# East European managers and Western management theories: an ethnographic approach of Romanian service sector enterprises

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This paper addresses the values and beliefs behind the actions of Romanian managers in the field of human resource management, by situating them in their societal/national culture. The paper aims to explain why some managerial actions, inspired by Western management theories, threaten business performance. Despite the development of theories regarding cross-cultural knowledge transfer, the practice of managers in Eastern Europe suggests either a naïve understanding of knowledge transfer between Western and East European organisations, or an intended deformation/play on Western managerial advice in their own benefit.

Der Beitrag adressiert die Werte und Überzeugungen, die hinter den Handlungen rumänischer Manager im Bereich des Personalmanagements stehen. Diese werden dabei in ihren gesellschaftlichen/nationalen, kulturellen Kontext verortet. Der Aufsatz will erklären, warum einige, durch westliche Managementkonzepte inspirierte Managementprozesse, die Geschäftsleistung beeinflussen. Trotz der Entwicklung von Theorien zum interkulturellen Wissenstransfer, zeigt die Praxis von Managern in Osteuropa entweder ein naives Verstehen des Wissenstransfers zwischen west- und osteuropäischen Organisationen oder eine beabsichtigte Änderung der westlichen Betrachtungsweise zu ihrem eigenen Vorteil.

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This paper will show step by step through ethnographic analysis that:

1. Managers' discourses reveal their belief in the universal efficiency of Western management theories and their attempt to implement them in Romanian enterprises (IIA).

2. Managers' actions with respect to human resource management show that only fragments of these Western theories are transposed, as circumstances allow or as interests dictate, for an even more mitigated result (IIB).

3. Managers' discourses and practices are interpreted by employees in light of their own cultural values. This leads to clashes between managers' and employees' culture (IIIA), which translates in their work relations and lead to business dysfunction (IIIB).

4. The cultural background of employees has the power to render useless managerial actions that run counter their culture (IIIC).

I chose to focus on the service sector enterprises for two main reasons: the first is the scarcity of studies of the service sector despite its raising importance in Eastern Europe, where the socialist focus on production, respectively on large industrial plants had kept it underdeveloped (Dobrescu, 2000); the second is the difficulty to evaluate labour input in the service sector in the absence of concrete, measurable output (Gershuny and Miles, 1983:35) and the difficulty to evaluate the quality of output in enterprises where quality norms are not implemented. Service sector enterprises are places where the management of human resources and the culture of enterprise play a decisive role in directing employees' practices. However, most service enterprises are SME that do not have a distinct human resource department and duties linked to staff management fall among the other numerous duties of general managers. What could management theories contribute to the management of such settings in practice?

I place my study in the context of organisational culture debates by inquiring into the sources of organisational culture and by underlining the role of the societal culture of managers versus the societal (or national) culture in which the organisation is placed and to which employees belong. In studies of organisational culture the values and beliefs of managers are simply subsumed under the factor 'manager's personality or vision'- referring to the dominant leader, often the founder of the organisation (Drennan, 1992; Schein, 1985). A specific study of managers' beliefs should allow explaining the recurrence of cases in Eastern Europe where managers' actions (in the field of human resources) threaten the performance of their own business. In my study I will focus on social and cultural rather than idiosyncratic characteristics of managers.

The study is based on fieldwork conducted in three private service enterprises in Bucharest (Romania) from January 2000 to October 2000: a foreign

languages school, medium size, surviving to profitable; an NGO, medium size, with important funding; and a software enterprise, medium to large size, profitable and in quick expansion. The method used is the method of participant observation, specific to anthropological research. I have worked for four months on a daily basis on various posts inside each of the two first organisations and I have relied on daily communications with the quality manager of the third enterprise for three months. Informal interviews were conducted with the managers of the enterprises towards the end of the period, when the confidence established between the interviewer and the managers allowed for their efficiency.

In practice the participant observation involved daily contacts with employees at each level, during the performance of their duties, as well as during breaks and after work. The transmission of information, responses to directives, employees' feedback were followed on the entire chain from employer to employee and back to the employer, passing through the interaction with the clients, in order to allow the comparison between intended and real outcomes. I recorded (what I considered) significant discourses and actions and compared them to those that emerged as 'routine' after I had gained familiarity with the working of the enterprise. By performing the duties requested from the other employees, I used my own person as a research tool, which allowed me to anticipate and better understand subjective reactions in the relation between employees.

I will first provide a short description of the three enterprises studied and underline the importance of human management for their good working in business terms. Then I will analyse the discourses and actions of managers, in order to arrive at the beliefs that support them. Finally I will focus on the cultural background of the employees and its potential for deforming managerial actions.

