DISSERTATIONES RERUM OECONOMICARUM
UNIVERSITATIS TARTUENSIS

16

THE DIVERSITY OF INDIVIDUAL VALUES
AND ITS ROLE FOR ORGANISATIONS
IN THE CONTEXT OF CHANGES

REBEKKA VEDINA

The Faculty of Economics and Business Administration, University of Tartu, Estonia

This dissertation is accepted for the defence of the degree of Doctor Philosophiae (in Economics) on October 17th, 2007 by the Council of the Faculty of Economics and Business Administration, University of Tartu.

Supervisor: Professor Maaja Vadi (Ph.D), University of Tartu, Estonia

Promoter: Professor emeritus dr. Jan M. Ulijn (Ph.D),
                Eindhoven University of Technology, the Netherlands

Opponents: Professor Zeynep Ayçan (Ph.D), Koç University, Turkey

                Professor Milvi Tepp (Ph.D),
                Tallinn University of Technology, Estonia

The public defence of this dissertation is on November 16th 2007, at 13.00 in room 112, Lossi St. 3, Multimedia Centre, University of Tartu.

The publication of this dissertation is granted by the Faculty of Economics and Business Administration, University of Tartu.

TABLE OF CONTENTS

LIST OF ORIGINAL PUBLICATIONS

I. Single publications or parts of collective monographs

Vedina, R., Fink, G., Vadi, M. (2007). Value diversity for innovativeness in the multicultural society of Estonia. In: Jan Ulijn, Dominique Drillon and Frank Lasch (eds) "*Entrepreneurship, Cooperation and the Firm: The Emergence and Survival of High Tech Ventures in Europe*", Cheltenham, UK: Edward Elgar, pp. 370–90.

Vedina, R., Vadi, M., Tolmats, E. (2006). Interactions of cultural elements: Estonian organisations in the pan-Baltic mirror. In: Helena Hannula, Slavo Radosevic, and Nick von Tunzelmann (eds) "*Estonia, the New EU Economy: Building a Baltic Miracle?*"*,* London: Ashgate Publishing Ltd., pp. 169–88.

Vedina, R. (2003). A comparison of the collectivist attitudes and perceptions of organisational culture among Russian-speaking organisatinal members in Lithuania and Estonia. In: Vadi, M. (ed.) "*Organisational Culture in Estonia: Manifestations and Consequences*"*,* Tartu: Tartu University Press., pp. 101–17.

II. Articles in international publications

Vedina, R., Vadi, M. A national identity perspective on collectivistic attitudes and perception of organisational culture. *Baltic Journal of Management*, 3(2), (forthcoming).

Vadi, M., Vedina, R. (2007). Changes around and within organisations: Manifestations and consequences. *Trames*, *Journal of Humanities and Social Sciences,* Special Issue "Dynamics around and within organisations", Vol 11, Issue 2, pp. 91–105.

III. Conference publications[1]

Vedina, R. (2004). Collectivistic attitudes, organizational culture and national identity: the case of Baltic States. *9th International Conference of Work Values and Behavior*, New Orleans, U.S.A., 3–6 August 2004 (CD).

Vedina, R., Tolmats, E., Vadi, M., Petkevičiute, N., Bakanauskiene, I. (2004). The relationships between individual values, collectivistic attitudes, and organisational culture among the Russian-speaking employees in Estonia and Lithuania, In: Vadi, M. (ed.) *Management theory and practice: Synergy in organisations, II International Management Conference* 26–28 May 2004, Tartu: Tartu University Press, pp. 210–20.

Tolmats, E., Vedina, R. (2003). A comparison of the relationships between values, collectivistic attitudes and organisational culture among Russian-speaking organisational members in Estonia, Latvia and Lithuania (Vene

---

[1] All articles from this list have been presented at conferences.

keelt kõnelevate organisatsiooniliikmete väärtuste, kollektivistlike hoiakute ja organisatsioonikultuuri seoste võrdlus Eestis, Leedus ja Lätis), *Eesti sotsiaalteaduste IV aastakonverents* (ESAK, The annual conference of Estonian social sciences), 21–22 November 2003, Tallinn: Tallinn Pedagogical University Press.

Vedina, R. (2002). Values in organizations as factors that promote or hinder socioeconomic convergence. *X Majandusorganisatsioonide juhtimisprobleemide konverents* (X [th] conference on organisations' management problems), 28 November 2002, Tallinn: Tallinn University of Technology Press.

IV. Unpublished conference/workshop presentations

Vedina, R. Attitudes towards innovation: A challenge to European innovation policy-making, *InterKnow EuroWorkshop IV*, Budapest, Hungary, 11–14 May 2005 (poster presentation).

Vedina, R. Individual Values, Collectivistic Attitudes, and Perception of Organizational Culture Among Russian-speakers in Lithuania and Estonia, *7th Annual International Scientific Conference*, Vitautas Magnus University, Kaunas, Lithuania, 25–27 September 2003.

Vedina, R. Value orientations as barriers to socioeconomic convergence, *The Finnish Graduate School of International Business*, *PhD Tutorial*, Helsinki, Finland, 11–12 November 2002.

INTRODUCTION

List of papers

This dissertation is based on the following original publications, which will be referred in the text by their respective numbers.

I   Vadi, M., **Vedina, R.** (2007). Changes around and within organisations: Manifestations and consequences. *Trames*, Special Issue "Dynamics around and within organisations", 11(2), pp. 91–105.

II   **Vedina, R.**, Vadi, M., Tolmats, E. (2006). Interactions of cultural elements: Estonian organisations in the pan-Baltic mirror. In: Helena Hannula, Slavo Radoševic, and Nick von Tunzelmann (eds) *Estonia, the New EU Economy: Building a Baltic Miracle?*, Aldershot: Ashgate Publishing, pp. 169–88.

III   **Vedina, R.,** Vadi, M. A national identity perspective on collectivistic attitudes and perception of organisational culture. Accepted for publication in *Baltic Journal of Management*, 2008, 3(2).

IV   **Vedina, R.**, Fink, G. and Vadi, M. (2007). Value diversity for innovativeness in the multicultural society of Estonia. In: Jan Ulijn, Dominique Drillon and Frank Lasch (eds) *Entrepreneurship, Cooperation and the Firm: The Emergence and Survival of High Tech Ventures in Europe*, Cheltenham, UK: Edward Elgar, pp. 370–90.

Relevance of the topic

Social and economic transformations that took place in the former Soviet block countries have created new challenges for individuals, organisations and societies in general. Changes were and still are required at all levels. For organisations[2] in the societies in transition the need to learn and adapt to rapidly changing task environments calls for the new forms of management practices and organisational policies, reflected in workplace values and culture. The crucial question is thus whether and to what extent people are ready to come along and comply with the large scale changes, how do they view the changes around them and the world in general. These worldviews are reflected in values and beliefs that people hold (Hofstede 2001). Therefore, profound knowledge is needed for better understanding of the nature of values, what are the forces that

---

[2]   An organisation is defined as a social group engaged in pursuing specific announced objectives through coordinated effort (Udy 1959). Organisations are regarded in this dissertation according to this broad definition, while the discussion of the findings is more oriented towards and is somewhat limited to profit-seeking business organisations, i.e. enterprises.

influence the dynamics of their assortment, how are they related to people's work and behaviour in organisations and other organisational phenomena and how this knowledge can be utilised in organisations.

In every society there are forces that uphold changes and forces that restrain changes, and transition societies where major changes occurred are no exception. According to Pejovich (1997), an important persistent factor in Eastern Europe is the "old ethos" embodied in customs and traditions prevailing there, an ethos which is stronger the further to the east one goes. This ethos is "largely devoid of such Western ideas as those expressed in classical liberalism and individualism" and "has a strong bias toward collectivism and egalitarianism" (Ibid.: 248). Living aside the contradistinction of individualism and collectivism as the typical features of either economically dynamic or lagging behind societies, which is no longer supported by the examples of collectivistic traditionally successful (Japan) or flourishing emerging economies (China and India), we can agree with Pejovich's (1997) statement that the clash between this "old ethos" and the values of Western capitalistic culture is a factor that might slow the transition. This assertion is supported by the recent findings on the differences between employees in post-socialist and traditional capitalist countries in terms of job satisfaction, commitment to organisation and the attitudes towards societal values (Alas and Rees 2006).

