Redefining Organizational Culture in Global Crisis: Affirmation of New Values

Verica Babić[a][*], Vesna Stojanović Aleksić and Jelena Erić

Faculty of Economics, University of Kragujevac, Đure Pucara 3, 34 000 Kragujevac, Serbia
[a] Tel: (381) 34 370 270, vbabic@kg.ac.rs,
[b]Tel: (381) 34 303 551, vesnasa@kg.ac.rs
[c]Tel: (381) 34 303 541, jelena_eric@kg.ac.rs

Abstract:

Organizational culture is one of the key factors that influence achievement of organizational goals and the most relevant intermediate factor that creates interdependent relation between leadership and organizational performances. If the employees have compatible beliefs and mutual understanding about system of common values it will facilitate team work, and make completion of goals more likely.

Research problem in this work paper is focused on how to change organizational culture in order to make organization more competitive in radically turbulent environment. Contemporary organizational structures, created as a result of traditional models incapability to respond to change, tend to be very flexible. Basic condition to make organizational structure more adaptable is permanent innovation and redefinition of existing organizational culture.

Research goal is to prove that during global economic crisis it is necessary to adapt core values organizational culture is based on and to redefine them according to new principles that promote flexibility, teamwork and participative leadership style. Consequently, foundation for conducting the research is built upon following hypothesis:

Hypothesis 1: During radical global turbulences organizational culture must be redesigned and established on new value system, that incites tendency toward change.

Hypothesis 2: New set of values organizational culture is based on implies promotion of teamwork, but simultaneous encouragement of individual initiative and creativity of the employees, too.

Hypothesis 3: New set of values organizational culture is based on reaffirmation of the transformational leadership style, as well as creating interdependence between leader's behavior and the demands of the concrete situation.

Research required application of certain scientific methods and techniques, such as analysis, synthesis, induction and deduction. Combination of qualitative and quantitative methodology has been used, based on study and comparison with previous research and empirical achievements of the other researchers. Special contribution of this paper attempt in presentation of the research conducted in twenty Serbian corporations, aiming to analyze characteristic of their organizational cultures. Data are gathered through direct observation, interviews, discussions and questioners, filled by approximately 500 employees. During the course of the research, it has been analyzed attitude leaders demonstrate toward teamwork, creativity and individual initiative, as well as to what extent they support and encourage participation of the employees in the

decision making process. Dominant leaders characteristic in Serbian corporations are considered, with the special attention to their capacity to deal with the change they are facing.

Presented results suggest that key reasons for insufficient competitiveness of Serbian economy lie in domination of the bureaucratic organizational culture, prevailing directive leadership style and significant resistance to change. This research provided evidence that during global economic crisis it is necessary to focus overall efforts on establishment of the adaptive organizational culture, capable to deal with the radical change in the environment, and to overcome resistance through reaffirmation of values based on flexibility, creativity, teamwork and transformational leadership.

1. Introduction

The organizational culture is one of the strategic factors in achieving the economic performances and organizational goals. Its impact is especially strong in the process of initiating and carrying out the organizational changes, which represent a condition for successful facing and overcoming the consequences of the global economic crisis. The organizational culture determines the creation of the cognitive schemes of employees, supports their internal integration, identification with the organizational values, team work, but it also influences the way organization's goals and vision are defined. Interdependence of the organizational performances and leadership process is to a high degree realized through the organizational culture, actually it emerges as the most significant intermediary of that process. In order to successfully implement the process of the organizational changes, the organizational culture must be based on the values which incorporate inclination to changes, otherwise it would be necessary to redefine and adapt it before the initiation of changes.

The research problem in this paper is focused on the issue of how to change a company's organizational culture with a goal to enable it to be competitive in the radically altered climate for business opeartions. Contemporary organizational structures, created due to incapability of the traditional models to adjust to the challenges of the changes, are characterized by high flexibility, which would not be achievable without innovation and redefinition of the existing organizational culture.

The goal of this paper is to prove that, in the global economic crisis environment, it is necessary to adapt the fundamental values the organizational culture is based on, and redefine them according to the new priciples which promote adaptibility, team work and participative leadership style. The paper includes the results of the research which has been conducted with a goal to analyze the characteristics of the organizational cultures of the companies in the Serbian economy and to point out the changes that must be implemented in order to preserve and improve the competitive position in the environment of radical changes and recession which has spread all over the world.