## I. Description of organisations

The three organisations studied are representative for the new private enterprises that have emerged in Romania after 1989. In one respect however they might be considered apart: I chose to analyse them because of their direct exposure to Western management practice or theory. Each of the leaders of these organisations is under the influence of a different model of Western management. The enterprises share a number of common features: they are all in the position of surviving to successful in business terms, they employ young educated employees and managers to which they offer Western work conditions (e.g. air conditioning), they all have a Western 'consultant'. The potential of their human resources, the availability of information regarding management theories and their economic position should make them the ideal candidates for business success. However, in all three enterprises the turnover

of employees is high, which is a sign of their dissatisfaction with the job (as Lawler has established through empirical studies as early as 1973 (1973)). I will show that this happens mainly because of the misunderstanding and misuse of these very assets.

## A. Case 1: The marketing department of the foreign language school

*Nature of the business and its environment:* The marketing department is the core of a business first registered in 1997, which provides foreign language courses. There are a dozen private schools with the same profile in Bucharest (from Bucharest's Yellow Pages). Clients are mostly adults; the flexible timetable (from 9 am to 9 pm every day) allows employed adults to attend classes. The core of the firm is the marketing department, which is very incisive and applies Western marketing methods, yet fails to adapt them to the Romanian market. Clients judge prices for courses quite high for what the school offers.

*Organisation*: The marketing department comprises three sub-departments and several categories of employees. The annex 1 shows how the diagram of the enterprise was designed. The three departments sampling (~15 employees), telemarketing (~12 employees) and sales (5 employees and 3 lower managers), are formally equal in importance, but the prestige associated with them introduces an informal hierarchy between employees. There are also three employees for administration and accountancy.

*Management (including human resources management):* The general manager, who is also the founder and the owner of the enterprise, is the person who manages human resources, from recruitment to training, evaluation, rewards and firing. There are intermediary levels of management, but though supposed to carry prestige and power, they correspond rather to a low-management type if we consider their power in decision-making and their pay. The business is a 'one man show'.

*Training:* The general manager organises and directs training sessions daily. These are very time consuming, as all employees need to learn by heart and interpret well a standard speech written by the manager and intended for addressing clients. In addition, the manager changes the speech every week or so, in order to make it more engaging and in response to current misinterpretations from clients.

*Rewards*: The standard of pay for the employees is average for Romanian economy (i.e. 100 $/month). There is no fixed wage, employees receiving only different percentages depending on the type of contract concluded, or number of potential clients contacted. The three sub-departments depend on each other, though having different financial interests. A sophisticated and quickly

changing system of bonuses is in place, bonuses being paid on the spot, while wages are paid monthly.

*Business performance*: The business could be characterised as surviving to profitable and this is how managers also appreciate it. It is said to be a small, temporary business (and consequently talked scathingly about) before enough money and relations are collected for a different, larger project. Its main handicap (besides the economic situation of Romanians who can not afford paying the price of English lessons even if they desperately wish to) is the turnover of employees. This takes place on average every six weeks and forces the general manager to hold collective interviews (10 –20 potential employees attend them at each session) almost daily in order to maintain the required staff number. There is no firing, but only dropping off the job.

*External consultancy*: Not direct, but for human management the general manager relies on the model of his previous Western manager in Indonesia, whom he often quotes.

## B. Case 2: The NGO

*Nature of the organisation and its environment:* The NGO is a medium non-profit organisation first registered in 1990 in order to improve the life of Romanian institutionalised children. Initial funds came from abroad, being donated, and were used to improve the material conditions of children (by refurbishing orphanages etc). Gradually, the NGO moved to developing programs targeted at a specific group of children (with a deadly disease), becoming the main service provider for this category. The NGO currently develops six projects, having been quite successful in securing funding mainly from Western European sources, but also from the Romanian government.

*Organisation:* The NGO has headquarters in Bucharest, where 10 employees work and, through one of its projects, another 30 employees work in seven locations over the country (see the official diagram of the organisation in annex 2). I will especially refer to the intensive fieldwork carried at the headquarters. The difference between this site and the rest is very important, employees at head quarters having different qualifications, much more power, only sporadic contact with clients but permanent contact with other NGOs and state administrations and… a higher pay. The diagram of the organisation as presented several times by managers follows in annex 1.

*Management (including human resources management):* Several managers were almost simultaneously in charge during the four months I spent in this organisation. There was an executive manager who had been in function for 2-3 years, but was now preparing to definitively leave the NGO for study abroad and had gradually disengaged from her work for the past six months. She has been working closely under the 'supervision' of a Western consultant, who had

the particularity of having been implicated in the founding of the NGO. The executive director was in total charge during the maternity leave of the general manager (which lasts 2 years in Romania and was entirely made use of). The Western consultant named a temporary director for three months, to cover the period since the leave of the executive director and the arrival of the general manager, who was about to finish her maternity leave. The main attribution assigned to the temporary general manager was to implement some changes, from changes in the physical work environment (building renovation) to changes in the spirit of work relations. In reality, contradictory directions from the part of the Western consultant and the reaction of some employees made him abandon early on the human resources policies. The general manager came from her maternity leave after almost 2 years of total break with the NGO activities, but as she had been in the organisation for 8 years before she left, most employees hoped that she will provide the 'real' management they expected. Her arrival was supposed to be accompanied by the leave of the temporary manager and by the gradual disengagement of the Western consultant from the activities of the NGO, but during the time I spent there all these managers co-directed the NGO.

