

# GAZDASÁG & TÁRSADALOM

Journal of Economy & Society

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# **Innovation and Organizational Culture – Change Management Issues in a Financial Institution’s Organizational Culture<sup>1</sup>**

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ABSTRACT Innovative organizations – besides achieving market success – permanently seek to develop their internal processes, such as the transformation of organizational culture. The purpose of changing the culture can be many, which in most cases aims at reaching projects set by the organization more efficiently and attaining a more successful operation. For this we need the employees to be satisfied with the corporate culture they work in every day. In our research we examined the organizational culture of a financial institution with the help of a questionnaire along the dimensions of Hofstede. We examined the internal culture mostly on the level of employees, in terms of employee satisfaction. The difference between the present and desired state, which was evaluated by statistical methods revealed the problems arising from the employee side regarding organizational culture. Knowing the existing problems, suggested solutions can be worked out concerning the transformation and development of corporate culture.

KEYWORDS Organizational culture, innovation, corporate culture, cultural problems, change management

## **Introduction and objectives**

*Culture is like learning; it is hard to acquire  
and keep the quality, but it is easy to lose.  
/Zoltán Kodály/*

Organizational culture fundamentally determines those people’s work environment and everyday lives who are working in the most diverse organizational

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forms. During our lives we meet pleasant and unpleasant, as well as irritating workplace atmosphere. As we know, there is the kind of workplace where employees go with pleasure, they almost cannot wait to start work, while we also know the total counterexample of this. So, organizational culture is a particularly important part of our lives, therefore its examination is an emphasized and complicated task. Its measurement requires extremely big and complex expertise, especially if we try to improve an existing culture. Developing the culture unequivocally requires innovational processes, which are based on creative people and modern technologies. The subject of innovation is focusing on the questions of the improvement of organizations, consequently, on the building of organizational culture as well.

In this study we examine the corporate culture which is innovative, motivated, is capable of improvement and generates new organizational solutions. The examined company is a multinational, big financial institution operating in the international competitive sector, which name and other features – because of anonymity – at the company’s request we do not reveal.

The purpose of the research after a primary data collection was to obtain information about the present culture of the company and the problems that come up in this field. From the information generated by statistical methods we can elaborate a suggested solution, which can be accomplished by change management techniques and methods so that the company and its employees are capable of better performance.

### **Organizational culture**

In connection with our topic, we find it important to mention Daft’s “Iceberg model” (Daft, 1992) first, which carries one of the several definitions of organizational culture as well. The essence of the model is that the organizational culture has visible and invisible, subsurface features. The visible elements are ceremonies, stories and symbols, which are of course important at every institution, but what is more important is the characteristics that cannot be seen at first, we really need to pay attention to these (the iceberg association derives from here). These are the following: values, assumptions, beliefs, attitudes, feelings. Organizational culture is made of visible and invisible elements; the bigger and more important part is given by the subsurface factors. In this study we will examine the latter features.

The other important model of the current research was created by Hofstede. Hofstede describes the organizational (and national) cultures with the help of four dimensions (later on Hofstede determined a fifth dimension, too but that was not part of this study):

- Power distance: to what extent power is divided between employees and employers,

- Uncertainty avoidance: degree of risk assumption, regulation and willingness to innovate of the employees/organization,
- Individualism or collectivism: whether the organization is individual or group centered,
- Masculinity or femininity: whether the organization is performance or human-oriented (Hofstede, 1980)

Along these dimensions the Hungarian organizational culture – compared to other countries – according to the Institute For Training Intercultural Management looks as follows:

- small power distance
- medium to strong individualism
- strongly masculine values
- high uncertainty avoidance index. (ITIM, 1996)

However, some researches confuted this statement or served with less unequivocal results. For example, the GLOBE study characterizes Hungary as a country with high power distance and strong collectivism. (Bakacsi – Takács – Karácsonyi – Imrek, 2002) The results identified here show the comparison between the countries. Nonetheless, of course the culture of Hungarian institutions is nearly not the same; individualism among others can be stronger or weaker depending on the institution or company.