On the one hand, certain circumstances require certain types of values and therefore, value harmonisation for achieving the common goals at all levels in a society. On the other hand, when different tasks are required, different values might be more appropriate for certain tasks. Hence, studying the effects of the diversity of values, which exist in a society will help to understand in what ways it can be exploited in organisations and what new potentials it can bring for organisations. This is especially relevant in the context of both general societal and organisational changes.

The overall changing nature of work and the workforce is not only typical of societies in transition. As a matter of fact, it was already recognised in the last century and much attention has been paid to the increasingly diverse workforce[3] as a major challenge facing managers today (Williams and O'Reilly 1998). It is also a challenge for organisational behaviour researchers (van Knippenberg and Schippers 2007). This implies increasing value diversity[4] in organisations worldwide, especially considering growing immigration on a global scale. The collapse of communism in Central and Eastern Europe and opening up of the

---

[3]   Diversity is a characteristic of social grouping that reflects the degree to which objective or subjective differences exist between group members (van Knippenberg and Schippers 2007: 516). Workforce diversity is the degree to which there are differences between employees across different attributes. (Definition adapted from van Knippenberg and Schippers (2007).)

[4]   Value diversity is considered in this dissertation as differences in the relative importance of certain values for individuals across various groups or categories of people.

economies and societies have also made this issue very topical in these countries. In the post-Soviet countries, the legacy of the Soviet period is a culturally heterogeneous workforce, which further increases the diversity of values in these societies. Exploring its effects is thus a crucial task for understanding the processes in these countries from the perspective of individuals, organisations and a society in general.

Besides value diversity stemming from cultural diversity, these countries and Estonia, in particular, faced the need to deal with various integration-related issues. Many Estonian enterprises employed workers, who belonged mainly to the country's a minority people, that is, the Russian-speaking population that had either little or no cultural connection with the ethnic Estonian majority, and integrating them into the new social order has posed challenges at the political, economical and societal levels. The present research provides some ground for dealing with this problem at the organisational and society levels, which can be used to draw managerial and policy-making implications.

In short, this dissertation follows the logics of focusing on the individual level phenomena – the values that individuals hold; comparing these individual values across individuals and establishing their connections with organisational-level phenomena; and conjecturing the importance of the findings for both organisations and societies.

The aim and research tasks

This dissertation aims to provide an insight into the issue of value diversity on the example of three Baltic countries – Estonia, Latvia and Lithuania – and to increase the overall understanding of the dynamics of the interaction between this individual-level and organisational-level phenomena in the context of large-scale societal and organisational changes.

The *first research task* is to explore the relations between the large-scale changes in organisational environment and organisational changes in societies in transition, thereby creating a general context for achieving the subsequent research tasks. Study I aims to fulfil this task, at the same time serving in this dissertation as a background study for the main empirical studies.

The *second research task* is to find out what kind of value diversity is present among the representatives of the same cultural group in the above-mentioned three different countries after their major societal turnover – regaining the independence –, and how it is reflected in organisations. It is attempted in Study II.

The *third research task* is to reveal the nature of the relationships between individual and organisation-level phenomena are and of the intervening factors in these relationships (Study II, Study III).

The *fourth research task* is to develop propositions about how organisations can benefit from value diversity in the context of change (Study IV).

The originality of the research and its practical merit

The originality of present research derives from combining previous research contemplations and theoretical propositions from different fields, which enables the author to disclose various connections between individual, organisational and society-level phenomena, and from relating them to human and cultural aspects. Roland (2004) has pointed out that, for instance, in the past economists have been reluctant to discuss the relationship of social norms and cultural values to economic growth. Instead, recent cutting-edge work in economics has proposed economic growth as a product of the combination of ideas and institutions[5] (Ibid.). Roland (2004) emphasized that ideas are closely related to culture, understood both as values (world-views) and as social norms and suggested that institutions may themselves be viewed as the interaction of fast-moving (political) and slow-moving (cultural) institutions. He claimed that in order to better understand the determinants of economic growth, economists should seek a better understanding of the role of values and norms in shaping both ideas and institutions (Ibid.).

There is a number of studies, which relate values with economic development globally, using the aggregated data on different countries (e.g. Franke, Hofstede and Bond 1991, Hofstede 2001; studies based on the World Values Survey data: Granato, Inglehart and Leblang 1996, Inglehart and Baker 2000 and Welzel, Inglehart and Kligemann 2003). However, our knowledge is still limited about how individual values construct a hierarchy of their relative importance for an individual, how these hierarchies may differ across different cultural groups in the same society and what values and value combinations have a potential for supporting development better. The present dissertation provides an insight into this issue. Its further input into this research area is its focus on value diversity among the employees in the transitional post-socialist countries, where studies on values is an under-researched area (Alas and Rees 2006).

The second aspect of originality is the contribution to the studies of work-force diversity. Notwithstanding plentiful studies on workforce diversity, there is no congruence among the scholars and practitioners in approaching the issue. Researchers use different taxonomies attempting to classify diversity attributes (for an overview, see Christian, Porter and Moffit 2006). van Knippenberg and Schippers (2007) criticised diversity research for focusing mainly on demographic and functional/educational diversity, while other dimensions of diversity that may be less easily captured by the existing typologies have received less attention. They point out that understanding of the effects of demographic

---

[5] Institutions are defined as enduring regularities of human action – the rules of the game in a society, including any form of constraints that human beings devise to shape human interaction (North 1990: 3).

diversity requires an understanding of the "more psychological dimensions" that demographic differences are often presumed to be associated with, such as differences in attitudes, values, and perspectives (cf. van Knippenberg and Schippers 2007). They propose that since analyses of demographic diversity to a certain extent treat demographic differences as proxies for deeper underlying differences (Priem, Lyon and Dess 1999), "investigating this proposed link as well as the processes governing the influence of these underlying differences may increase our understanding of the influence of demographic diversity" (Ibid., p. 522). This dissertation contributes to this field of research by conceptualising value diversity, incorporating it within a larger framework of workforce diversity, and by combining the various perspectives.

Furthermore, taking value diversity in focus is one of the main missing links in the workforce diversity research. Previous research regarded diversity mainly in terms of age, gender, race or ethnicity, that is, easily observable surface-level attributes. Studies on underlying deep-level attributes that are difficult to observe, such as values, are comparatively scarce. In their most recent review van Knippenberg and Schippers (2007) refer to very few studies done on diversity of values and attitudes: Harrison et al. (1998), (2002), Jehn and Mannix (2001) and Jehn et al. (1997), (1999). Referring to Harrison et al. (1998) they infer that this type of diversity is worthy research, but more complex models are needed to capture the potential influence of this diversity. However, the previous research focuses mainly on job-related diversity attributes (Harrison et al. 1998, Jehn et al. 1997) or the perceived, i.e. indirectly measured value diversity in relation to job tasks (Jehn et al. 1999, Jehn and Mannix 2001). The contribution to the field, by combining the knowledge of diversity with the existing value research, was made by Harrison et al. (2002), who took into focus individual values by using half of Rokeach Value Scale (Rokeach 1973). However, they limited the relevance of these values for the respondents (students) to the possibility to be attained with the help of university courses, thus setting aside their original concept of being generally applied and desired by individuals in their life. The present dissertation attempts to fill this research gap by concentrating on the diversity of individual values, which are universal in nature, can be applied across different contexts (see the reasoning in Smith, Peterson and Schwartz 2002) and, when studied together as a complete set, can be compared on the scale of their relative importance in individual's life in general.

