THE IMPORTANCE OF ORGANIZATIONAL CULTURE FOR MANAGEMENT OF CHANGES IN A PUBLIC ENTERPRISE

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Abstract

This paper refers to recognition of the specific organizational structure in a public enterprise, where the existing organizational culture is compared with the ideal culture, i.e., the culture that should support the achievement of strategic goals. The differences between the existing and the ideal organizational culture and their correlation were verified. The results show a statistically significant difference between the existing and the ideal culture, i.e., they show that there are statistically significant deviations among them. Apart from the comparison of the overlapping and deviations between the existing and desired (ideal) culture, the basic values/motives were analyzed on a sample of respondents who determine and implement the strategy of the organization. In order to clarify the changes that should occur in order to bring the existing organizational culture closer to the ideal, the dominant values were checked. It is interesting to see that the existing values of strategic managers are somewhat in line with the cultural ideal that the organization desires, but are not fully expressed in order that is expected to realize the desired changes in culture as well in strategic achievements.

Key Words

Organizational culture; change management; organizational values, personal values.

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INTRODUCTION

In this paper, on the example of a 100% state-owned public company, the assumptions of changes implementation that the organization must take to be more successful in the realization of strategic goals in a liberalized market are analyzed. The assumption of the change relate primarily to the adaptation of the organizational culture recognized by the concerned organization as its competitive advantage compared to other competitors in a relatively complex and turbulet market.

The results of this paper can be the guideline to other similar organizations that aim to manage change systematically and to work on the development of their organizational culture or to those organizations that want to start the change with the strategic elements and gradually step down to operational ones. Considering the fact that this paper deals with the analysis of dominant values among strategic managers, the obtained results can help organizations to look at the behavior that is synchronized with culture and triggers or slows down the desired changes. In other words, the presented results can give an example to other organizations how to manage the development and adaptation of organizational culture in order to achieve the strategic goals and to fulfill the mision to make the organization as close as possible to its business vision.

The influence of organizational culture on behavior is bilateral; the culture that also appears as a cause and as a consequence of behavior ina n organization; it determines the overall success and development of the organization; it directs the decisions and behavior of management and employees: it enables the realization of the vision; encourages organizational development and directs individual, group and organizational synergy. All the above mentioned is contributing to the fact that the organizational culture is the strongest and largest orgnizational control system. Describing its importance for modern organization, Peter Drucker has allegedly stated that organizational cultura „has a strategy for breakfast" and „structure for lunch" (Bryant, 2014). Equally, organizational culture is an extremely powerful tool for management of change. As the organization changes and develops over time, there is also a need for changes in organizational culture. In changing and adapting, the organization faces two fundamental challenges, on the one hand to include an individual into an effective whole, and on the other hand to adapt successfully to the changes in the environment. Without the adjustment of the organizational culture to the changes in the environment, there is no survival of the organization, nor the individual in the organization. Status quo in the modern market does not exist, when the organization wants to remain static it de facto challenges the future of its own existence (van Duinkerken, Kaspar, 2015).

Accepting the need to change the way of work, but also the way of thinking about how to achieve strategic goals at different hierarchical levels can occur at different time points. In order to make changes happen, the belief in success and affort in undertaking activities that lead to success should happen simultaneously in management of all levels as well as employees of all organizational units. This changes should provide an organizational

culture, but also the same or similar attitude toward values that should be aligned with the organization and its strategy.

The theoretical background for this paper is based on Schein (2017) understanding of organizational culture, it also includes the construct of values, which is partly included in this paper, and is focused on measuring the most common behavior of people while doing their jobs, since organizational culture is most commonly understood as the way people work in an organization (Deal, Kennedy, 1982; Sušanj, 2005).

ORGANIZATIONAL CULTURE

Each organization creates a unique organizational culture (Firsirotu, Allaire, 1984; Parker, 2010; Denison and assoc., 2012; Bhattacharyya, 2015; Schein, 2017; Shermon, 2017). Equally, there is no unified, universal definition of organizational culture, often organizational culture is described from the perspective of social context and pattern. However, organizational culture is most often seen as something that an organisation *is*, and not as something it *has* (Smirchich, 1983). The first modern definition of culture is that of Edward Tyler from year 1871, where culture is described as a whole complex that includes knowledge, beliefs, art, morals, laws, customs and all other abilities and habits which human has acquired as a member of society (Lowie, 1917). Geertz (1973 according Sušanj, 2005) defines organizational culture as the way of thinking in an organization, Deal, Kennedy (1982 according Sušanj, 2005) defines it briefly as the way of working in an arganization. Rosauer (2015) defines organizational culture as a phenomenon, or an extremely complex and often unpredictable result from a mixture of three simple ingredients: employee, job and client. Hofsted definition in year 1991 defines organizational culture as a collective programming of consciousness that differentiates members of one organization from the other and comperes organizational culture with the organizations mind software (Hofstede, 1991; Sušanj, 2005). According Vrančić (2015), organizational culture makes a distinction between organizations dealing with the same or similar activity, and its strenght is reflected in insufficiently successful attempts at merging companies due to differences in organizational cultures. Sikavica and associates (2008) mention that the culture is a relatively durable and specific system of fundamental values, beliefs and common understandings, norms and customs, which determine the organizational behavior, opinion and directs all activities of the individual and groups which comprise it. Ravasi and Schultz (2006) describe orgaizational culture as a system of shared assumptions that lead what is happening in the organization, determining acceptable behaviors in different situations. That describes the power of organizational culture through term durability and stability, pointing out how cultural changes can be a long-lasting and demanding process, but necessary if a given organization adjusts its strategy to market demands.