2. The system of values – the key factor of the organizational culture

The essential elements of the culture, value, belief and basic assumption, as rooted attitudes of what is right and desirable, and what is wrong and undesirable, represent the reflection of perception of reality and, at the same time, affect the way it is interpreted. A person forms the most values in the early age, and many of them are supressed deeply in the subconscience, from where they direct his/her attitudes and actions. Values and beliefs constitute the basis for decision making, estimates and judgments, but also represent foundation for ethical

code establishment and are used as the standard for different forms of moral judgements. They are often linked with the expressed emotions and represent a strong driving mechanism for the behavior of the organization's members. That is why the strong value and belief system, which constitutes the organizational culture, can to a large extent make it easier, but it can also entirely block the process of necessary organizational changes, depending on the orientation of the cultural values, as well as on the capability of a leader to manage those values.

Making of all important decisions is under the influence of the dominant system of values, beliefs and basic assumptions which consciencly or unconsciencly impact the choices of certain alternatives. If a company has adopted values which emphasize openness, flexibility and inclination to changes, it will be faster in identifying impulses in the environment which indicate the need for change and it will easily make a decision to initiate the wanted change. On the other hand, an organization with overstressed values of stability and avoiding risks will overlook the warning signals, and its leaders will not notice the need for change on time or they will ignore such a need completely.

Hypothesis 1: During radical global turbulences organizational culture must be redesigned and established on new value system, which incites tendency toward change.

The organizational culture influences the process of defining the need for change. It determines the way a company scans its environment, defines its position in it and estimates its own resources. The culture affects the way events are perceived and interpreted and it determines the nature of a company's reaction to the certain events (Janićijević, 1998, p. 144). The organizational culture contributes to forming of mental schemes of employees which serve as special filters for interpretation of situations. It is considered that people have tendency to ignore those occurrences and events which are not in accordance with their mental schemes, so that is why they are perceived with more difficulties or misinterpreted. The capability of leaders and other members of the organization to register and interpret the events which signal the necessity for changes depends on what values and beliefs are dominantly incorporated into their interpretative schemes.

Establishment and functioning of the teams for changes is easier if there are compatible systems of values and beliefs between the potential members. These systems provide mutual referential framework for interpretation of the reality, which reduces potential conflicts and facilitates collaboration. The organizational culture makes the team work easier, so the teams formed from the members whose cultural models coincide are better in facing the challenges of organizational changes, than those whose dominant values are different. Since many formal mechanisms of coordination are disturbed in the process of changes, the strong and consistent system of values, incarnated in the organizational culture, can serve as their adequate replacement.

Although the process of formulating the vision of organization is creative act which requires a lot of invetiveness and intuition, it is to a great extent based on the values which are deeply rooted in the leader's conscience and which direct his/her way of thinking and judgement, and thereby impact the formulation of the new organization's vision. Strong organizational culture determines not only the selection of the new organizational vision, but it also enables the employees to, by sharing mutual values, develop strong team spirit and sense of belonging to the organization, thus supporting the process of identification. Identification with the organization provides the sense of purpose and boosts motivation, which is of great importance in the process of changes which require high degree of dedication and commitment. The sense of belonging

reduces the level of anxiety and stress, giving people security in the circumstances filled with uncertainties, vagueness and insecurity.

The internal integration of the members of the personnel and their adaptation to the external environment are the most significant functions of the organizational culture. The culture helps the members develop the collective identity and mutually cooperate in the most effective way. It manages every day activities, determines the method of communication in the organization, determines which behavior is acceptable, and the like. The culture, also, influences the way the organization reacts to the impulses from the environment, the way in which specific goals are selected and strategies are defined, as well as the way in which the organization is facing the challenges of competition and changes in any segment of the environment. The organizational culture is the factor which keeps the members of the organization together, making them a community, instead of a group of isolated individuals.

