

Dimensions of the national cultural environment: Bulgarian evidence

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Abstract The paper analyses some dimensions of Bulgarian national cultural environment as well as their impact on management behaviour. Formulations from significant studies (e.g. of H. Hofstede, M. Bond, A. Laurent and other authors, as well as some Bulgarian authors) are reviewed in this field. Data from an empirical survey are used for testing hypotheses about the impact of three main cultural dimensions (individualism, masculinity and avoidance of uncertainty) upon the formation and development of managerial behaviour in Bulgarian enterprises.

Index Terms: cultural environment, organizational behaviour, managerial behaviour, dimensions of cultural environment.

JEL: M10, M13, M14

I. INTRODUCTION

In the 1990s the trend towards globalization of economic relations is gradually becoming clear and obvious. Goods, capital and human resources are interdependent on a global scale, business units are expanding beyond the limits of national markets to reach the global world market. According to Peter Drucker, “the global competitiveness becomes a strategic objective of every organization. “Every institution must apply the standards, enforced by the leaders in the relevant field, irrespectively of the point of the world where it is located” (Drucker, P., 2000). It is naïve to believe that an individual business unit can succeed and have economic growth within the limits of the national market.

The actuality of the set of problems related to globalization comes from the fact that the evolution of business from orientation mostly towards national markets towards globally oriented activities requires new ways of thinking and management habits, as well as the frequent need to overcome existing stereotypes – values, beliefs and norms, which persist as a result of the established dimensions of the national cultural environment. It is especially important to take into account culture and cultural differences, and problems that managers face every day in order to be able to apply successfully competitive strategies in an environment of swift and dynamic changes. The present article deals with the influence of some of the dimensions of the national cultural environment on the process of advancement and progress of the managerial behavior in the case of Bulgarian entrepreneurs.

Hypotheses on some of the dimensions of the national cultural environment have been tested on the basis of an empirical study (characteristics as individualism, “masculinity”, avoiding insecurity) and their influence on the managerial behavior on the example of enterprises in Bulgaria. The objective of the present study is by means of the verification of the proposed hypotheses to prove or to reject the thesis of the author – that there is influence of the national cultural environment on the phenomenon (managerial behavior) under scrutiny.

The following study tasks follow from the main objective:

1. A retrospective study of the problem in its global projection
2. Application of a model for the influence of the dimensions of the cultural environment on managerial behavior.
3. Verification of the hypotheses on this influence.

The expected results from the study are oriented towards an evaluation of the extent of the relation of managerial behavior and the specifics of national culture, to the extent that the bridge between national culture and organizational culture is composed by the way of thinking, the values and behavior of people in the organization. In the present study the term “managerial behavior” is used to denote the behavior of a manager in complex situations involving flexible decision making resulting in interrelated actions in the management of the organization. This behavior is operationalized by its two main characteristics: proactiveness and innovativeness. The first characteristic is interpreted as consistent expression of the aspiration for vigorous activity, directed towards fast and timely use of favorable opportunities offered by outside environment. Innovativeness, in turn, is interpreted as the capability of searching for new untraditional decisions in the problematical situations the entrepreneurial organization is facing.

II. SHORT RETROSPECTIVE PRESENTATION OF THE PROBLEM: GLOBAL PROJECTION

1. Contemporary views on the national cultural environment

National culture is a set of values, beliefs and norms accepted by the majority of inhabitants of a given country. Traditionally they find their representation in the formal legal system, as well as in the social norms and values. According to R. Farmer and B. Richmond, the factors

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related to cultural environment are considered as determinants of efficiency in the managerial decision-making. These factors influence the way managers comprehend problem situations and the way they resolve them. The Dutch analyst G. Hofstede describes national culture as a determinant of managerial behavior and defines it as “a group programmed consciousness, which makes one human community distinct from another one” (Hofstede G., 1980).

G. Hofstede affirms that not only practice, but also management theories are strongly influenced by national cultural environment and are developing within its limits. According to him, management as a type of activity is virtually a USA patent – in American culture management is surrounded by an “aura of esteem”. Other cultures, however, demonstrate different attitudes to management and managers. In Germany, for example, engineers are those who benefit from such high valuation and esteem, not managers. Germans expect from their manager to be a technical specialist.

