

## **THE IMPORTANCE OF NATIONAL CULTURE STUDIES IN THE ORGANIZATIONAL CONTEXT**

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### **Abstract**

Cultural problems have not become so apparent and delicate, for the world, today only. They have drawn the interest of many researchers for many years, bringing about the realization of many important studies, in size and scope, as well as in a representative capacity and actuality of (their) results. But, even though many researchers accept the influence of culture in organizational values and attitudes they very rarely go as far as to empirically confirm these relations.

Does national culture need to be specially considered and studied at organizational studies in Albania?

Everyone in the organization aims to achieve individual goals through the achievement of organizational goals. The continuous growth and expansion of our businesses abroad (meaning subsidiaries or departments of the Albanian companies abroad, because with respect to Raw Materials or Final Product markets there are early signs of internationalism) increases the importance of intercultural management. This starts, first of all, with a thorough understanding of national culture and the impact culture plays in values and attitudes toward work. Moreover, our culture, starting from some of its components (such as language, origin,...) or even the historical factors that have influenced it, is distinct, or better say we are used to see it as special or unique, seeing ourselves as separated and isolated from the rest of the world. The article aims to theoretically analyze the importance national cultural studies have in a good examination of organizational problems in Albania.

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**Keywords:** National culture, organization, Albanian history

### **Introduction**

Culture itself is a product of a group of people living together, but it can also be considered as a tangible and an intangible environment when people live and work together.

As long as culture with its artifacts, values, norms, history etc., connects a given group of people, distinguishing them from others, and, on the other hand, culture itself is under the undisputable influence of historical and religious developments, geographical positions, and climate conditions, we definitely have a national culture and subcultures of a national culture otherwise called interregional cultures within a country, as well as organizational culture and organizational subcultures which characterize unique aspects of organizational divisions, such as: departments, divisions, units in different locations etc.

The use of the word ‘culture’ in organizational analyses implies interaction influences between the organizations and the cultural environment where they are located. “The environment in which business organizations operate and executives' values and styles all interact to influence the performance of today's business” (Yasin, Alavi, & Zimmerer, 2002, p. 4) Nations are distinguished and are unique from their respective cultures; organizations too are distinctive from their cultures, also unique. People are shaped in the heart of national culture to carry their formed values (also object of evolutions) in organizational environments. As Tayeb (1996) has put it culture is manifested in the interaction process of people with one another. Therefore it makes total sense to consider the organization as a social group, as a collection of people. So how can national culture be underestimated? Culture is present everywhere and it plays a significant role in the outlining of organizational cultures. According to Schein (1985, p. 221), “organizations begin to create cultures through the actions of the founders,” further supporting the assumption that “culture and leadership are indeed two sides of the same coin” (Rowlinson & Procter, 1999)

If we refer to the model given schematically from J. Santos<sup>42</sup>, it is the spheres of cultural influences and the interactions among them that better define the influence of culture beyond any limits, and where “each sphere of influence has its own set of artifacts and behavior, beliefs and values, and underlying assumptions. Each has its own solutions to problems of external adaptation and internal integration. The different cultural spheres may influence the business at hand to different degrees, and in more or less obvious ways, as some may be more deeply embedded than others.” (Schneider & Barsoux, 1997, pp. 47-48)

### **Methodological approach**

This paper is based on a short, but a deep review of worldwide research on the organizational and cultural field, in order to point out what national culture is, and reinforce the importance of it into organization developments. The culture is treated in different scientific disciplines, for different reasons. What the paper tries to do is whether researchers

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<sup>42</sup> Reprinted from Schneider & Barsoux, 1997, p. 47.

in Albania need to really consider national culture, as a new specific research field, tightly related to the organizational developments.

This is based on two important facts: first, Albania has gone through important historical, economic and political changes, and, second, it is not yet part of any cross-national studies paper. This is trying to argue the following hypothesis:

The new organizational developments in a free market economy in Albania, after very deep historical, economical, and political changes, raise the importance of scientific research over the Albanian culture, as a variable of organizational development.

### **Theoretical background**

#### **Culture treated by previous researchers**

Kroeber, Kluckhohn, Untereiner, & Meyer (1952) identified over 160 definitions of the term culture, selecting one of the widely cited definitions, offered by B. Tylor, “that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society.” (1871, p. 1) Later on Kluckhohn & Kelly (1945, p. 97) have referred to cultures as “all the historically created designs for living, explicit and implicit, rational, irrational, and non-rational, which exist at any given time as potential guides for the behavior of men.” While Herskovits (1955, p. 305) spoke of culture as being “the man-made part of the environment” and Downs (1971, p. 35) defined culture as being “a *mental map* which guides us in our relations to our surroundings and to other people.”

If the nation would be personified with the organism of a human being, then people would be its cells, while groups of individuals would constitute the different organs of the body that interact continuously with one-another for the organism to live. Viewed from this perspective "Culture is an integral composed of partly autonomous, partly coordinated institutions. It is integrated with a series of principles such as the community of blood through procreation; the specialization in activities; and last but not least, the use of power in political organization. Each culture owes its completeness and self-sufficiency to the fact that it satisfies the whole range of basic, instrumental and integrative needs.” (Malinowski, 1969, p. 40) “Thus culture is our roots and the foundation of our family, community and society.” (Banutu-Gomez, 2002, p. 30)

Culture is everything which identifies and differentiates a group of people living together at the same place (as geographical location), speaking the same language, and passing through the same historical developments. “Culture is not a ‘thing’ which can be experienced directly through the senses, just as ‘needs’, ‘social systems’, ‘evil’ and ‘peace’ are not

directly tangible or visible. They are ideas constructed within a society. ‘Culture’ does not exist in a simple and easily defined form for a specifiable number of people in a bounded area.” (Hoecklin, 1995, p. 24) In an intriguing way culture appears as comprehensive as much as dismissive. Exploring in it you see how simple things turn into complicated and complicated things turn into simple ones.