The abundant previous research on workforce diversity has yielded largely inconsistent results and van Knippenberg and Schippers (2007) suggested that the reason would be that scholars use too simplified approach to diversity. There is lack of studies exploring the complexities of the simultaneous existence of a diversity of deep-level and a diversity of surface-level characteristics (Phillips and Loyd 2006). Studies by Phillips and her colleagues (Phillips and Loyd 2006, Phillips, Northcraft and Neale 2006) made a sound contribution to the field, yet the knowledge about the real sources and manifestations of deep-

level attributes is still limited. This dissertation's input is studying the deep-level diversity by examining concurrently the composition and relative importance of individual values and more surface-level categorisation of people by their belonging to a certain cultural group across different societies.

Another original aspect arises from the specific character of the sample group. The Russian-speaking population is present in all the three Baltic countries – Estonia, Latvia and Lithuania as an ethnic minority that has similar historical, ethnic and cultural background (see the reasoning in Study II). This suggests a distinctive set of values and attitudes that Russian-speaking organisational members hold in these countries, which are not homogeneous with regard to other aspects, such as ethnic and cultural roots of their majority populations, economic development paths, religion, policies etc. Thus, the cultural background of Russian-speaking population provides grounds for using it as a common variable in a Pan-Baltic study, and its existence presents a unique type of workforce diversity, which is less exhibited in other countries.

This opportunity also enables us to draw attention to the social category identity – another missing link in workforce diversity studies. It is related to a social group with which an individual may identify him or herself. Most often, an example of such social category identity is belonging to a certain organisation or organisational group (the organisation or organisational group considered as a social category) (e.g. Tsui, Egan and Xin 1995), whereas studies on identity related to culture have been rare. Study III sheds light on this topic from the perspective of national identity, which represents a special issue in many post-Soviet countries. It puts into focus the hitherto hidden consequences of attempts to integrate minority populations into the new societies.

In order to highlight the practical relevance of the current research, several points can be made:
– Studying value diversity helps us understand in what ways values can enrich the organisational world and bring forward new potentials.
– Information about employees' values provides managers with deeper knowledge of their motivation, which managers can use for further improving functioning of organisations according to their needs (for example whether they wish to achieve more cohesiveness or more creativity in their organisation).
– This knowledge helps us specify what forms of management practices and organisational policies make a better match with certain types of value diversity and of workforce diversity in general, which can help enhance the organisation' competitiveness.
– This research should provide a better understanding about how to achieve synergy from value diversity, but also about its potential disadvantages or problems.
– It provides information about how the organisation, its tasks and its culture are perceived, and how this is related to employees' values and attitudes. This is especially useful in the context of societal and organisational changes.

– Human resource policies, training and organisational development programmes can be adjusted in order to get the best fitting composition of personnel for achieving particular organisational tasks.

– This research provides a more in-depth understanding of the social factors impacting on organisational life and on society dynamics in general (e.g. integration issues). This knowledge is also useful for other countries that need to deal with such issues.

Research methodology

This dissertation is mainly based on conceptualisation built upon combining theory development with quantitative analysis of data. In order to develop a framework for studying different level phenomena the author uses various theoretical elaborations from different areas of the management research, such as psychology, organisational behaviour, organisational change, organisational innovation and social identity theory. Studies presented in this dissertation are explorative in nature.

Methodology for research of values is abundant. However, the methods differ due to the persisting inconsistency in researchers approaches' to the question about what constitutes a value. In this dissertation, individual values are studied according to the Rokeach (1973) value inventory, where values are general, somewhat abstract notions, which people consider important in their lives and use as guidelines for their behavioural choices. Partly, the interpretations of results is built up using the Schwartz' (1992) elaboration on the Rokeach Value Scale. Value diversity is assessed quantitatively by comparing the relative importance attributed to certain values across various social categories of employees in several organisations in three countries – Estonia, Latvia and Lithuania. Thus, for using and comparing data across different cultural contexts/countries the present study can be categorised as cross-cultural.

For gathering empirical data, the survey method was used. Three previously developed scales were applied:
1. The Rokeach Value Scale formerly adapted to the languages of the respondents.
2. A questionnaire for measuring collectivistic attitudes worked out at the University of Tartu by Realo, Allik and Vadi (1997).
3. A questionnaire for assessing organisational culture orientations developed by Vadi (2000).

The structure of the dissertation

This dissertation is composed of three parts. Its main framework and the interrelations of the phenomena in focus are presented in the research model in

Figure 3, p. 34. The first part of the dissertation constitutes a theoretical basis for studying value diversity. It is compiled of three chapters. The first chapter provides an overview of the nature of individual values, their definition, typology and the role in organisations. It explains, in what ways individual values are important in the context of changes, emphasizes how society's informal rules represented by values shared by its members are essential for the change process and points out a role of cultural background in the formation of sets of values in a society. Finally, the chapter highlights why these sets of values may be quite diverse in multicultural societies. Figure 1 presents the schematic illustration of the relative standing of the notion of individual values in relation to organisational and society-level phenomena, which provides the general conceptual context of the present research.

The second chapter analyses value diversity in the framework of workforce diversity that is conjectured by author based on different recent approaches to workforce diversity. The conceptualisation, different approaches and their limitations and the proposed typology of workforce diversity (Figure 2, p. 25) are presented together with a short overview of the effects of workforce diversity in organisations, which were found in previous research (Table 1, pp. 28–30). This chapter explains in what ways value diversity is different from the other two types of workforce diversity – social category and informational diversity, based on the easiness of observing and detecting the attributes that researchers and practitioners use to distinguish employees. Propositions for empirical study are elucidated in the third chapter and illustrated in Figure 3.

The fourth and the fifth chapters of Part I describe the research process and methodology in more detail. Part II consists of empirical studies. Study I aims to fulfil the first research task and provides a context for the Studies II, III and IV by giving an overview of the changes in transition societies and organisations. It offers a review of the articles published in the special issue of the journal *Trames* "Dynamics around and within organisations", and a systematisation of the issues considered in them as demonstrating the connections between organisational environment aspects (divided into market and institutional context) and intraorganisational dynamics. Among other matters, Study I outlines the human aspect of changes specific to societies in transition and related to values: changes in peoples' mentality and the role of individuals in the transformation of organisations, as well as polarisation of mindsets and changes in understanding organisational goals.

Study II focuses on finding common features and differences in the individual values, collectivistic attitudes and perception of organisational culture among employees belonging to the Russian-speaking population in Estonian, Latvian and Lithuanian organisations. It examines and explains the interactions between these cultural elements in organisations and society, highlighting the similarities and differences across the three sample groups as well as presenting and discussing the findings.

Study III concentrates on the specific relationships found in the process of analysing the data used in Study II in order to explain these relationships from the perspective of social category diversity. It observes the differences in these relationships, conjectures the connections between the respondents' approaches to national identity formation and the identified differences, and draws managerial and policy implications.

Study IV focuses on the differences between the individual values held by ethnic Estonian and Russian-speaking employees in Estonian organisations. First, a short overview of the entrepreneurial and innovation environment in Estonia is presented in order to provide a reader who is less familiar with this country, with a better understanding of its peculiarities. Second, the theoretical insights into the propensity to innovate (regarded in this dissertation as innovativeness) are summarised from the perspective of diversity in values and culture. Individual values are categorised according to how they potentially support different aspects of innovativeness based on previous findings. Third, the prerequisites of differing cultures present in Estonian society are discussed from a comparative perspective. Fourth, the empirical findings of the study of individual values held by ethnic Estonian employees and by Russian-speaking employees are analysed, exhibited and discussed according to the categorisation suggested at the beginning of the article. The Study highlights the similarities and complementarities in the value profiles of these two cultural groups.