In Japan, the central body of organizations is the permanent work groups, not managers. When young specialists in Japan start work, they become part of such permanent work groups and after accumulating certain experience they are appointed to different positions. Control as a managerial function is performed mostly by the colleagues in the group, not so much by the formal managers. G. Hofstede believes that traditional and cultural particularities are explanatory for the behavior of managers in different management situations – in organization restructuring, in planning work tasks, in decision-making, and in business communications (Hofstede, G., 2001).

2. Model of the dimensions of the cultural environment of G. Hofstede

One of the main issues for a study of intercultural aspects of management is to determine how much culture is influencing the behavior of individuals in the organization. G. Hofstede has created a unique model of cultural dimensions in order to describe and explain the national differences in organizational behavior. He proposed an analytical framework to analyze the interrelationship between organizational activity and cultural attitudes. According to G. Hofstede’s theory, the determinant characteristics of national culture are:

1. Distance from authority;
2. Avoiding insecurity;
3. Individualism;
4. “Masculinity/femininity”

2.1. Distance from authority as a dimension of national cultural environment

Distance from authority is an aspect that determines to what extent people accept differences in their social status. In national cultures where distances between people with different social status are insignificant (for example Austria, Israel, Denmark - Hofstede G., 1980), the existing norms and values presuppose minimal perception of these differences. Such cultures tolerate participation of workers

in management and in the process of managerial decision-making. The stereotypes in existence include the idea that the employees should always have access to their manager. The use of authority in itself is neither good nor bad – everything depends on the goals and results from the use of the mechanisms of authority. In contrast, national cultures, where differences in social status are clearly perceived (for example, Mexico, Arab countries, India, Yugoslavia - Hofstede G., 1980), norms and values based on hierarchical ideas prevail. The representatives of these cultures use their power and authority to coordinate the activity of their subordinates. In cultures with large authority distance the idea that people having authority are entitled to special privileges and rights and managers and employees are different categories of people are accepted stereotypes. In such cultures, the participation of subordinates in management is not stimulated. Employees themselves perceive the possibility of taking an important decision and assuming the responsibility for it in a negative way the possibility.

The authoritative management style can be found mostly in cultures, where differences in social status are sharply perceived and a large authority distance is in place. In this type of management there is strong probability for centralization of managerial decision-making.

The methods of G. Hofstede have been applied several times in Bulgarian conditions (Genov, Y., 2002, Genov, Y. and S. Karabeliova, 2001, Davidkov, Zv., 2002, Durankev, B., 2000). The results of these studies show that Bulgaria is a country with large authority distance. The effect on organizations is a strict hierarchical system based on existential inequality. In cultures with a small authority distance hierarchy is perceived as a difference in roles, which can be changed, so that today’s subordinate can be tomorrow’s manager. In the opposite case (which is the case in Bulgaria) the subordinates are expected to receive orders about what they are expected to do, so that communication between managers and subordinates is initiated only by managers. The existing approach is a “paternalistic” one – the ideal manager is the well-intentioned autocrat or “the good father”. There is a large distance present in the system of payment between the higher level in hierarchy and the lower levels.

2.2. Avoiding insecurity as a dimension of the national cultural environment

Avoiding insecurity (indefiniteness) is related to the degree of comfort experienced by people when they happen to be in indefinite situations. People who don’t pay much attention to insecurity feel comfortable even if they are not sure in their future. In contrast, people who don’t accept insecurity believe that it is a danger for their future and they must permanently fight to avoid it. In cultures where a high level of avoiding insecurity and a refusal to accept indefinite situations are present (for example Greece, Portugal, Belgium - Hofstede G., 1980) the behavior of their representatives is highly determined by fear of the unknown. The effort to avoid or minimize insecurity by defining rules and procedures for each activity is

characteristic for such cultures. At the work place, the avoidance of insecurity translates into high level of stress, low initiative, elimination of unknown risks, unwillingness to work in a team, negative attitude to change.

On the criterion insecurity avoidance in the G. Hofstede method, Bulgaria is closer to countries with high level of avoiding insecurity. Cultures with high level of avoiding insecurity perceive difference as a danger, while for those where avoiding insecurity is at low level of difference is perceived as something funny. The following characteristics are valid for cultures with high levels of this indicator: more stress at the work place, resistance to change, less risky undertakings, clear hierarchical structure of the organization, observed by everybody.