Training: none.

*Rewards:* fix generous wage (300 $/month on average), all declared for tax purposes and retirement benefits. In respect to wage and work conditions, the NGO is part of the top labour market.

*Business performance*: Despite the importance of its funding and projects, the NGO works from one day to another, maintains its activities at the level of surviving (that of meeting funding bodies requirements) and can not develop further despite existing market demand. The NGO is strongly handicapped by the lack of employees, being forced to keep their number to a minimum by the funding bodies. It is also handicapped by the turn of managers and by the unclear position/power of the informal manager, the Western consultant, officially not part of the diagram, unofficially the final decision-maker. It is not clear to an employee who provides the 'real' management. This proves detrimental even to daily activities (e.g. it is not sure to whom an employee should turn in order to get signed contracts or bills or obtain the final word on a collective decision).

*External consultancy:* The executive manager relied heavily on a daily basis on the advice/directions of the Western consultant, the person who had administered the initial funds in 1990 when the NGO had been initially registered. Though the Western 'consultant' used to visit Romania quite often (every couple of months or so), this did not prove sufficient for directing the whole activity of the NGO. There was a tacit understanding among employees that he did not know much about what was going on in Romania.

## C. Case 3: The software department

*Nature of the business and its environment:* The third organisation is a software department, which belongs to a larger software company, founded in 1991. The department was entirely created in 2000 in order to sub-treat a Western demand and is quite autonomous from the other departments of the software company. The software company contains other small 'brain' departments, which secure it a place as one of the most successful Romanian software companies.

*Organisation:* The department employs around 150 individuals (students or recent graduates in languages mostly) and the organisation of work follows that of a factory with three shifts covering 24 hours daily, with four (plus the Western client) levels of hierarchy, corresponding to workers (130), supervisors (10), managers of the department (5), manager of the software company and the Western Client. There are also separate sections for maintenance, training, and quality control, which belong entirely to the department.

*Management:* The general manager of the company is also the owner and the formal hierarchy is clearly stated (see annex 1). However an unexpected hierarchy superposes itself to it: that of the Western company for which the Romanian company sub-treats. Half-dozen Western advisors turn on a weekly basis in the department and impose a double supervision of the activities performed. It is partly this superposition that constantly disturbs the organisation of the company and leads to a high discontentment of the employees.

*Training:* Training was provided to all employees for one week as the job required knowledge of a specific software package.

*Rewards:* Employees and lower levels of managers receive a pay average for the Romanian economy (we could note that this differs from the high pay received by computer engineers in the 'brain' departments)

*External consultancy*: provided by the Western company for which the Romanian company subtreats.

## II. An ethnography of managers

I will sketch below an ethnography of managers that aims to reveal beliefs and values behind managers' discourses and practices. These beliefs of which managers are often unaware could be a barrier to change and improvement in the organisation (Dyer has noticed in his study of family firms that founders are unwilling to listen to advice, collaborate with others and accept change (1986:59)). Decoding and positively criticising them could help managers reconsider their actions, in this case with respect to human resources

management. In what follows I will look into discourses and practices of managers of each of the three organisations.

## A. Their discourses

The importance of managerial discourses in forging an organisational culture has been widely recognised (Brown, 1995). In the service enterprises studied managers' discourses point towards their reliance on Western models.

In the foreign language school, the owner/general manager calls for complete obedience from the part of its employees and imposes himself as a model to them. His own model, whom he often quotes, is an English director under which he worked in Indonesia for a number of years in the 90's. This director checked even the cleanness of their nails and hair each time they went to work. In a similar manner, the foreign language school manager requires a certain make-up, a certain lipstick colour, a certain length of hair and skirts from his employees (all university students or graduates aged 20 years or more). Employees are constrained to refer to him directly for the smallest decision, under the pressure of being fired. Though the official hierarchy includes intermediary managers, they do not have the right to make decisions, but are only implementing and controlling his policies. The manager declares he could trust nobody: neither employee, nor lower manager-, and that he needs to control all actions. Teamwork is not encouraged, as it appears to the manager that common pecuniary interests suffice to ensure co-operation. The owner/manager strongly believes and inoculates to his employees through long daily speeches that: 1) what counts is the result: how much money you made; 2) you have to think of yourself, of your money; 3) you need to think about manager's interest as well, because this is why he employs you and 'puts his business in your hands'. It appears quite obvious that the leading principle of the manager is coercion: 'the stick and the carrot' method and that he embraces the belief in the efficacy of Fordism, which has already been labelled a 'low-trust system' (Fox, 1974)