The question may arise, why is it important to deal with organizational culture? Based on Kotter and Heskett's opinions a good performing organization has the following features:

- has a strong culture (value- and norm system accepted by everybody)
- flexible, is able to adapt
- adapts to the organization's strategy, goals
- mindful of the employers and employees as well (Kotter – Heskett, 1992)

According to Denison, strong culture helps to identify oneself with the aims of the organization, it can be motivating for the workers. The shared values help determine the aim of the organization and select the method of aim-reaching. Organizations that have strong organizational culture can use past experiences more effectively, so they have a high degree of learning ability. (Denison, 1990).

In the following we will show the relationship between innovation and organizational culture which can be observed mainly in organizational development processes.

### **Innovative culture**

Innovation is the process of seeking a better, newer, more modern situation than the present one. From 21st century organizations mapping, applying and

accomplishing reformative, innovative intentions is a fundamental expectation. According to the definition of the OECD (1997) organizations during the innovation can develop their products, procedures, technologies, marketing methods and in our case, most importantly the organization's own processes, human resources. Starting from Freemans thoughts, this organization-development can occur in gradual, modifying form, in small steps, by continuously developing or alongside the redefinition of the whole organizational process and culture. The OECD's exact phrasing is: "*Organizational innovation means the accomplishment of new organizational methods in the business practice of companies, in organizing the work or in external business relations.*" (Katona, 2006)

The attitude and cooperation of the employees and employers are fundamental parts of organizational culture. There are basically two approaches of the development of organizational culture: (1) either the structural, organizing procedures, communication, relationships, rules – as a complex system of the organization - are renewed (2) or we improve the individuals that are fundamental parts of the organization. The previous (1) approach is classically called organizational development by the technical literature. There is no commonly accepted definition of the notion, mainly Beckhard's (1974) definition is in general use, accordingly: organizational development is planned, organization-wide, and managed from the top, to increase the effectiveness of the organization. During organizational development – in optimum case – behavioral sciences are applied, which can give a stable basis to the success of the process. One of the tools is business process re-engineering (BPR). Its essence is to improve the working conditions, develop employees, improve the quality of learning and output processes, along with this reducing time and cost need. (Davenport-Short, 1990, announce: Iványi-Hoffer, 2010) During BPR the company's:

- future prospects and goals are redefined
- existing processes are estimated and understood
- reforming processes are identified
- possibilities are identified
- new processes are planned and created.

The focus to the latter (2) approach (level of individuals) was brought to light by the process of knowledge-revaluation. Under the term innovation, Gregersen and Johnson (1997) mean a system that creates and distributes knowledge, utilizes this knowledge by introducing it into the economy in the form of innovations, diffuses it and transforms it into something regarded as valuable. Innovation here appears as a process that is attained as a result of learning. Managing knowledge is a crucial area in today's world. In modern organizations employees can improve continuously by trainings and further education, their knowledge grows and is up-to-date. Some employees train themselves on their own by professional specializations, which they insert to the processes of the company; the classical example of this is the study contract. Löwe (2004) classifies innovation to three categories:

- technical innovation (reevaluation of R&D results)
- non-technical innovation (design, marketing, management)
- social innovation (cultural role model, behavior of risk assumption, role of genders)

According to Chikán (2006) the object of innovation is to completely satisfy consumer needs on a new, higher and better quality level than the present one. Let's assume that in this study the employees of the examined company are the consumers, as in fact they are the consumers of organizational culture, and the higher quality level aims at their working conditions, the atmosphere and the corporate culture. It can be seen that companies with innovative culture pay stressed attention to improving internal processes of the company alongside the innovation of products and technologies. The definition of Carpenter (2010) also agrees with this, according to him innovation is *"a change in a product offering, service, business model or operations which meaningfully improves the experience of a large number of stakeholders."*

Henry Chesbrough (2003) worked out and introduced the definition of Open Innovation model to economic- and organizing sciences. The model fundamentally changes the previous innovational ideas. According to Chesbrough knowledge can come from anywhere (especially from outside) to work out a following innovation, therefore in his opinion the organization should not encrypt its processes, as in this way they lose the possibility of getting further impulses. According to Chesbrough knowledge-based economies are hidden in free spreading of ideas and their practical utilization, which have to be open to everybody to help constant development.

