarely that positive stimulation is offered through a merit diploma or through making the praiseworthy ones known. Their failures are not tolerated but old-fashioned traditions are preserved. The subordinates' proposals and suggestions are not accepted and there is no encouragement for the subordinates' participation in the training courses sponsored by the firm.

#### The relation managers (supervisors) - direct subordinates

Table no. 3

<b>Situations existent in the firm</b>	<b>Never</b>	<b>Very rare</b>	<b>Very frequent</b>	<b>Always</b>
Diplomas / merit medals are awarded	34,2%	44,3%	10,1%	11,4%
Personal success is publicized	22,8%	48,6%	17%	11,6%
Failure is tolerated to a certain degree	17,1%	58,7%	21,1%	3,1%
Personal success is encouraged	10,7%	39,5%	32,2%	17,6%
Norms leading to preserving tradition are upheld	7,4%	31,1%	44,4%	17,1%
Strict discipline is promoted	5,5%	18,8%	48,3%	27,4%
Subordinates' proposals and suggestions are rejected	25,7%	48,2%	19,1%	7%
The employees participate in classes, training sessions sponsored by the firm	6,1%	32,9%	31,6%	29,4%

The evolution in time of the labour relation employee-employer is revealed by the data presented in table 4. Surprisingly, most employees state that their labour relation is relatively good and it could even be better through closer relation with their colleagues, through improving the work climate, encouraging the expressing of opinions by employees and their participation in the process of decision making. According to other opinions the situation has become worse or has remained as bad as before because of the little time spent with the family, because of low wages and of probably low possibility of expressing personal opinions within the organization.

### The evolution in time of the employee - employer labour relation

Table no. 4

<i>Current situations</i>	<i>The situation has become worse</i>	<i>The situation has remained equally bad</i>	<i>The situation has remained equally good</i>	<i>The situation has become better</i>
The time spent with the family	23,7%	18,2%	48,1%	10%
The level of income (financial or other types of rewards)	12,8%	24,6%	39%	23,6%
The freedom of expressing opinions	5%	20,3%	57,5%	17,2%
Hierarchical position	6,3%	14,6%	61,7%	17,4%
Work climate	9%	9,6%	61,1%	20,3%
The freedom of putting ideas into practice	3,2%	17,5%	62,9%	16,4%
Relations with colleagues	2%	3,7%	73%	21,3%
Participation in decision making	6,7%	18,4%	58,9%	16%
Support from colleagues	1,7%	5,6%	76,7%	16%

The results presented in table 5 show that, nevertheless, the labour relations and the relations between managers and direct subordinates do not affect the climate of the organization to a great extent. This conclusion leads us to the observation that the cultural elements under study have a greater influence on the agreement between members of large organizations. The most significant statements of the surveyed persons reveal the trust that the organization leaders benefit from (in large firms the unions are powerful), the definite sense of belonging to the organizational group, the informal communication within the organization, the constant integration of the new members of the group, the compatibility of the personal system of values with that of the organization. Of all the statements that reveal a negative influence on the organizational climate, we underline the stress at the workplace (confirmed by the tense relation between managers and direct subordinates) and the intention of changing one's job in the near future.

### The Climate of the Organization

Table no. 5

<i>Statements that apply to the organization</i>	<i>Never</i>	<i>Rarely</i>	<i>Often</i>	<i>Always</i>
Your system of values matches that of the organization in which you work	3,6%	19%	55,7%	21,7%
You feel you are a part of the organization in which you work	1%	13,5%	40,4%	45,1%
You give up on your principles in order to sometimes do whatever you are asked for by the organization	7%	34,8%	44,8%	13,4%
You are encouraged to express your opinions at your workplace	4,1%	24,1%	46,4%	25,4%
Your colleagues are open to your ideas	2,1%	20,6%	57%	20,3%
The organization encourages your self-improvement	5,5%	32,5%	32,8%	29,2%
You are under tremendous stress at work	8,5%	32,6%	46,3%	12,6%
You acquire all the necessary information informally	1,2%	13,5%	55,6%	29,7%
You evaluate the activity of managing the organization positively	2,1%	11,8%	46,7%	39,4%
You feel embarrassed when you have to contradict your managers	13,8%	38,4%	34,6%	13,2%
You can also have a career in some other organization, you are not dependent on the organization in which you work	12%	25,1%	29,6%	33,3%
You are thinking about changing your job in the near future	37,3%	34,2%	22,4%	6,1%
The new employees are helped to adjust to the organization in which you work	2,8%	14,5%	34,1%	48,6%
The new employees are treated reluctantly	47,4%	31,9%	15,9%	4,8%

Overcoming the moments of confusion and uncertainty within the organization is accomplished through actions co-ordinated between the management and the other members of the firm. In table 6 we have a presentation of the results as regards the evaluation of the organizational practice related to achieving this objective. As we can notice, the most efficient action is the open and sincere internal

communication between the management and the organization, with the specification of the risks and chances offered by the changes required at such moments.

