



KULTURA I TRANZICIJA: POSTOJI LI ISTOČNOEVROPSKI KULTURNI KLASER?

CULTURE AND TRANSITION: IS THERE AN EAST EUROPEAN CULTURAL CLUSTER?

Dušan Mojić^{a,1}

^aUniverzitet u Beogradu, Filozofski fakultet

PODACI O ČLANKU

Primljen 07.09.2017.
Dostavljen na recenziju 28.12.2017.
Prihvaćen 18.01.2018.
Dostupan online od 11.05.2018.

Ključne riječi:

Institucije
Kultura
Tranzicija
Istočna Evropa

ARTICLE INFO

Received 09/07/2017
Sent to revision 12/28/2017
Accepted 01/18/2018
Available online 05/11/2018

Keywords:

Institutions
Culture
Transition
Eastern Europe

APSTRAKT

Institucionalni pristup se često primenjuje poslednjih decenija u objašnjenju procesa tranzicije bivših komandnih („socijalističkih“) privreda i društava Istočne Evrope u tržišne („kapitalističke“) privrede i društva. Naime, institucije su shvaćene kao osnovni okvir za ljudsku interakciju u društvu ili, drugim rečima, kao „pravila igre“. Ova pravila mogu biti formalna (ustavi, zakoni, statuti) i neformalna (uverenja, vrednosti, norme). Formalna pravila se na duži rok menjaju u zavisnosti od pomenutih duboko ukorenjenih neformalnih okvira. Tranzicija u Istočnoj Evropi prvenstveno podrazumeva proces institucionalne političke i ekonomske promene. Međutim, transformacija političkih i ekonomskih institucija uvek je utemeljena na neformalnim pravilima ili društvenim i kulturnim institucijama. Glavni cilj rada je rasprava o postojanju i mogućim karakteristikama Istočnoevropskog kulturnog klastera kao opšteg neformalnog okvira procesa tranzicije.

ABSTRACT

Institutional approach has been frequently used in the last decades in explaining the transition process of the former command (“socialist”) economies and societies in East Europe to market (“capitalist”) economies and societies. Namely, institutions have been conceived as a basic framework for human interaction in a society or, in other words, “the rules of the game“. These rules can be formal (constitutions, laws, statutes) and informal (beliefs, values, norms). Formal rules in the longer period change depending on the aforesaid deeply rooted informal frameworks. The transition in Eastern Europe has been primarily the process of institutional political and economic change. However, the transformation of political and economic institutions has always been embedded in informal rules or social and cultural institutions. The main goal of the paper is to discuss the existence and possible characteristics of East European cultural cluster as a general informal framework for the transition process.

Introduction

Political, economic and overall social transition in Eastern Europe has been one of the most interesting topics in social sciences for almost three decades now. The reasons are scientific (theoretical and empirical) as well as practical – of political and economic nature. Political, economic and social systems in former socialist countries have been transformed, more or less, according to the “western capitalist model” of society and its institutions. Political (parliamentary) democracy, market economy and open and meritocratic society are (at least declared) key goals or “future states” to be accomplished in the transition process.

¹ dmojic@ekof.bg.ac.rs

The transition in Eastern Europe has been primarily the process of institutional political and economic change. In social sciences institutions have been conceived as a basic framework for human interaction in a society or, in other words, “the rules of the game”. These rules can be formal (constitutions, laws, statutes) and informal (beliefs, values, norms) (Pejovich, 2006: 231). Formal rules in the longer period change depending on the aforesaid deeply rooted informal frameworks. Transformation of political and economic institutions has always been embedded in informal rules or social and cultural institutions. The main goal of the paper is to discuss the existence and possible characteristics of East European cultural cluster as a general informal framework for the transition process.

1. Theoretical framework

Institutional approach has been probably the most important and most influential in scientific attempts to explain the transition process in Eastern Europe. Furthermore, according to Scott, “institutional theory is among the most vibrant and rapidly growing areas in the social sciences today” (Scott, 2014: vii). Institutionalism have transformed the areas of management theory, organizational sociology, and institutional economics, and strongly impacted the neighboring areas of political studies of institutions, international business, social movement theory and numerous other arenas. All of these areas are closely linked to the transition process.

