

ON ORGANIZATIONAL CULTURE IN THE WESTERN BALKANS: A REVIEW OF THE LITERATURE

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Abstract: This paper reviews literary sources by highlighting studies that explore various aspects of organizational culture in Montenegro, Serbia, North Macedonia, Croatia, Bosnia and Herzegovina and Slovenia. We have chosen this approach because these countries were once part of the Socialist Federative Republic of Yugoslavia, where similar understandings and value systems regarding organizational operations were long established. The value systems that emerged are undoubtedly a result of the transition processes that these countries underwent, shifting from socialist economic systems to market economies.

In all the states that belonged to the unique area of the Socialist Federative Republic of Yugoslavia, a nearly identical understanding and long period of time established the same or similar business systems. After the collapse of the country and the formation of independent states, each country went through the same path of transition and found itself in an objectively difficult position. The transition manifested itself through economic transformation, primarily the affirmation of private property, followed by frequent minor economic changes, changes in regulations, political turmoil, crises, and disasters. Therefore, all of these factors had to impact the formation of attitudes, values and norms in the way employees think and behave. The formation of organizational cultures in their companies retained certain specificities that are the result of their national cultures.

Research into organizational culture literature reveals that many authors approach the study of this phenomenon by focusing on its impact on organizational performance. The increased importance of theoretical research into organizational culture in different contexts, as demonstrated in this work, stems from the need to consider the management strategy structure within enterprises. Organizational culture influences nearly all aspects of business operations. It affects, to varying extents, key elements such as business strategy, organizational structure, performance style, and company change. It shapes the entire organizational framework, making it a critical factor in business success.

The success of many companies has reinforced the belief that a strong organizational culture is crucial for achieving business success. According to this perspective, a strong organizational culture, characterized by a cohesive set of values, beliefs, and behavior patterns, leads to higher productivity and better goal achievement. This success is attributed not to financial capital or cheap labor but to the strength of the organizational culture.

Keywords: organizational culture, enterprise, performance, business, human resources.

1. ORGANIZATIONAL CULTURE AS A SOCIAL PHENOMENON

Organizational culture is a system of assumptions, values, norms, and attitudes that members of an organization have developed and adopted through a shared experience that helps them determine the meanings of the world that surrounds them and how to act (Schein & Schein, 2017). Organizational Culture is a social phenomenon that arises and changes through the interaction of employees with each other and with the environment. Organizational culture arises in the process of group solving problems (external adaptations and internal integration) faced by members of a company. Collective problem-solving results in the learning of employees, positive and negative conditions, where successful problem-solutions are accepted and repeated in similar situations. As a result of the systematization of people's experiences, interpretative patterns of employees arise. By long-term repetition of successful solutions, it is transformed into the first, the first norms and values, and then into assumptions and beliefs.

2. LITERARY REPRESENTATION OF ORGANIZATIONAL CULTURE IN DIFFERENT CONTEXTS

Literature sources are shown through pointing out studies that deal with certain segments of organizational culture in Montenegro, Serbia, North Macedonia, Croatia, Bosnia and Herzegovina and Slovenia. We opted for this literature form because we had in mind that this was about countries that belonged to a unique area of the Socialist Federal Republic of Yugoslavia, where the same apprehensions were valid for a long time and the same or similar value system for business organizations were continuously formed. Value systems formed this way thus were a consequence of transitional processes that all countries have gone through, by transforming their socialist economic systems into market economy systems.

Researching the literature of organizational culture shows that a large number of authors are approaching the study of this phenomenon by trying to determine the influence of organizational culture (identifying its characteristics in a particular company) on company performance, for the purpose of successful business.

In Montenegro Nikčević (2016), Janićijević, Nikčević, et al. (2018) deal with the subject in question by researching the influence of organizational culture on the factors of the internal environment in company.

In studies Nikčević (2014) through an exhaustive analysis of 324 employees from 16 Montenegrin companies by using the quantitative method- the survey, examines the impact of organizational culture on leadership style. The results of the conducted research showed that the organizational culture that prevails in companies in Montenegro is the culture of power, which corresponds to the autocratic style of leaders with a strong emphasis on tasks and job requirements, and with a less emphasis on the people's roles. The contribution of the conducted research is reflected in the fact that it allows the recognition of the dominant type of organizational culture in Montenegrin companies and leadership styles, as well as their interpersonal relationships, whose harmonization is necessary for successful business of Montenegrin companies.