2.3. Individualism as a dimension of the national cultural environment

The aspect “individualism-collectivism” as a dimension of the national cultural environment indicates whether the values and norms in a society are oriented towards the satisfaction of individual or group needs.

Individualism emphasizes on attainment of individual goals – the philosophy of individualism is contained in the statement “success is individual” and people are more productive in their actions when they are independent and can do things on their own, irrespectively of what others might say (for example USA, Australia, Great Britain - Hofstede G., 1980). On the contrary, the collectivist view accentuates on well-being and attainment of objectives within the group. In the conditions of collectivistic cultures, the individual is ready to make personal sacrifices in the name of the interests of the group. A strong feeling of attachment and loyalty to the group are characteristic for such national cultures (Latin American countries, South Korea, Malaysia Hofstede G., 1980).

The study of B. Durankev paid attention to the fact that collectivistic and equalization attitudes in Bulgarian societies come from the long period of existence of the majority of small low income farms – traditionally focused on family and kinship, as well as from the social equality ideas from the recent past (Durankev, B., 2000). The group – family, friends, etc. – is a defender of the private interest of the individual and personal goals are achieved by common efforts and support. The same study points out the attitude for a Bulgarian individual to distribute responsibility among close relatives and friends or colleagues that he/she can rely upon. Nevertheless, a necessity for personal self-assertion is gradually arising. For example, in the study performed by M. Draganov, 61% of the respondents assign a positive value to independence as a factor for the appeal that a specific job has for them. Initiative is perceived as a quite valuable characteristic. More than one third of respondents perceive it as a precondition for becoming rich, and about 30% explain poor condition by the lack of initiative (Draganov, M., 1994). Initiative, in fact, is one of the most specific characteristics of individualism and this is why B. Durankev pointed out the existence of serious first indications of transformation of collectivistic attitudes into

individualistic (entrepreneurial) in Bulgarian society (Durankev, B., 2000).

G. Hofstede used the dimension “individualism-collectivism” to describe different national cultures from the point of view of their bias towards individualistic or collectivistic values. On the basis of the empirical material accumulated for Bulgaria, Y. Genov and S. Karabeliova have revealed an interesting cultural phenomenon - Bulgarians in fact perceive themselves as individualists and the individualistic values are most important for them. The daily behavior, however, is quite different (Genov, Y. and S. Karabeliova, 2001). The main dimensions of individualism-collectivism has been also studied in the framework of a comparative study of five cultures including Bulgaria (Ramamoorthy, N., et al., 2010).

A more precise analysis makes possible to discriminate between persons who perceive themselves as individualistic and really value individualism in their behavior from those who value the importance of individualism, but their daily behavior is more oriented towards collectivistic values. As a whole, it can be said that Bulgaria is on the collectivistic side in the continuum (Genov, Y., 2002). The influence of collectivistic values on an organization is demonstrated by the following:

- The participation of individuals in an organization is motivated by moral reasons;
- Employees expect from the organization to perform the role of a family and will be disappointed if this expectation is not fulfilled;
- Employees expect that the organization defends their interests;
- The hierarchical growth is on the basis of seniority;
- The interest for new ideas in management is weak;
- Management policy and practice are influenced by family relationships (friendships).

About 70% of the interviewed persons in Bulgaria believe that nothing depends on the individual, that life is controlled by incidental occurrences, that chance plays a significant role, that success is not achieved by professional competence, but because of luck, personal connections etc. (Genov, Y., 2002). It is obvious - individuals with “outside localization of control” are not inclined to take on personal responsibility and to show personal initiative and managerial behavior. It can be found that Bulgarians strive to a great extent to personal self-expression, but at the same time they welcome every opportunity to hide in the group where their responsibility is more or less vague. The Bulgarian prefers to be “his own boss” but also he/she would rather transfer responsibility to somebody else. The inter-organizational entrepreneurial behavior oriented towards higher quality, and lower costs is quite difficult to be achieved here.