We consider this idea desirable in modern business processes as well. Employees must be involved in the elaboration of corporate processes likewise; the manifestation of their ideas and opinion has to be assured. An innovative company is characterized by openness and communal thinking in intern organizational processes. Returning to our previous assumption: the consumer i.e. the employee must be involved in the development of organizational culture in favor of the successful operation in the future. Employee dissatisfaction, overwhelming workplace atmosphere, weak corporate culture unequivocally causes effectiveness and performance reduction in organizations. An employee who is satisfied with his work and workplace and feels that is important to the company, through the synergy effect, means more than one employee for the company. Therefore it is important to build in the employees' opinion in the corporate culture's formation, as in fact they live their everyday lives in this environment. We also have to mention that applying and developing open organizational culture carries insignificant costs, so applying this model can be rational, naturally where the profile of the organization makes it possible. (exception to this rule for example an army or law enforcement body, etc.)



Even today, traditionally and typically human creativity can form the basis of innovative organizations. Csíkszentmihályi (1996, announce Székely-Keresztes, 2012) considers creativity as a mental activity, which leads to new solutions recognized in special people's minds. In connection with this he differentiates three, not exactly identical phenomena. He calls talented people who are fascinating and inspiring, with unusually agile mind-set brilliant. Others take the world in a modern, original way, their judgment is wise, and they are individually creative. However, those creative people who changed human culture in a significant respect are especially important, these kinds of people are creative without reservation. Csíkszentmihályi also finds further differences between the notions connected to creativity. He considers talent as an inherent ability with which some things can be done very well, so talent is essentially a good individual characteristic. Ingenuity, however, is brilliant and creative at the same time, which together carries negative characteristics as well (see: the problem of the unappreciated genius).

On the basis of the above mentioned, real creativity without reservation is something that changes certain aspects of human culture. This, however never exists in only one person's mind, it is not only a result of thinking but is actually a social phenomenon. When asked what creativity lies in, Csíkszentmihályi gave the following answer: "Creativity can be observed in a tripartite system's connections:

- range: system of symbolic rules and processes (e.g. math, biology),
- professional sphere: these experts may decide whether a given idea can get into the range,
- individual: a person has a new idea, or sees existing things in a new setting."

On the basis of the previous, the definition of creativity can be shaped as follows: "Creativity is an action, idea or product that changes or frames an existing range into a new one. ... A person whose thoughts or actions change or frame a range into a new one is creative." (Csíkszentmihályi, 2009) The most important conclusion of the previous statements is that at a given place and time, the level of creativity does not only depend on individual creativity, but also on how suitable the ranges and professional spheres are for recognizing and spreading new thoughts. The society and in our case the companies must be mature enough to develop ranges that take the professional fields that assure improvement with themselves. In addition they have to have experts who are able to recognize the genuineness and the new value of the ideas. Moreover an infrastructure has to be formed, which helps the individuals, ranges and experts find each other. Such network system has to be created that assures the use of the results of creativity in innovational processes. (Székely - Keresztes, 2012)

We would like to note that innovation appears as a kind of "creative destruction" among classical thinkers. According to Schumpeter (1943) this means that new products and progressions, organizations make previous tools unnecessary, namely they destroy old methods and procedures and bring new ones to the surface

instead. They fulfill inventions deliberately, building upon human creativity, especially the inventiveness of employees to a great extent. Schumpeter considers this as a natural process which can only result the disappearance of products and companies, but also industrial branches and workplaces. Along new possibilities new corporate processes emerge and new workplaces are created. As a matter of fact this is a periodically returning cycle, in which center innovation appears as a destructive and constructive power.