This research continues with a study by Janićijević, Nikčević, et al. (2018) who examine the impact of organizational culture on job satisfaction. The results showed that employee satisfaction depends on the type of organizational culture that is dominant in them. The culture of power characterizes the surveyed enterprises. Researches have shown that the level of employee satisfaction is highest in people culture, reasonably high in organizations with task or power cultures and lowest in organizations with role culture. With that in mind, the author's efforts are in line of introducing people's culture in Montenegrin companies.

The researches of these authors, in addition to theoretical significance, also have a practical significance because the authors provide guidelines to business owners and managers on how to adequately identify the type of organizational culture, which will allow them to fit into global trend easier.

Next to the mentioned research papers in Montenegro, there are also studies that deal with organizational culture through the prism of sustainable development. Having in mind the aim of sustainable organizational development, organisational culture is recognised as one of the key factors for the functioning of modern companies. The organizational culture of Montenegrin companies is characterized by: centralized decision-making model, a collectivist community with established authorities, trust in the power of the state instead of the power of entrepreneurship, avoiding taking risks and responsibilities, lack of entrepreneurial initiative, not supporting innovation in all spheres, low level of professionalism of managers and employees, underdeveloped corporate governance culture, as well as insufficient application of corporate social responsibility concept. In study it stands out further that the market-oriented culture of innovation in Montenegrin companies is insufficiently developed, ie. A shortcoming of planning of research and innovation activities is evident as serious problem that Montenegrin companies are facing which can be overcome through the introduction of various financial and fiscal instruments. This kind of organizational culture is not a support to sustainable development, moreover, it is an obstacle to sustainable development. Therefore, the goals of these strategies are to strengthen those dimensions of organizational culture that will be in line with sustainable development (be in the function of sustainable development) by strengthening the innovative and entrepreneurial potentials of Montenegrin companies.

Janićijević (2020), Mali, et al. (2022), Savović, et.al. (2022), Stojanović-Aleksić, et al. (2019), Rajković, et al. (2020) were engaged in organizational culture of companies in Serbia.

In studies, Janićijević (2020), in addition to defining culture and determining its content most frequently investigates the influence of organizational culture on the elements of organization and its performance. In his studies, the author concludes that organizational culture affects all elements of organization and management, namely that different types of culture in organizations imply different strategies, models of organizational structure, leadership styles, salary systems, control systems and motivation profiles. Also, authors Mali, et al. (2022) and Savović, et.al. (2022) in their studies came to similar conclusions.

Stojanović-Aleksić, et al. (2019) in their study explore the organizational preconditions for the creation and exchange of knowledge. The goal was to determine whether and to what extent organizational culture contributes to the creation and exchange of knowledge. The research included 150 respondents, employed in 30 companies in the Republic of Serbia. By using the regression method, the obtained results show that companies with an organizational culture that supports knowledge have positive effects on the creation and exchange of knowledge.

Examination of impact of national culture on entrepreneurship was done by Rajković, et al. (2020). The research was conducted on a sample of 115 students from Serbia. The results of the research showed that the national culture has a positive impact on entrepreneurship in the way that it can be a favorable environment for the development of organizational culture that stimulates young people in Serbia to develop their entrepreneurial skills.

In Croatia, Buble (2012), Sandrk Nukic & Huemann, M. (2016), Baković, et al. (2013), Rajh, et al. (2016), Belak, et al. (2014), Omazić, et al. (2020) were engaged in organizational culture.

Buble (2012) in his study questioned the interdependencies between organizational culture and leadership styles in large organizations in Croatia. The study used a sample of 32 organizations with 500 employees. Through research it was determined that in Croatian organizations two types of organizational culture are equally present: static, which

has an authoritarian leader, and dynamic, which has a participatory leader. The author recommends and advocates for the development of a dynamic culture and strengthening the participatory style of leaders that better suits the business of modern enterprises.

Certain characteristics of organizational culture in the Croatian construction industry was examined by Sandrk Nukic & Huemann (2016). In this study, they examine how the organizational culture of construction companies affects their business. Using Cameron and Quinn's Organizational Culture Assessment Instrument (OCAI), the results showed that the dominant type in most construction organizations in Croatia are hierarchical type of culture that the authors believe is unsuitable for the construction industry. Therefore, they recommend clan culture as a culture characterized by high morale of employees, teamwork etc. which gives better performance.