But why are institutions so important for political, economic and social system? North (2003: 13) wrote that institutions represent the constraints devised by humans in order to shape interactions in society. They structure incentives in human exchange when it comes to political, social or economic processes. Institutional change shapes the way societies evolve, being the key aspect in understanding the overall historical transformations.

An interesting view on transition in Eastern Europe has been offered by famous German sociologist Ralph Dahrendorf. At the very beginning of this process (1990), this author emphasized that it would take roughly six months to adopt a constitution, six years to build a market economy, but sixty years to develop social foundations for democratic institutions in general (Dahrendorf, 1990: 92-93). First two transformations refer to formal institutions, whether the last one is linked to informal – beliefs, values, norms. These informal institutions are the key elements of culture in a society.

Although formal institutions can be radically transformed by political decisions in a society (and in a shorter period of time), they have never been completely discontinuous because of their embeddedness in informal, cultural constraints such as values and norms. These cultural institutions are far less subject to changes and if so, these changes happen in much longer time span (North, 2003: 17). Therefore, if we want to understand the process of social transformation (in our case the transition process in Eastern Europe), we have to address the issue of cultural stability and change. To support our research strategy it is plausible to remind that so called “cultural perspective” is often viewed as a continuation and upgrade, but still an integral part of the institutionalism (Sikavica, 2011: 171).

1.1. Cultural clusters – origin and implications

The interplay of social and cultural factors in transformation of a society has been recognized in sociology almost from its beginning as a scientific discipline. It is different with political science and, especially, economics. The recognition of cultural influences on economic processes can be linked with institutional and particularly neo-institutional approach. Cultural norms and values have been acknowledged in the last decades as one of the most important aspects of particular society, influencing all its systems – social, political and economic. Such attitude is opposite to so-called previous “cultural blindness” (Adler, 2001).

From that period onward the social sciences in general (including economics) have experienced almost a dramatic increase of intercultural quantitative studies resulting in recognizing the cultural dimensions. Further and logical research strategy was to group countries or cultures into cultural clusters, based on the similarity on these dimensions. The book *Managerial Thinking: An International Study* (Haire et al., 1966) was one of the first important contributions in that respect. Based on a survey study of 3641 managers from fourteen countries four clusters emerged:

1. Nordic-European (Norway, Denmark, Germany and Sweden).
2. Latino-European (France, Spain, Italy and Belgium).

3. Anglo-American (USA and England).
4. Developing Countries (Argentina, Chile and India).

Japan was an exception from all of these clusters. The results of the study justified the research strategy: units (cultures) inside clusters had been very similar to each other and also very different from units (cultures) from other clusters (Haire et al., 1966: 11).

Most prominent researcher of intercultural differences has been, no doubt, Dutch author Geert Hofstede. His voluminous research has also included cultural clustering of 53 countries and regions of the world. Based on four (later five) dimensions he extracted twelve cultural clusters:

1. South Korea, Peru, Salvador, Chile, Portugal and Uruguay.
2. Former Yugoslavia, Turkey, Arabic speaking countries, Greece, Argentina, Spain and Brazil.
3. Ecuador, Venezuela, Columbia and Mexico.
4. Pakistan, Iran, Indonesia, Thailand, Taiwan, East and West Africa.
5. Guatemala, Panama and Costa Rica.
6. Malaysia, Philippines, India, Hong Kong, Singapore and Jamaica.
7. Denmark, Sweden, Holland, Norway and Finland.
8. Australia, USA, Canada, Great Britain, Ireland and New Zealand.
9. Germany, Switzerland, South Africa, Italy.
10. Austria and Israel.
11. Belgium and France.
12. Japan (Hofstede, 2001: 62-63).

Most comprehensive review of cultural clustering studies was carried out by Ronen and Shenkar in the mid 1980s. They emphasized an important research and practical implications of clustering countries or cultures. Namely, clusters can help the researchers by defining the degree to which results can be generalized to other countries. Properly analyzed, data from one culture can refer to a whole group of countries if they have one common variable inside the same cluster (Ronen & Shenkar, 1986: 435).