The third part of the dissertation consists of five chapters. First, research propositions are discussed, then the findings are summarised and discussed. In the third and the fourth chapters implications for managers, society and individuals are presented. Finally, theoretical contributions of the dissertation, limitations and suggestions for further research are briefed.

Contributions of individual authors

All studies are published in a co-authorship. The author of this dissertation is the first author of all studies, except Study I. Her role in Study I was to review and systematise the material of articles published in the special issue of *Trames* "Dynamics around and within organisations" and to prepare the study for publishing. The introduction and the theory review was prepared and written by Maaja Vadi. The author had a leading role in developing the other three studies. With the help of her co-authors she has built up research questions and propositions and took a primary responsibility in drafting the papers, making theory reviews and developing the theoretical frameworks, making the data analysis and discussing the results. Maaja Vadi provided the original idea and methodology for studies II, III and IV. Together with Maaja Vadi and Elina Tolmats the first author participated in arranging data collection in Lithuania for Studies II and III. Elina Tolmats had the main role in gathering and

systematising the data in Latvia and carried out part of the empirical analysis for Study II. Maaja Vadi made available a large part of the data for Studies II, III and IV. The text of Study III was written entirely by and under responsibility of the first author. Gerhard Fink acted as opponent for the earlier version of Study IV, provided expert advice on the academic writing style and edited the paper.

Acknowledgements

Part 1. THEORETICAL AND EMPIRICAL BASIS FOR THE RESEARCH

1.1. Values in the context of societal and organisational changes

Values are an indispensable element of any human group's culture[6], which is considered to be stable and reluctant to change (Hofstede 2001: 34). In recent elaboration on the nature of institutional changes Roland (2004) emphasizes the importance of culture as a slow-moving institution for the overall process of change. He claims that interaction between slow-moving and fast-moving institutions sheds light on why, how, and when institutional change occurs and evinces the difficulty of transplanting institutions into different cultural contexts. However, change is inevitable feature of life in general, and particularly, in societies in transition (see discussion in Study I). Therefore, in all societies there are forces that endorse changes and forces that hold changes back.

Laws, regulations and policies can be regarded as society's formal rules and cultural norms, and values as its informal rules. According to Pejovich's (1997: 246) interaction thesis, "if society's formal rules are in harmony with its informal rules <…> it reduces the transaction costs of maintaining and protecting the rules of the social game and frees resources for the production of wealth". The importance of values for making economic and business performance harmonious was also emphasized by King (1997). Thus, the challenge for transitional societies is reaching harmony between values present and shared in these societies, and values implicit in the new and/or changing institutions.

Moreover, values influence behaviour, aims and aspirations of individuals who interact with institutions, and there might be conflict between individuals and institutions (Clark, Tracey and Smith 2002). As societies industrialise and develop economically, similar institutional features emerge: people become modern by incorporating the values implicit in the institutions of industrialised societies into their personal value systems (Schwartz and Sagie 2000). Presumably, these modern values facilitate social and psychological adjustment to the demands of institutions in economically developed societies, whereas traditional values that would interfere with adjustment are rejected (Yang 1988,

---

[6] Hofstede (2001: 9) defines culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another". In its broadest sense, the concept of culture is applied to nations (national culture) or ethnic or regional groups (ethnic culture, regional culture). In this dissertation, the concept of *cultural background* is also used, referring to the commonalities of such mental programming of a certain group.

cf. Schwartz and Sagie 2000; Hofstede 1997, 2001). This implies a conflict of values in the transition societies also on the level of individuals.

Individual values are defined as "enduring beliefs that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states" (Rokeach 1969: 160). Rokeach (1969) calls these ultimate goals of existence as *terminal values* and the modes of conduct as *instrumental values*. Schwartz' (1992) classification of values provides us with a useful tool for determining, what values should support changes and what values tend to make a person resist them. It employs two dimensions – *Openness to change* vs. *Conservation* and *Self-enhancement* vs. *Self-transcendence* – along which value types are divided according to the motivation that underlies each of them. One may predict that Openness to change motivational types of values such as Stimulation and Self-direction should be change-endorsing, and Conservation values consisting of Security, Conformity and Tradition types of values should be change-opposing. Schwartz and Sagie (2000) themselves have found that the importance attributed to Self-direction and Stimulation, but also to Universalism and Benevolence (Self-transcendence types of values), was associated with the higher level of socioeconomic development. Since highly developed countries have undergone relatively more changes in all levels in their societies, this finding partially confirms the above mentioned prediction. Schwartz and Sagie (2000) suggested that the importance of values that emphasize independent thought, innovation and change, and a belief in equality should be greater at higher levels of socio-economic development.

Nevertheless, the study of Schwartz value types among Estonian students has illustrated (Niit 2002) that preference for certain values may change with changing standards of living. For example, it was found that values like *creativity* and *varied life*, which are related to openness to change, have considerably lost their importance in the period between 1992 and 1999. This may indicate that when economic conditions improve and there are more sources of achieving variety in life as in today's Estonia, these values become relatively less important. It does not necessarily mean that people in Estonia have become less creative, but it can imply that the relative importance of other values has increased. For example, although Security values were found to be less important in highly developed countries (Schwartz and Sagie 2000), in Estonian society the preference may appear for preservation and enhancement of the welfare of people with whom one is in frequent personal contact. This implies that though values may change over time, the direction of change is not always straightforward and it may not at all times correspond with the overall changes in society. It also entails that there are other factors at play, which are discussed below.

On the institutional level the actors of change are organisations (see discussion on the relationships between societal changes and changes in the behaviour

and functioning of organisations in Study I). In dealing with complexity and change the challenge for management is to institute an organisational order and organisational culture supportive of change. Organisational culture as a set of shared beliefs, values and behaviours (Schein 1997), which stabilises individual behaviour and provides people with indications about what is successful and unsuccessful behaviour in an organisation (De Witte and Van Muijen 1999). King (1997: 262) emphasized that besides interrelated cultural norms, rules and values, work environment is important for harmonious economic and business performance, while Bluedorn (2000) considers attempts to shift organisational culture toward values and beliefs of the new economic order as a great challenge for post-Soviet organisations.

The notion of organisational culture is frequently used interchangeably with the concept of corporate culture, which is mainly applied to businesses. Various typologies include types of corporate cultures, which presumably support change and innovation (see e.g. Ulijn and Weggeman 2001). However, due to lack of studies categorising organisational cultures in post-Soviet organisations (one example is the study by Vadi and Roots 2006), this dissertation confines itself to applying a generic approach to organisational culture (see footnote 1).

Figure 1 illustrates interrelations and relative standing of notions of individual values and organisational culture in a larger societal context, which are used in this dissertation as building blocks of the baseline framework.
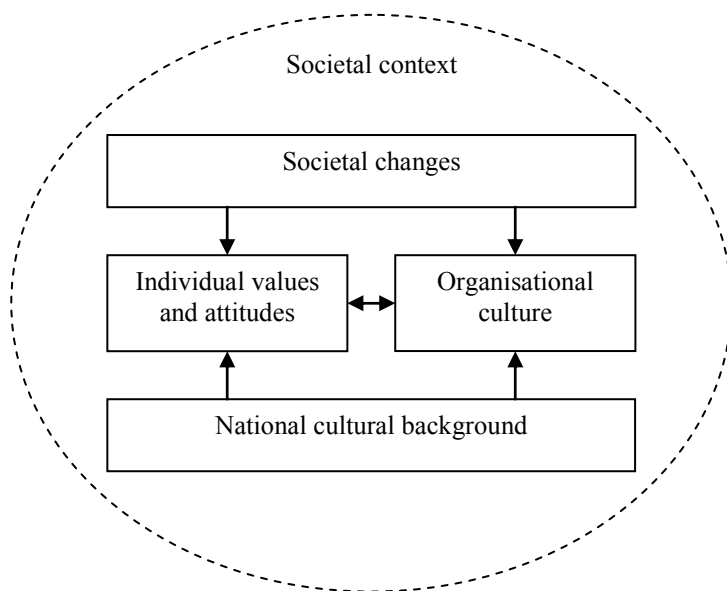
Figure 1. The building blocks of the baseline framework.