Only changes based on the organizational values that are highly consistent with individual values of the members of the organization can be implemented without significant changes in the dominant culture. Every form of more radical changes requires the organizational culture change. The changes, necessary to happen in the environment of the global economic crisis, which are based on the values significantly different from the existing ones, can be successful and complete only if the existing organizational culture is changed at the same time of the implementation of these changes. Strong organizational culture contributes so much to faster implementation of changes, only when it is the culture based on the values incorporating inclination to changes. This becomes especially important if we consider the fact that the organizational culture represents one of the segments which is most tightly connected with almost all dimensions of organizational architecture.

2. Team work vs. individual creativity

Complex business operations in the conditions of the global recession demands radical changes in the decision-making methods. New organizational conditions are characterized by shifting the focus of responsibility from the individual to the joint one, with establishment of relations based on the mutual trust and on encouraging the employees to show creativity. So, instead of building the functional structure, where all employees perform a narrow set of tasks as efficiently as possible, they are encouraged to take on the multiple roles in the organization, share the common purpose and work on improving their own competences.

An individual rarely possesses all information necessary for making decisions in the conditions of high dynamism and complexity. That is why it is necessary that the decision making process includes more people tied together in teams, because teams, with appropriate composition and sufficient degree of trust between its members, are more effective in decision making in the turbulent environment (Kotter, 1996, p.56). The effective team can quickly process the big quantity of information, as well as to facilitate and speed up the process of change implementation.

Hypothesis 2: New set of values organizational culture is based on implies promotion of teamwork, but simultaneous encouragement of individual initiative and creativity of the employees, too.

A team is a group of people with complementary skills, dedicated to the common purpose, goals and performances, and sharing the mutual responsibility for their achievement (Katzenbah,

2000, p. 179). Therefore, the key determinants of the team work are common purpose and mutual responsibility. *Common purpose* provides dedication and high level of motivation of the members. Specific goals are integral part of the common purpose, and their formulation represents the first step in increasing the team efficiency. Clearly defined goals of changes and performances which are to be achieved facilitate the communication process and reduce the probability of conflicts during their implementation. They are the main indicators for evaluation of the team members' individual contributions, and they also provide the grounds for group effort validation of all team members. *Mutual responsibility* is the result of dedication and mutual trust between the members of the team. It does not completely exclude the individual responsibility, but essentially it overcomes the individual efforts and strives to contribute to providing synergetic effect in generating the energy necessary for implementation of the organizational culture changes.

The role of the team work in implementation of the organizational culture changes is multiple (Katzenbah, 2000, p. 84):

1) Teams tie together complementary skills and experiences which exceed individual capabilities and skills;
2) In the process of mutual problem solving and goal defining, greater flexibility and better responsiveness to the challenges imposed by the changes are developed;
3) Effective teams provide better communication and tighter interactions;
4) The sense of their own contribution through participation in implementation of changes reduces the probability of employees' resistance;
5) The team work stimulates self-confidence, promotes trust, sense of belonging and identification among members.

Even in the teams with the highest degree of cohesion, there is a tendency toward individualism, which must not overpower the interests of the whole. The team work is not in collision with the members' aspiration to show their creativity and make an impression, on the contrary, balanced individual contributions represent significant stimulus to the team performances. Creativity is an ability of an individual to perceive things in a completely new or innovative way, as well as to use that observation for designing innovated products and business processes. T. Levitt thought that creativity was to think about new things, and innovation to do new things (Zimmerer & Scarborough, 2002, pp. 37-55).

Contemporary researches analyze contextual factors and support the thesis that an individual with certain predispositions will be more capable to show creativity under certain conditions. Creativity is based on several basic cognitive processes, with two of them being the most significant: the first one, which includes expanding and redefining mental structures created by an individual in order to organize information he/she possesses, and the second one, which refers to the influence of the intelligence (Baron & Shane, 2005, pp. 60-65). Creativity is developed when the mental processes "allow" expansion or transformation of the concepts so that a new idea emerges. The concepts are categories which include somewhat similar, and yet different knowledge, objects and events. They separate from the hierarchical mental structures and are placed on new foundations through the processes of combining, analogies or expanding. Creative process includes several stages: preparation for creative thinking, searching for new ideas, transformation, incubation, ilummination, verification and implementation.