However, cultural clustering suffers from several limitations and weaknesses. Some authors emphasized that cluster studies tend to exaggerate differences between countries, while these differences could be attributed to factors other than cultural. The degree of similarity between countries inside a particular cluster is not absolute but relative compared to diversity regarding other countries (outside the cluster). Also, an important limitation lays in the fact that significant parts of the world have remained almost uninvestigated – socialist countries (with exception of former Yugoslavia, to a certain degree) and Africa. Furthermore, Near East and Far East have been under investigated.

Nevertheless, having in mind all limitations, Ronen and Shenkar have strongly suggested research strategy of clustering countries on cultural dimensions. Secondary analyses revealed that clusters significantly and statistically vary based on language, religion and geography. Review of empirical studies singled out Anglo, German, Nordic, Latin European and Latin American cultural cluster. According to these authors, data about the existence of Far East and Arabic cluster have been inconclusive at the time of the review (mid 1980s), requiring additional analysis. The same stands for cultures defined as exceptions (for example, Israel and Japan). These cultures could not be classified into any of the aforesaid clusters (Ronen & Shenkar, 1986: 452).

1.2. Cultural clusters in GLOBE research program

Clustering countries on cultural dimensions has been also an important part of the GLOBE research program (*Global Leadership and Organizational Behavior Effectiveness*), one of the most comprehensive and most promising intercultural studies in the last decades in social sciences. As Leung rightfully claims, “the GLOBE project is perhaps the most large-scale international management research project that has ever been undertaken, involving some 170 co-investigators from 62 participating countries” (Leung, 2007: xiii).

GLOBE authors, based on an extensive review of the prior literature on cultural clustering, revealed three main forces for grouping countries into similar clusters: 1. geographic proximity, 2. mass migration and ethnic social capital and 3. religious and linguistic commonality. Social and psychological variables such as attitudes, values, and work goals have also been used to cluster countries. Finally, cultures have been

differentiated and clustered on the basis of the degree of modernity, economic development and socio-political development (Gupta, Hanges & Dorfman, 2002: 11).

Since clustering has its foundations on differences in national/societal cultural dimensions, an important aspect of the research strategy is to choose most adequate dimensions in that respect. Grounded in an extensive research, the GLOBE authors analyzed national or societal cultures on the following nine dimensions:

1. **Power Distance:** the degree to which members of an organization and society encourage and reward unequal distribution of power with greater power at higher levels. Specific questionnaire item: Followers are (should be) expected to obey their leaders without question.
2. **Uncertainty Avoidance:** the extent to which members of an organization or society strive to avoid uncertainty by relying on established social norms, rituals, and bureaucratic practices to decrease the probability of unpredictable future events. Specific questionnaire item: Most people lead (should lead) highly structured lives with few unexpected events.
3. **Humane Orientation:** the degree to which individuals in organizations or societies encourage and reward individuals for being fair, altruistic, friendly, generous, caring, kind to others, and exhibiting and promoting altruistic ideals. Specific questionnaire item: People are generally (should be generally) very tolerant of mistakes.
4. **Institutional Collectivism (Collectivism I):** the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action. Specific questionnaire item: Leaders encourage (should encourage) group loyalty even if individual goals suffer.
5. **In-Group Collectivism (Collectivism II):** the degree to which individuals express pride, loyalty, and cohesiveness in their organizations, families, circle of close friends, or other such small groups. Specific questionnaire item: Employees feel (should feel) great loyalty toward this organization.
6. **Assertiveness:** the degree to which individuals in organizations or societies are assertive, confrontational, and aggressive in social relationships. Specific questionnaire item: People are (should be) generally dominant in their relationships with each other.
7. **Gender Egalitarianism:** the extent to which an organization or a society minimizes gender role differences while promoting gender equity and the equality of genders. Specific questionnaire item: Boys are encouraged (should be encouraged) more than girls to attain a higher education (Scored inversely).
8. **Future Orientation:** the degree to which individuals in organizations or societies engage in future-oriented behaviors such as planning, investing in the future, and delaying individual or collective gratification. Specific questionnaire item: Most people live (should live) for the present rather than for the future (Scored inversely).
9. **Performance Orientation:** the extent to which high level members of organizations and societies encourage and reward group members for performance improvement and excellence. Specific questionnaire item: Students are encouraged (should be encouraged) to strive for continuously improved performance (Javidan, House & Dorfman, 2004: 30).