Individuals' values and beliefs acquired in certain society's cultural context are brought in and socialised in organisations where these individuals work. Certain values may be endorsed and others disapproved in the organisation through reward system, and it also has an effect at the societal level. Katz and Kahn (1966: 391) comment on such inter-relation of values: "The behaviour of people in organisations is still the behaviour of individuals, but it has a different set of determinants than behaviour outside of organisational roles". Individual values, therefore, can be seen as a link between society and organisation, and it is necessary to focus on both levels with an aim to clarify what organisational members' values are and how they affect their organisation.

Since organisational change implies collective contribution and cooperation between its members (Alas and Sharifi 2002), their values that reflect collectivism are also essential for organisation. According to Morris, Avila and Allen (1993) and Triandis (1995a), the level of individualism/collectivism is a meaningful dimension of culture and it impacts upon organisational outcomes. Hofstede (2001) asserts that the level of individualism/collectivism prevalent in a given society strongly influences the nature of the relationship between workers and their organisations, both descriptively and prescriptively, that is, affecting the actual as well as preferred arrangements in commerce and industry. However, at the country level Hofstede (1997: 76) found what Morris et al. (1993) discovered within firms: too much of either individualism or collectivism tends to slow down economic growth. Collectivistic attitudes are another object of the present studies and the reasoning and the nature of collectivistic attitudes is explained in detail in chapters 1.3 and 1.5 and in Studies II and III.

Values, attitudes, social norms and rules are in constant interaction, also between different societal levels. Therefore, for determining relationships which are important in organisations, one need to consider the interactions of cultural elements on different levels.

Values are acquired early in life, mainly in the family and in the neighbour-hood, later at school, in a certain society's cultural context, and can vary widely across different cultures (Hofstede 2001, Gabriel 1999). It has been argued that national culture is the fundamental determinant of values and behaviour within an organisation (Mead 1994). With each different national culture comes a new set of values, and with each new set of values comes the question of how they can be integrated within an organisation, or how far their differentiation is to be tolerated or even welcomed (Griseri 1998). This question is further complicated by the tendency that values are relatively stable and change little during adulthood (Bardi and Schwartz 2003, Hofstede 2001). Thus, in a multicultural society these sets of values may be quite diverse, which is another possible reason for the above mentioned conflict of values.

From the perspective of organisations in the context of large societal, political and economical transformations, challenges represented today by differing sets of values have their roots not only in the changes that take place in

their societies, but also in the increasingly diverse workforce at the global level. This amplifies the mixture of differing values in organisations.

Moreover, each individual holds numerous values with varying degrees of importance (Bardi and Schwartz 2003). A particular value may be very important to one person but unimportant to another (Ibid.). In further developing the conceptualisation of values, Schwartz (1999) concludes that attitudes and behaviour are guided not by the priority given to a single value, but by trade-offs among competing values that are implicit simultaneously in a behaviour or attitude. This further complicates the attempt to harmonize values with each other and with the new emerging formal rules in a society. For that reason, examining the effects of value diversity on societal and organisational processes is useful in studying dynamics of transformations. In the next sections this dissertation focuses on diversity of values in the framework of workforce diversity.

1.2. Value diversity in the framework of workforce diversity: consequences for organisations

Earlier, clash of values, as an obstacle for change and development, has been in focus mainly with regard to intercultural communication and cross-cultural cooperative activities, i.e. in non-routine encounters for many organisations. Only recently, the need to deal with it in everyday work activities has emerged for managers and researchers. That is, in the late 1980s, research started to deal with the changing nature of work and the increasingly diverse workforce in general (Williams and O'Reilly 1998, Sessa and Jackson 1995). Research on diversity has become extensive when practitioners and scholars started to pay more attention to the variety among employees in age, gender, race, ethnicity, nationality, sexual orientation, physical abilities, social class etc. (Ferdman 1995, Tsui et al. 1995). Among the reasons for growing workforce diversity researchers name the shift from manufacturing to service and information economies (Jackson and Alvarez 1992), increasing adoption of cross-functional project teams, mergers, acquisitions and joint ventures (van Knippenberg and Schippers 2007), globalization (Bechtoldt et al. 2007, Schneider and Northcraft 1999) and population changes such as migration, including migration of professionals and environmental refugees (Triandis 1995b).

Van Knippenberg and Schippers (2007: 519) define diversity as "a characteristic of a social grouping (i.e., group, organisation, society) that reflects the degree to which there are objective or subjective differences between people within the group (without presuming that group members are necessarily aware of objective differences or that subjective differences are strongly related to more objective differences)". Researchers mainly consider diversity when there is a certain attribute that can be used to distinguish people from other people (Williams and O'Reilly 1998).

Some scholars also emphasize that differences between individuals, in any attribute, may lead to the perception that another person is different from self, and consider this as an important part of diversity conceptualisation (Williams and O'Reilly 1998, Triandis, Kurowski and Gelfand 1994, Jackson 1992). Organisational members themselves often use a readily detectable attribute that became salient or was made salient in the given situation as the basis for categorisation (Williams and O'Reilly 1998). Although under other circumstances or when people get to know each other better, this attribute might not be the most salient and most important marker of diversity (Ibid.).

Most diversity research has focused on the diversity of easily detectable demographic characteristics such as age, gender, race and ethnicity, which are apparent after only a brief exposure to an individual (e.g. Pelled 1996, Tsui, Egan and O'Reilly 1992). It has not looked at other possible types of diversity, which may have differing or moderating impact. Yet, many researchers have called for the better conceptualisation of diversity to estimate the effects of workforce diversity (Williams and O'Reilly 1998, van Knippenberg and Schippers 2007). According to Williams and O'Reilly (1998), different phenomena must be taken into consideration: contextual aspects (e.g. task and organisational characteristics), types of diversity (e.g. informational and demographic), and intervening variables (e.g. communication and conflict). Further developing this suggestion, Jehn et al.'s (1999) distinguish between three types of workgroup diversity: social category, informational and value diversity (see the central larger triangle on Figure 2). In this dissertation value diversity is also regarded as a category of workgroup diversity.

Value diversity is considered in this dissertation as a workforce diversity category that uses an attribute situated at the deeper levels of human conscience and thus, is less observable, which becomes evident only after getting to know a person well (Jackson et al. 1995, cf. van Knippenberg and Schippers 2007). Schein (1997) in his systematisation of interactions between values and other "hidden" elements of culture has explained well the way values impact behaviour of individuals: on the deepest level of consciousness there are basic assumptions, which are taken for granted and treated as nonnegotiable. At the next level basic assumptions manifest themselves in espoused values, attitudes and beliefs, which compile more conscious, yet still non-observable at the everyday-basis level. These values, attitudes and beliefs manifest themselves in behavioural norms and observed everyday behaviour. Starting with the same set of basic assumptions, the greater the number of potentially divergent factors within the cultural unit (e.g. ethnicity, language, religion, etc.), the more one can expect variety in espoused values and attitudes and, finally, in observed behaviour (Schein 1997: 16). Therefore, values may have a more lasting though less traceable effect on the behaviour, which is more difficult to detect and to map out.
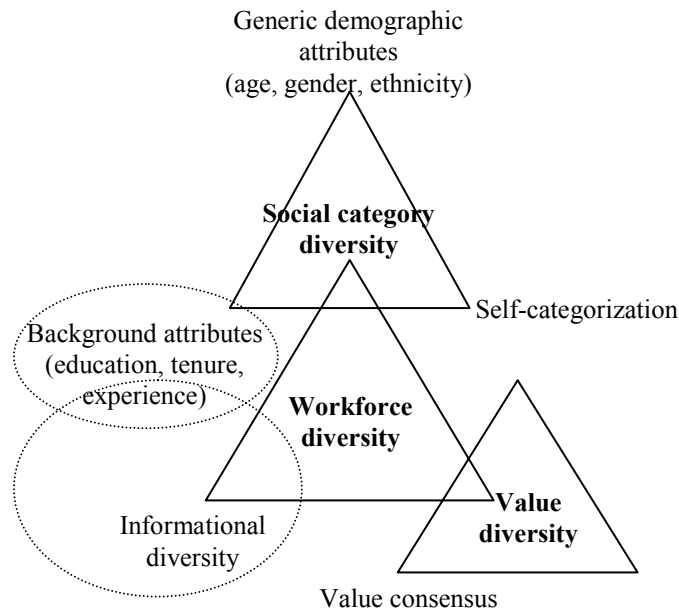
Figure 2. Value diversity in the framework of workforce diversity. (Source: author's elaboration of Jehn et al.'s (1999) typology.)