Baković, et al. (2013) examined how many companies in the Croatian manufacturing industry are ready for innovations. The results showed that in the analyzed Croatian companies, employees are not ready for innovations. In this sense, they give guidelines to management about ways to develop a radical innovation culture that will stimulate employees to accept innovation.

Reich et al. (2016) research aims to examine the national culture in Croatia and explore regional differences in the attitudes of Croatian citizens about the dimensions of national culture: distance of power, individualism, male values, avoidance of uncertainty and long-term orientation. The research included a sample of 1500 citizens in Croatia. By using Hofstede's questionnaire, values for the five dimensions of culture at the national and regional levels were analyzed. The results on the national level showed that Croatian national culture is characterized by: a lower degree of power distance, a moderately higher degree of individualism, a high degree of avoidance of uncertainty, a low degree of masculine values and a low degree of long-term orientation. The authors think the accelerated process of globalization has contributed that the attitudes of Croatian citizens are similar to the attitudes of citizens in developed countries. However, a high degree of uncertainty avoidance is a characteristic of all post-transition countries. The outcome of the analysis at the regional level showed that Croatia is mostly homogeneous in terms of citizens' attitudes about the dimensions of culture.

Belak, et al. (2014) and Omazić, et.al. (2020) in their studies analyze literature sources on the influence of organizational culture on the implementation of organizational change. They analyze the following elements of organizational culture: values, norms, symbols, customs, managerial style. In order to form a positive attitude of employees towards change, they recommend developing values such as: flexibility, security, trust, responsibility and solidarity. These characteristics affect the formation of a positive attitude of employees in the direction of accepting organizational changes.

In North Macedonia, Sofijanov & Zabijakin-Chatleska (2013), Bojadjiev, et.al. (2015), Zeqiri & Alija (2016), Mileva, et.al. (2020) dealt with organizational culture.

In the study, Sofijanov et al. (2013) examined the relationship between employee involvement in decision-making and problem solving in the company and organizational performance in the manufacturing sector in North Macedonia. The study covered 36 companies through a quantitative method and statistical data processing using a survey. The obtained results showed that the involvement of employees in decision-making depends on certain dimensions of national culture. Macedonian national culture was characterized by a high distance of power and collectivism. Due to the high distance of power, the degree of involvement of employees in decision-making is low (decisions are made by non-management at the top of the company). Due to collectivism, the right to decide belongs more to the group than to the individual. The authors emphasize that the involvement of employees in the decision-making and problem-solving process provides a better insight into the way of doing business and leads to better organizational performance.

Bojadjiev, et al. (2015) explored in the study the influence of organizational culture on the chosen leadership style. The survey included 50 managers in North Macedonia. According to these authors, organizational culture is one of the factors that strongly influences the chosen leadership style. Through a comprehensive quantitative analysis, the results showed that the following styles were present in North Macedonian companies: a conservative culture with an authoritarian style, an entrepreneurial culture with a participatory style, and a conservative culture with a participatory or Laissez-faire leadership style. The research showed that autocratic leadership style is the most popular in Macedonian companies. This style of leadership is not the best solution for modern ways of doing business. The authors gave guidelines on how to train managers, send young people for training abroad, rejuvenate management teams, etc. changes the leadership style in the Macedonian business sector.

In the study, Zeqiri & Alija (2016) examined the organizational culture of a private university in North Macedonia based on Hofstede's dimensions of organizational culture. The six cultural dimensions according to Hofstede were: orientation on the process versus results, orientation towards people in relation to the task, parochial in relation to the professional, open system versus closed system, loose versus strict control and normative versus pragmatic. It

examined the extent to which the organizational culture of the university was in line with the goals of the university and provided guidelines on how to align it with the goals of the university.

Mileva, et.al. (2020) explored and identify organizational culture and alignment in companies located in countries with high pollution levels, and examine theoretical approaches to this phenomenon. One of the key objectives is the practical implementation of VOX Organizationis, an instrument for measuring alignment, culture, and leadership values, and the review of evidence and recommendations for its application within companies.

Klepić & Madžar (2017), Kuljaninović (2017) dealt with organizational culture in Bosnia and Herzegovina. In the research, conducted with a survey on a small sample at a small and medium enterprises, performed by Klepić & Madžar (2017) investigated how and to what extent organizational culture can affect knowledge management.

The final outcome of the research indicated that organizational culture had a positive correlation with knowledge management. Furthermore, a key precondition for successful implementation of knowledge management is to establish a higher level of organizational culture. For organizations that plan strategically and make well-prepared decisions regarding knowledge management, this is of an utter importance. Furthermore, it is highly advisable for companies to develop and expand a culture of innovation and creative thinking, knowing that the degree of success is in correlation with new business strategy.