Different studies have been done with a goal to determine how leaders influence the creativity of employees (Wu, McMullen, Neubert & Yi, 2008, pp. 587-602). They have shown that the factor which dominantly influences their readiness to show initiative and innovativeness refers to the readiness of a leader to help them not only with accomplishing organizational goals,

but before all with accomplishing their personal goals and ambitions. Otherwise, employees will demonstrate resistance towards all organizational changes, including the change of culture.

A leader is the most important initiator of the team efforts, which are based on creation of trust, promotion of togetherness, but also on encouraging the relative independence of the members. The success of a team mostly depends on a leader's ability to manage team dynamics and to direct the energy of all members in the direction of wanted changes. When implementing organizational changes, especially change of the organizational culture, creating an awareness of its necessity is of exceptional significance, as well as creating a sense of urgency and necessity of team work. That is how the level of cohesion between the team members is increased and preparedness for accomlishing the goals is raised, which is something leaders must consider, especially in the initial stage of team work. This stage is characterized by high level of uncertainty, and it is a period of mutual testing between members, defining the rules of conduct and establishing the first relations. The role of a leader in this stage is focused on the development of communication and interactions, as well as on helping with adoption of the team work philosophy. In the more advanced stages of team development, characterized by high cohesion and higher degree of harmony, a leader encourages open communiaction, members' taking responsibility and becoming independent, that is their preparation for independent decision making and complex and unusual problems solving.

Effective leader is the basic integrative element of a team, and that is why he/she must adjust his/her way of thinking and behavior to the team work. The essence of team leadership is in the balance between leader's decision making and other members' participation in it, as well as in the balance between implementation of certain activities and delegating authority to others to carry them out. The team leader is expected, during the implementation of changes, to define the team mission, to build trust and develop dedication to the team, to stimulate team spirit, to improve a mix of necessary knowledge and skills, to encourage and facilitate social interactions, as well as to strengthen the process of members' identification.

One recent research (Beckman, 2006, pp. 741-758) has shown that, depending on the way a team is composed, we can have exploitative or exploratory behavior in the team. The members of the team who have already previously collaborated and have established models of operations prefer more passive exploitative type of behavior. On the other hand, the team members who have not had previous contacts, bring fresh ideas, impose creativity and promote exploratory type of behavior in the team. There is a strong correlation between the previos team members' experience and degree of innovativeness promoted by the organizational culture, so that higher degree of knowledge and unique competences dispersion contributes to creating an environment of innovativeness and changes. The research conducted by Francis and Sandberg (2000) suggests that stronger interpersonal relations between the team members lead to more efficient decision making, higher level of participation, as well as to domination of the cognitive over emotional conflicts.

3. Participatory leadership styles: Transformational leadership

Traditional idea of a leader as a person who is basing his/her influence on domination and subordination has been replaced with a new one, because employees in the modern business environment accept much more sophisticated leadership styles, especially those based on collaboration and participation (Baldoni, 2003, p.3). Changes in technology, in the way business

operations are run and in the nature of competitive struggle have imposed the need for leadership style to become more flexible and open (Philips & Schmidth, 2004, pp. 3-7).

In a very turbulent environment for business operations, traditional transactional leadership style is replaced with the new transformational leadership style, which favors the dynamic organizational culture, organic structure, team work and strategies based on anticipating changes. In the environment of value changes, the existing cognitive frameworks of employees and leaders are in conflict, so that existence of these dissonances increases the impact and significance of the transformational leadership.

Hypothesis 3: New set of values organizational culture is based on reaffirmation of the transformational leadership style, as well as creating interdependence between leader's behavior and the demands of the concrete situation.

The transformational leadership can be defined as the relationship between a leader and followers based on the set of a leader's behaviors which are perceived by subordinates as exposure to an idealized influence, motivational inspiration and intellectual stimulation (Nemanich & Keller, 2007, pp. 50-51). It helps subordinates to forget old routines, develop creative solutions to unclear problems and to give an adequate answer to the new circumstances. The transformational leaders visualize the future which is different from the existing state and inspire subordinates to work with them on achieving that new future, so that they are important agents of changes.