In the NGO the intermediary manager (the direct arm of the Western consultant) had as primary mission to forge a democratic regime, where highly-educated employees have the freedom to participate in management decisions and to take their own decisions independent of rigorous control. Every single employee was paid attention to and consulted before he was allocated an activity and monthly democratic meetings were organised for deciding the activities of the enterprise. These meetings lasted forever and no great decision was reached, because with only 10 employees- the size of the headquarters where decisions are made- it was already difficult to reach a unanimous agreement. And though democratic voting could be used to decide upon decisions to take, practically the meeting was postponed until the manager succeeded to persuade privately each employee of the qualities of the decision

of the majority. Is this corresponding to the Marxist ideal? Or is this only the reaction against totalitarian behaviour in enterprises (of which the intermediary manager had had the experience during his life and work under socialism), that often led him understand 'democracy' as something akin to peaceful anarchy? Whichever the ideologies of NGO managers, they are comforted by the new human relations focus on self-actualisation, identity at work (McGregor, 1981; Herzberg, 1966): employees should be highly valued and a family spirit (responsibility, sympathy, not control) should be the only guardian of the good-working of the organisation.

The managers' discourses in the software company are made both by the managers of the Romanian company and by the Western Client. This is because the Romanian management manifested right from the start an attitude of respect toward, and recognition of, Western values. Romanian managers explicitly believed in the expertise of the Client, to whom they passed over the task of managing the department. Romanian managers' discourses and presence were therefore limited to the strict minimum: they shortly praised the Client's expertise and thus formally justified passing over the management of the department. From the very beginning the Client was given the absolute control of the human resources: they actively took part at the selection of the employees at each level, led the interviews and selected the managers and supervisors of the department. The general manager remained only in control of employees' wages.

The Client holds three types of discourse:

1) The first one concerns the managers and supervisors of the department who are, by the unofficial but very strict actual hierarchy, direct subordinates of the Western Client. The discourse refers to what behaviour the management of human resource should adopt and what behaviour is to be avoided: the 'small boss' kind of behaviour, an attitude of superiority towards the employees, as well as some gestures as, for instance, sitting on a table.

2) The second type of discourse concerns the very role of the Client within the department. This type of discourse aims to justify the fact that the Client sub-treats in an obviously less favoured country. I faithfully quote what one of the managers of the Client company said, for it expresses clearly the values beneath: "We are not Nike! Watch those computers, how nice they are- and we brought that to you! I doubt that people do have such an environment in other Romanian companies". The Client also presented the contract between the Romanian software company and itself as one of collaboration, transfer of knowledge, as opposed to a mere financial contract, thus also justifying its stronghold on the management of the department.

3) The third type of discourse concerns the start-up status of the department. The start-up is mythified. Taking part in the start-up is shown as the best

adventure one could ever dream of. The media and government moreover strongly participate in the creation of the start-ups myth: they are bound to save Romania's economy.

Quite obviously the anti-totalitarian and anti-exploitation discourses stem from the compelling to be 'politically correct'. More on the beliefs of the Western Client company are revealed when we analyse also their actions, or more precisely, when taking into account the conjunction between discourses and actions. In what concerns the Romanian management of the company, they totally accepted the truth of the above discourse.

Robinson and Tomczak-Stepien have noted (2000) that "what constitutes an 'appropriate' organisational culture within an East European context is open to speculation and debate, particularly if it is accepted that there is no dominant model of capitalist work organisation which might represent a template for transforming economies". However, the main characteristic of managers' beliefs as embodied in their discourses is the absolute and uncritical recognition of the truthfulness and efficiency of the theories developed by Western industrialised country for their own economic and cultural contexts- be it Fordism, neo-human relations movement or political correctness. This conclusion matches the suggestion of the institutional theory that organisational decision-makers, especially under conditions of uncertainty, are forced into taking action that resembles the lead taken by others in the field. It is also due to the fact that consultants- missionaries have introduced Western management theories in Eastern European countries as new religions (Kostera, 1996)- neither to be questioned, nor to be criticised. Consequently, East European managers tend to directly transpose Western theories in Romanian enterprises. Moreover, as I show in the following section on managerial actions, only fragments of these theories are transposed, as circumstances allow, for an even more mitigated result.

## B. Their actions in human resource management

I will analyse in this section the coherence between discourses and practices, with respect to human resources management. It would not surprise scholars of Eastern Europe aware of the economic difficulties of the region that the most important factor of discrepancy is pay: its amount and its stability. (Organisations like the NGO observed offering generous pay are a minority).

