# **Preface**

Personal values and culture has gained a lot of attention during the last three decades in management and organizational behavior literature. According to Schein (1992), understanding of organizational culture is fundamental to examine what goes on in organizations, how to run them and how to improve them. A huge interest into values and cultural issues in the literature is proven with plethora of contributions examining the role and importance of culture and personal values, using different theoretical backgrounds. Based on the overview of papers are most commonly used cultural dimensions from Hofstede (2001), Schwartz theory of basic values (Schwartz, 1992), Rokeach value theory (Rokeach, 1973) and Ronen and Shenkar (1985) approach.

Studies focusing on cultural and personal values context emphasize decisive role of culture and values for behavior, decision making, strategy formulation and many other issues concerning individuals, groups or organizations. The literature dealing with the impact of cultural settings and personal values on organizational members and their actions and behavior, emphasizes several key areas of researching, ranging from organizational members actions and behavior (Hambrick & Mason, 1984), leadership styles (Brodbeck et al., 2000; Egri & Herman, 2000; Sarros & Santora, 2001; Pastor & Mayo, 2008), decision making process (Ali et al., 1995), innovativeness (Lee, 2008; Nedelko & Potocan, 2013), perception of corporate social responsibility (Dietz et al., 2005; Schultz et al., 2005; Cordano et al., 2010), strategies and goals in organizations (Bates et al., 1995), etc..

From the above mentioned areas of the interest, the most attention is dedicated to the studies addressing the link between values and behavior, since values represent a foundation for management behavior and actions (Selznick, 1957; Hambrick & Mason, 1984; Lang et al., 2000; Pastor & Mayo, 2008). The link between personal values or culture on one hand, and leadership style and behavior on another hand, is frequently examined, whereas the emphasis is often on the samples from well-developed western economies (Egri & Herman, 2000; Sarros & Santora, 2001). For instance, many studies are based on well-known GLOBE study about leadership behavior, encompassing above 60 countries worldwide (House et al., 2004) and its various repetitions (Brodbeck et al., 2000; Cater et al., 2013).

Another important stream of research is dedicated to addressing the role of values for sustainability of organizations. The mainstream literature about sustainability provides many theoretical and empirical investigations of sustainability aspects, mainly focusing on one or two out of three key underlying aspects of sustainability, where the focus is primarily on the environmental aspect (Karp, 1996; Dietz et al., 2005), while researching solely the economic or social aspect, in the context of sustainability, is rare. Considering the two-aspect studies, those dealing with both environmental and economic aspects of sustainability prevail (Munda, 1997). Meanwhile, few studies research linkages between social and other aspects of sustainability or all aspects of sustainability (Udo & Jansson, 2009; Potocan et al.,

2013). Additionally, studies are based mainly on business organizations, while significant less focus is on non-profit oriented organizations.

Next large group of contributions is describing the importance of aligning culture and strategy for organizational success (Schein, 1992; Vestal et al., 1997). Nevertheless, there are only few studies that have examined empirically, the interrelation between specific components of culture and strategy formulation (Gupta, 2011). Researchers have also indicated the importance of organizational culture in strategy implementation among the other factors such as organization structure, communication, work and information system, implementation tactics, and essential business process (Ahmadi et al., 2012). The above thoughts re-emphasize that type and elements of organizational culture need to be aligned with particular organizational strategy (Bates et al., 1995). Apart from its role in establishing competitive advantage, strategy (both intended and realized) also has social function by adjusting and reproducing organizational shared values and social relations it enunciates (Tushman & O'Reilly, 1996; Semler, 1997). The importance of ideas and their symbolic representations for culture and strategy highlight the role of leadership in the strategic management process as well (Waterman Jr et al., 1980; Mintzberg, 1994).