According to Chhokar, Brodbeck, & House, (2007) culture and leadership even though the most written about topics, are still the least understood ones in the social sciences. The authors consider them very challenging, as well as very important for satisfying human existence.

Culture is a social construct that we do not inherit genetically but socially from our predecessors, pass it to our children, and in this way we teach culture in society. When walking in the street, greeting the people you know may be executed also by bodily gestures accompanied or not by greeting words. Raising your hand up may imply ‘hello,’ similarly to a nod of the head up and down. We have learned these gestures from our grandparents and our children learn it from us. “(Culture) is an historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men communicate, perpetuate, and develop their knowledge about and their attitudes toward life” (Geertz, 1973, p. 218). Each generation brings new elements within the cultural framework, emphasizing the values of the generation they represent, but still being distinctive from groups of the same generation in other cultures.

According to Van Maanen J. & Schein, E. H. (1979), it is “Values, beliefs and expectations that members come to share.” As well as according to Schwartz, M. C. & Jordan, D. K. (1980), culture represents “Patterns of belief and expectations shared by members that produce norms shaping behavior.” (in Hoecklin, 1995, p. 28) Going further according to Beyer (1991), “Culture provides rationales that connect behavior to outcomes. People need a secure sense that they understand how the world works in order to behave confidently and consistently.” This finds approval also from The Manjako ethnic group in The Gambia, Guinea-Bissau and Senegal, who defines culture as “our world of yesterday, our world of today and our world of tomorrow which creates and nurture cooperation, development and sustainability among our people in our society.” (in Banutu-Gomez, 2002, p. 30)

Finally, “Culture is a combination of the tools and the meanings that expand behavior extend learning, and channel choice... Culture is indeed tools. But it is also meaning.” (Bohnanan, 1995, p. 8) As a reinforcement of this operational perspective of culture, comes the definition given by Hall E. T. and Hall M. R. (1987) where culture is presented as

“Primarily a system for creating, sending, saving and processing information.” (Hoecklin, 1995, p. 28)

### **Previous research over importance of national culture in organizational studies**

Studying culture is not just to fulfill the ambitious whims of different individuals, neither to justify the unsatisfactory attitudes of the present with the distinctive developments of the past. The study of culture is not a separate issue to fulfill the career of the individuals that study these fields, but it extends further into the national and global aspects. Lane & Ersson (2002:6) in their response to the research question “does culture matter for social, economic or political outcomes?” continue to explain the link between the non-political importance of cultural identities with socioeconomic development, which is a broad enough concept to cover a number of outcomes.

Furthermore, the position of cultures in relation to these problems is being confronted increasingly with the theme of globalization. The traditional civilizations and nations are under growing pressure of various global processes which diminish the relevance of specific cultures. “The research and experiences of managers that have worked in various places show that there are clear distinctions between values and expectations of employees with different cultural backgrounds.” (Tayeb, 1996, p. 35) There are many studies devoted to this issue and among them, the majority value or consider this influence on the basis of the actual results of the analyses performed, but there are also others that underestimate it. According to a KPMG study “83% of all Mergers and Acquisitions (M&As) failed to produce any benefit for the shareholders and over half actually destroyed values.” The interviews revealed that the overwhelming cause for failure is “the people and the cultural differences.” (Gitelson, Bing, & Laroche, 2004) The apparent differences were encountered in: union’s activity; tolerance for uncertainty; language (spoken and body language, intonation and time needed to explain the information); and the concepts of time and space are also associated with culture.

Furthermore, Ferraro (1998) referring to the studies carried out by Tung (1988), Black, Gregersen and Mendenhall (1992) makes evident that “failures in the overseas business setting most frequently result from an inability to understand and adapt to foreign ways of thinking and acting rather than from technical or professional incompetence.” Additionally these organizations engage in a collective workplace managers and employees of all levels, with different backgrounds and national culture experiences. Thus each of them is a product of a unique culture. From his personal experience as a consultant in joint companies located in the developing countries such as Africa, Asia or Middle East Banutu-Gomez states that: “lack of skills in managing cultural differences causes conflict between leaders, managers

and staff who originate from different cultures. Lack of understanding of cultural differences can cause serious mis-communication, which can hinder the growth and the productivity of an organization or company.” (2002, p. 29)

As a social construct culture is part of everyone within a given organization. It cannot be dressed or undressed when humans come out or in an organization. They will carry on their national culture into organizational environment. It is going to be easy at homogenous environment with people sharing the same national culture, but it is going to become complicated with people speaking different spoken and body languages, sharing different values and norms, coming from different historical and geographical developments, and celebrating different national and religious feast.