The transformational leadership has twofold effect on employees: direct and indirect. *Direct effects* of transformational leadership are reflected in the performances and job satisfaction of employees. The transformational leaders facilitate the process of redefining the organizational culture by explaining the vision and building the mutual sense of purpose. The transformational leadership also impacts the job performances, including the activities performed by employees, as well as the way they do it. The transformational leaders increase the job satisfaction of their subordinates, making them feel special and invited to participate in achieving some higher goal through an idealized influence and motivational inspiration.

Indirect effects of transformational leadership refer to creating a climate which stimulates creative thinking and emphasizing of clear goals, acceptance of new ideas and ways of doing the job. By creating the climate of clear goals, the transformational leaders help their subordinates realize how the new organizational culture will assist them in accomplishing their personal goals.

The transformational leaders build the creative climate through processes such as: questioning the existing situation, stumulating followers to reexamine the key assumptions on which their previous cognitive framework was based and suggesting new ways of looking at the business processes. Creative thinking is especially important when redefining the organizational culture, since there is a need to abandon the competences, routines and norms of behavior which have existed earlier and to adopt new habits. New climate will facilitate the process of changes by encouraging employees to become flexible and to allow, by leaving the old mental models, experimenting, which is necessary for building the new or altered cognitive framework.

At the time of radical changes, a leader alone cannot have all the necesarry information and competencies at any given moment for efficient decision making. Therefore, the solution for this problem was found in the new leader's paradigm known as *divided leadership*. Essentially, the idea is based on division of one of the key dimensions of the leadership, and that is the power. The power represents an ability to change the behavior, course of events, to overcome resistance and make people do things they would not otherwise do (Senior, 1997, p. 150). A leader shows

readiness to temporarily delegate the leader's position to other members of the team, depending on the situation requirements, and based on their specific competencies. Consequently, the divided leadership is a permanent process of recognizing formal and informal leaders among the team members and their activating when necessary. Thus, the traditional understanding of the leadership process as the vertical one, based on an individual's abilities, has been deepened by adding the horizontal dimension, reflected in the concept of collaboration through the divided leadership, which bases its leadership capacity on the team spirit. The focus of looking at the leadership process has shifted from an individual to the team. As the quality of relations and dedication of team members gets higher, the implementation of the divided leadership becomes more probable (Carson, Tesluk, & Marrone, 2007, pp. 1217-1234).

Leadership styles are the result of different types of behavior of leaders (Reichheld, 2001, pp. 53-57). The effectivness of every style is directly dependant on the factors of the situation nature, such as the characteristics of a task, organization and employees. *Supporting behavior* of a leader is a part of all leadership styles and it most frequently results in higher employee satisfaction, better communication, group cohesion, which leads to increased team efficiency. This is especially the case in the initial stages of the team creation, when there are no clear goals defined, nor roles assigned, so that some members feel uncertain and ask the leader for help. *Participatory behavior* refers to the concept of the divided leadership. The partcipation means members taking part in decision making process and it can have various forms, from the role in the information gathering to the full delegation of decision making power. The advantage of participation is in the fact that members show greater motivation and dedication to implementation of decisions. It increases the mass of total influence within the leadership process and the ability of a leader to influence the team members' behavior.

3. Research Methodology

In an attempt to examine the characteristics of the organizational cultures within the Serbian companies in the environment of organizational changes, a research was conducted in the period April-September 2004, using the sample method, encompassing 20 randomly selected companies of different scope of work, size and ownership structure. Data were collected by the method of a poll, using in advance created questionnaires, which were filled out by 500 respondants.

The goal of the research was to determine how employees feel about changes, what are the most significant reasons for resistance to changes, what are the most important mechanisms of motivation and power, what is the leaders' relationship towards team work, creativity and individual initiative, how much is the employee participation in decision making supported, what are the dominant characteristics of the leadership styles in our companies, what charcteristics of a leader are preffered by employees and if the leaders of the domestic companies are capable to rise to the challenges of the crisis which they are facing. The limiting factor lies in the fact that this research was conducted before the global economic recession, however its results refer to the values which change slowly and in the long term, so that they can be considered relevant and representative even today.