Based on above outlined cognitions, the link between cultural context and values on one hand, and various aspects of employees' behavior and actions on other hand, is frequently examined in the literature, whereas the emphasis is often on the samples from well-developed western economies. Fewer studies examined this link with an explicit focus on former transition or catching up Central and East Europe countries and other transformational societies, like societies form Asia and Latin America. The study of cultural context is often based on Hofstede's cultural dimensions and values based on Schwartz value survey, where values are most frequently considered as single personal values on personal level. There is also significant lack of studies addressing the role of values and culture in various types of organizations, like non-profit organizations. Additionally, there is also lack of studies addressing some promising issues for future research, taking into consideration culture and values context.

## **OBJECTIVES OF THE BOOK**

Despite plethora of findings about the role of culture and values from various standing points, a comprehensive overview of the impact of cultural context and personal values on individual's working and behavior in different cultural settings is still rare in the literature. This book collects on one place contributions, which comprehensively address various areas on which culture and personal values have an impact.

Based on abundant literature, which consider the role of culture and personal values from various viewpoints, we want with this book to provide new insights into this field. This edited book includes: (1) conceptual and theoretical papers dealing with understanding the role of culture and values from various standing points, enabling more comprehensive understanding of the role of culture and values in various organizations and for individual's behavior in various situations, (2) empirical papers, providing evidences about the role of culture and values for organizations and individuals, also by providing examples from less frequently examined areas – like Asia and Latin America and going beyond focusing on profit organizations, with including evidences from organizations operating in non-business area, and (3) chapters addressing further research areas by emphasizing most promising areas of future research, putting in focus context of values or culture.

The aim of this book was to collect contributions about the role of culture and personal values in different areas in organizational working and behavior, and also include cognitions from under-considered viewpoints, like transformation societies and organizations operating outside business sector. This book provides necessary additional knowledge for better understanding of the impact of cultural settings and values on organizational and individuals' working and behavior in organizations in contemporary environment.

Target audience of this book are researchers and academics from all disciplines, educators, and students who are directly or indirectly involved in working of organizations and everyone that needs to become familiar with the role and importance of cultural background and values for organizations and behavior and actions of organizational members. This book provides an insight into various aspects of cultural background and values in organizations and will be helpful to understand complex relations between culture and values on one hand, and studied phenomena and concepts on the other hand. The book will inform readers with evidences from various fields and topic of interests, ranging from decision making issues, role of social networks in shaping leadership behavior, influence of personal experiences in decision-making, CEOs, value preferences, role of values of sustainability, project management culture, to the impact of organizational culture on managers' internal career needs. Besides focus on profit oriented organizations, the book provides also several evidences about the role of personal values and culture in non-profit organizations, which expand the potential target audience of the book. The book also emphasizes promising ways and areas of future research. Cognitions about the role of culture under one title will thus serve as a reference book for researchers, educators and students.

#### STRUCTURE OF THE BOOK

This edited book is organized into 4 sections, containing 19 chapters. First section is addressing general cognitions about the role and importance of culture in organizations and how personal values determine individual's behavior. This section concludes with a chapter addressing organizational culture from a system theory perspective.

Chapter 1 by Manoj Kumar from India discusses the role and importance of culture in organization. The author attempts to show by example, how a computational model can lead theory into areas it previously did not tread, and once that extension is complete, how to proceed down the conventional hypotheses-testing path. The specific topic under author's investigation is the relationship between innovation and organizational structure.

Chapter 2 by Ilona Swiatek-Barylska from Poland examines the consequences of formalization and core values orientation for individual organizational behavior, as well as outcomes such as commitment, job satisfaction and turnover intention rate. The author discusses the problem of management by values and formalization to answer a fundamental question: how much are values and formalization needed in managing people in an organization, and what are the consequences of this managerial choice for individual organizational behavior?

Chapter 3 by Anna Piekarczyk from Poland investigates organization culture from the viewpoint of systems theory of organization. The author discusses organizations as autopoietic systems, as well as relations between organization and individual. The author attempts to define to what extent values and rules characteristic for a given culture can and should be changed.

Second section of the book includes chapters addressing the importance of cultural context and values for behavior, by dealing with how social networks shape leadership in transitioning societies, how

personal experiences influence decision making, the role of personal values and context for strategic decision making and the role of personal values for shaping social responsibility.