2.4. “Masculinity” as a dimension of the national cultural environment

G. Hofstede has introduced the notion of “masculinity-femininity” to denote the place of qualities as persistence, domineering, and independence within the national cultural environment. The following stereotypes are dominant at

places where the culture is oriented more towards “masculinity”: 1) the social roles must be clearly defined depending on gender: males must always be on the lead; 2) The main motives of behavior should be ambition and persistence. In countries where “masculinity” is the predominant model as a cultural dimension (Japan, Italy, and Switzerland) people are more inclined to sacrifice free time for their professional career. “Femininity” is a characteristic for cultures where values like mutual help and interdependence, compassion and emotional openness are important (Sweden, Norway, the Nederland, for example (Hofstede G., 1980).

With respect to the dimension “masculinity-femininity” related to the idea of allocation of social roles according to gender, it can be said that countries with “masculine” culture are striving towards a success society, while “feminine” cultures are oriented towards a social state. According to the results of a study performed by a team under the supervision of M. Davidkov, Bulgaria is situated at the middle of the range and cannot be defined exclusively as a “masculine” or a “feminine” culture (Davidkov, Zv., 2002). The team of Y. Genov – S. Karabeliova came to the conclusion that the majority of respondents in Bulgaria have “feminine” attitudes (Genov, Y., S. Karabeliova, 2001). These conclusions can be interpreted in the context of organizational behavior as an orientation emphasizing on interpersonal relations and restructuring of the work process in order to create opportunities for integration in the group. In practice, the measured values of our national culture with regard to “masculinity-femininity” are favorable for business cooperation and partnership relations.

Each country can be ranked according to the above dimensions of the national cultural environment. G. Hofstede considers that together with the other South and East European states, in Bulgaria the distance from authority is too large, and the desire to avoid insecurity is too strong. The organizational culture in Bulgaria, determined by national culture, is more a collectivistic than an individualistic one, and more “feminine” than “masculine”*. According to G. Hofstede no universal solutions exist for organizational and management problems. There is neither a universal definition of organization efficiency, nor a universal recipe for its achievement.

The analysis of the results of the study performed by D. Durankev are quite persuasive describing Bulgaria as part the group of “feminine” societies, where the dominant values are: lack of self-assertion, a priority of people relationships over material products, paying attention to quality of life and environment, mutual help, solidarity, charity etc.(Durankev, B., 2000).

* The job is not the most important thing for Bulgarians, the intercultural studies expert professor G. Hofstede said for the newspaper “Capital”, interview with G. Hofstede, “Capital”, No 42/2001.

3. Other dimensions of the national cultural environment

In contrast with the method of G. Hofstede using continuums “masculinity-femininity” and “individualism - collectivism”, other researchers are using the pair of opposites “traditionalism – modernism” as an instrument to define the influence of cultural differences on individual behavior (Lachman R., A. Nedd, B. Hinings, 1994). Individuals oriented towards traditionalism are trying to preserve the existing status quo by staying with the traditional methods of problem-solving. Individuals oriented towards modernism are actively looking for change and they are prone to accept deviance from the customary practice when this could improve the situation.

Another possible way of interpreting the spectrum “tradition – modernity” is the degree of abiding to the accepted social values and norms. Cultural values are important for individuals with traditional attitude because of their strong “normative” orientation; unlike them the individuals with modernistic attitudes don’t share their specific attraction to these values. Individuals with strong traditionalistic orientation are disposed to reject change on the ground that practices, activities and decisions, proven during a long time period are more vital. On the contrary, modernists are oriented towards the future – they are independent and less prudent in their preferences for innovativity (Nedd A., 1989).

M. Bond has introduced a fifth dimension of the national cultural environment, which he calls “Confucian dynamism”, or orientation towards time (Hofstede, G. and M. Bond, 1988). This is the degree of perception by people of moral values like persistence, frugality, sense of shame, preserving reputation, observance of traditions. “Confucian dynamism” includes some cultural values of countries of East Asia that are part of the teaching of Confucius – it determines to what degree the individual is attached to those basic moral principles and virtues.

4. Alternative models of study of the national cultural environment

The French researcher A. Laurent has studied the philosophy and behavior of managers in nine countries of West Europe, USA, Japan and Indonesia (Laurent, A., 1983). He analyses the specific characteristics of the behavior and style of managers in each of the countries of the study, based on their reactions in different production situations. The researcher has summarized the opinions of the respondents on 60 theses defined in advance. He has arrived to the conclusion that the nationality of managers directly influences their views and their management style. One of the theses is the following: “the meaning of the hierarchical structure consists in the fact that everybody knows who is under his/her supervision”. The results of the study show that the majority of American and German managers disagree with this statement as they believe the meaning of hierarchy is to distribute tasks in such a way so

that the organizational goals can be fulfilled. In contrast, Italian, Japanese and Indonesian managers usually agree with this statement, relating hierarchy to social status and to the position occupied by the manager.