Furthermore, values influence individual's behaviour within organisations and expectations about behaviour of others (Mead 1994). O'Reilly, Chatman and Caldwell (1991) have shown that new employees, whose individual values differed from the mean values of others in their work groups or small organisations, were less satisfied, demonstrated lower organisational commitment, and were more likely to quit. At the same time, Jehn and Mannix (2001) reported that greater a priori (perceived) consensus on work values led to effective patterns of task conflict and lower level of relationship conflict over time. It implies that if the organisation considers commitment and low conflict levels as more important than the advantages that the diversity of values can potentially bring, a value consensus should be a necessary attribute of its culture.

At the society level, value consensus is defined as the agreement among individual members of a society concerning the importance they attribute to different types of values (Schwartz and Sagie 2000). According to Schwartz and Sagie (2000), value consensus is a basis for social order and stability. They proposed that in more developed societies there is a high value consensus, whereas in less developed societies it is lower. Furthermore, they hypothesised and proved that, with development, there is an increased importance of universalism, benevolence, self-direction, stimulation, and hedonism values, which leads to greater consensus on these value types. Conversely, with development

there is decreased importance of security, conformity, tradition, and power values, which leads to greater consensus on these value types (Schwartz and Sagie 2000). Value diversity is regarded in this dissertation as reflection of variety of relative importances of values *per se*, without regard for the degree of people's agreement on the importance of these values. Therefore, the author of this dissertation considers it useful to include value consensus as another essential aspect of value diversity in the framework of workforce diversity, which reflects this degree of agreement.

The other two categories of workforce diversity considered in this dissertation are social category diversity and informational diversity. What is important in social categorisation perspective is that differences between workgroup members may engender the classification of others as either ingroup/similar or outgroup/dissimilar; and these categorisations may disrupt group process (van Knippenberg and Schippers 2007). Social category diversity can in its turn be divided into three types: 1) diversity of generic demographic attributes, which are easily detectable (age, gender, race), 2) background attributes (education, experience, tenure), and 3) hitherto vaguely defined diversity, which is based on people's self-categorisation (e.g. social identity, cultural identity, ethnic identity). Figure 2 illustrates these three types of diversity within the larger framework of workforce diversity.

Social identity is important, because it influences group interaction (e.g. Tajfel and Turner 1986; cf. Jehn et al. 1999). More than an objective characteristic of a group, diversity is a subjective phenomenon, created by group members themselves who on the basis of their different social identities categorise others as similar or dissimilar: "A group is diverse if it is composed of individuals who differ on a characteristic on which they base their own social identity" (O'Reilly, Williams and Barsade 1998: 186). It implies the importance of this type of workforce diversity.

Heterogeneity of functional background was found to be associated with innovation (e.g. Ancona and Caldwell 1992, Wiersema and Bantel 1992; cf. Tsui, Egan and Xin 1995). The author of this dissertation sees the diversity of background attributes as closely related to and to large extent overlapping with informational diversity. The latter reflects differences in knowledge, expertise, and perspectives that may help work groups reach higher quality and more creative and innovative outcomes (van Knippenberg and Schippers 2007). Informational diversity is more task- or job-related (Jehn et al. 1999) and therefore, should be examined in the specific situations. Therefore, it is not in the focus of this dissertation, the focal point of which is value diversity and its outcomes for organisations.

Many researchers focus on diversity within specific teams, e.g. top management teams and therefore workforce diversity often is referred to more narrowly as work team diversity. For instance, Sessa and Jackson (1995) state that diversity within a decision-making team is recognized as important primarily

because it is associated with differences in the perspectives, attitudes, skills, and abilities of team members. "Differences in experiences and perspectives lead team members to approach problems and decisions drawing on different information, from different angles, and with different attitudes. Therefore, teams composed of people with diverse backgrounds and characteristics are expected to produce a wider variety of ideas, alternatives, and solutions – and thus perform better – than teams compose of people who are similar in terms of demographic characteristics." (Sessa and Jackson 1995: 140)

Empirical evidence from both laboratory and field settings indicates that team composition is related to longer term team consequences, such as performance of individuals within the team (e.g. Nemeth 1992) and, on some tasks, the team as a whole (e.g. Jackson 1992). There is also evidence that management team diversity predicts organisational outcomes, including innovation and strategic direction (see for references Sessa and Jackson 1995: 140).

In the recent years there is a large amount of research done, exploring the effects of workforce diversity. It is seen both as a challenge and as an opportunity for organisations (Chemers, Costanxo and Oskamp 1995, Williams and O'Reilly 1998). Yet, the review of forty years of diversity research by Williams and O'Reilly (1998) as well as meta analyses by Webber and Donahue (2001) and Jackson, Joshi and Erhardt (2003) and the most recent review covering years 1997–2005 by van Knippenberg and Schippers (2007) concluded that there are no consistent main effects of diversity on organisational performance. Table 1 presents a short overview of the effects attributed to workforce diversity according to different aspects in focus.

Such dissimilar findings reflect the variety in approaches researchers take to study workforce diversity. Williams and O'Reilly (1998) have concluded that diversity research has largely been guided by two research traditions: the social categorisation perspective (complemented by interpersonal similarity/attraction perspective) and the information/decision-making perspective. However, van Knippenberg and Schippers (2007) alert that these cannot be considered as well-articulated theoretical perspectives in diversity research since often they represent a more loosely defined emphasis on either the preference to work with similar others or the value of diverse information, knowledge, and perspectives.

Table 1. Effects of different aspects of workforce diversity

Diversity aspect under focus	Effects in organisations	Studies
Knowledge and resource perspective:		
– the diversity of information, backgrounds and values;	is necessary to make things happen and to produce effective organisational action;	Jackson 1992;
– diversity of knowledge that different individuals possess;	is an important source and facet of organisational innovation;	Souder, Jenssen 1999;
– availability of multiple resources and skills;	causes members of diverse groups to be more innovative and creative in problem-solving than members of homogeneous groups;	Earley, Mosakowski 2000; Rink, Ellemers, 2006;
Value perspective:		
– presence of diverse viewpoints and perspectives on the task;	impact the creation of knowledge and the discovery of insight;	cf. Jehn et al. 1999;
– value differences between team- and network members;	are beneficial to innovation performance;	Möller, Svahn 2004;
– mix and complementarities of cultural values;	– complementary values are best suited for innovation processes;	Hauser 1998;
	– would be extremely helpful in fostering the success of new product development;	Nakata, Sivakumar 1996;
Cultural background perspective:		
– ideas, knowledge, and skills of different cultures;	enhances the potential for creative synthesis;	Diamond 1997, cf. Swann et al. 2004;
– contact between workers from diverse backgrounds;	leads to the development of novel solutions to the tasks at hand;	Jehn et al. 1999, Watson et al. 1993;
Social category perspective:		
– existence of minority views in organisations;	– minority views can stimulate consideration of non-obvious alternatives;	Nemeth 1986;
	– interaction with persistent minority viewpoints stimulates creative thought processes;	Nemeth 1986;
– presence of social category differences (e.g. in gender or ethnic background);	is likely to create uncertainty;	Rink, Ellemers 2007;