Based on these dimensions and survey of more than 17,000 middle managers from 61 countries, GLOBE researchers revealed the existence of ten cultural clusters (with belonging countries) (Gupta, Hanges & Dorfman, 2002: 13):

1. **Anglo** [Australia, Canada, England, Ireland, New Zealand, South Africa (White sample), United States].
2. **Latin Europe** [France, Israel, Italy, Portugal, Spain, Switzerland (French-speaking)].
3. **Nordic Europe** [Denmark, Finland, Sweden].
4. **Germanic Europe** [Austria, Germany (Former East), Germany (Former West), Netherlands, Switzerland (German speaking)].
5. **Eastern Europe** [Albania, Georgia, Greece, Hungary, Kazakhstan, Poland, Russia, Slovenia].
6. **Latin America** [Argentina, Bolivia, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Venezuela].
7. **Sub-Saharan Africa** [Namibia, Nigeria, South Africa (Black sample), Zambia, Zimbabwe].
8. **Middle East** [Egypt, Kuwait, Morocco, Qatar, Turkey].
9. **Southern Asia** [India, Indonesia, Iran, Malaysia, Philippines, Thailand].
10. **Confucian Asia** [China, Hong Kong, Japan, Singapore, South Korea, Taiwan].

2. Transition in Eastern Europe: Is there a common cultural ground?

It has already been previously mentioned that Eastern Europe has been understudied in intercultural studies, although Greece and former Yugoslavia were included in Hofstede's seminal work (1980; 2001). Also, basic reviewing and synthesizing comparative study of 25 countries by Ronen and Shenkar (1985) did not encompass Eastern European cultures. The situation has rapidly changed during the post-socialist transition period. Foreign direct investments (FDI) by multinational companies (MNC) in Eastern Europe imposed the necessity of studying patterns of these cultures in comparative and intercultural perspective. Scientific research has followed this practical impetus.

For example, Hickson and Pugh (1995) revealed the existence of Central-Eastern European cluster, represented by Russia, Poland, Ukraine, Latvia and Bulgaria. These countries were linked together by their common past: centralized planned economy, one-party system, Soviet influence, and dual hierarchy. Generally, the most common explanation of the Eastern Europe cluster is based on Soviet hegemony. This factor, although obviously important, does not reflect other relevant forces, such as geography and pre-Soviet history (Gupta & Hanges, 2004: 185).

Smith and his colleagues also collected data about Eastern European countries in their sample of 43 countries. The major dividing line in approaches to management within Europe, in their opinion, was between the east and the west. Eastern European cultures have a tendency to prefer utilitarian involvement vs. loyal involvement and hierarchy (conservatism) vs. equality (egalitarian commitment) (Smith, Dugan & Trompenaars, 1996). Hampden-Turner and Trompenaars (2000) found Eastern European cultures (Bulgaria, Czech Republic, Greece, Hungary, Poland, Russia, Yugoslavia) to be particularistic, medium to high individualistic, mostly specific, ascribed (non-achievement oriented), outer directed, and synchronous (polychronic).

Finally, as already mentioned, GLOBE researchers empirically verified the Eastern European cluster to consist of the following countries: Albania, Georgia, Greece, Hungary, Kazakhstan, Poland, Russia, and Slovenia (Gupta, Hanges & Dorfman, 2002: 13). The cluster is a mixture of countries bearing different linguistic, ethnic, religious traditions and economic backgrounds and at the same time, sharing many other attributes. Again, the major common characteristic for all of the countries (except for Greece) is Soviet political and economic influence. From a geopolitical perspective, these states are relatively small, with the exception of Russia. Geographically, they are located on two continents: Europe (Albania, Greece, Hungary, Poland, European-Russia, and Slovenia) and Asia (Georgia, Kazakhstan, Asian-Russia) (Bakacsi et al., 2002: 70).