The manager of the foreign school points out through daily behaviour that he could decide of the fate of his employees. He publicly criticise them in very harsh terms when dissatisfied or praise them in dithyrambic words when pleased. All his attention is driven to the marketing department, in which he is always present, again by fear to delegate the control of employees to lower levels managers. Through a window he could watch his employees in their work with potential clients and he could intervene in their work when the

required energy seems to defect them. The target is only to attract clients, thus money, as quickly as possible and this is why every potential client is of the utmost importance and every failure to transform them in clients is examined, judged and followed by a training session. This is quite stimulating for the employees as they have a continuous feedback on their performance and could feel the interest towards it. What is less stimulating is the continuous pressure and the relatively low and uncertain pay (depending on sales). Bonuses intended to stimulate employees were of an amount that was judged not worthwhile and perceived rather as mock bonuses than as motivating.

The NGO management does not insist on control and there is almost no formal assessment of employees' work. This gives freedom to the employees, but less value to their work. They are praised for their efforts or criticised for their failure, but given that observations are abstract and uninformed by real facts, they do not provide any motivating support for further action or solution to present failures. The management is in the impossibility to be better informed because it has its own tasks in which the evaluation of employees is scheduled only occasionally and also titled 'learning what they do so that we can help them better'. Everybody has to report directly to the Romanian general manager and this makes information impossible to handle. This manager in turn does not have real decision power without the Western consultant, who is not based in Romania, making communication difficult and delaying decisions. The employees could see what a literal application of democracy and freedom leads to anarchy and dissatisfaction (employees where constantly complaining about the lack of management).

Within the Software company, the Romanian management, otherwise holding very progressive discourses, is paying low wages- only a small part of each being declared for tax- and requires absolute confidentiality on their amount. This is rendered possible and nearly natural by the Romanian economic situation. Not to declare one's wages to the state is common practice. The progressive discourse, therefore, could obviously not apply on the case of wages, and there is consequently no contradiction between action and discourse.

On his side, the Client requires from the employees (managers and supervisors of the department) to work more than 12 hours per day (with no pay for supplementary hours). The stress is very high and the tasks are numerous. The fact that a manager of the department was several times obliged by the Client's requirements to work 30 hours non stop worried nobody. These practices on the part of the Client seem to contradict their discourse about gentle sub-treatment. In fact, these practices are totally justified with the third type of discourse mentioned above: the one of the highly valued start-up. This is the reason and justification for all the requirements from the part of the Client. Employees are part of a start-up project and should realise that they ought to

sacrifice their own comfort for the start-up. This situation is also rendered possible by the particular situation of employees being managed by the client: the later had nothing to loose in the turnover and it was in his interest to fix very high standards and give much pressure. Consequently, the conjunction of the double management results in the Romanian company exploiting through low pay and the Western client through extra hours, independently and seemingly (but willingly) unaware of each other.

The analysis of managers' practice show that only fragments of the Western theories that inspired discourses were applied, which further deformed their application and run counter their practicability.

Additionally, the passage from theory (reflected in discourses) to practice was rendered difficult by the employees' reaction to managerial measures, which in these enterprises stem from the difference between managers' and employees' values. Indeed, there are much more values than the managers' ones involved in the creation of a culture of enterprise. This is a point raised against many 'best sellers' in organisational culture designed for Western enterprises (Carroll, 1983). It is all the more apparent in rapid changing societies, where values come from many different sources. I will show in the last part of this paper how managers' discourses and practices are interpreted by employees (and this interpretation translates in their behaviour), in the light of their own cultural values.

## III. The view from below: How employees interpret managerial actions

In Eastern Europe managers do not enjoy the best circumstances for elaborating their strategies. Their current data undergoes influences from changes in legislation, from political changes; from rapidly changing market economy requirements. Policy-makers and businessmen have become increasingly aware of the role of instability in the economic context of Romania, which makes it fundamentally different from that of long-term established capitalist countries. Instead of strictly applying Western economic models, their management strategies attempt today to adapt to the Eastern European context. However the well-known idea that one cannot just apply capitalism to a post-socialist country, but has to take into account also the social/economic context, has not been applied in practice to human resources management in Romania. Western human management strategies based on studies of social psychology developed in the West could not provide a valid guideline for the understanding of needs, values, motivations, team spirit etc of Eastern Europeans. Even if some studies of social psychology (Roe and Russinova, 1994) have been conducted in Eastern Europe, they seem to be largely ignored by managers in practice.

Davis (1985) has convincingly argued that the study of organisational culture is incomplete without a thorough examination of the culture of employees with lower level jobs. The non-managerial cadre of workers in organisations may be considered as a distinct culture.