Diversity aspect under focus	Effects in organisations	Studies
Similarity perspective: – similarity in values and demographics	as the basis for maintaining effective work environments; people prefer similarity in their interactions;	Byrne's (1971) similarity attraction theory, Chatman's (1991) theory of selection, Van Maanen and Schein's (1979) theory of socialization; cf. Jehn et al. 1999;
	– is related to higher group cohesion, lower turnover;	O'Reilly et al. 1989; Wagner et al. 1984; Flynn, Chatman 2001;
– common cultural values;	make mutual understanding and knowledge transfer much easier;	
– cohesion;	is important for attainment of organisational goals and harmony, and is necessary to implement creative ideas;	Biggiero 2001;
– uniformity;	may result in decreases in innovation, in the detection of error, or in the willingness or ability to adapt to changing circumstances;	Nemeth, Staw 1989;
Demographic perspective: demographic, surface-level diversity	– undermines group creativity and innovation because it undermines, in general, group cohesion and thereby the processes and performance requiring high levels of cohesiveness;	Nahapiet and Ghoshal 1998, cf. Bechtoldt et al. 2007;
	– can also mean diversity of perspectives and ideas for creativity, innovation and performance;	Chemers et al. 1995;
	– ethnically heterogeneous groups produced higher quality ideas in a brainstorming task than more homogeneous groups did, although they did not necessarily produce more ideas or a greater number of unique ideas;	McLeod and Lobe1 1992;

Diversity aspect under focus	Effects in organisations	Studies
members of diverse groups	– display less attachment to each other, show less commitment to their respective organisations;	Harrison et al. 1998; Tsui et al. 1992;
	– communicate less with one another;	Watson et al. 1993; Hoffman 1985, cf. Swann et al. 2004;
	– miss work more often;	O'Reilly et al. 1989; Tsui et al. 1992, Wagner et al. 1984;
	– experience more conflict;	Jehn et al. 1999; Pelled et al.1999;
	– take more time to reach decisions;	Hambrick et al. 1996;
Collectivism perspective:	– diverse groups that developed a collectivistic culture outperformed groups that developed an individualistic culture;	Chatman, Flynn 2001; Chatman et al. 1998;
	– ethnically diverse groups made more cooperative choices than individualistic all-Anglo groups;	Cox, Lobel and McLeod 1991;

In a comprehensive review of diversity literature, Milliken and Martins (1996: 403) concluded that "diversity appears to be a double-edged sword, increasing the opportunity for creativity as well as the likelihood that group members will be dissatisfied and fail to identify with the group". Below the propositions are made for the empirical analysis of the consequences of workforce diversity, and specifically, of value diversity in organisations.

1.3. Propositions for empirical analysis

The societal, economical, political and structural changes that took place in the transition countries demanded fast adaptation to the new circumstances, which was a challenge to individuals of varying age, experience, information obtained etc., as well as to organisations. Moreover, in the countries that regained their independence after the break-up of the Soviet Union, there are large populations of differing cultural backgrounds. In each of the three Baltic countries – Estonia, Latvia and Lithuania – there are two major population groups with different cultural background: that of people of the ethnic majority (Estonians, Latvians, Lithuanians) and people of mainly Russian cultural background, whose mother tongue is Russian. The representatives of the latter population are usually referred to as Russian-speakers (see the reasoning in Studies II and III).

Such composition of society forms a ground for cultural diversity, which Cox (1993) defines as "the representation, in one social system, of people with distinctly different group affiliations of cultural significance" (p. 6). Cultural significance is a conception that was not given any special official policy attention in the Soviet Union (Silver 1974, Lewis and Rowland 1977). While the official rhetoric recognised the existence of different cultural groups in the USSR, in reality Soviet authorities worked unremittingly to cultivate Russian cultural presence in all of the Union republics in order to homogenise their population in cultural as well as social status terms (Ibid.). Therefore, the transition processes, which started in the early 1990s have brought forward the relevance of cultural diversity, which previously has been nearly a nonexistent notion. In a sense, variety among people became what is now considered workforce diversity. For organisations in these countries the subculture of a Russian-speaking population provides another important source of value diversity.

Summing up these two matters, the outcome of the major changes on societal level is a unique mixture of the workforce in these societies. This corollary is illustrated by a thick arrow in the research model in Figure 3. By presenting an overview of changes in transition societies and in organisations based on different approaches, Study I serves as the narrative describing the societal context for the Studies II, III and IV.

Values stem from one's national culture, which provides an integrative perspective and meaning to situations, guides people in their actions, in their understanding and interpretation of the world around them, and directs their attentions and orientations (Hofstede 2001, Smit 2001, Gabriel 1999). Cultural background of the Russian-speaking minority is related to the same historical, political and ethnic roots, thus the initial set of their values should be similar. Jehn et al. (1997) argued that because values are a guide for behavioural choices, group members who share similar values are also more likely to agree about group actions such as goals, tasks, and procedures. Moreover, because values can act as perceptual filters (Ibid.), members with similar values are

more likely to prioritize and interpret group problems and events in similar ways. This gives the basis for constructing the following proposition.

Proposition 1 (P1): Employees with the same cultural background, i.e. Russian-speakers in Estonia, Latvia and Lithuania, have a similar set of individual values and attribute similar weight to certain aspects of organisational culture.

Another indicator of preferred modes of behaviour is attitudes[7], which are regarded as expression of values as well as functions of values (Abraham 1998). Attitudes are object-specific and reflect standpoints of how people should behave (Mead 1994). In organisations, attitudes determine the nature of the relationship between workers and their workplace, which is in turn strongly influenced by the level of individualism and collectivism prevalent in a given society (Hofstede 2001: 235–40). Collectivistic attitudes differ in terms of their focus on an individual or a group as an object of interest (Realo 2002). According to Hui (1988, cf. Realo 2002), individualistic and collectivistic tendencies are specific to target groups and largely depend on how important such target groups appear to be to a person (for example, spouse, parents, friends, co-workers). It was also found that collectivist orientation is a predictor of organisational commitment (Jackson 2001, Parkes et al. 2001, Wang et al. 2002, Boyacigiller, Adler 1991, Angle, Lawson 1993; Clugston et al. 2000), and that concept of collectivism can explain differences in cooperative behaviour (Chatman, Barsade 1995, Wagner 1995, Chen et al. 1998). Following the assumption that Russian-speakers have a similar cultural background Proposition 2a is set as follows.

Proposition 2a (P2a): Employees with the same cultural background, i.e. Russian-speakers in Estonia, Latvia and Lithuania, have a similar set of collectivistic attitudes, which is reflected in their perception of organisational culture.

Collectivism influences organisational culture through the dominant culture of the society in which the organisation operates (Vadi, Allik, Realo 2002). Cultural dimensions of individualism and collectivism can either interfere with or modulate the organisational culture through different channels (Ibid.). Harrison and his colleagues (1998) predicted that similarity in attitudes may facilitate communication and reduce role conflict, because people have similar conceptualisations of their organisations. Since attitudes are target-specific and individual values are more general and applied in broad contexts, the next proposition is formulated as follows.

Proposition 2b (P2b): Collectivistic attitudes of the employees with the same cultural background, i.e. Russian-speakers in Estonia, Latvia and Lithuania, have an intervening effect on the relationship between their individual values and perception of organisational culture.

---

[7] An attitude is a composite of multiple beliefs centred around an object or a situation (Rokeach 1973).