Since this paper is largely based on Scheins understanding of organizational culture, it is important to emphasize the way he sees the organizational culture from two perspectives of organizational profession and content (Schein, 2017). He dynamically defines organizational culture as an accomulated and shared learning about the way in which the group addresses the problem of external adapation and internal integration that has been proven in reality and works well and is passed on to the new members as the correct way in which the organization understands, thinks, feels and behaves during the problem solving (Schein, 2017). In this sense, organizational culture represents the basic value assumptions shared by members of the organization as the form how to behave and how to make business decisions.

From the perspective of an individual, despite the relevant experience for a particular job, in a situation where the employer is changed, it takes time for an individual to „fit in" the organizational culture. „Fitting" into organizational culture is often more important (though informal and unconscious) reason for hierarchical promotion within the organization (even more important then the results that an individual achieves or from the estimated potential for a new position), and the individual feeling of incompatibility with the organizational culture is one of the most important reasons for thinking about changing the organization (Vrančić, 2015). We fin din the literature several types of organizational culture (Firsirotu, Allaire, 1984; Denison, Spreitzer, 1991; Schein, 2017) and the typologies and names of particular types of culture are based on flexibility or staticity in relation to the market adjustment and the focus o fan organization that can be internal and external – Two-dimensional typology (Sikavica et al., 2008); degree of formalities and degree of centralization – Handys tipology (Kimberly, Quinn, 1985); tendency of the organization toward continuity (stability) or change associated with the level of organizations development and evolution as well internal situation of an organization that implies a way of making decisions and solving problems, and finally, the attitude of the organization toward environment - Scholtz typology (Žugaj et al., 2004). Within all typologies and the mentioned dimensions, it is possible to distinguish between several types of culture that are even somewhat similar and very similar by name.

In cultures in which it is important to respond to the market needs quickly and where the focus on the needs of customers, consumers and clients is important, organizations recognize what exactly leads to success. In this case this is risk taking, quick decision making, experimentation and creativity. In the literature, such an organizational culture is called an entereeurial culture or so called ad hoc creation, i.e., culture of adaptibility and consistence – hierarchical culture, characterized by maintaining stability and inner focus. The value is – respecting the rules and prudence, metodical, rational and obedient way of doing things will be rewarded. Behavior is governed by rules and procedures, and coordination is achieved through hierarchical relationships. In order to maintain stability, employees have clear tasks, responsibilities and powers. When in the management of the organization focus is on the participation and engagement of employees in order to meet the needs of the environment as quickly as possible, such

an organization is characterized by a caring family atmosphere. Management of employees avoids status differences, emphasizes the value of cooperation and teamwork, it is a culture of engagement and involvement or so called clan culture.

Key features of this organizational culture are loyalty, personal devotion to the company, tradition, employees have a strong sense of identification with the organization (Sikavica et al., 2008).

When organizations face a large number of competitors and when they are successful, they probably have developed so-called culture of achievement, that is, a market culture that implies a high strategic focus on the external environment while maintaining stability. Market-oriented cultures survive nurturing values such as competition, focus on results, personal initiatives and proactivity, but also aggressiveness, readiness for hard and long work to achieve high results. They are focused on strong competitiveness and profit where emphasis is on winning. It is important to point out that organizations with only one type of culture rarely exist in practice. The existence of some dominant culture is more frequent, but other cultures are also represented to some extent, there also may be several combinations (culture of adaptibility and culture of involvement and engagement or market culture and culture of adaptibility).

This paper is based on the typology developed by Human Synergetics and which organizational culture perceives through three basic cultural styles, each has four substyles of culture (Human Synergetics, 2011):
1. constructive styles (styles that promote content-oriented behavior, culture of achievement, self-actualizing, humanist-encouraging and culture of sociability),
2. passive defensive styles (styles that promote behavior oriented to avoid conflict and to follow the culture acceptable rules, conventional culture, dependent culture and the culture of avoidance) and
3. aggressive defensive styles (styles that promote behavior oriented on task/security –opposition culture, culture of power, culture of competition, culture of perfectionalism).

Regerdless of typology, to understand organizational culture it is important to take into consideration the two key dimensions of culture, the intensity (strenght) of culture and content as well as orientation clerified by Competing Values Framework theory (CVF) (Quinn, Rahrbaugh, 1983), but also its functionality (Kotter, Heskett, 1992). The intensity of culture implies the understanding, clarity and cohesion of the value system. Clear value system means that the message about expected behaviors sent to everyone in the organization is clear. When it comes to functional culture, it implies a culture that is aligned with the needs of the organization. Good cultures are the ones that provide organizations with adaptation to factors in the environment, but also internal integration, they are appropriate to the organization and the situation of the organization, to achieve this according to Sikavica and associates (2008) there are three key criteria: strategic relevance, that is, the consistency of strategy and culture must be strong in order for people to take into account what is important, must have an internal capacity for adaptation to the changeable circumstances. According to the above, culture

is in the function of strategy when it can be supported by its strenght (power/intensity).

Strong organizational culture is characterized by a clear system of values, the norms of behavior are held up by the majority of people. Majority behaves the same or similar in both – the approach to tasks and in the interpersonal relationships. Strong cultures have a strong influence on behavior. In weak cultures, organizational values are unclear and persistent, and they have no strong influence on the behavior of individuals, this messages sent to employees are not clear and can be interprete din different ways. When thinking about the development and change of organizational culture, it is not the same if we consider strong and dysfunctional culture or functional and weak culture or strong and functional organizational culture. In the functional sence, the literature prevails that the organizational culture enhences the commitment to the organization and increases the consistency of employees behavior. Employees who fit into this value system will survive in the organization, and those who fail to adapt leave the company or feel mostly frustrated and unsatisfied. These negative feelings may be related to the feeling of being disregarded by other members of the organization, fear of job losing, where basically the essential human needs are not met – the need for security and the need to belong. As already mentioned, the power of organizational culture is also reflected in the individual sense of disagreement with organizational culture, and is becoming the most important reason why one begins to think about abandoning a particular organization (Vrančić, 2015).