In our opinion, developing organizational culture is essential with the progress of time, because of the change of social and individual needs and attitudes. New, emergent cultures have to create value, however, innovative organizations must not forget about the previous useful values which might need to be transferred to the new corporate processes. This is especially true of organizations with long history and traditions that typically recognize the needs of culture-development more slowly and carry out changes more carefully.

### **The change of the culture**

In this study we are definitely talking about cultural change driven by – through employee satisfaction – demand for a greater performance. The purpose of changing is the development of organizational abilities, during which the leadership should encourage those who participate in the change. In the focus of change, besides the formation of organizational culture there is behavior and attitude of the colleagues. A commitment to change, however, should be achieved by motivating employees. Considering these factors we clearly need a “type O” (Organizational capabilities approach) approach, which in contrast to “type E “ (Economic value approach) (which puts economic rationalization forward) focuses on the development of the organization with a high degree of employee- and minimal counseling participation. (Beer-Nohria, 2001; Beer et al., 2003). We present the change process through Kotter's eight-step model, which involves the following:

1. Expressing the need for a change
2. Creating the team arranging the change
3. Developing conception and strategy
4. Communication in connection with the plan of change
5. Involvement, authorization of collaborators in favor of future prospects
6. Achieving early, short-term results
7. Strengthening objects and establishing more change
8. Introducing new aspects in cultures

The model is characterized by a change of cycles, so the eight steps practically form a circle. The first four steps aim to start the change, taking possible resistance into account. Steps 5-7 combine participatory and political practice to assure

and maintain support. Point 8 is honored, its goal is to imprint changes into the organization's culture.

We have to mention that changing and developing organizational culture – as every process of innovation – may encounter resistance. Most people are basically afraid of new things, newness and treat these with a high degree of mistrust and often take them in very slowly. Developing corporate culture may also encounter these difficulties, it is difficult for employees to let the usual environment go, they stick to the established routines and organizational frames. In some cases they do not accept the new value of cultural development and its positive effects, they are interested in keeping the existing – even harmful – culture and they can be lead by professional and personal conflicts. The worst consequence of resistance is sabotage or strike. The employees of the organization are probably afraid of innovation to a smaller or larger extent before each change. We have to accept that there is a “healthy fear” in the people and this can be useful from the aspect of innovation, if it eliminates hurried, reckless changes in culture.

The process of culture change depends on the stage of development of the corporate culture as well. Schein differentiates the phases of foundation, early growth, medium development stage, maturity and decline. In our case the company is in the mature stage of development as it has had a series of market success and has a strong culture now. The stage of maturity does not primarily depend on the age of the company, but also on the deceleration or stagnation of corporate growth. (Schein, 1995). Strong culture is advantageous in case of stable economic environment but it can be harmful when the economic environment changes.

The phases of culture change are practically the same as the phases of most changing models, there are also three, consecutive steps.

1. Loosen firmly existing schemes and values (melt down)
2. Redefinition (transformation)
3. Strengthening (freeze) (Schein, 1995)

Schein distinguishes four basic types of strategies of culture change, which are: aggressive procedure, procedure based on participation, education and network procedure. (Schein, 1995) After presenting the problems emerging in the organizational culture of the financial institution, we will naturally return to the right strategy choice.

## **Methodology**

The theoretical background of the research is based on the dimensions of Hofstede. On the score of the four dimensions a questionnaire<sup>3</sup> was elaborated

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<sup>3</sup> On the basis of Dr. Ákos Jarjabka's survey applied in his study: "Van nyoma a hazai vállalatok állami múltjának szervezeti kultúrájuk jelenében?"