Another research aspect treats the command chain with the principal thesis: "To ensure efficient work relationships, it is often necessary to go round the command chain". The results show that Swedish managers don't see a big problem in passing up the subordinate chain. The main thing for them is to find an appropriate person for the specific task. On the other hand, Italian managers consider this approach as a denial of hierarchy and categorically disagree with it. A. Laurent concludes that in the Italian culture of subordination such breakage of subordination order must be punished and the hierarchical structure of subordination must be modified (Laurent, A., 1983).

One of the most important management characteristics – the capacity to resolve problematic situations has also been studied by A. Laurent from the point of view of its growth and of how much it is influenced by national culture (Laurent, A., 1983). Managers have been asked whether it is important for them to have ready and precise answers to questions related to work that could be asked by their subordinates. According to American, Swedish and Dutch managers, there are no ready and precise answers related to the problem situations arising in the process of work and it is not possible to have such answers. The vocation of the manager is to participate in the process of dealing with such situations, to coordinate this process and to help his/her subordinates to handle the problem situation. French managers, however, believe that one should not be in a managerial position if he/she does not have precise answers to the questions arising in the process of work.

The results of completed studies demonstrate that a range of national and cultural differences influence on the growth of organizational behavior and management style. For example, S. Karabeliova presented an empirical study of Bulgarian organizations, which displays the interrelationship between the type of organizational culture and the management style (Karabeliova, S., 2001).

The study distinguished between three types of organizational culture: the prevailing management style in Bulgarian organizations is related to cultural practice characteristic for the market type of organizational culture. The basic values in it are competitiveness, productiveness, the achievement of high profits and risk-taking. Managers in organizations with market type culture are persistent leaders, producers, competitors. The main task of a manager is to motivate and inspire his/her employees to handle work in a better way and to achieve a higher competitive level of performance.

The second place is occupied by management skills characteristic for the hierarchical type of organizational culture. In this context the manager is proud to perform the role of a good coordinator and to organize those who are efficient. He is an extremely well-informed technical expert. His/her influence is based on the control over information.

Next are values and behavioral norms accepted in the clan-type cultures - loyalty, tradition, devotion. In this case, an extremely high value is attached to solidarity, coordination, interdependence, and high moral. The priority managerial skills in such an organization are teamwork management, participation of the associates in decision-making, and reaching a consensus. Employees perceive a manager of this type as a counselor and even a parent, i.e. he possesses authority, and is a man of confidence, respected and loved at the same time.

The lowest place in the hierarchy of managerial competence is occupied by skills corresponding to the ad hoc type of organizational culture. These organizations are dynamic, entrepreneurial and creative, oriented towards risk-taking. The principal emphasis is placed on experiment, and new ideas. Therefore some of the characteristic skills of their managers are the readiness to take risks, innovativeness, flexibility, adaptation. The manager plays the role of an innovator; he/she is ingenious, inventive, creatively oriented towards the future.

III. CONTEXTUALITY OF MANAGERIAL BEHAVIOR: NATIONAL PROJECTION

National cultures can differ in many aspects, and all those aspects definitely influence the organizational behavior, structure and processes. In certain moments, the differences can provoke misunderstandings, disagreements and even conflict. The particular characteristics of the cultural type have an effect on motivation, communication, and work organization, on decision-making. The notions of good and bad, of correct and incorrect in the organizational behavior and in management as a whole, are highly dependent on the specifics of the specific national culture.

As a consequence, the empirical study of cultural differences and their effect on organizational behavior and management style becomes a necessity. In the process of exploration of cultural differences, it is essential to study those cultural aspects that are difficult to measure with the classical instruments of economic studies. From this point of view, the present study differentiates between three dimensions of the cultural environment and their potential influence on the behavior of Bulgarian managers-owners of micro enterprises. For the objectives of the present study, three research hypotheses are explored:

H1. Managerial behavior is directly proportional to the level of "individualism".