This all is in favor of the fact that organizational culture has significant, if not decisive influence on all aspects of organizational behavior that further create business results, productivity or overall success of each organization. Thus the linkage of organizational culture and results that can be achieved in the organization is explored (Connors and associates, 2010). Those authors find that the results achieved by an organization can be managed through the individual and organizational sense of responsibility or „accountability". Connors et al. (2010) state that the result we are currently achieving in the organization reflects the activities that we make as individuals and organization. However, althrough the results are product of activities, it can not be concluded that a smaller or bigger number of activities automatically produce a smaller/weaker or bigger/better results. In practice, it often happens that in the situations where an organization wants a different result, it starts from a logical assumption that different activities should lead to a different result (Connors et al., 2010). The problem arises in situations of action on two so called levels (results and activities) when we are trying to implement different/new activities with people whose beliefs are not in line with desired outcomes, or when we are trying to implement new activities on the old beliefs that have emerged from old experiences. If organizations take this way, often the minimal short-term shifts in the results occur and mostly everything comes down to the old way of acting (Connors et al., 2010). Therefore, according to the model that Connors and associates (2010) suggest, it is necessary to act on all four levels (experiences, beliefs, actions, results), and the greatest challenge in this action is to act on the

level of conviction, since this is usually the result of previous experiences. In this context, it is proposed to create new experiences which in the long run should influence on the creation of different beliefs, which involve taking different activities that provide different results. In other words, it is necessary to create a different organizational culture that will affect the creation of different organizational results.

Organizational culture, value system and connectivity with change management

For a better understanding of organizational culture, the value system should be also taken into account as the one of the key elements of organizational culture. Therefore, the resistance to change the culture, are motives and needs that shape the value system, what is discussed below.

Needle (2010) defines organizational culture through organizational symbols as a state that includes organizational vision, values, norms, systems, symbols, language, assumptions, belief and customs. Managing an organizational culture as well as measuring, quantifying and adaptation to the strategy, points to the process of change management. On the one hand we have an environment that requires adaptation of the organization, and on the other hand there is an organization with its own strategy and goals. In the process of their mutual adaptation, it is crucial to understand the culture of organization and organizational values. Jaffe and Scott (2009) define that the vision and the mission by itself are not enough, since they determine the most important external focus task. Alongside vision and mission, in the organization it is formally or informally determined how the people are expected to work (together, independently, what their mutual relations will be). They believe that in practice it is possible for a group of people to agree on a vision and mission, afterwards, because of different values of their members on how to achieve such vision and mission, conflicts arise (Jeffe, Scott, 2019).

This is confirmed by the McClellend theory of needs (Latham, 2011, Rheinberg, 2006), where the dominant motives of the individual are embedded in values and direct our behavior, that is, determine our belief how and in what way we can or should achieve some goals. The way people achieve goals and realize a vision is as important as the vision itself (Jeffe, Scott, 2009). Questionoing the value, and above all the dominant needs that will direct our behavior and influence the choice of the way of reaching the goal, makes this difference more expressive. Also, it directs group members to consensus on who they are and what is important to them. Therefore, for organizational values, we are saying that they become a guideline for behavior directing.

Organizational culture and specificity of governance in the public sector organization

Some critics point out thet the management of public and private organizations is so different that business practice should not be applied in

the public sector at all (Boyne, 2002). An additional problem creates the contextualization of the term as a public company in the US is a business organization publicly listed on the stock market, while in Europe the same term means the entity with major state ownership. The difference between public and private suggests the diversity of variables such as ownership, openness to influence, value system within society, the environment in which they operate, constraints and organizational culture (Perry, Rainey, 1988). However, as the dominant distinctive variable, the ownership that is in the hands of public organizations is in the public domain and the same property can not be divided between individuals who bear the capital risk (Boyne, 2002). Several authors in particular emphasize the difference in the goals that public organizations want to accomplish (Nutt, Backoff, 1993; Ranson, Steward, 1994; Flynn, Asquer 2017). Bejaković and associates (2011) define public enterprises as a whole of the state-owned and/or state-controlled entities that sell industrial or commercial goods and services to the general public, and ere formed as corporations. A public company refers to a concept that implies elements of publicity and merketability. The elements of the public are reflected in a way that: 1. The most important business decisions are made by the state as the owner of permanent capital (through some of its agencies or bord of directors made by state representatives). The decision-making criteria are not solely linked to financial gain, but also with wider social interests (for instance, social policy). 2. The profit or losses of operations through the state budget belong to the whole community. 3. The public enterprise is responsible for its business to the whole society, that is, to the parliament, as an ultimate „guardian" of public interest. Boyne (2002) points out that in public enterprises, state officials have a reduced motivation to improve the parameters of organizational excellence.

Ranson and Steward also suggest that the key differences are in the fact that the public companies often have no competition (which is not the case in the observed company), but the fact is that they had a privileged market position. The market elements relate to: 1. expecting a public company to be financially sound in the long run and to be subject of a permanent market check, and that 2. prices that a public company charge should be based on operating costs (it means that prices should cover marginal costs). These two last criteria distinguish a public company from other public activities (education, judiciary and environment protection) (Bejaković and associates, 2011). Rman (2004) considers that public administration, as a service activity, is the most important human factor, given that it represents a larger range of autonomous and developmental activities than, for example, predeterminated and binding forms of organization, procedures, strategies, planning and some other activities of administrative organizations. With an appropriate human resource management system, along with the ability and willingness of administrative management to (re)design an organizational culture, it provides the opportunity to, along with institutional-normative changes, strengthens the habits, behavior and procedures of employees in the long run in a way that is in line with the requirements and expectations of the environmental challenges (Rman, 2004). The same author warns of the consequences that can arise when a public company in the process of

adaptation to social, political or any other modernization must face the necessary interventions in organizational cultures.