which included 40 questions, thus each dimension had 10 questions. The 10 questions actually examined 5 aspects of each dimension so we can talk about altogether 20 examined areas (4 dimensions x 5 aspects). In every aspect there was a question that investigated what the examined area is like according to the respondent at his/her own organization and in his/her opinion what it should be like. Therefore they were detected and desired judgments. During the research these questions (detected and desired) were compared. These questions had to be answered by the employees in a 9 point Likert scale. I added a little explanation to the odd numbers on the questionnaire to make it easier to answer. The examined areas in more detail:

The examined aspects of power distance:

- power distance regarding decisions
- power distance in the variance of the incomes
- power distance in the attribution of success
- power distance in the limitation of the executive power
- power distance in the flow of information

The examined aspects of uncertainty avoidance:

- uncertainty avoidance in the motivation of innovations
- uncertainty avoidance in contrast with stress
- uncertainty avoidance in expected risk-taking
- uncertainty avoidance in the specification of rules
- uncertainty avoidance in the planning term

The examined aspects of collectivism vs. individualism:

- collectivism between the success of the group and the individual
- collectivism in the judgment of conflicts
- collectivism in the frequency of teamwork
- collectivism in the reach of group success
- collectivism in the attribution of success

The examined aspects of masculinity vs. femininity:

- masculinity on the basis of task-centeredness
- masculinity in the judgment of competition
- masculinity on the basis of the managers' empathy
- masculinity in the judgment of social sensitivity
- masculinity in the solution of conflicts

I do not wish to explain these features in more detail – because of its extent. However, later I will present the areas where significant and great differences appeared between the detected and desired values.

Altogether 104 people filled out the questionnaire for the financial institution. The evaluation was conducted using SPSS 19.0 (Statistical Package for the Social Sciences). The comparison of detected and desired judgments was carried out

with paired sample T test. In order to establish a considerable difference between detected and desired values the following criteria system was used:

- The overall significance level had to be less than 0,05% (5% significance level)
- If the criterion above is true, there is a significant difference. However this difference in itself can be quite small and insignificant because of the method and the nature of the survey considering the relatively wide 9-point scale. For this reason we built in the criteria-system that the difference between the mean of the detected judgments and the mean of the desired judgments had to be at least 2.

After analyzing the questionnaire, a short interview was conducted with two employees of the company to better understand the root of the problems and the way leading to the solution.

### **The results of the research**

In the following we present the problems arising on the employee side at the financial institution regarding organizational culture. After evaluating the questionnaires, 5 out of 20 examined areas met the requirements where we can state that there is a significant and meaningful difference between the existing and desired culture-judgment. There was a significant difference in case of 15 questions, however, because of an average difference determined as a requirement 10 more aspects dropped. The described 5 critical areas are the following:

#### ***Power distance in the flow of information***

In this examined subfield the question regarding detected culture was the following: *“In your organization what is the flow of information like between the leaders and employees?”* The possible answers assigned to odd numbers were the following: 1. Minimal, 3. Preferably minimal, 5. Occasionally free, at times minimal, 7. Preferably free, 9. Free, information-rich. To reveal the required culture the additional question was the following: *“What would you consider a desirable flow of information?”* The possible answers were, of course correspondent with those described above.

It appeared from the answers that the employees of the financial institution would like a richer flow of information than the current one. In this regard employees would like smaller power distance than the current one. Small power distance organizations are characterized by free, information-rich communication.

### ***Uncertainty avoidance in the stimulation of innovations***

In the next examined subfield the question regarding detected culture was the following: *“In your organization how well are the innovative (novelty) ideas of the employees accepted?”* The possible answers assigned to odd numbers were the following: 1. Not at all, 3. Slightly 5. Moderately, 7. To a large extent, 9. Fully accepted and supported. To reveal the required culture the additional question was the following: *“What would you consider a desired degree of acceptance?”* The possible answers were, of course also correspondent with those described above.

It appeared from the answers that the employees of the financial institution would like their ideas to be supported better than the actual. In this regard the employees would deem slight uncertainty avoidance more advisable. The willingness to change characterizes low uncertainty avoidance organizations.