All cognitive analyses of culture reveal the importance of taking into consideration national culture (for example) even when we study just a variable such as organizational structure, innovation, organizational change, or leadership behavior. At the organizational level “both cultural strength and the quality and content of (organizational) culture appear to be influential on... organizational effectiveness,” where leadership culture plays an important role. “The founder’s and successors’ leadership shape a culture of shared values and assumptions, guided and constrained by their personal beliefs. The organization’s survival depends on how well those beliefs match up with the organization’s continuing opportunities.” (Bass B. M., 1998, p. 63) Therefore, leaders with certain (national) cultural backgrounds, influence the levels of organizational culture, visible or invisible, flexible or resistant to change. The influence is mutual because “an organizational culture affects its leadership as much as its leadership affects the culture” (ibid.)

Thus “The major strength of cultural perspective as a whole is its recognition that: (a) culture plays an important role in shaping work related values, attitudes and behaviors of individual members of various societies; (b) cultural values and attitudes are different in degree from one society to another, and (c) different cultural groups behave differently because of the differences in their underlying values and attitudes” (Tayeb, 1988, p. 40)

While preserving realism in the importance of these studies, we emphasize once again the fact presented earlier by many researchers in these fields that such studies really do have in their focus cultural influences but this is not because “culture is the most important influence on management, just that it is the most neglected.” (Schneider & Barsoux, 1997, p. 3) The results provide evidence that the national culture does not systematically affect the performance of the firm directly, but it operates through the effects of the workplace and the

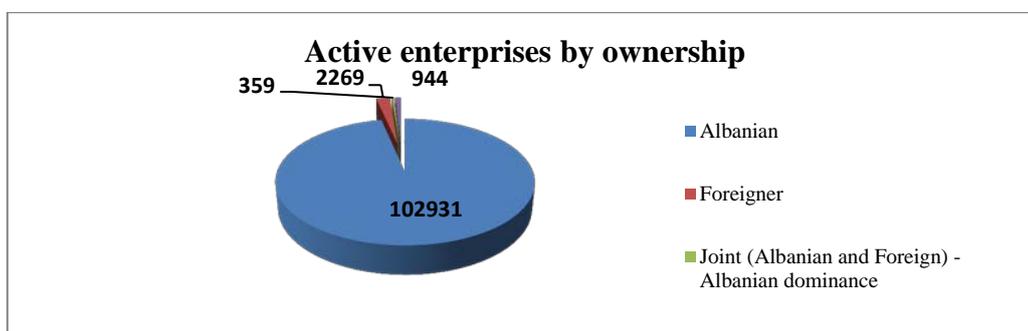
strategies of business, and it plays a role in forming managerial traits or characteristics in organizations, which makes them successful or not in a certain market.

### **The Albanian case**

Untill 1990 Albania was totally isolated from the rest of world. From the end of World War II, Albania was under Hoxha's dictatorship regime. The authoritarian style of leadership, concentrated in the hands of political party units, and dominant in a centralized economy, emerged more forcefully in the Albanian organizations during those years. But "Authoritarians may disregard the merits in employment and staff promotion, preferring dedicated adulators with ample insecurities toward professionals who cannot be 'trusted' to treat their bosses with the required servility. Authoritarians do not need to order the promotion of a favorite (person). An official may promote a favored person, the daughter or the groom of another official without a subsequent request for a favorite action which stems from ethnocentrism and studied servility." (Fisher, March-April 1977, p. 69) Among other things, in Albania "The dominant ethos of the regime was the desire to establish the 'new socialist man' who would be defined by his stable Albanian identity and communist consciousness... The long years of communism had none the less profoundly affected the people, particularly in their social and economic development. The post-communist governments have found great difficulty in breaking with many habits of the past, both personal and institutional." (Vickers & Pettifer, 1997, p. 3) But the transformations continued, and many of the so called 'communism' values, in the spirit of the transformations of the '90s started to be viewed in another light. Reality began to confront Albanians with what they had considered as real values over the centuries. Discussions such as values vs. anti-values, Albanians vs. Anti-Albanians, evolution vs. regress, right vs. wrong etc., started to become present in the free media. So what is truly our culture? Which are our cultural values? Are these past or evident phenomena indeed cultural? Do others (with a different cultural heritage and education) have the right to use this argument in our common interactions? The answer is not simple. In every one of us in similar situations arise either opposing reactions (in the case when we experience a feeling of latent patriotism) or approving reactions (just to put an end to a discussion that we don't like). Evasiveness gives way to misuse and wrongful generalizations that undermine the work among individuals, groups and organizations as a whole. The answer requires thorough knowledge and scientific argumentation of the phenomena. The real scientific contributions in this field must be valued and encouraged always under the spirit of a healthy debate.

Once we realized we were a European country, we became aware that we needed to exploit the opportunities of our favorable geographic position. Our opening to the world happened in a moment when big and small, developed or developing, first world or third world countries were facing globalization. According to Giddens (1999), globalization is assumed to bring about a process of convergence of cultural, political and economic aspects of life.

At the end of 2011 (INSTAT, 2012) there were 106,503 active enterprises, in Albania, by different economic activity (Agriculture & Fishing, Industry, Construction, Trade, Hotels, Coffee, Restaurants, Transport & Communication, Other Services), and around 3% of them are foreign ownership, or Joint (Albanian and Foreign) with foreign dominance.