Changes in organizational culture whose main elements of values, beliefs, attitudes, standards and customs require more emotional, cognitive and behavioral engagement from people, where organizations can face a rather strong resistance. One of the fundamental features of any organizational culture is its stability and resistance to change. In order to change the culture, the organization must either recognize the existence of a threat to its survival or there must be a stromg external pressure that requires adjustment (Lakos, 2004; according to Balog, 2011).

In the Republic of Croatia, research in the field of organizational culture was carried out by Rendulić (2013), who concluded on the basis of the research that there is a so-called „clan culture" that proved to be most represented. According to the same author, the most desirable type of culture for this type of organization. Clan culture is characterized by loyalty, personal devotion to the company, tradition and strong sense of identification with the organization (Cameron, Quin, 2011). In accordance with this, it seems that the conclusion about the desireability of a clan culture should generally be taken with the reserve, that means it would be convenient to check what will happen to the business results if the „adhoccrate" and/or competitive culture share should grew. Interesting findingsof measurements of organizational culture were published in year 2011 as a part of the study Organization of culture in Serbia on a sample of 91 organizations and 859 respondents, out of which 61% of privately owned organizations, 32% organizations in public sector, 3% from other forms of ownership and 4% of organizations that did not respond to the issue of ownership (Human Synergistic, 2011). Based on the results, it was concluded that there are large differences between the current organizational culture and the ideal (desired) organizational culture. The key difference was the insufficient presence of so called constructive and great presence of passive defense culture styles. However, research has shown that private sector organizations show more constructive and less defensive styles, as it is the case with public organizations. Public companies remain characterized by distinctive styles to avoid accountability, to be in opposition, but also to be perfectionist with strong competitive style (Human Synergistic, 2011).

Building upon the above mentioned knowledge of organizational culture, the relationship between ideal and existing organizational cultures and the specifics of the public sector, we come to our main research question: what is the relationship between the existing and ideal organizational culture in organizations operating within the public sector? In line with the above, besides establishing the existing and ideal organizational culture and determining the degree of their connection and differences, the dominant values/motives, i.e., the order of their expression (achievement, power, relationships) were analyzed, since values/motives are the basis of human behavior and they manage our behavior. The overlap between the ideal and existing culture and behaviors expected in the implementation of the activities themselves will simpler and faster lead to results The deviation analysis can more clearly direct the organization towards incentives and

expectations of employee behavior changes at all levels, while the analysis of the dominant motive in the value system in strategic management can give an explanation of the extend to which the development of an ideal culture can be expected.

A case study comparing the ideal and existing organizational culture and the existing value system on a example of an organization in the public sector.

The organization where this case study was conducted belongs to the public sector organization, its primary activity is to provide service to citizens in the field of communication (mostly with the state apparatus), financial services and retail. Establishing and measuring organizational culture was carried out in cooperation with the consulting house Human Synergistics in June 2014.

GOALS

G1: To identify and analyze the ideal and existing organizational culture, their overlapping and differentiation, and the connection to all 12 dimensions/styles of culture on a sample of strategic managers.

G2: By applying a value questionnaire to determine and to analyze the results of predominantly expressed values/motives on a sample of strategic managers.

G3: To examine the correlation between predominantly expressed values with a description of behavior characteristic for an individual with a dominant value and the answer to a question: "When thinking about your job what motivates you to a greater extent?"

METODOLOGY

Measuring of organizational culture in an organized workshop/education was carried out using a questionnaire and pencil-paper mathod. The measurement of a dominant motif was carried out in June 2015 on the sam sampl of respondants. Th difference between current and ideal culture was attempted to be explained by determining the dominant values/motifs (between motives for achievement, motives for maintaining/developing interpersonal ralations and motives for power/influence that we can have on others) that represents a framework for value system, which can „support" the development of an ideal organizational culture and ensure achievement of results.

Respondents

In this case study there are 22 respondents (members of the Board and top management), who as a group determine the strategy of the organization. Since in this research we will not analyze nor will the results be linked to the socio-demographic characteristics of the employee, such data from the respondents were not even sought. All the results are considered as a group, average score.

The scale for determining the organizational culture

For determining the ideal and existing organizational culture the data obtained by measuring the Human Synergistic Organizational Culture Inventory (OCI) were used. The questionnaire has two forms: form for determining the existing culture and form for determining ideal culture. It contains a list of claims describing some of the behaviors and personal styles that can be expected or implicitly requested by members of the organization. Some of the cultural norms measured by the OCI questionnaire are povitive and can support constructive interpersonal relationships, effective problem solving and personal development. Others are dysfunctional and can lead to unnecessary conflict, dissatisfaction and in a mumber of organizational members can cause certain symptoms of tension. The results are presented on so called Circumplex through 12 behavioral norms grouped into 3 types of culture: Constructive, Passive-defensive and Aggressive-defensive culture.