The cultural background of Eastern Europe is very heterogeneous:

- Russia, Slovenia, and Poland belong to the Slavic world.
- Greece has an ancient culture of its own.
- Kazakhstan and Albania have a strong Turk-Muslim influence in their culture.
- Hungarian tribes (with unique language) originate back to the Ural Mountains, but settled in the cross-roads of Central Europe. Their history has been influenced by Turks, Austrians, and Russians/Soviets (Bakacsi et al., 2002: 72).

2.1. Societal practices and values in Eastern European cluster

The unique contribution of the GLOBE research program has been the distinction between "As is" (societal practices) and "Should be" (societal values) cultural dimensions. In other words, the respondents were asked to express their perceptions and their value preferences about culture they belong to. The societal practices of the Eastern European cluster are rated as high on group collectivism (score 5.53 on a scale from 1 to 7), as well as power distance (5.25). The cluster has low scores on uncertainty avoidance (3.57), and future orientation (3.37), and it is relatively gender egalitarian (3.84), but assertive (3.58). The other cultural dimensions (humane orientation, institutional collectivism, performance orientation) are rated in the mid-range, around an average of 4 (Bakacsi et al., 2002: 75). The cluster is distinguished as tolerating uncertainty, highly group oriented, hierarchical, and gender egalitarian.

As for societal values (“Should be”), the cluster is relatively high on performance orientation (5.81), group and family collectivism (5.56), humane orientation (5.41), future orientation (5.37), and uncertainty avoidance (4.93). It scores very low on power distance (2.84). In comparing the societal practices and values, the managers from Eastern European cluster prefer their cultures to be much more performance, future oriented, and humane. In their opinion, level of power differentiation should be lower, while level of structure (uncertainty avoidance) and gender egalitarianism should be higher.

As for country differences inside the cluster, Albania, Greece and Russia show the most extreme scores regarding societal practices. Albania is the lowest power differentiated (4.52) and highest on uncertainty avoidance (4.62). However, it has the highest future orientation (3.83), performance orientation (4.75) and humane orientation (4.52) in the cluster. Russia, on the other hand, bears the most uncertainty (2.85), has the lowest future orientation (2.80) and the highest power distance (5.56). It is least male oriented (4.12). Greece is the most assertive (2.79), least performance (3.20) and humane (3.34) oriented, and most individualistic (3.25). Georgia has the highest score on group and family collectivism (6.19), and Poland the highest on institutional collectivism (4.53) (Bakacsi et al., 2002: 75).

How does Eastern Europe stand in comparison to other nine GLOBE clusters? According to GLOBE researchers, the Eastern European cluster belongs to the meta-Eastern region (Eastern Europe, Confucian, Southern, Arab, and Sub-Saharan Africa clusters). On the other pole is the meta-Western region (Nordic, Germanic, Latin European, Anglo, and Latin American clusters). These regions or meta-clusters are noticeably different from each other (see more on this issue in Gupta, Hanges & Dorfman, 2002). The respondents in the five Western clusters perceive their societal practices as lower in in-group collectivism, humane orientation, and power distance, but higher in uncertainty avoidance and future orientation.

On the other hand, the five Eastern clusters score high in humane orientation and in-group collectivism in societal practices. Respondents in these societies report higher values and practices of power distance. Although they perceive lower practices of uncertainty avoidance and future orientation, they report stronger values of uncertainty avoidance and future orientation. Inside the Eastern clusters, Eastern Europe is distinguished by the practices of higher gender egalitarianism and in-group collectivism, but lower performance orientation, uncertainty avoidance, and future orientation (Gupta & Hanges, 2004: 200).

Conclusions and Implications

The main goal of the paper was to find out is there a common cultural background in Eastern Europe and if so, what is the connection of this cultural cluster to transition process. A very strong argument in favor of our research strategy comes from a wide-spread belief that transition process is a cultural issue rather than a mere technical one (Colombatto, 2001). That is why analysis must explain the nature and scope of the influence of informal rules on transition (Pejovich, 2003: 348). This author, in his earlier paper (Pejovich, 1993: 68), rightfully argues that the transformation of former socialist states is, in effect, their search for a new set of (formal) institutions. Again, let’s remember that formal rules are deeply rooted in informal frameworks – beliefs, values and norms.