According to Hunya, et al., (May 2012, p. 18) there is an increase of new FDI projects in Albania from 9 (in 2003) to 84 (in 2011)<sup>43</sup>, or a total FDI investment from 300 mills \$ (in 2003) to 12094 mills \$ (in 2011). The new enterprises counted at the end of 2011, were 12,733, from which 641 (more than 5%) are foreign or joint with foreign dominance<sup>44</sup>. So there is a continuous increase of foreign business presence in Albania.

“At the organizational level,” while taking into consideration the culture of the environment and of their fellow partners, “executives operating in a global market rely on their cultural background, experiences and values to... chart business strategies and operational tactics for their organizations.” (Yasin, Alavi, & Zimmerer, 2002, p. 5) Thus, the comparison of cultures is present, it is a tangible reality. What is left to accomplish is to better understand them in function of organizational performance.

This is even more important in the conditions of Albania, where there are separate studies for various anthropological, ethnological or historical aspects, and just a limited number of these cultural studies where national culture is viewed as a factor that shapes developments in

<sup>43</sup> Also there is an increase from 643 (in 2003) to a total 14088 number of vocational jobs (in 2011) created from new HDI projects. (Hunya, et al., Maj 2012)

<sup>44</sup> (INSTAT, 2012, p. 15)

any level of analysis that we refer to. More or less, the object of cultural studies have been the various aspects of national culture and its evolution, its strong and weak sides, or the reflected force of culture as the principal determinant of the existence of the Albanian nation. During the communist period “...they have served mainly 'social-engineering' purposes, in that they have been subordinate to political agendas.” (Nasierowski & Mikula, 1998, p. 496)

### **Albania is not yet part of cross-cultural studies**

“Van de Vijver and Leung (1997) have proposed that an effective way to design a culturally balanced study is to adopt the decentered approach, which involves input from diverse cultural backgrounds to the development of conceptual frameworks and the design of empirical work.” (Chhokar, Brodbeck, & House, 2007: xiv) That was first considered by Hofstede pushing him to a very significant research study with IBM (at the time identified as Hermes) staff over the years 1967 to 1978, with more than 60,000 people responded from over 50 countries. The outcomes of that research were four bipolar dimensions (Power Distance; Individualism/Collectivism; Uncertainty Avoidance; Masculinity/Femininity), which became the basis of his cultural profile of each country. (Hofstede, 1980). In a time when human input in organizations started to be considered as a different and in some way fragile input of organization, and very important in its success, Hofstede brought another strong viewpoint of organizational culture under national culture umbrella. Hofstede’s work on culture is the most widely cited in existence This huge study is still one of the most cited in the cultural and organizational studies (Bond 2002; Hofstede 1997), but can the results be used for the country not included in the study? Albania was not one of the countries under survey.

One of the biggest contribution of Hofstede is opening a new interesting field of study having followers. So the cultural studies continues to grow over the years. There are changes in the way cultural studies are conducted. From e research of separate academics, now academics clearly understanding the importance of knowing each others culture and using it in a globally business and communication, came to work together. The GLOBE project is one of the most distinctive cross-cultural projects in its geographical dimension, capturing the major cultural attributes of 62 societies, time dimension, from 1997 to 2007, represented in two books, the first one in 2004<sup>45</sup>, and the second in 2007<sup>46</sup>. But, Albania is still just e name in the list with no data.

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<sup>45</sup> House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. J., Gupta, V. (Eds.), & GLOBE Associates. (2004). Culture, leadership, and organizations: The GLOBE study of 62 societies. Thousand Oaks, CA: Sage.

### **Some insights into Albanian Culture**

Culture is what people of a nation were, are and would be. Culture is influenced and reflects changes in the same way it influences and implies changes. Both these aspects which are similarly separated and attached in their development processes will be the object of a thorough analysis below.

Variables analyzed by Hofstede and re-analyzed by Tayeb besides family include history, geography and religion, the educational system, social hierarchy, and political and economic institutions considered as “social institutions that are influenced by national culture and in turn influence it.” (Tayeb, 1996, p. 43) These constitute the models selected from different cultures to solve the universal problems faced by all peoples, regardless where they live in the world.

“The basic social unit in society is the **family**: the father, the mother and the children.” (Tayeb, 1996, p. 38) In the family we find the first form of socialization, and in it we get all the necessary knowledge of everyday existence. This (knowledge) is transmitted to us mainly from our parents who have inherited it from their parents. Thus we learn to feed, dress, talk, walk, respect and feel respected, to forgive and to seek forgiveness when needed, to laugh and to cry, to love and to be loved. Voluntarily and sometimes imposed, in the family we learn how to behave; we acquire the first information (knowledge) to distinguish who we are and who are our kith and kin, our friends, our neighbors; what is our belief; what is our language, and the other languages different from ours. This information (knowledge) deepens in the following stages of our life, passing through different socialization processes that regard the growing levels of education, and later on employment and other activities that we develop. In Albania too, family has experienced the same developments it has experienced in every human history. What we can observe, besides the close family ties within the main family, in Albania it is characteristic the fact that these ties extend to a larger circle. Family ties with the mother's family are still strong even after the marriage of the children, and this is expressed either by living together, in the case of the boy who takes care of his parents and his unmarried brothers and sisters, as well as in the continuous engagement of the parents to facilitate the life of their children. Even though there are signs of changes, this is the general traditional picture of the Albanian family, more striking in rural areas. The interest to get to know immediately after the first formal or informal meeting to which family one belongs to, is not just a sign that makes you wonder about the existence of a society with collective

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<sup>46</sup> Chhokar, S. J., Brodbeck, C. F., & House, R. J, (2007) Culture and Leadership Across the World: The GLOBE Book of In-Depth Studies of 25 Societies. LEA, LAWRENCE ERLBAUM ASSOCIATES, PUBLISHERS

characteristics, but it is a sign that stresses the great importance that the family has in transmitting (heritage) and nurturing (education) basic values in individuals.