Scale to determine the dominant motive

Determining the dominant motive within the system of values is verified by applying a personal value questionnaire (eng. personal Value Questionary (PVQ)), translated into Croatian language. The questionnaire containts 36 statements in which the respondents, on a scale from 0 to 5 (not important to me, exceptionally important to me), determine to what extent they agree with the stated quotes, ie to what extent a certain claim is of particular importance to them. In order to determine the difference between the motives, the results obtained by the questionnaire and the direct question what motivates them the most of the three motives, another additional question has been asked (example of questionnaire and additional question can be obtained directly from the authors of this case study). Also, in order to examine the difference between the results obtained on the personal value and self-perception questionnaire through a description of the typical behavior and thinking of an individual who values the achievement, development of relationship of power/influence, another additional question has been created (example of questionnaire and additional question can be obtained directly from the author).

Method

Since the survey was conducted on a relatively small number of respondents (22), mostly simple descriptive indicators were used which would be a quide

for the organization and implementation of empirically valid research on the same topic. In the analysis of the connection between the ideal and the existing organizational culture and the connection between the motives within the value system as determinated in the Sperman Rho coefficient of correlation, and since there were in addition to the interval variables also two nominal variables, when determining the correlation of the dominant motive and the self-perception of the respondents of what motivates them, the Cramer V coefficient of the correlation is counted. All datasheets and images that represent data collection through the research of organizational culture in an organization that was conducted in year 2014 by certified people from Human Synergistics cover internal documents.

RESULTS

While measuring the existing organizational culture it was established, that in the culture of this company the passive-defensive and aggressive-defensive style of culture was dominantly emphasized, while the constructive style is not present at all. In a passive-defensive style, a culture of avoidance and conventional culture are emphasized, and in the aggressive-defensive style, the opposition style and the style of competition culture are emphasized. An ideal/desired culture which should support strategic goals was measured. The ideal culture should have a constructive style in which the greatest emphasis would be on the humanist-encouraging culture, culture of self-actualization and achievement, and finally on the culture of sociability. Also, the ideal culture should contain some elements of competition and perfectionist culture.

In the existing culture, on average, most of the values belong to the dimensions of the culture of passive-defensive style, where the most prominent ones have been the conventional (psat4 M=34,23) and dependent culture (psat5 M=33,55), the least expressed is the culture of self-actualization (psat12 M=26,27). In the ideal culture, the highest average values belong to the dimensions of the culture of constructive style, this is the culture of sociability (isat2 M=43,18), the smaller values are of the avoidance culture that belongs to the passive-defensive style (isat6 M=14,09). The results of all 12 dimensions of the culture (see Table 1 and Table 2 in Appendix) were tested by t-test for dependent samples and proved to be statistically significant.

As can be seen in Table 3 (in Appendix) the greatest statistical significance of the difference between the existing and the ideal organizational culture is in constructive styles of the humanistic and encouraging dimension, culture of achievment and socialization and self-actualizating culture but also in passive-defensive styles, and in the dimension of the culture of evasion, dependence and convencional culture. In the aggressive-defense styles the larger statistically significant difference is in the dimension of the opposition culture.

The deviation between the existing and ideal dimensions of the organizational culture is expressed as the difference between the existing

and the ideal culture for each individual dimension. The positive value of the deviation indicates a more pronounced existing culture, while the negative discrepancy points to the expressed ideal organizational culture. Results show that the highest average deviation/discrepancy between the ideal and existing culture is recorded in the avoidance culture (dsat6 M=18,95). The dimensions of constructive styles: humanistic-encouraging culture, social conscience, culture of achievement and self-actualization, culture of perfectionalism as the dimensions of aggressive-defensive cultural styles, represent the dimensions of cultures that are estimated to be desirable, much more then they do exist in the organization. Other dimensions are more prominent than their desirability. The greatest deviation was recorded in the dimensions of the avoidance culture and the conventional culture, where this dimensions were perceived as very pronounced, but undesirable.

In order to ascertain the correlation between different styles, correlations have been calculated (Table 1), the result is that the correlation between dimensions of an existing organizational culture is much more tight than between the dimensions of an ideal organizational culture. For instance, the humanist-encouraging existing culture is significantly more associated with as many as eight remaining dimensions of the existing culture, while the humanist-encouraging ideal culture is closely related to only four dimensions of ideal culture. Based on the results so far, that relate to the first research goal, it can be concluded that there are statistically significant differences between the ideal and the existing organizational culture, bith among the dimensions themselves, and in relation to the average deviations between dimensions. Also, statistically significant links (positive and negative) were established between the existing and ideal culture, as well the statistically significant links between the styles of culture and dimensions inside existing, but also inside ideal culture.

Of the ideal/desired culture that should support the strategic goals, a highly constructive style is expected in which the greatest emphasis is on the humanist-encouraging culture, the culture of self-actualization and achievement, and the culture of sociability. It is also expected to retain (somewhat pronounced) elements of the aggressive-defensive style, with certain levels of opposition culture and culture of competition and empowering of the perfectionist culture influence. Other dimensions are estimated in the existing culture as more pronounced than expected from the ideal culture. The largest discrepancies were recorded in the dimensions of the avoidance culture and the conventional culture, where this dimension is perceived as very pronounced, but undesirable. The constructive style of the existing culture is almost not perceived as present, and it differs from the ideal style, so it could be assumed that the culture of achievement is focused on goals and results as much as the employees feel involved and how much they are actually engaged. Conversely, employees are probably engaged and feel involved to the extent where their organization focuses on realizing enthusiastic goals (Table 2). According to these results and the existence of correlation among the styles of the existing culture, it can be expected that the changes in the direction of strenghthening f the humanictic-encouraging culture will be linked to the changes in the culture of achievement in a