To sum up, the establishment of new social values based on knowledge, creativity and capability of human resources is of a great importance for Bosnia and Hercegovina economy. Due to all foregoing, knowing there is a connection between organizational culture and knowledge operation, grounded on the correlation measure value, we come to the conclusion that there exist sufficient place for strengthening unproductive connections between substantiated variables. As this research shows, the organizational culture has the strongest goods on the knowledge sharing conditioning, accession, storing and finally use.

Kuljaninović (2017) examined the impact of management and organizational culture on the efficiency of public administration in Bosnia and Hercegovina. In addition to recognizing that there are a number of factors that affect the efficient operation of public administration, the study is limited to the analysis of certain factors, like: managerial skills, communication and motivation of employees, level of bureaucratization, quality of human resource management, depoliticization of public administration. The results showed that, due to the complexity of political relations, public sector management is not efficient enough to solve socio-economic problems with existing institutions. The study suggested that the most important thing for the quality and efficient work of the state administration was the reduction of political influence and its depoliticization. Therefore, they made recommendations for public sector reform by developing an organizational culture without any policy implications.

In Slovenia, Mrđa & Šuligoj (2016), Kavčič, et al. (2008), Cerović, et al. (2009, 2011), Meško-Štok, et al.(2010), Čuček, et.al. (2020) were dealing with research on organizational culture.

In the research of Mrđa & Šuligoj (2016) the organizational culture of four tourist activities in Portorož, namely: hotels, restaurants, casinos and travel agencies, was studied. The survey method was used in the research and included employees from 12 hotels, 7 restaurants, 4 casinos and 7 travel agencies. The results of the research showed that employees in these industries are aware of the fact that guests are the most important value of any company. However, research has also shown that employees feel that the company does not put the necessary focus on them. They believe that employees are not sufficiently rewarded and motivated to work. Therefore, the authors give recommendations that it is very important to develop such an organizational culture that will reward and motivate employees in tourism.

Kavčič, et al. (2008), Čuček, et.al. (2020) gives a detailed overview of organizational culture, starting from the definition of organizational culture, through the analysis of its content and explanation of the impact on the company's business, to its change through various models.

Cerović, et al. (2011) examine the influence of national culture on the formation of organizational culture in the hotel industry. Through a comprehensive quantitative qualitative analysis that included 576 hotels and 3789 managers (of which 13 hotels are branded with 156 managers). The authors came to the conclusion that national culture is extremely important for the organizational culture of hotels (especially in branded hotels), but also that a strong organizational culture (through business standardization) can influence national culture. The authors point out that national culture is respected in strong global hotel corporations, but to the extent that it does not endanger their interests. Otherwise, the organizational culture of hotel corporations will change the national culture. They recommend that hotels should take care of their brand, but respect the national context in which they operate, because it is certainly a condition for successful business and satisfied customers. When it comes to organizational culture, Cerović, et al. points out in his case that its content (cognitive and symbolic), especially in the hotel industry, affects the recognizability of the hotel, based on which the guest decides on the choice of hotel, which affects business success.

The Meško-Štok, et.al. (2010) study examines how certain elements of organizational culture affect business excellence. The research was conducted by a quantitative method on a sample of 824 managers in Slovenian companies. Among the elements of organizational culture, the focus is on: the way of communication, interpersonal relationships, motivation and stimulation of employees. The obtained results showed that all these elements have a positive effect on business excellence. The results of this research can be used by managers to improve business excellence in companies through the planning process.

3. CONCLUSION

Organizational cultures in the countries of the former Yugoslavia, including Montenegro, Serbia, North Macedonia, Croatia, Bosnia and Herzegovina, and Slovenia, exhibit common characteristics stemming from a shared socialist heritage and transitional processes towards market economies. Key elements of these cultures include a centralized decision-making model, a pronounced role of the state in business, a collectivist approach, and high power distance. These cultures often feature authoritarian leadership styles, as evidenced by studies examining the impact of organizational culture on leadership styles in these countries. Research indicates that conservative cultures prevail, emphasizing stability and formal structures, which can pose barriers to innovation and entrepreneurship. Researchers commonly recommend a transformation towards more dynamic and participative organizational cultures that support innovation, teamwork, and adaptability. Such changes would contribute to improved business performance and competitiveness in the global market.

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