I will first give some examples of clashes between cultural values of managers and employees and show how employees reinterpret/negotiate managerial discourses and actions. I will then show how the result of this negotiation could be detrimental to business success and I will unravel some cultural factors that falsify the terms of the negotiation.

## A. The clash of cultures between managers and employees

It has been forcefully argued by Hofstede already in 1980 that the culture of the organisation depends on the societal or national context in which the organisation is implemented (1980). Consequently the societal or national culture determines the interpretation of discourses and practices of managers by the employees.

The example of the following motivating discourse held by the Western Client in front of the Romanian software company will better illustrate this. In a very formal occasion at the beginning of the collaboration, the most important Western manager attempted a motivating discourse and praised the Romanian employees: "We have hesitated a long time between [list of African third world countries] but we are happy and content we chose Romania". The effect of this intentionally encouraging sentence was total frustration; employees realised that they were part of the underdeveloped country (which is judged downgrading by Romanians who have been for 45 years in the Second World)... and therefore dully exploited by the developed ones in 'sub-treatment' business (which is standard thinking after an education received in the Soviet bloc). The failure of the Western manager is due to his ignorance of important cultural data and/or to his unawareness concerning the power of societal culture inside an organisation. Indeed,

Clashes of culture do not take place only between the West and the East. Belonging to different levels of education brings the same devastating effects. In the foreign language school, the managers' discourse regarding the control of the cleanness of nails- that he does not perform, the colour of lipstick- that he does control, the too personal remarks regarding the attitude a girl should have are unfit for graduate employees who have already been hired for their good appearance. The fact that the employees do pass this daily test does not make them proud and motivated in any sense. They often told me that they simply feel like objects exhibited in order to dupe the client and make a profit for the manager/owner.

The opposite case can be found. In the NGO, the fact that the managers do not state that they evaluate their employees, but that they learn from thems about their needs, thus taking a humble position and putting themselves at the disposition of their employees, is interpreted as weakness, ignorance or hypocrisy and not taken seriously. The discourse differs too much from those that employees are used to hear from friends, from their own past experience. Instead of co-operating and giving the necessary feedback during these evaluations, they rather try to impose their views on managers that appear to them as vulnerable and weak. The negotiation here is that of power. Though not bringing any extra money, the fact of getting a niche of power and authority is tempting for most employees. Especially those who spent a longer time in the organisation compete with the managers in terms of power and authority. This is by no means unique and Crozier and Friedberg (1980) have shown the same tendency of getting more skills in order to get more power among factory workers in France

The efficiency of managers' behaviour and discourse can be measured against the background of employees' culture. Managers' discourses and actions are mostly directed toward their employees. Thus, when judging about the best managerial strategy, one should compare between different impacts on the actual reception of discourses and actions by employees, and not only between different intentions or beliefs of managers. Ironically, this clash between cultures raises because East European managers embrace at face value Western management theories, changing their beliefs to the point that they come to enter in contradiction with that of their employees.

## B. Failures in business practice

Misinterpretation renders discourses void and obsolete and prevents the creation of a true and efficient culture of enterprise: one that is common to both managers and employees. The results of these clashes are even more visible in practical terms: because values translate in actions, they translate in the organisation and efficiency of enterprises. Managers' action not only fails to create a stimulating environment for employees, it even generate a counterproductive environment.

The "we are all equal" type of discourse that governs the NGO leaves the burden of management responsibility on everybody's shoulders, without giving them the means to carry it. No clear distribution of tasks allows the responsibility to be shared between employees and entire for any one of them. As a result, this lack of hierarchy leads to disorganisation: several people uncoordinated are performing the same task, while other tasks remain neglected. This means a loss in terms of time and money, leaves the employees with the feeling that they are doing useless things and gives a supplementary

work to the manager: that of choosing between two performances at the risk of upsetting some of the employees.

The 'start up' kind of ethic, which stimulates employees to give as much as possible of their time for being part of an amazing experience is accepted by lower managers- they work many hours and for a rather small wage. The ordinary employees (the 'workers') know much better their interests and fight for them. The turnover among them is more important. The stake of quitting is much higher for the 'low' managers, but if the culture of enterprise described above continues to hold, there is no doubt that dissatisfaction will cause the turnover to affect managers too. Also, it has been shown that efficiency at work decrease with high stress, insecurity and fatigue.

In the foreign language school, the failure is mainly the failure to keep the employees for a longer period in the enterprise: employees consider the possibility of leaving on a daily basis and finally leave after six weeks on average. For what they are offered in terms of pay, the pressure is not judged worth while. Most of them leave suddenly because publicly quarrelled by the manager/owner.