positive direction. Furthermore, here is a correlation between existing culture and self-actualization (0,575; p<0,01), where quality is appreciated, not just the volume of work done, the task execution and also the development of an individual and where employees work with pleasure, we can say that the focus culture on the achievements is as big as much as the employees feel that in their work the quality is appreciated, task performance as well as the development focus. And vice versa. In the existing culture of this organization avoidance is the most prominent feature of the culture, the humanistic-encouraging culture almost does not exist, it is clear in which direction the interpretation is going. It seems that the humanist-encouraging culture is present to the extent that it is expressed in avoidance. That means, avoidance strives for higher results and is more pronounced in culture so it is possible that the encouraging culture may be less pronounced. This finding suggests that in organizations a culture of avoiding responsibility becomes stronger, when the employees do not feel involved, encouraged, and when they are not expected or rewarded for constructive contribution and the attention is drown on the mistakes they make. And vice versa, if the avoidance of responsibility and the fear of mistake are the characteristics of the work in the organization, employees may have a lesser degree of the need for inclusion and consequently it is less likely that they will suggest constructive solutions because they are afraid of mistakes. Very similar is the result of a high correlation of the avoidance culture in the existing culture with a conventional culture, but in a positive direction (r=830; p<0,01). In comparison with the obtained result, it seems that the more bureaucracy there is and rules that regulate the behavior, the degree of avoidance will be bigger, and vice versa.

Intercorrelation to an ideal culture, a positive correlation between the culture of sociability and a humanistic-encouraging culture, suggest that due to the greater focus on the development of constructive interpersonal relationships, changes in the deggre of employee inclusion and engagement might occur. The ideal humanistic-encouraging culture is related to the culture of selfactualization (r=0,569; p<0,1). The culture of selfactualization is characterized by the ways in which by employees quality is more valued then quantity, as well creativity and task performance, then the culture of selfactualization can become more pronounced by increasing of the involvement and encouragement of employees in the development of constructive relationships with others and engagement. Another positive correlation between the culture of avoidance and the opposition culture in ideal culture was recorded (r=0,603; p<0,01). Namely, in the ideal, a weaker presence of behavior, characteristic for avoiding responsibility is expected, this could further result in a reduction of the need for opposition (nonconstructive) behavior. The ideal culture is also marked by a positive connection between culture of power with the culture of competition (r=0,585;p<0,01). In this case, with a less pronounced culture of power (where power will not necessarily be instrumental, i.e., condicioned ny the position) and where more involvement and information sharing from employees is required, a slightly less pronounced competitive behavior among employees is expected, and vice versa.

It seems that strategic managers still maintain a certain presence of the culture of accepting and avoiding conflict, and that the certain elements of that culture are associated with the culture of good interpersonal relationships. Therefore, it can be assumed that the existence of the conflicts is a barrier for building good interpersonal relationships. This assumption, of course, can/should be further verified in some future research.

In relation to the second research, the respondents, to a large extent, identify the achievement as the dominant motive in the questionnaire of values, the result for the motive for power/influence on others is at least present. Of the total number of respondents to the question when they are thinking about their job, what motivates them to the greatest extend, 71% of the answers concerned the achievenent, the smallest percentage of answers (4,8%) reffered to the impact/power as a value. However, when respondents chose a response describing behavior in which the described behavior refers to the people who have these values expressed, they changed their decision and in more then 47% of the cases have chosen a descripion of the value of the influence/power, and the least achievement (23,8%). The results of the t-test show that there is a statistically significant difference between the values/motives of achievenent and attitudes, and from the arithmetic mean is evident that the motivation for achievement is statistically significantly pronounced then the motives for maintaining and developing interpersonal relationships (t=4,912; df=20; p<,01). Indeed, the results of the t-test show that the motivation for achievement is statistically significantly higher than the power motive or the influence they may have on others (t=6,795; df=20; p<0,1). The difference between maintenance of motives and the development of relationships and motives for power is not statistically significant (t=1,989; df=20; p>,05). Therefore, significant difference in motive expressions were found. On this sample of respondents the most prominent motive is the motive for achievement. Between motives for maintaining and relationships developing and motives for power, the established difference is not statistically significant.

In response to the third research objective, the correlation between motives obtained by using the value questionnaire (Personal Values Questionnaire) was studied. No correlation has shown any statistical significance, so the interpretation of the results goes in the direction of the absence of correlation between individual motives. Between the dominant value/motivation genered by the questionnaire and the motivation obtained by answering the question:"when you are thinking about your job, what in fact motivates you in the greatest measure?", there was a significant positive correlation (r=0,568; p<0,05). Taking into account the above mentioned, it can be concluded that the respondents who, with the dominant achievement in questionnaire, have more often chosen achievement as the answer on the question asked, ie their result in the questionnaire is generally equal to the result of selfperception of their motivation when it was established as the response to the above mentioned question. When the motive was determinated by selfperception so that the participant chooses a description that describes it the best, the connection of the established motivation has not been shown to be statistically significantly related to the dominant motive/value obtained in

the questionnaire (r=0,357; p>0,05). Respondents with the motivation for achievement in the questionnaire, chose more often in the description of behavior the form of behavior that is related to the value of the influence on others/motive for power. In other words, the motivation obtained by questionnaire and by choosing a description of the behavior that represents a particular motive, probably does not represent the same construct. The results of the questionnaire can not predict with certainty adescription of the behavior that the respondents will choose. Statistically significant connection was not obtained either between the motives obtained by the two ways of selfperception - the answer to the question: "when you are thinking about your job, what in fact motivates you in the greatest measure?", and by choosing a description of behavior that is characteristic for individuals with prominent stated motives/values (r=0,346; p>00,05). According to this, respondents who choose achievement, development of relationships with others or influence, between the offered answers, are not consistent in choosing a response when the same question is posed through the described behavior. Based on the results, in response to the third research goal, it can be concluded that there are statistically significant differences in the expression of the respondents motives and that on this sample of the respondents most expressed motive is the one for the achievement. Between the dominant/ motivational value obtained by the questionnaire and the motivation obtained by answering the question:"when you are thinking about your job, what in fact motivates you in the greatest measure?", a significant positive correlation has been achieved. Respondents with achievement as a dominant motive in the questionneire, often chose achievement in response to the question.