### ***Uncertainty avoidance in contrast with stress***

In this examined subfield the question regarding detected culture was the following: *“To what extent is your job tense, stressful?”* The possible answers assigned to odd numbers were the following: 1. Not at all, 3. Slightly, 5. Moderately, 7. To a large extent, 9. Fully. To reveal the required culture the additional question was the following: *“What level would be the most convenient/reasonable at your workplace?”* The possible answers were, of course also correspondent with those described above.

It appeared from the answers that the employees of the financial institution consider their workplace much more stressful than the reasonable/desired. So in this respect the employees would deem stronger uncertainty avoidance more advisable as the stress situation is caused by uncertainty.

### ***Masculinity on the basis of task-centeredness***

In this examined subfield the sentence to be completed regarding detected culture was the following: *“In your organization the employers during their directing activities:”* The possible options with which the sentence could be finished were the following (explanation was only given to odd numbers) 1. Concentrate on the satisfaction of the employees and the atmosphere of the workplace. 3. Preferably concentrate on the employees. 5. Sometimes focus on the employees, sometimes on performance. 7. Preferably concentrate on performance. 9. Concentrate on work, performance. To reveal the required culture, the additional question was the following: *“What level would be the most appropriate/reasonable at your workplace?”* The possible answers were, of course also correspondent with those described above.

The answers revealed that the workers of the company think that the management should concentrate much more on employees and less on performance. So, in this respect the employees would like a less masculine culture, i.e. task-centeredness and a high degree of performance-orientation is a masculine value.

### *Masculinity on the basis of the leaders' empathy*

In this examined subfield the question regarding detected culture was the following: *"In your organization how well do the leaders put themselves into the place of the employees?"* The possible answers assigned to odd numbers were the following: 1. Not at all, 3. Slightly, 5. Moderately, 7. To a large extent, 9. Fully. To reveal the required culture the additional question was the following: *"What would you consider convenient?"* The possible answers were, of course also correspondent with those described above.

From the answers it appeared that the employees of the company would like their leaders to put themselves into the employees' place when accomplishing tasks to be more emphatic. Extreme empathy is a feminine value, so according to this aspect the employees would like a more feminine organizational culture.

There was a divergence that met the requirements in three out of four dimensions of Hofstede, except for the dimension of collectivism vs. individualism. In this dimension by the way in two out of the five dimensions there was not any significant divergence, the difference between the averages in two cases did not even reach one and in one case did not reach two. So in terms of this dimension, the company did well, the employees were actually satisfied.

Studying the other three dimensions it can be ascertained that there is a problem that meets the criteria in one spot in the power distance, while in the dimension of uncertainty avoidance and the masculine vs. feminine values there are equally two spots.

### **The root of the problems and solution**

It turned out from the evaluation that the employees of the company do not find the received information from the leaders enough. In their opinion the exchange of information between employers and employees is much less and poorer than it should be. The interviews revealed that there is no forum – at present (!) – of sharing the information back and forth. Information spreads vertically and horizontally only through e-mails or private discussions. In case of e-mails the problem is that they do not have time to read the received letters because they have a lot of work. Earlier, however, this was not the case. Last year the half-hour morning meetings came to an end, which are missed by the workers very much. In these meetings the exchange of information went back and forth between the employers and the

employees. Stopping meetings is due to reduced workforce, in spite of this the work has not been less, and it even increased in the past years. So the employees are forced to spend the time they would spend on meetings with work, too.

The second problem was that according to workers, employers do not listen to or accept new ideas of the employees as much as it would be required. We think that the solution can be the restoration of the morning meetings, and it would also be important for the company to pursue an “open door” policy, which means that the employees could reach their boss anytime, and critiques and suggestions are allowed. Our further suggestion is developing “idea-boxes or idea-walls” and rewarding the inventor of useful ideas.