Cultural differences, according to Pejovich, are mainly responsible for the differences in the transaction costs of transition. He claims that “the greater is the conflict between the formal institutions of capitalism and the prevailing culture in a country, the larger are that country’s transaction costs of transition” (Pejovich, 2003: 352). Neoclassical economics provided the general framework for the debate in the early 1990s on “the best” path of transition to capitalism. According to the tenets of neoclassical economics, the transition to capitalism required macro-stabilization (i.e., stable rates of interest, low inflation, low unemployment, etc.), privatization, and market prices. Given the neoclassical assumption of zero transaction costs, Central and Eastern Europeans were expected to quickly perceive new opportunities, evaluate their consequences, and make the utility-maximizing choices (Pejovich, 2006: 233).

That is exactly why the expectations of neoclassical economists failed and why neo-institutional approach offered a better explanation of the transition process. The tension between formal institutions or rules of capitalism and informal rules of a particular transition country/culture Pejovich explains with the so-called interaction thesis: “When members of the community perceive the consequences of new formal rules to be in conflict with their prevailing culture, the transaction costs of integrating those rules into the institutional framework will be high, will consume more resources, and will reduce the production of wealth. And when members of the community perceive the consequences of new formal rules to be in harmony with their prevailing culture, the transaction costs of integrating those rules into the institutional

framework will be low, will consume fewer resources, and will increase the production of wealth (Pejovich, 2006: 235-236).

Many scholars (Friedrich von Hayek, James Buchanan, and many others) argue that the basic formal institutions setting capitalism apart from other systems are private property rights, the law of contract, an independent judiciary, and a constitution that de facto protects individual rights. A culture supportive of capitalism is the culture that encourages individuals to pursue their private ends – that is, the culture of individualism. By holding that the individual is superior to any group, the culture of individualism encourages behavior based on the principles of self-interest, self-responsibility, and self-determination (Pejovich, 2006: 237).

However, the prevailing culture in Eastern Europe has a bias toward collectivism and egalitarianism as a legacy of the socialist past. The community in these countries tends to be seen as an organic whole in which individuals are expected to subordinate their private ends to the pursuit of common values (however defined) (Pejovich, 2006: 238). As Bakacsi et al. emphasize (2002: 79), the behavioral heritage of these societies is a strong *power culture*. People with such cultural traits tend to depend on their superiors, expect care from them, and avoid taking on responsibility. While egalitarianism and collectivism are important common traits in Eastern Europe, the prevailing culture in the region is not homogeneous. As Pejovich somewhat over-simplified but basically true argues, “the culture of collectivism and egalitarianism gets stronger the farther east and southeast one travels” (Pejovich, 2006: 239). Therefore, the transaction costs of transition differ from one country to another, and these differences in transaction costs translate into different transition results.

But what have the GLOBE results about Eastern European cultural cluster shown? We can see that group collectivism and power distance are still very high, compared to Western cultural clusters (or the most developed capitalist countries). That means that individualism has not prevailed as a norm and value in cultures of Eastern Europe. The level of power differentiation has remained very high, while level of structure (uncertainty avoidance or reliance on institutions) at the same time has been still very low. In another words, individual and its private property rights and entrepreneurial attempts are still not substantially protected by formal institutions. Individual economic, political and overall social position in these cultures depends not on one’s hard work and achievement but almost solely on the arbitrary will of a strong leader. Autocratic tendencies in political leadership of Eastern European countries strongly confirm this conclusion. On the other hand, one can argue that we are now all witnesses of obvious autocratic and unpredictable leadership of President Donald Trump in the most developed capitalist country in the world – USA. However, the only difference (but the crucial one) in this regard is the nature of institutions in the USA vs. Eastern Europe. While US formal institutions protect the individual rights (very often in strong opposition to President’s political agenda), the only “institution” in many Eastern European countries is almost unlimited and unrestricted rule of the most prominent political leader.