RESEARCH LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

Since in the existing organizational cultures (as perceived by strategic managers), most of the dimensions stand in correlation with one another, it is assumed that future research could go in the direction of explaining a variations of a culture with the help of other dimensions. If the sample of the respondents was larger, more robust statistical methods could be used, in which, for example, by regression analysis or analysis of variations, conclusions could be drawn as to which culture can explain the variations of another culture and to what extent. Also, regarding the ideal culture, correlationa of a smaller number of dimensions habe been shown, some of which are inconsistent with theoretical expectations. Therefore, future research could, in a detailed manner and, of cource, in a much more representative sample of examinees, investigate whether they are in the perception of an ideal culture, differences between different assessors are statistically significant. Given that the results of this research are related only to strategic managers, in addition to the expanded number of respondents (a more representative sample), further research could go in the direction of "more accurate" estimation of the existing and ideal situation in a way to

compare the estimation that managers give to other employees. Also, it would be interesting to check by modeling method, so called estimation 360, what results would be obtained by comparing organizational cultures in individual organizational units, assessed by managers for the units they manage with an assessment of the status of their organizational units by their fellow managers. Given that the organization did not have a list of values at the time of the survey, future research would help to check to what extent the values were expressed through achievement, focus on the relationship and power/influence associated with list of values, which the company found relevant in this case study. All the questionnaires were solved anonymously so methodologically it is not justified to draw conclusions about the correlation between the motives for achievement, the development of relationships and the power/influence we have to others, with the results obtained for the existing and ideal culture. However, the existing results in some way create the preconditions for future research. Based on the results obtained in this case study, some future studies could examine whether there is a correlation between the styles of culture and motive/value. Likewise, it seems justifiable to check why the existing culture of achievement and other cultures of constructive styles are not expressed to the expected extent, while power as an unconstructive style is expressed, considering that by managers to a large extent a motive for achievement, and the least motive for power/influence expressed is. All given clarifications and conclusions, because of a small number of respondents, should be taken with caution. Also, the existing, high, significant correlations should be observed with the retention, since there was such a small number of respondents and the correlations could be quite unstable and vary with the increase of the respondents number. The results should first of all be seen as guidelines for the future research on this issue, both in the organizations and in the research of the organizational culture in general. The limitation to the stated results as well with the main conclusions that will follow, constitute the anonimity, due to which the correlation of the response about the existing ideal culture with the answers to the value questionnaire has not been verified. But, on the other hand, during anonymous interrogation it can be assumed that there will be more sincerity in responses. Also, most of the results and comments refer to the describtion of a public enterprise culture from this case study that was measured on a small (but culturally influential) sample of respondents and are based on the assumption of leadership by model. It was assumed that if the strategic manager evaluates the importance of value, selects and evaluates „correct" behaviors and the mode of operation (which is one of the fundamental definition of the culture), that the same kind of behavior, based on values and the desired culture, could also be expected from his closest associates/subordinates. This assumption is not fully justified until the dominant management model is not empirically verified, that could also be the guideline for future research on this topic.

CONCLUSION

Each organization strives, wants and tries to manage its organizational culture. In this paper the existance of a statistically significant differences between ideal and existing culture in the observed company were determined through the results of the research. Statistically significant differences exist between the dimensions themselves, but also in relation to the average established deviations among these dimensions. The existing organizational culture can ce considered insufficiently functional, that means, it can ensure the realization of the strategic goals in an much more difficult way, it has the characteristics of the passive-defense and aggressiv-defense style where the culture of responsibility avoidance, conventional, dependent culture and opposition are emphasized. Constructive styles of culture in the observed organization are virtually not represented.

Within the existing culture, most dimensions are in mutually statistical significant correlations, suggesting that the expression or presence of a culture of a particular style corresponds to and is associated with the greater or lesser expression of another culture in the same or another style. Most connected with other styles of culture, among unconstructive styles is noted in opposition culture, culture of avoidance, and in humanist-encouraging culture and the culture of achievement among the constructive styles. The expected ideal culture is dominant-constructive with a pronounced culture of achievement and a humanist-encouraging culture. In it the passive-defesive styles are almost not represented, yet it implies to retain certain elements of the aggressive-defensive styles (a certain level of opposition style, competition and higher level of culture of perfectionism which are not sufficiently expressed in the existing culture).

In ideal culture, the dimensions of constructive cultures are positively related, which supports the conclusion that any change in the culture within a constructive style can be associated with a change within another culture of constructive style. The greatest connection between constructive styles has been shown between the culture of achievement and culture of social conscience and the humanist-encouraging culture. In other words, changes that may occur in the culture of achievement can be positively associated with strengthening and quality in the area of interpersonal relations and the increase in the involvement and engagement of employees, or changes in engagement and involvement can be linked to changes in the culture of achievement. Also, given that the greatest coefficient of connectivity was between the opposition culture and the avoidance culture, it is expected that when the behavior characterized by avoidance of responsibility is pronounced to a lesser extent, this can result in the reduction of the need for opposition (unconstructive) behaviour and conflicts, but not vice versa. Some unexpected connections are not easy to interpret, they are rather questionable because of a relatively small sample.