The third problem – which the statistical analysis showed the strongest – was that in the employees’ opinion, their workplace is much more stressful than it should be. 90 % of the questionnaire was filled out by the phone customer service at the financial institution. It is a fact that according to some researches, customer service – since it has to deal with people and their complaints – is one of those works in the world where the long-lasting stress is the highest. The employees are aware of this. When making a change, of course it cannot be assumed that later they will not have to deal with people and complaints, or that the stress arose from it can be thoroughly eased. The respondents put high stress down to the fact that they cannot complete the countless tasks, statistical indicators and expectations suitably after the 8 hour work. The earlier 8 hour working day increased due to the reduced workforce and increased amount of work. The expectations and norms (on which basis they get part of their salaries) however, remained the same. The employees of the company feel that in 10 hours per day they are not able to do their job with the same strength and concentration, and meet the requirements. This can cause stress.

The fourth problem was that according to employees, their leaders should concentrate more on workers and somewhat less on performance. Naturally, at a big company, where the firm is not only competing with similar profile companies but there is also a competition in the company between the units and groups operating in certain cities, performance expectation can hardly be reduced and the “easing” would affect the company’s efficiency and competitiveness negatively. However, with some extra time and by listening to the critiques and suggestions of the employees (and we return here to the first two problems) according to the employees, the extreme performance oriented culture could be eased.

The last problem was that according to employees, their employers are not emphatic enough, they do not put themselves into the employees’ shoes enough. We believe that the implementation of the previous points would bring a more emphatic image to the leaders.

After acknowledging the problems, the goal would be to approach expected culture to detected culture in any ways. In our opinion, in all five cases corporate culture could come closer to the expectations if the currently missing workforce



was supplemented. This way, the time needed for morning meetings would be freed, which would solve the question of information flow and partly the audition/hearing of new ideas. By restoring the eight hour working day, stress would also be reduced. These modifications would generate the solution of the last two problems. Practically, the “old system” would be restored by this. We think that accomplishing this appropriately would be a procedure built on participation, if we wish to choose the right strategy. This would be an integrating, commonly creating, gradual and least radical solution.

The question, of course remains a question, whether it is worth for the company financially. Those who work in quality organizational culture are capable of better performance without a doubt, and by this more efficient operation, higher profit can be reached. This would be of course the main (if not the only) objective of the change. However, it is questionable whether the financial burdens and wage costs which are induced by higher workforce will return or not. However, this kind of calculation is not the point of this study and it does not fit in.

If the company commits itself concerning workforce enlargement, it will not encounter any resistance from the employee-side, as the demand has also arisen from their perspective. Accordingly, no supporters have to be persuaded in this case among the workers.

Leading through Kotter’s model, (1) measuring the need for a change was carried out by questionnaires. (2) Regarding the team arranging the change, actually nothing novel has to be done, the company’s HR staff will solve this issue. (3) When creating the strategy, on one hand the settlement of the previously described participation based procedure would be suitable, on the other hand the cost (wage cost) and expected rate of return of the change have to be considered. (4) The change and its reason have to be communicated towards employees. Therefore, the ceasing, or at least moderation of arisen questions is expected. (5) When participating the collaborators I find it suitable that the employees are initiated on group leader level, with this helping to restore the old culture and the communication of change. (6) The early results will arise from the positive effects of repetitive meetings and reduced working hours which can already be measured in the short run. (7) If the old system is restored, (8) a new survey would be suitable to know whether the changes were successful or further change is needed.

## **Conclusions**

The research revealed that at the financial institution the problem regarding organizational culture arises on the employee-side. In three out of four dimensions of the model of Hofstede there was a significant and considerable difference between detected and desired culture perceptions. In our opinion, however, these may not be called severe, substantial or irreparable problems.

One of the biggest lessons and results of this research is that how many problems can changing a single factor (in this case the reduction of the labor force) cause in the organization and the corporate culture. Recognizing this, the company was planning on enlarging labor force by the end of the study. We think that this fact also supports the relevance of the study's results. In our opinion, by increasing the number of employees organizational culture will get better as well as the performance of the organization and as we indicated in Kotter's model, it would be worthwhile to repeat the survey later on.

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