4. Research results

Based on the data received within the reasearch, it was determined that there is *high level of readiness of employees to take part in the organizational changes.* Answering the question:

"Would you agree to take part in the process of radical changes with uncertain outcome, but with a potential for improvement of the company or you personally?", 78% of respondants said "yes", while 22% said "no". This result is logical, since the companies have been dealing with many different problems previously, and especially now in the environment of the global economic crisis, thus the organizational changes come as a necessity. This is confirmed by the fact that the highest level of readiness for changes was shown by the workers of those companies which operate poorly and are at the edge of existence.

The highest number of respondents, 51%, answered that *for implementation of changes* in the organization *the most important is to have a clear vision* of the future. Others thought that participation of all employees in creating the changes is the most important (36%) and support of a leader in their implementation (13%). This confirms the significance of a leader for implementation of changes, considering that the creation of a vision is one of the most important roles of a leader, but it also shows that memebers of the organization want to be involved in the changes and consulted about making important decisions.

The most important *reason for resistance* to changes is *lack of information* (62%), fear from losing their own position (20,3%), mistrust in the leader of changes (14,5%), as well as the lack of their own knowledge and skills (3,2%). Resistance of the most of respondents can be overcome with implementation of one of the most important strategy for overcoming resistance – better information dissemination.

Considering the standard classification given by Harrison (1972), *the organizational culture of roles dominates* in most of Srbian companies. Namely, 61% respondents stated that the most important thing in their companies was to follow established rules, procedures and standards. At the second place (22,7%) is doing the job efficiently and expertly, which implies *the culture of tasks*, while 9% respondents stated that the most important was to strictly respect the manager's decisions regardless of all other things, which is the equivalent of the culture of power. Only in 7,3% cases the most important was individual development of employees, which can be considered as the culture of suppoprt, and that is, logically, the least represented culture in Srbian companies.

In spite of existential problems, only 34,3% respondents stated that the salary is their main motivator to work hard at their jobs. *Desire for promotion and achievement of success* is the main *motivational factor* for 32% respondents, while 33,7% of them is most stimulated by the desire to belong to a team and develop good interpersonal relations. So, more than 65% of employees are driven by non-financial motivators, which is something the leaders must consider when create new organizational culture and form teams for carrying out tasks. Even 65% respondents would agree to do more creative job for a smaller salary, compared to 35% who would not accept that. However, 45,6% of the those polled responded that they preffered working in an environment where roles and tasks of each individual were precisely defined, in comparison to the situation in which they are given a possibility to create the task themselves and take the responsibility, which is preffered by 54,4% respondents.

Out of total number, 57% respondents stated that *creativity and individual initiative are little appreciated* in their company, and even 29% that they are not appreciated at all. That is the total of 86%, which is a very disturbing result. Only 14% respondents stated that personal initiative was very much appreciated in their companies. Again, those are the most successful companies, which tells us that valuing personal initiative is probably the factor that contributes to their success. These data show that Srbian leaders insufficiently use the potentials of their followers, which can be a significant sSrbiance of new ideas for improvement of business

operations, especially in the process of adjusting the organizational culture when creative ideas are needed.

The research showed that *the team work was not practiced very much* in the Serbian companies. In 55% of companies it is practiced very little, while in 17% of them it is not practiced at all. Only 28% respondents stated that the team work is very practiced in their companies, and that is mainly the case in very successful companies.
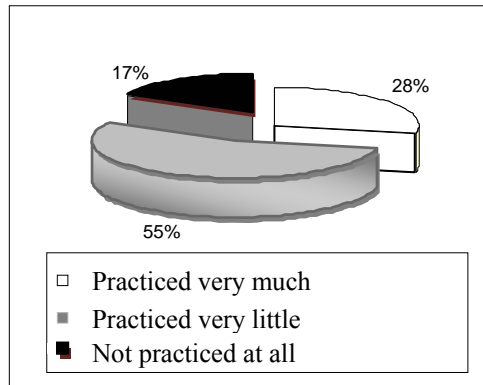

Figure no. 1: Practices of team work in Serbian companies

These results are disturbing, because the modern organizational structures are more and more based on the team work and classical organizational units are transformed into multifunctional teams of high flexibility and mutual connection. These companies are also characterized by a balanced distribution of power, which is not the case in Serbian companies, because even 83% respondents stated that the power was exteremly unevenly distributed through the organizational parts of their companies. This implies strong hierarchical structure and higher centralization in decision making, which is, also, not in accordance with the contemporary trends in organization design.