Chapter 4 by Anne Namatsi Lutomia, Ping Li, Raghida Abdallah Yassine, and Xiaoping Tong from United States of America addresses the role of social networks for shaping leadership. In that context authors examine how Guanxi, Ubuntu, and Wasta shape leadership and culture in China, Kenya, and Lebanon respectively. Based on the cognitions about the associations among variables of the interest, authors provide a conceptual framework, emphasizing the role of Guanxi, Ubunta, and Wasta in shaping workplace leadership and culture. The authors conclude with findings and suggestions for future research of proposed conceptual framework.

Chapter 5 by Thais Spiegel from Brazil examines the influences of personal experience in decision-making. The author investigates what is the role of experiences of the decision-makers' agents and the impact of these on the functioning of the cognitive process of a human decision maker. The author presents 17 inferences that determine the role of the experience in the in the cognitive process of decision-making.

Chapter 6 by Dejana Zlatanović and Jelena Nikolić from Serbia is tackling with growing complexity of strategic decision making, which require holistic approach in strategic-decision making process. The paper shows how system thinking may be helpful for involving different viewpoints in the process of strategic-decision making and improving effectiveness of strategic-decision making process. Among different internal and external factors influencing strategic-decision making, identified based on system approach, the focus is on the role of values and the context. Paper outlines possible improvement of strategic decision making effectiveness, based on utilization of system approach and discusses the role of values and context.

Chapter 7 by Zlatko Nedelko, Vojko Potocan and Nikša Alfirević from Slovenia and Croatia, addresses the role of personal values in fostering social responsibility of higher education organizations. The authors argue that higher education organizations should develop stronger ties with the community, which is under considered way for enhancing social responsibility of higher education organizations. In that framework, the paper theoretically discusses the role of values of key stakeholder groups – namely managers of higher education organizations, teachers, students and community, for further development of socially responsible higher education. The chapter shows important role personal values and outlines the need for further empirical investigation of considered topics.

Third section of the book encompasses empirical studies examining various aspects of culture and values, ranging from CEOs values preferences in management decisions, influence of personal values on innovativeness, analyzing Russian and Hungary culture, impact of national culture on innovation and corruption, and what shapes culture of project management. This section is concluded by two empirical chapters from non-profit organizations, addressing uncertainty avoidance values in public organization and the link between organization culture and manager's internal career needs in social enterprises.

Chapter 8 by Rainhart Lang and Irma Rybnikova from Germany based their empirical paper on the results from GLOBE project, focusing on samples of East Germany, Estonia and Romania. Authors outline results about CEOs value preferences in case of critical management decisions, based on extended stakeholder approach and through focus on corporate social values of managers in transforming societies. Results show specific country-based combinations of corporate social values and strategic orientation in East Germany, shareholder focus and religious orientation in Romania and orientation on shareholders, employees and community in Estonia. Based on the results several managerial implications are outlined.

Chapter 9 by Zlatko Nedelko and Maciej Brzozowski from Slovenia and Poland examines the association between management behavior and mangers' attitudes towards innovativeness, and the influence of

personal values on this link. The authors report the results for three Central European economies with different development paths, namely Austria, Slovenia, and Poland.

Chapter 10 by Kornélia Lazányi, Péter Holicza, and Ksenia Baimakova from Russia and Hungary, deals with cultural patterns of two countries. Authors argue that culture importantly determine individuals actions and thus make individuals actions predictable. Paper analyzes Russian and Hungarian culture and outlines similarities and differences of two compared cultures. The main contribution of the paper lies in practical implications, which outline several possible instruments to lessen differences between cultures and gain the benefit of them utilization.

Chapter 11 by Pedro Silva and António Carrizo Moreira from Portugal examines how national culture influence on innovation and corruption. Utilizing Hofstede's six-dimension framework, Global innovation data and Transparency international data, authors proves that most dimensions of culture have impact on corruption, while the impact on innovation is less significant. The paper provides a fertile ground work for further examination of the impact of national culture on the association between corruption and innovation, by moderating the impact beyond national culture – i.e. Hofstede's model.