According to Tayeb (1996) the **history** of a nation plays a significant part in creating and shaping the values of its members. Hofstede grouped the countries under study according to similarities in their historical developments. Albania was not part of his study even though it is situated between Greece, Yugoslavia and Italy, countries which were included in his study. Not trying to reach immediately in Hofstede's types of scientific conclusions, we may use the facts noted by Hofstede to analyze the historical developments in Albania.

Historical developments of Austria and Latin Countries (Tayeb, 1996), take us back in time, to our ancestors. Thus, "Austrians, for example, have had a checkered history and the present size of political borders of their country go back only to the aftermath of the Second World War. Since then a national consciousness of their cultural identity has set in and resulted in a strong sense of pride in their culture and nationalism. Their socio-political ideology, based on respect for authority, avoidance of uncertainty, a preference for compromise, and social partnership, has evolved out of the desire to maintain their national cohesion and identity." (Tayeb, 1996, p. 40)

Considered "The most liberty-loving *people* in the *Balkans*" (Zhelyazkova, p. 7) like most of the Balkans nations, the Albanians, too, have a multifold and complex identity, as well as their own contradictory and difficult historical fate. Many scholars believe and note in their works that Albanians are descendants of Illyrians, who settled in the western part of the Balkan Peninsula in the end of the Bronze Age, around 1000 B.C. Ethnologist Andromaqi Gjergji explains once again the importance of the geographical position and the historical experiences in the Albanian ethnic profiling.

By being between West and East, Albania had, in a way, a predetermined destiny, in its history. Later on, especially from the end of the Middle Ages, the Albanian area was a steady zone between the two of the most powerful empires of the time, the Ottoman Empire and Austro-Hungarian Empire. The influences from West to East and vice versa have left traces in the Albanian ethno type. The bridge between the two civilizations has brought to Albanians the favors of communications and the risks of this delicate position.

According to Tayeb (1996) the origin of culture of a nation can be drawn in part from the geographical and **climate** conditions where their ancestors lived. Imagine a primitive community that lives in an area where the climate is wild, the land is unproductive and hard to cultivate, and natural resources are insufficient for its citizens. Here people need to fight to survive. Thus it is understandable that throughout the years they will develop a culture

characterized by aggressiveness and a fighting spirit. “In the mountainous areas of Albania the majority of the inhabitants were free peasants, petty owners, engaged predominantly in stock-breeding... There were also mountain-dwellers... entirely free; they occupied infertile, and small, patches of land up in the hills. Therefore they lived in utmost poverty and were sometimes forced to interrupt their isolation seeking to make a living.” (Zhelyazkova, p. 4) Danger and uncertainty are part of their life. Instinct for a better life and the impact with novelty tempered a strong and somewhat diffident character. The rough terrain and historical turmoil identified the Albanian life with war.

**Religion** is an institution that exists in all human societies, although in different ways, and it plays an important role in defining moral codes governing human behavior in their relationships with one another. The strength of religion and its endurance in societies has been distressed in various times and places, but still it has left its marks everywhere. “Religion is the strong shaper of values.” (Daniels & Radebaugh, 1998, p. 64) On an individual level, even those who consider themselves as nonbelievers are influenced by religion.

According to Hofstede these general connotations are materialized in everyday attitudes and behaviors of people (i.e. Muslims do not eat pork, or Catholics do not approve the marriage of first cousins) but these attitudes are moderated with the passage time. Referring to the history of Albania it emerges that Albania is defined as one of the Mediterranean countries where Christianity pervaded since the first centuries. The author of the VI century, Kosmas, includes the Illyrian-Albanians in the groups of people that in his time had embraced Christianity. This is evident also in the temples of the IV and VI century and in toponyms (place names) in the north (Shirgj – Shen Sergj) or in the south (Shen Tecla). Still history and ‘the fate of the bridge’ impact the profiliation and the religious belonging of Albanians. After the Ottoman invasion, the effect of assimilating processes emerged with the spread of Islam in the Albanian population. Now you find Albanians who belong to different religious beliefs such as Christian (Orthodox and Catholic) as well as Muslim (Bektashi and Sunit). A characteristic worth mentioning is the harmonious coexistence between them throughout the centuries. And before dangers, Albanians, as a nation, have faced them as one united body, regardless of their religious beliefs.

**Language** is often used to identify nations, and cultures too. “In addition to national boundaries and geographical obstacles, language is a factor that greatly affects cultural stability.” (Daniels & Radebaugh, 1998, p. 64) It is not an accident that Americans, in order to identify themselves as a nation and despite the different origins of their ancestors, all speak

the same language. This helps them to overcome even those differences that emerge due to heritage and cultural origins. Whereas “The Albanian language is part of the Indo-European language family tree, which includes the Indo-Iranian languages, the Greek language, the Roman languages, the Slavic languages, the Germanic languages etc. It forms a separate branch of this family of languages and has no connection in origin with any of today’s Indo-European languages. The Indo-European character of the Albanian language, its belonging to the family of Indo-European languages was determined and verified since the mid-nineteenth century, thanks to the studies of comparative historical linguistics... The problem of the origin of the Albanian language is one of the most contentious problems in the science of language. It springs, without a doubt, from one of the two ancient languages of the Balkan Peninsula, the Illyrian or Thracian language<sup>47</sup>. In many studies, the survival of the Albanian nation it is often identified with the survival of the Albanian language throughout the centuries, as a unique language, that vest its culture with unique characteristics.