## C. The power of the cultural background of employees

I will take into account the manifestations of cultural background and its disturbing potential upon management strategies. Among the difficulties to build a culture of enterprise in the Romanian transition state we should consider the possible gap between the managers values (highly influenced by the west) and the employees' values (inherited from socialism and post-socialism). However in these cases the employees are young and have no socialist work experience. It is thus not their past work experience, but their belonging to the larger culture (being educated by elders' past work experiences and advises) that determines their misinterpretation or resistance to managerial actions.

I will illustrate the statements above with the example of the unofficial hierarchies a 'traditional' solution in socialist times - that 'supply' the lack, or the non-recognition, of official hierarchies. In order to do this, I compared the flow of information structure that should derive from the diagram and the flow of information structure that exists de facto. The following (simplified) diagrams illustrate the discrepancies between the official and the actual diagram.

*Figure 1. Case A: The foreign language school.*
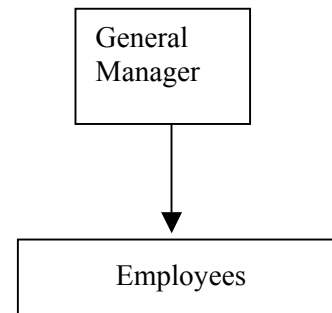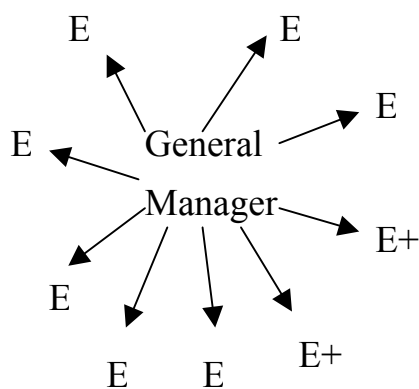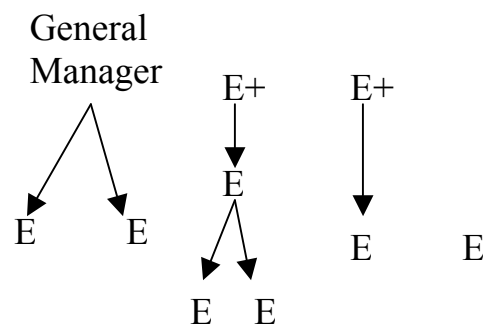
## Official diagram
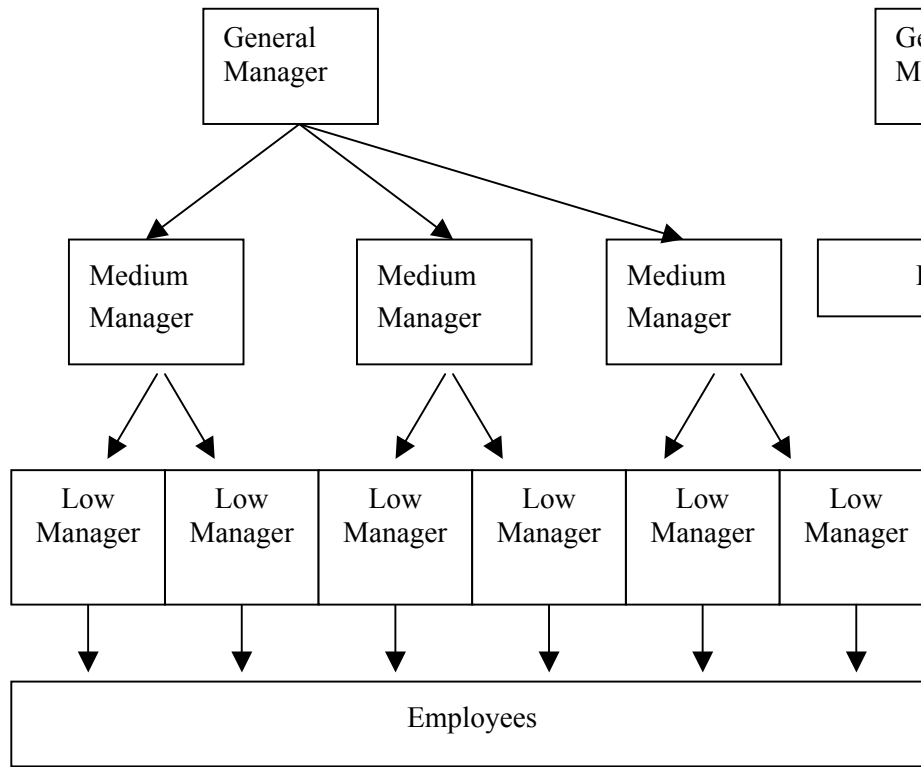
## Unofficial
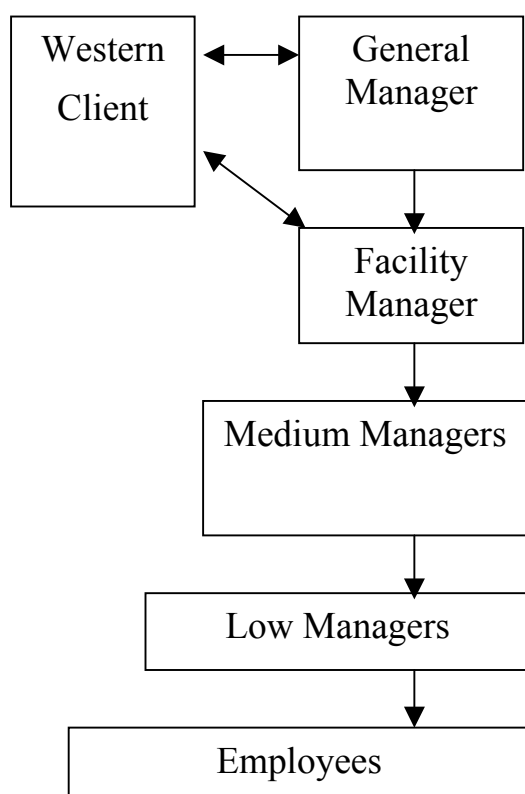