Chapter 12 by Tomasz Kopczynski from Poland outlines the importance and influence of organizational culture on contemporary project management in the context of variable and complex environment. The main objective of the author's research is to explain what shapes the culture of project management and how it influences the effectiveness of managing projects in circumstances of the contemporary business environment.

Chapter 13 by Ghulam Mustafa and Richard Glavee-Geo from Norway focuses on uncertainty avoidance values. In that context, the chapter presents an empirical examination of the relationship between team learning behavior and self-efficacy, while using masculinity vs. femininity and uncertainty avoidance values as moderating variables. The study was done in a large public organization in Pakistan. Results show significant and positive association between team learning behavior and employees' self-efficacy. The impact of uncertainty avoidance values on the relationship between team learning behavior and self-efficacy is insignificant. Authors provide several managerial implications at the end of the chapter.

Chapter 14 by Chi Maher from United Kingdom addresses the link between organization culture and managers' internal career needs. Author argues that every organization develops unique culture which creates specific guidelines and limitations for career management. Based on the answers from small third sector social enterprises, the paper helps to clarify the inter-play between individual manager's internal career needs and organizational culture. Author emphasizes that when manager's internal career needs are strongly backed up with organizational culture, managers desire to stay in organization is increased.

Final section of the book addresses possible further research directions and areas of interest, in which the role of culture and values should be considered in order to more comprehensively understand the phenomena, by addressing workplace and working conditions, stress and labor productivity, job satisfaction and psychosocial health, and empathy and finally cyberloafing.

Chapter 15 by Beata Skowron-Mielnik and Grzegorz Wojtkowiak from Poland investigates the flexibility of the workplace and working conditions. The authors analyze if it is possible to draw conclusions about preferences of job applicants or employees regarding work flexibility, based on demographic characteristics and competence. The chapter tries to define the characteristics and situations in which employees agree to flexible conditions in terms of working time and space.

Chapter 16 by Ilona Skačkauskienė and Rasa Pališkienė from Lithuania focuses on stress and labor productivity. Based on the model of job stress, organizational culture and organizational values are emphasized as an important building block of healthy, low-stress and high productive working place. It

could be argued that values and organizational culture plays an important role in association with stress perception. Paper provides a fertile ground for further examination of values and organizational culture in frame of stress in organizations. Further examination of the role of values in moderating the association between stress and labor productivity can be done and reveal how values shape perception of stress.

Chapter 17 by Mateja Lorber, Sonja Treven and Damijan Mumel examines in their chapter how leadership behavior shapes employees' job satisfaction and psychological health. Their link to the value theory is leadership behavior, which is importantly depended upon individual and organizational values. Thus, this paper lays a ground work for deeper examination of the role of personal values of managers for employees' job satisfaction and psychological health, like identifying key values of managers, which are crucial for their behavior regarding job satisfaction, stress management.

Chapter 18 by Nira Shalev from Israel examines new directions in the concept of empathy and leadership theory. The author attempts to expose the two concepts and try to relate them, establishing a conceptual bridge between leadership and empathy. The specific aim of the author's study is to review the different aspects of the concept of empathy, in an attempt to position them within the organizational context.

Chapter 19 by J-Ho Siew Ching and Ramayah Thurasamy from Malaysia discusses cyberloafing as an example of the counter-productive work behavior at the workplace. The authors examine the nature of cyberfloating, activities and variables related to cyberloafing, as well as the impact of cyberloafing on organizational culture and effectiveness.

The both editors of the book cooperate in last couple of years in research about the impact of personal values on employees in organizations from various standing points. The main focus in on cross-cultural studies, including countries from Central Europe, with the aim to better understand the impact of personal values and culture background on employees' behavior, leadership styles, innovative actions in countries having different development paths in last two decades. The both editors are involved in academic training related to the management, organizations, strategic management, and business ethics.

The editing journey of this book was a delightful yet very demanding journey, and we hope that we were able to provide to the readers comprehensive insight into the issues about the role of culture and values, from different perspectives.

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