**Education** contributes in shaping culture through the system of values and priorities where it is based, as well as practices and teaching styles. If in Britain these techniques are expressed with a sacrifice of current interests for future ambitions, discipline and self-control, participate in the teaching process through discussions, arguments, experiments and self-discoveries, giving priority to pure sciences and arts vs. applied sciences, in India, the situation is quite different. The method of teaching is one-sided (from the lector to the student), books are memorized and facts are accepted ‘without serious challenges.’ (Tayeb, 1996, p. 44) Having had ample experience in the Albanian schools, after the 1976s the teaching styles resembled or were almost the same with those of India. After the ‘90s we notice a tendency to apply new interactive methods, with discussions and arguments, which are spreading and convincingly replacing methods no longer considered effective such as learning by heart. This is also linked with the influences of the eastern schools until the ‘90s and the influence of the western schools after the ‘90s. The Albanian education system is trying to establish these new methods based on constructive teaching and not on memorization, by applying them in the lower levels of education (in elementary and then in high school). The roles of teachers and students have changed reflecting new forms of interactions.

From a coercive form of obedience, sometimes even with forceful methods in open, negotiating, and creative relationships to achieve the collective mission of teaching. This has

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<sup>47</sup> (Albanian Cultural Heritage – in cooperation with SEDA)

its effects even in the attitudes of the subsequent educated generations which are parting with the tendency to wait for others to make decisions for them, reflected openly until after the 90s, and by being the ones who seek alternatives, appreciate and make decisions for themselves. According to the evidence provided from E. Fisher (1977) education helps to smooth authority, which according to Michael J. Karni (in E. Fisher 1977), fights organizational flexibility prioritizing the personal careers of high executives.

Different nations **organize their societies** in different manners. According to Tayeb (1996): Britain has a hierarchical society with a strong division in three classes (high class – a small portion of population, middle class and working class); then there is the US, where there are divisions but in different classes and where an American is not very aware to which class he belongs to; in India the society is divided in “castes” and “sub-castes”; and in Japan Society is not stratified horizontally in classes or in castes, but it is stratified vertically according to organizations or groups of organizations.

Returning to the analysis of the developments of the Albanian society, referring mainly to historical facts, it turns out that there is a change in the way of organizing society between eras. Throughout history we notice the organization (of society) in tribes or clans. In the 2<sup>nd</sup>-4<sup>th</sup> century A.D., “part of the population, which lived in the higher inland country and was organized in its majority in some kind of cattle-breeding or village communities, preserved for a long time its tribal characteristics, being only nominally subject to the Roman rule.” (Zhelyazkova, p. 1) Regardless of the efforts to suppress the new religion, Christianity was affirmed in Albania in a definitive form. After the great persecutions of the IV century, historical sources mention a highly consolidated church structure, organized on the basis of the administrative provinces of the era of Diocletian, and in the center of each province was the Metropolitan church, which was also the seat of the archbishop. As it often occurs, such diffusion of the religious power had followed the expansion in the same direction of the political-administrative jurisdiction of Durres (similar to the creation of the theme of Durres in the IX century) ... Under the reign of Diocletian and later on Constantine, the Roman Empire adapted to a new administrative organization. The largest administrative unit became the Prefecture, which contained some dioceses, and which in turn were divided into a greater number of provinces.

Albania’s administrative organization has experienced continuous changes throughout the years and centuries. It is strongly connected with the form of governing, reflecting mainly its political tendencies. Today we have a central government (CG) and a local government (LG) where the latter, in the Republic of Albania, is organized in two levels:

communes/municipalities and districts<sup>48</sup>. The system contains also deconcentrated institutions of central government. The forms of local government are appointed by their respective administrative divisions.<sup>49</sup>

Considered in another viewpoint, currently, the Albanian society may be considered as polarized. The polarity criterion is difficult to determine. With the exception of wealth (regardless of the ways it was secured), which divides people into rich, average, and poor, other values or intellectual wealth does not play any dominant roles. The transition period has caused social confusion, and we find it hard to talk whether we have classes (which can never be compared to Britain's classes, based in inherited status), or castes. We have just a division into rich and poor, based only on wealth.

The extent on which **government controls the market** and other economic and business activities relies on two extreme cases which are: capitalist – where the government has limited control; and socialist – where the government has full control on the political and economic activities, and it is responsible to distribute sources among different societal groups and interests. According to Adlai Stevenson "The goals of communism are different from ours. They are interested in power while we in the community. With such fundamentally different aims, how it is possible to compare communism and democracy in terms of efficiency?" (in Slater & Bennis, 1990) Similarly, Slater & Bennis (1990), note that democracy is not permissive or laissez faire, but a system of values. It is a climate of beliefs governing behavior – which people are internally compelled to affirm by deeds as well as word.