*Figure 2. Case B:The NGO*

## Official diagram
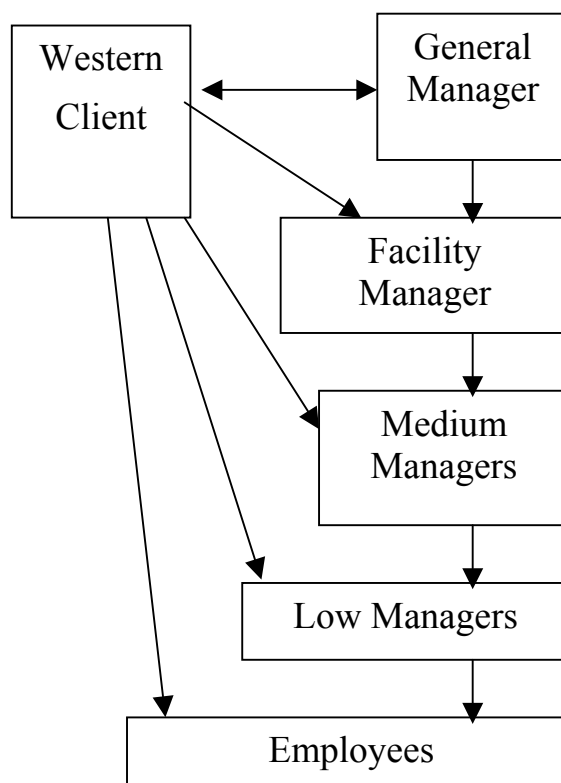
## Unofficial



Where E stands for Employee and E+ for Employee with senority within the company.

*Figure 3. Case C: The software company*

## Official diagram                                   ## Unofficial



In the foreign language school, the owner/manager stands apart from all his employees (middle and low managers included) and exercise his power evenly on all categories.

In the NGO a parallel hierarchy based on seniority in the enterprise was created in the space drawn by the 'we are all equal' discourse. On the grounds that ancient employees know better than a new manager, the employees resist and criticise all new management attempts to change. After all, THEY know that other attempts of the old management have proved to be useless.

 In the software company, the importance of being one of the Western "we-already-made-it' people, led the Western client to supplant the Romanian management with all the unwanted consequences (devaluation of the job as 'sub-treatment' jobs, double 'exploitation', important clash of culture).

In these three cases the structure of the flow of information is not the one settled by the official diagram and the power is 'stolen' from the actual management. The obvious drawback is that the flow of information is uncontrolled. In the case of the software company for instance, the information

was unequally distributed to the medium managers because the western client did not use the official Client→Facility Manager→Medium Managers path of information, but just caught the Medium managers who happened to be around to give them instructions.

For being efficient and useful a hierarchy needs to be recognised. But in order to be recognised, a hierarchy must take into account the cultural criteria that confer authority (e.g. Romanian cultural recognition of the authority conferred by seniority and capitalist recognition of the authority conferred by quick success and youthful dynamism). These unofficial hierarchies took over the official ones because the cultural values of the employees did not allow them to recognise and respect the official hierarchies. The cultural background of employees is not only the ultimate 'judge' of the efficiency of managers' discourse and actions, but also an essential factor that frames the actual organisation of work.

## Conclusion

In this paper I showed that Romanian managers adopt Western management strategies (by belief in their value or by interest) that do not correspond to the cultural background of Romanian employees. Instead of creating a positive 'culture of enterprise', the application of Western theories generates clashes of cultures and leads to business failures. A critical attitude towards their own beliefs could lead managers to adopt a more pragmatic attitude, directed towards the 'negotiation' of values and not towards the engineering of employees' values.

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