H2. Managerial behavior is directly proportional to the level of "masculinity".

H3 Managerial behavior is in opposite relationship with the degree of "avoiding insecurity".

Taking into account that more than 93% of the companies, representing Bulgarian economy, are micro-companies, this determines their importance as a target of economic studies. Companies that are active, and have not more than 10 employees have been selected for study. The study target is Bulgarian entrepreneurs – owners and

managers of micro-enterprises. Detailed methods have been developed for the monitoring, processing and analysis of the necessary data about the influence of the above mentioned three elements of national cultural environment on the growth of entrepreneurial potential of managers. The methods include operationalization of the covered elements, and their reduction to practically measurable indicators. The approbation has been organized as an empirical survey using unified instruments to gather primary information.

Empirical data for the study have been provided using a quota sample of micro-enterprises. It has been formed according to three characteristics - geographical location, branch of the economy and number of employees. There are official statistical data published on the active economic units in Bulgaria treating these characteristics. As more than 90% of the sample is micro-enterprises, the present structures of this aggregate are taken to be valid regarding the sub-aggregate of micro-enterprises as well. The maximal representative quality of the sample is assured by a practically unintentional choice of units within a given planning region, observing their correspondence to the indicators "number of employees" and "branch of the economy". The idea is that the sample formed by this method is not significantly different from the purely accidental one. A rough maximal degree of error of about 5% has been included, and a guaranteed probability of 95%. Taking into account the specific character of the estimates, which are of main importance for the study, the probable value of the relative volatility is evaluated at 50%.

The managerial behavior has been operationalized using two indicators – proactiveness and innovativeness. Respondents have been asked to evaluate the degree of their agreement or disagreement with a set of statements, where a unified seven degrees Likert scale has been used. For example, proactiveness has been measured by attitude questions to express the propensity to actively resolve complex problematic business situations. Innovativeness has been measured through preferences for the application of original ideas and new approaches in management practice. For this, the dichotomy "new (tested) ideas – old (not tested) ideas" has been used. Each indicator variable has been obtained by averaging the above mentioned ranks of

the respective sets of questions treating the specific dimension of cultural environment.

Individualism has been measured through the degree to which respondents value the opposite sets: 1) Taking care for themselves and their family versus commitment to larger groups of people and society as a whole; 2) oriented towards the self versus oriented towards the group; 3) individual initiative and achievement versus group affiliation; 4) the right to personal life and personal opinion versus opinions determined by the group; 5) believing in individual decisions versus believing in group decisions.

"Masculinity" as an element of the cultural environment has been measured by the degree of domination of orientation towards personal success and independence over the orientation towards serving others and mutual help.

Avoiding insecurity has been measured by how much respondents feel threatened by insecurity, how much they are subject to instability and stress while trying to avoid such situations. Such feelings are related to the fear of failure, conservatism and desire to avoid risk, to the need of having written rules and regulations.

IV. VERIFICATION OF HYPOTHESES

The hypotheses formed as a part the theoretical model have been tested using the following multiple regression models:

$$PA = a_0 + a_1 \text{Unc} + a_2 \text{Masc} + a_3 \text{Ind} + e, \quad (1)$$

$$\text{Innov} = b_0 + b_1 \text{Unc} + b_2 \text{Masc} + b_3 \text{Ind} + u, \quad (2)$$

where PA is an indicator variable for "active behavior" and Innov is the variable for "innovativeness" both as characteristics of managerial behavior. The factor variables Unc, Masc and Ind represent the three dimensions of the cultural environment: "avoiding insecurity", "masculinity" and "individualism". The coefficients a_1 , a_2 , and a_3 are used to test the hypotheses for the influence on the formation of the attitude toward proactive behavior of managers, and the coefficients b_1 , b_2 , and b_3 – respectively of the attitude towards innovative behavior

TABLE 1.
CORRELATION MATRIX OF INDICATOR VARIABLES

	Avoiding insecurity	Masculinity	Individualism	Proactivity
Avoiding insecurity	1,000			
Masculinity	-0,643	1,000		
Individualism	-0,893	0,539	1,000	
Proactivity	-0,530	0,426	0,510	1,000
Innovativeness	-0,767	0,539	0,725	0,353

Note: All correlation coefficients are statistically significant with a level of significance 0,01.