As far as values of achievement, development of relationships and power/influence are concerned, the results obtained by questionnaires and the direct question of what motivates them, the achievement is set as the highest value and the value of power is less pronounced. Of all the above results, despite all the limitations of this research, it seems that managers equally and in average harder realize the importance of their role in changing

and creating a new, ideal organizational culture, they achieve greater expected business results through greater efforts from the position of the existing culture. In this way, in line with the clarification offered by McClelland (Rheinberg, 2006), they do not act in accordance with their values, ultimately, reaching the results for them and their people can be frustrating and stressful, and the satisfaction with the way in which the result that is not in accordance with our values is reached is probably not complete.

The changes that the organization from this case study can take, if the recommendations are based on these results, refear to define activities that will affect the rise of constructive styles, with the parallel reduction of passive and somewhat aggressive-defensive styles. Therefore, for this organization, managing an organizational culture is a challenge to which it is possible to respond, as it has a basis in the values of the key people. Their existing values are in line with the ideal of culture that this organization wants to achieve, but this is not fully expressed in the order expected by the theory (Rheinberg, 2006). Namely, according to the theory, it is expected that the most significant is the value of power/influence -so called sPow, after that there is the motive for achievement, while the development of the relationship is on the last place. In this sense, strengthening of the so called accountability, ie assuming personal responsibility for the desired changes, awareness of the strenght influence of the managerial role is the first and crucial step in building a functional organizational culture, as well the changes that the organization makes to be alive, present on the market and adaptable to the environment in which it accomplishes the goals, mission and ultimately vision. Finally, altrough the roots of organizational culture go to Weber and Fayol, it can be concluded that there is still a great deal of room for the empirical research and theoretical conceptualization of this interdisciplinary, propulsive and dinamic scientific theme.

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APPENDIX

Table 1. Intercorrelation of styles and ideal organizational culture of the public enterprise
Source: Own survey.

	sat1	sat2	sat3	sat4	sat5	sat6	sat7	sat8	sat9	sat10	sat11	sat12
sat1		,778**	-,226	-,573**	-,331	-,803**	-,606**	-,460*	-,270	,550**	,783**	,630**
sat2	,611**		-,304	-,648**	-,483**	-,758**	-,272	-,464*	-,320	,484*	,671**	,747**
sat3	-,005	-,373		,603**	,218	,502**	,075	,047	,017	-,063	-,239	-,196
sat4	,020	-,181	,309		,467*	,830**	,423*	,499*	,292	-,231	-,507*	-,495*
sat5	-,109	-,250	,214	,493*		,409	,156	,507*	,416	,006	-,368	-,184
sat6	-,041	-,285	,272	,433*	,211		,604**	,510*	,399	-,417	-,667**	-,453*
sat7	-,039	,031	,176	,395	-,015	,603**		,466*	,472*	,022	-,375	-,162
sat8	-,172	-,259	,133	,203	,389	,342	,375		,729**	,111	-,184	-,141
sat9	-,173	-,443*	,410	,252	,384	,479*	,095	,585**		,178	,067	,104
sat10	-,459*	-,041	-,083	,296	,212	,124	,400	,250	-,042		,513*	,471*
sat11	,539**	,620**	-,130	-,350	-,223	-,415	-,219	-,259	-,315	-,228		,576**
sat12	,569**	,289	-,076	,085	,240	-,063	-,162	,006	-,111	,012	,308	

Table 2. Correlation between the styles of the existing organizational culture and the styles of an ideal organizational culture in a public enterprise

		Dimensions of the existing organizational culture											
		psat1	psat2	psat3	psat4	psat5	psat6	psat7	psat8	psat9	psat10	psat11	psat12
Dimenzije idealne organizacijske ...	isat1	,074	,028	-,222	-,017	,058	-,078	,147	,221	,009	,436*	-,020	,151
	isat2	-,062	-,012	-,234	-,013	,232	,008	,148	,321	,245	,059	,029	,283
	isat3	,313	,433*	-,313	-,191	-,316	-,300	-,043	-,125	-,218	,084	,215	-,109
	isat4	,276	,186	-,124	-,359	,140	-,487*	,365	-,003	-,156	,265	,218	-,046
	isat5	,227	,019	,023	-,141	-,008	-,214	-,124	,030	,022	,060	,249	-,056
	isat6	,402	,372	-,123	-,283	-,300	-,456*	-,333	-,036	-,005	,512*	,609*	,127
	isat	,192	,345	-	-	-	-	-	,010	,195	,272	,485*	,139

7			,058	,164	,161	,334	,097					
isat 8	,028	,024	,326	,069	-,248	-,112	,024	,140	,085	,131	,268	-,260
isat 9	,219	,223	,151	-,036	-,469 *	-,256	-,317	-,123	-,446 *	,044	,230	-,161
isat 10	-,016	-,057	,155	-,008	,184	-,032	-,145	-,052	,093	-,204	,121	-,087
isat 11	,041	,111	,196	,141	,110	,171	,269	-,009	-,028	,117	,007	,374
isat 12	-,160	-,186	-,035	-,010	-,086	,129	,342	,041	-,052	,147	-,231	-,183

Source: Own survey.

The legend of Table 1 and Table 2:
prefix p- represents existing culture; prefix i -represents ideal culture

sat1 – humanistic encouraging; sat2 – culture of sociability; sat3 – culture of acceptance; sat4- conventional, sat5 - dependent culture; sat6 – culture of avoidance; sat7- culture of opposition ; sat8- culture of power; sat9- competitive culture; sat10- perfectionalistic culture; sat11- culture of achievement; sat12-culture of self-actualization.

Note:*correlation is significant at a significance level of 0,05; ** correlation is significant at significance level of 0.01

Table 3: Impact of variance factor F-test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	L1	.235	4.252
	L2	.277	3.610
	L3	.727	1.375
Dependent Variable: ROE			
Dependent Variable: ROA			

Source: Own survey.