#### **Organization practice for the overcoming of the moments of confusion and uncertainty**

Table no. 6

<b>Actions</b>	<b>Of no importance</b>	<b>Less important</b>	<b>Quite important</b>	<b>Very important</b>
Sincere internal communication between the management and the organization	0,9%	2,8%	19,1%	77,2%
People have to be encouraged to express their feelings towards change	3,2%	6,6%	42,3%	47,9%
Meetings between managers and subordinates for the discussion of problems which might occur during the process of change	3,1%	5,3%	32,7%	58,9%
The employees should know the risks and the benefits of change	1%	3,8%	31,4%	63,8%

#### **4. Conclusions**

The similar research conducted between January and March in 2005 by Gallup Organization in cooperation with Interact Romania is well known. In this case, they used the "Value Survey Module" Questionnaire, conceived by the Institute of Research for Intercultural Communication, founded by the well-known Dutch scientist Geert Hofstede.

The synthetic conclusions of the 2005 study reveal the following features of the Romanian behaviour as regards the cultural aspects, according to Geert Hofstede method<sup>1</sup>:

- the complex towards power shows that the Romanians prefer subordination to a single manager and the participative / cooperative management style
- the Romanians reveal collectivist mentality, obeying the rules of the group in order to achieve common social interests
- there is no discriminating practice between women and men in Romania
- the Romanians are interested in avoiding uncertainties through agreement and immediate solutions
- the Romanians plans for the future aim at short-term objectives

The research conducted by us in 2008 confirms to a great extent, the results from 2005 and brings a series of useful additions to management practice. This study focuses on the organizations within business firms (services, production) which are significantly different from the organizations in public institutions.

The cultural values which the organizations are interested in are perceived differently, the most appreciated ones being discipline, commitment, performance, involvement, punctuality. The results of the research mentioned in 2005 were confirmed, regarding the distance from power taken by the members of the Romanian organizations and as regards accepting the equality of chances. The end of the economic growth period and the beginning of the economic crisis do not cause any changes to the above mentioned cultural dimensions.

The unwritten rules and/or the most respected customs in the large Romanian organizations refer to developing and maintaining good relations with the colleagues and between subordinates and the supervisor, and to encouraging divergent opinions. We can notice that there is a tendency of minimizing the importance that the family gives to the organization as well as one of the diminishing one's trust in people because there is sometimes a great discrepancy between words and deeds. Therefore we can observe a reduction of the collectivists dimension and the orientation towards individual performance. This observation brings to our attention a possible future change of the collectivist dimension within the Romanian organizations.

The symbolic and visible cultural elements, which have the greatest impact on the members of the large Romanian organizations in 2008, are brought about by the corporate governance and its consequences on ensuring an optimistic perspective for the firms. The elements that are also appreciated are the behaviour towards partners (suppliers, clients and creditors), the pleasant aspect of the firm's spaces, the web page, the advertising and the mass-media reports about the firm. Surprisingly, little attention

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<sup>1</sup><http://www.traning.ro/dcs/studiu2.pdf>, Luca, Adriana *Studiu despre valorile și comportamentul românesc din perspectiva dimensiunilor culturale după metoda lui Geert Hofstede 2005*.

is paid to stories and legends about the organization members, to the popularity of its founders, to ceremonies or rituals, as well as to real estate symbols (buildings, parking lots etc.).

The consequences of ordering hierarchically the visible and invisible cultural elements of large organizations are reflected in a series of interesting aspects regarding labour relations and their evolution in time, the social climate within firms and the manners of overcoming the states of confusion and uncertainty that occur in situations caused by the occurrence of changes.

As regards labour relations, we underline the importance given by the employer and by the employees to ensuring and maintaining a calm and relaxed atmosphere, to career promoting according to professional competence criteria, to discouraging arrogance, bureaucracy and the practice of humiliating and discriminating rituals among the employees. The employees' low interest in ceremonies and rituals is explained by the fact that the managers do not create and do not encourage such situations as means of spiritual motivation in organizations.

The good evolution of labour relations in time is mostly upheld by the solidarity among the organization members, the relatively calm work climate, the constant enforcement of the competence-based criterion for hierarchical promotion and the stimulation of the employees' participation in decision making. Labour relations can be negatively influenced by reducing the amount of time spent with one's family, by slow promotion and by restricting wages.

The climate of the organization is mostly influenced by promoting and maintaining good informal communication within groups, by developing the sense of belonging to the group, by welcoming and carefully integrating the new employees within organizations. The demand of giving up on principles and personal habits and the stress within the organization can become sources of climate degradation inside the organization.

Overcoming the moments of confusion and uncertainty in the situations of change that may occur in organizations can be successfully sustained through sincere communication between the supervisor and subordinates, through encouraging the free expression of different opinions and through a careful evaluation of the risks and chances that can occur.

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