The content of the correlation matrix of indicator variables allows determining the degree of dependence between each of the indicators of the cultural environment and the two indicators of managerial behavior (Table 1).

Only one of the three correlation coefficients between the independent variables is over 0,7 which gives ground to expect insignificant negative effect of multicollinearity between the included factors.

Although the explanatory capacity of the evaluated regression models is not high ($R^2_{(1)} = 0,296$, $R^2_{(2)} = 0,598$), especially regarding the equation of active behavior, several conclusions about the modeled functions can be made on the basis of the obtained results (Table 2). The hypotheses related to the influence of individualism and “masculinity” on managerial behavior, operationalized using active behavior and innovativeness, has been positively verified. All the coefficients of the two variables are positive and statistically significant with a level of significance about 5%. The weakest net effect is observed for the “masculinity” variable, which confirms the conclusions of the above mentioned studies, finding Bulgarian culture to be closer to a “feminine” cultural type. The strongest effect is established in the case of “avoiding insecurity” that shows negative correlation to the two resulting variables. This confirms the formulated hypothesis (H3) about opposite relationship between managerial behavior and avoiding insecurity, respectively a direct relationship between managerial behavior and the willingness to take risks.

The empirical results corroborate the formulated hypotheses about the influences of the dimensions of cultural environment on management behavior and especially on the growth of managerial behavior of the owners and managers of micro-enterprises in Bulgaria. As a result of the study, it becomes obvious that characteristics as individualism and “masculinity” create incentives for the development of entrepreneurial values, which result in active and independent behavior and innovative management approaches. In addition, the attitude of avoiding risk and insecurity is lowering the entrepreneurial potential and preventing economically active behavior. As a whole, the study demonstrates that culture can be considered as an important determinant of management style and behavior in micro-enterprises. National culture has an indirect effect on the overall behavior of economic units. Cultures with a low degree of avoiding insecurity, individualistic orientation and dominance of “masculinity” undoubtedly have more positive influence on entrepreneurial activity as a driving force of economy compared to other cultural configurations.

TABLE 2.
RESULTS FROM THE REGRESSION MODELS

Dependant variable	Proactivity		Innovativity	
	Beta.	Statistical significance	Beta.	Statistical significance
Constant	-	0,000	-	0,000
Avoiding insecurity	- 0,243	0,022	- 0,520	0,000
Masculinity	0,158	0,005	0,092	0,032
Individualism	0,208	0,031	0,211	0,004
Level of significance of P-test	0,000		0,000	
Corrected R ²	0,296		0,598	

V. CONCLUSION

As a whole, the results of different studies show that some national and cultural differences influence the development of organizational behavior and management style. To explain a complex phenomenon like culture is a rather difficult task. Another limitation comes from the fact that the phenomenon “cultural environment” cannot be adequately described by four or five dimensions. The development of a detailed and multi-aspect model in order to study the influence of the national cultural environment to evaluate its effect on management style and behavior is a vital task in the context of the world globalization trends.

Mutual understanding between different cultures can exist only in cases when managers and researchers are ready for a global approach and orientation. Such an approach in the management of behaviors, structures and processes is of primary importance nowadays. The time when management of organization was limited by narrow national concerns has been replaced by globalization,

which is gradually becoming reality in every point of the globe.

It is important to note that the evaluation of different cultures and their comparison according to defined indicators is not intentioned to qualify certain cultures as bad and other cultures as good. The question which orientation is correct or incorrect is not a part of the study. It is obvious that values, ways of thinking, and behavior are culturally determined. The cultural dimensions strongly influence organizational culture, motivation, management style, decision-making and the organization as a whole.

The present study is to some extent indicative about the fact that the development of management behavior and of managerial behavior in particular is strongly linked to the particularities of national and individual culture. Certainly the bridge between these specific characteristics and organizational culture is in the way of thinking, the behavior and the values of people. From this point of view, cultural differences make possible the identification of the factors, which support or obstruct the building of strategic alliances and other forms of efficient collaboration in the

economy. In this respect, the demonstration of empirical results, verifying the three defined global hypotheses, and the clarification of the interrelationship between the main dimensions of national culture can be regarded as principal contributions of the present study.

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