References

1. Adler, N. J. 2001. *International Dimensions of Organizational Behavior*. Fourth Edition. Cincinnati, OH: South-Western.
2. Bakacsi, G. et al. 2002. Eastern European Cluster: Tradition and Transition. *Journal of World Business*, Vol. 37, No. 1, pp. 69-80.
3. Chhokar, J. S., Brodbeck, F. C. & House, R. J. 2007. Introduction. In: J. S. Chhokar, F. C. Brodbeck & R. J. House (Eds.) *Culture and Leadership Across the World: The GLOBE Book of In-Depth Studies of 25 Societies* (pp. 1-15). Mahwah, NJ: Lawrence Erlbaum Associates.
4. Colombatto, E. 2001. The Concept of Transition. *Journal of Markets and Morality*, Vol. 4, No. 2, pp. 269-288.
5. Dahrendorf, R. 1990. *Reflections on the Revolution in Europe*. London: Chatto.
6. Gupta, V. & Hanges, P. J. 2004. Regional and Climate Clustering of Societal Cultures. In: R. J. House et al. (Eds.) *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies* (pp. 178-231). Thousand Oaks, CA: SAGE Publications.
7. Gupta, V., Hanges, P. J. & Dorfman, P. 2002. Cultural Clusters: Methodology and Findings. *Journal of World Business*, Vol. 37, No. 1, pp. 11-15.

8. Haire, M., Ghiselli, E. E. & Porter, L. W. 1966. *Managerial Thinking: An International Study*. New York: Wiley.
9. Hampden-Turner, C. & Trompenaars, F. 2000. *Building Cross-cultural Competence: How to Create Wealth from Conflicting Values*. London: Yale University Press.
10. Hickson, J. D. & Pugh, D. 1995. *Management Worldwide – the Impact of Societal Culture on Organizations around the GLOBE*. Harmondsworth: Penguin.
11. Hofstede, G. 1980. *Culture's Consequences: International Differences in Work-Related Values*. Thousand Oaks, CA: SAGE Publications.
12. Hofstede, G. 2001. *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations*. Thousand Oaks, CA: SAGE Publications.
13. Javidan, M., House, R. J. & Dorfman, P. W. 2004. In: R. J. House et al. (Eds.) *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies* (pp. 29-48). Thousand Oaks, CA: SAGE Publications.
14. Leung, K. 2007. Foreword. In: J. S. Chhokar, F. C. Brodbeck & R. J. House (Eds.) *Culture and Leadership Across the World: The GLOBE Book of In-Depth Studies of 25 Societies* (pp. xiii-xvi). Mahwah, NJ: Lawrence Erlbaum Associates.
15. North, D. C. 2003. *Institucije, institucionalna promjena i ekonomska uspješnost*. Zagreb: Masmedia.
16. Pejovich, S. 1993. Institutions, Nationalism, and the Transition Process in Eastern Europe. *Social Philosophy and Policy*, Vol. 10, No. 2, pp. 65-78.
17. Pejovich, S. 2003. Understanding the Transaction Costs of Transition: It's the Culture, Stupid. *The Review of Austrian Economics*, Vol. 16, No. 4, pp. 347-361.
18. Pejovich, S. 2006. The Uneven Results of Institutional Changes in Central and Eastern Europe: The Role of Culture. *Social Philosophy and Policy*, Vol. 23, No. 1, pp. 231-254.
19. Ronen, S. & Shenkar O. 1985. Clustering Countries on Attitudinal Dimensions: A Review and Synthesis. *Academy of Management Review*, Vol. 10, No. 3, pp. 435-454.
20. Scott, R. W. 2014. *Institutions and Organizations: Ideas, Interests, and Identities*. Thousand Oaks, CA: SAGE Publications.
21. Sikavica, P. 2011. *Organizacija*. Zagreb: Školska knjiga.
22. Smith, B. P., Dugan S. & Trompenaars, F. 1996. National Culture and the Values of Organizational Employees. *Journal of Cross-Cultural Psychology*, Vol. 27, No. 2, pp. 231-263.