After experiencing for almost 50 years one of the harshest practices of a socialist economy without private property and individual decision making, nearly an eternal job in a fixed place, without motivation and no career advancement, after the 90s, Albania opened its doors to the market economy and is still at the stage of a fragile economic development,

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<sup>48</sup> Article 108.1

<sup>49</sup> **First Level** – Communes/municipalities that represent the administration closest to local citizens. Their main characteristics are: (1) they represent the community, they respond before the community and act in a manner to provide transparency and encourage the participation of the community in decision-making; (2) are responsible for the general well-being of the community because they are related directly with the distribution of a large part of public services; (3) have independent authority to undertake initiatives for the benefit of the community in respect of the law.

**Second Level** – District with its main characteristics such as: (1) it represents the interests of the regional community and it has independent authority to undertake initiatives in the interest of this community in the legal framework; (2) it is responsible to coordinate and harmonize policies between units of the first level in accordance with regional policies (3) establish regional organisms in the district level<sup>49</sup> to harmonize regional policies in this traditional administrative unit and coordinate initiatives of CG in the same territory.

victim of considerable fluctuations of economic and political transitions. The values of democracy started to flourish but did not find the appropriate institutional support. The weakness of government action in the role of the controller and not of the commander was noticed in '95-'97 with the emergence, flourishing, and then the sad fall of the pyramid schemes, where many Albanians had invested all their savings.

Today this is reflected in phenomena such as: a high percentage of corruption,<sup>50</sup> return of Kanun law practice in the case of blood feuds, incorrect attitudes towards the free media, and a privileged and unequal distribution of income causing the enrichment of an elite group, part of the governing units, and extreme impoverishment for a part of the Albanian population. According to the Stabilization and Association Report (2004) of the European Commission 'real GDP growth in 2003 has been estimated 6%, up from 4.7% in 2002. At the end of 2003, inflation reached 3.3%, in line with the Government's target. The Albanian economy remains informal to a considerable extent. The business environment is inadequate and offers little to encourage investment. Corruption<sup>51</sup>, organized crime, deficient law implementation and administrative inefficiency continue to place barriers for the business and to hinder legal security"<sup>52</sup> While the last Analytical Report which makes a short analysis of the Albanian situation states "Average annual GDP growth was slightly more than 6% from 2000 to 2008, before slowing down to just over 3% in 2009. By 2000, inflation had been brought down to single-digit levels. Macroeconomic stability has been broadly maintained since 2000 and steps have been taken to integrate Albania with the international economic system." And "Unlike most other countries, economic growth remained positive although decelerating to slightly above 3% in 2009, owing to the impact of the global crisis. Overall, Albania has witnessed very strong economic growth, exceeding 5% since 1998, while economic activity slowed down but remained positive in 2009 in spite of the global crisis." ( 09 November 2010, pp. 38,40) Also Analytical Report of European Commission pointed out that

<sup>50</sup> In recent years, Albania has undertaken coordinated efforts to establish a legal and institutional framework for fighting corruption in certain fields. However, corruption is prevalent in many areas and is a particularly serious problem. Albania has adopted several anti-corruption measures and laws. The Criminal Code criminalizes the main forms of corruption and the Criminal Procedure Code includes key tools for fighting corruption, including special investigative measures. Amendments to the Criminal Code introduced provisions on public sector bribery as well as completely new provisions on private sector bribery and trading in influence. In 2008, an intersectoral strategy on preventing and combating corruption was adopted. A general action plan to implement the strategy is drafted each year and endorsed by an interministerial working group. The 2010 action plan is more specific and includes measurable indicators, which should facilitate implementation and monitoring. Individual plans are also adopted by line ministries and their implementation is part of an overall annual reporting system. (ANALYTICAL REPORT, 09 November 2010, p. 22)

<sup>51</sup>Corruption remains a serious problem. According to Transparency International Corruption Perception Index of 2003, Albania has a score of 2.5 out of 10 (a country perceived as free of corruption scores 10) ranked 92nd among 133 countries. (ALBANIA-Stabilization and Association Report, 2004. p. 7)

<sup>52</sup> (ALBANIA - Stabilisation and Association Report , 2004)

“Significant progress in facilitating business startups has been achieved in recent years. In 2007, a new law was approved on the National Business Registration Centre (NRC) which provides for simultaneous registration in ‘one-stop-shops’ for the purposes of tax administration, social and health insurance, and labor inspections. The streamlined procedures have made business start-up faster and cheaper.” ( 09 November 2010, p. 41)

In Albania there is no tradition of the existence of **powerful groups** which exert pressure on the government. Such initiatives have been undertaken either to establish unions, with a very small impact, limited in the negotiating process for the best interest of the class they represent, reflected in non-representation of their interests, up to the NGOs, which from opposing/counseling/consulting governing policies through found instruments, often are a party in joint decision-making commissions with various governmental units. Also the Report of the European Commission on Albania states there is progress in the participation of trade unions and employers’ associations in important institutions such as the National Council of Labor or the state Social Insurance Institution, which is in charge of the pension systems management, also the signing of a memorandum of understanding between the Ministry of Labor and Social Affairs on behalf of the Albanian Government and the two main Albanian trade unions, there is much to be done regarding rights of workers in the private sector.<sup>53</sup> However, not withstanding the enhanced visibility of some **civil society organizations**, the sector still remains relatively weak, suffering from insufficient technical and financial resources and dependence on international donor assistance. Only a limited number of NGOs have strong organizational capacity and most lack solid management structures. (09 November 2010, p. 27)

### **Albanian cultural profile**

A previous (only one) study over Albanian culture dimensions<sup>54</sup>, according to Hofstede’s model, resulted in following cultural profile of Albania.