Asked to rank *the most significant characteristics of a successful leader*, most respondents put knowledge on top of the list. It is interested that honesty is in the second place, and then come vision, self-confidence, qualities of being energetic and enterprising, inclination to taking risks and understanding. Almost 24% respondents think that leader's characteristics are dominantly acquired by birth, while the remaining 76% believe that they are dominantly learned during the lifetime.

The majority of *leaders are mostly focused on giving orders and controlling* if the tasks have been carried out, even 60,6% of them, while only 7,4% are focused on giving support and development of better interpersonal relations, and 32% are focused on trying to get all employees involved in the process of mutual problem solving.

In the context of researching *dominant sSrbiances of leaders' power* in Srbian companies, the conclusion was that personal sSrbiances had a small advantage over positional sSrbiances. Thus, 38% respondents, when asked why they were ready to obey the orders of a manager, answered that it was because he was on a higher position, 32% said it was because they valued his expertise and capabilities, 19% stated it was because they believed in his human and moral qualities and 11% because of the fear that they would be punished if they did not carry out those orders. Leaders almost as equally use promises, rewards and praises, as they use threats, force and punishments in an attempt to make the employees do what is expected of them. The

encSrbianaging fact is that a half of respondents believes in expertise, capabilities and moral qualities of their managers and that they are ready to follow them because of that, which are certainly more acceptable sSrbiances of power than the power of punishment or formal position in the organization.

In contrast to the employees, who showed high inclination towards changes, the management of domestic companies does not sufficiently possess that kind of inclination. More than a half of respondents stated that they were bothered with *weak inclination towards changes* showed by their *managers* (51,5%), 20% stated that it was the managers' insufficient expertise and capability, 17% said it was the managers' bad relationship towards employees and 11,5% pointed out inadequate moral characteristics.

5. Conclusion

It can be concluded that, in Serbian companies, directive leader's behavior, that is task-oriented behavior, dominantes, that parcipatory style is partially practiced and that supportive behavior, oriented on interpersonal relations, is practiced in very small percentage. If we summerize the research results, where respondents stated that they were most bothered by their leaders' low inclination towards changes, unwillingness to include their followers into the decision making process, as well as by their leaders' low level of knowledge regarding their motivation mechanisms, we can conclude that the existing leadership styles and behavior patterns are far from the transformational leadership, which is the key driving force of the organizational changes and organizational culture change. Considering the fact that the followers have developed awareness about the necessity for changes and that, relative to that awareness, their inclination towards changes has significantly increased in the recent years, it is clear that the companies have perceived changes as the necessity and that, therefore, the leaders have the responsibility to make greater efforts, through modification of their behavior, for their successful implementation.

The research, whose results are presented in this paper, proves the connection between the characteristics of the domestic companies' organizational culture on one side and national specifics and based on them established prevailing values of employees on the other side. National culture, which is characterized by high distanced power, collectivism and low tolerance for uncertainity, in most cases implies bureaucratic organizational culture characterized by strong hierarchy, strict respect for the rules and procedures, prevailing centralization of decision making and very low inclination towards changes, or very strong resistance to their implementation. However, when answering the direct question, relatively high percentage of employees say they are ready for changes, if a majority of other employees take part in them, which suggests a high level of collective spirit. Contradiction lies in the fact that, contrary to this collectivism, research results show that team work is not common practice in the organizations, as well as that there is insufficient validation of creativity, personal initiative and enterprise. Employees' conviction that a leader is born, that in addition to knowledge he/she should be characterized by honesty and personal authority, as well as low tolerance towards uncertainity and high degree of preferance towards clearly structured vs. creative work tasks, implies not only domination, but acceptability of directive leader's behavior as dominant one in the domestic companies. The results clearly show that it is necessary to focus the efforts on creating an adaptive organizational culture, capable to respond to the radical changes in the environment and capable to overcome resistance through stimulating those values of employees which favor flexibility, creativity, team work and openness towards changes.

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