Albania is a society with a low PDI, it’s in the limits between a collective and an individual society, it is very masculine, it has an average level of uncertainty avoidance, and it features between Short-term orientation and long-term orientation societies.

In respect to Hofstede’s criteria, the study compared Albania with Montenegro universities, and comparing results to the Hofstede’s one. Montenegro was part of his study as part former Yugoslavia, while Albania was not.

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<sup>53</sup> ALBANIA-Stabilization and Association Report 2004: 9

<sup>54</sup> (Gjuraj, 2006)

Cultural Dimension	Albanian		Montenegrin	
	<i>Hofstede's results</i>	<i>New results Year 2005</i>	<i>Hofstede's<sup>55</sup> Results</i>	<i>New Results Year 2005</i>
Power Distance (PDI)	-	20	76	7.67
Individualism/Collectivism (IDV)	-	45.8	27	64.15
Masculine/Feminine (MAS)	-	86.4	21	90.1
Uncertainty Avoidance (UAI)	-	53.2	88	66.3
Long-term versus Short-term Orientation (LTO)	-	42.5	-	48.75

For the Albanian case it is a bit difficult to compare this cultural dimension in time, because it was not part of any cross-cultural study before.

Referring to Hofstede's ranking for 53 countries (1991) we can position Albania alongside the other countries under study.

Cultural Dimension	Score	Position	Nearby countries
Power Distance	20	51/50	Denmark (18) / New Zealand (22)
Individualist/Collectivist	45.8	22/23	Argentina (46)/Japan (46)
Masculine/Feminine	86.4	2/1	Austria (79) / Japan (95)
Uncertainty Avoidance	53.2	35/34	Netherlands (53) /Western Africa (54)
Long-term Orientation	42.5	11/10	Bangladesh (40) /Netherlands (44)

Albania's dimensional proximity to various countries it's very interesting, but on the other hand, it is very difficult to find a clear-cut position in the cultural map. Therefore while PDI brings Albania closer to Denmark, IDV and MAS bring it closer to Japan, and UAI and LTO with Netherlands. In none of the dimensions it doesn't show any closeness with the countries that are either geographically close to it (such as Italy, Greece etc.,) or with countries that have experienced similar historical developments, although perhaps the origin of MAS for both Albania and Austria is the historical origin, motivated by the same wild environmental conditions and strategic geographical position.

### Conclusion

Cross-cultural research is a new field in Central and Eastern Europe (CEE). To date, little research has been conducted on cultural values and their influence on aspects of management in these countries (Ardichvili & Kuchinke, 2002) because most of these studies have been conducted in the United States and Western Europe. (Yukl, 1994)

<sup>55</sup> Referring to Yugoslavia's results, taken from Hofstede G., Cultures and Organizations: Software of the mind. Intercultural Cooperation and its importance for Survival, 1991.

The study of culture is important, especially today in the globalization conditions where while the expansion of businesses outside one's country of origin is becoming more common, cross-cultural challenges become more present. Disregard and lack of preliminary study of these phenomena is the cause for the unwanted failure of many initiatives or even businesses.

The Albania culture represents a set of differences compared to the other cultures included in the cross- cultural studies over the years.

It is time to create a separate field of cultural studies in Albania, not only to follow the others, but to become part of intercultural research. That would be a good guide to better interpret and after that understand the importance culture has in organizational studies.

The academics were probably the first to touch theoretically the reality of changes and the needs to renovate. New phenomena demand explanations, arguments, to understand them in order to cope with them. On the other hand, the importance of these studies becomes tangible also in the preparation of the new generation of managers with intercultural knowledge, to face successfully the unpredictable challenges of the modern times of the 21<sup>st</sup> century. After the first steps, some initial cultural studies, what we are looking for is creating an entire field of cultural studies, considering national culture as a distinctive variable in the organizational studies.

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CHAPTER 2 The Cultural Context. 47. We often think of a culture in terms of its geography; for example, we think of Saudi Arabia as a hot, desert culture and of Siberia as a cold, mountainous one. That being said, it is also important to understand that cultures of people are not static but, rather, dynamic. This means that cultures change; they are fluid, always moving. Triandis points out that while collectivistic cultures stress the importance of the group over the individual, their members tend to belong to fewer groups than do persons in individualistic cultures. Unlike the individualist, the collectivist is emotionally connected to. 50. Most authors studying organizational culture from various perspectives might agree on the following characteristics of organizational or corporate culture, even if they do not agree on a single definition. 1. Culture is holistic concept that integrates different ideas and constructs into a meaningful whole, 2. It is historically determined on the basis of transactions between people, given a context, in the sense that no culture can be planted in one day. 3. It is related to anthropological concepts, in the sense that culture in an organization is not free from the influence of national culture... Unleashing Russian Employees' Potential: The Importance of Culturally-Adapted Organizational Cultures. ABSTRACT. The study uncovers significant differences suggesting that organizational culture theory is highly dependent on national context and should be generalized with caution. Specifically, this study suggests that it is important to consider the characteristics of Russia's national culture as well as its history when developing organizational cultural theory.