Rink and Ellemers (2007) argue that for employees to evaluate their differences in a positive way, self-categorisation and social identity processes in particular are of help. For reasons referred to above, during the Soviet era Russian-speaking population with any ethnic origin could consider itself as a majority population of the Soviet Union. After regaining independence in Estonia, Latvia and Lithuania these countries have chosen a nation state building approach (see Study III), i.e. Russian-speakers became a minority population in each of these Baltic countries and in order to become citizens, had to go through the process of naturalisation. It implies that this should have had an impact on their self-categorisation process. Coping with new circumstances in a society, which itself experiences turbulence times due to large-scale changes, demands a certain approach. Following previous propositions it can be suggested that this approach should be common among Russian-speaking population due to their alleged similar value orientations.

Proposition 3 (P3): Employees with the same cultural background, i.e. Russian-speakers in Estonia, Latvia and Lithuania have a similar approach to self-categorisation with respect to the society and with respect to their organisations.

From Table 1 one can read that workforce diversity was found positively connected mostly with organisational innovation, innovative processes and innovation performance. Value diversity can thus be positively connected to the propensity to innovate (in this dissertation referred to as innovativeness). Culturally heterogeneous societies should promote differing views and as a result, innovativeness. Moreover, subcultures can enhance one another's effects on innovativeness (Hauser 1998). The last proposition is set as follows.

Proposition 4 (P4): Value diversity stemming from different cultural backgrounds of employees is positively related to organisational innovativeness.

These propositions are indicated in the research model on Figure 3, each placed between the conceptual phenomena it is connecting, and tested in the Studies presented below in this dissertation.

Organisational context

Societal context

Organisational culture

Organisational innovativeness

Social category diversity

Collectivistic attitudes

P3, S3

P2a, S2

P2b, S2

P1, S2

P2a, S2

P4, S4

Value diversity

Workforce diversity

Informational diversity

Societal, economical, political, structural changes

S1

Society's formal rules: - laws, regulations, policies etc.

S1

S1

Society's informal rules: - norms, existing values and values required by changes

S1

Notes: P1, P2, P3, P4 – research propositions; S1, S2, S3, S4 – studies referred to in this dissertation as Study I, II, III and IV, accordingly.
Figure 3. Research model: The proposed relationships between value diversity and organisational phenomena in societal and organisational context.

1.4. Research process

This study originated from the knowledge provided by previous research and theory that people's values stem from their cultural background and that they differ across different cultures. Existence of the same cultural group of people living in different countries is a good occasion to test this assertion. Therefore, large Russian-speaking populations in the three Baltic countries – Estonia, Latvia and Lithuania – that have the same cultural background, provide a unique opportunity for studying their values and value diversity from a comparative perspective.

This gave an idea of replicating the study of Vadi et al. (2002) on values, collectivistic attitudes and organisational culture orientations among Russian-speaking employees and employees of Estonian nationality in Estonia and gathering the data from the other two countries. The potential partners from two universities in Lithuania and Latvia were found and contacted in autumn 2002 and 2003, respectively, and methodology explained and handed over. This resulted in 516 additionally filled questionnaires.

Concurrently, the literature study started concerning national and organisational culture, collectivism, values and attitudes, which together with the analysis of the first parts of the data resulted in the first publications in 2003–2004, which were also presented at several conferences. The results were analysed according to *second* and *third research tasks*, which resulted in the Studies II and III, the former finalized by 2005, and the latter by 2007.

In September 2004 the author was granted a six-month European Commission's Marie Curie fellowship to participate in European Doctoral School on the Economics of Technological and Institutional Changes (EDS-ETIC). There author received a profound intensive doctoral training in the innovation field and became acquainted with the different approaches to organisational innovation. A number of writings on this topic was collected and studied and the theoretical grounds established for proposing the relationships between values and value diversity and different aspects of organisational innovation. This process continued in 2005–2006 at the Eindhoven Centre for Innovation Studies in the Netherlands in the position of a visiting doctoral student, where Study IV was written in order to fulfil the *fourth research task*.

In 2006–2007 the author participated in co-editing the special issue "Dynamics around and within organisations" of *Trames, a Journal of Humanities and Social Sciences*. During this process the author has got an insight into the dynamics of various societal and organisational changes in transition societies. Its outcome is the overview of relations between large-scale changes in organisational environment and organisational changes in Study I, which is aimed to accomplish the *first research task*.

1.5. Methods used in the research

Several instruments were applied in the research process. Content analysis was used for analysing and systematising the matters of the articles in Study I.

In order to study individual values for Studies II and IV, Rokeach (1973) methodology was applied. The respondents were given a list of 18 terminal and 18 instrumental values (see Appendix 1). For each list the respondent was asked to rank the values according to how important each of them was to him or her. He/she had to place a "1" next to the value that was most important to him/her, a "2" next to the second most important one and so on. To find the main terminal and instrumental values, the ranking order was analysed. It is necessary to note here that the importance of values is determined by the decreasing mean value because of the ranking technique of the questionnaire.

Hierarchical model of collectivism developed by Realo et al. (1997) was used in Studies II and III for measuring collectivistic attitudes. This Likert-type 5-point scale, further referred to as RUSCOL, consists of 24 items, which measure three types of collectivistic attitudes according to the reference group – family, peers and society. The reasoning behind the use of these subscales is explained in detail in Studies II and III. The items of these subscales are presented in Appendix 2. Respondents were asked to rank the statements according to their agreement or disagreement (1 – "strongly disagree", 5 – "strongly agree").

An instrument developed by Vadi (2000) was used to study organisational culture orientations. The organisational culture questionnaire (OCQ) consists of 16 items measured by Likert-type 10-point scale, forming two subscales: eight items measuring task orientation of organisational culture, and the other eight measuring relationship orientation (Vadi et al. 2002). Respondents were asked to rank the statements about their organisation according to what extent they agree or disagree with each statement (1 – "strongly disagree", 10 – "strongly agree").

The Russian language version of questionnaires was used for a survey among Russian-speakers in the three Baltic countries. In Estonia the research was carried out in 1996–2001 (Vadi et al. 2002), and in Latvia and Lithuania in 2003. The respondents represented employees of organisations operating in such areas as textile industry, service and trade in Estonia and Latvia, and electric power industry in Lithuania, all with majoritarian Russian-speaking workforce. Table 2 describes the size and structure of the samples.

Table 2. Size and composition of the samples

	Respondents	Industry sector	Sample size	Average age	Composition by gender	Composition by position	Period of data gathering
Study II, Study III	– Russian-speaking employees in Estonia	textile production	664	38.7 years (SD=9.27)	458 women (69%), 173 men (26%), 33 unspecified (5%)	347 workers (52%), 194 specialists (29%), 80 managers (12%), 43 unspecified (6%)	1996–2001
	– Russian-speaking employees in Latvia	service, trade	313	27.8 years (SD=8.61)	248 women (79%), 65 men (21%)	116 workers (37%), 141 specialists (45%), 56 managers (18%)	2003
	– Russian-speaking employees in Lithuania	energy	203	40.9 years (SD=8.48)	36 women (18%), 123 men (60%), 44 unspecified (22%)	42 workers (21%), 55 specialists (27%), 24 managers (12%), 82 unspecified (40%)	2003
Study IV	– Russian-speaking employees in Estonia	textile production	664	38.7 years (SD=9.27)	458 women (69%), 173 men (26%), 33 unspecified (5%)	347 workers (52%), 194 specialists (29%), 80 managers (12%), 43 unspecified (6%)	1996–2001
	– Employees of Estonian origin	textile production, service	340	33.6 years (SD=9.23)	224 women (66%), 114 men (34%), 2 unspecified (0.6%)	154 workers (45%), 129 specialists (38%), 56 managers (16%), 1 unspecified (0.3%)	1996–2001

The internal consistency of RUSCOL and OCQ scales estimated by Cronbach alpha coefficient was above 0.7 and thus reliable for all subscales across all samples, except for the subscale representing the collectivistic attitudes towards peers. The authors of the RUSCOL method explain this subscale's relatively low consistency by its presumptive incorporation of social relationships that may be too specific for integrating them into one scale (Realo et al. 1997). In the present dissertation this limitation is acknowledged in the discussion of the findings.

One-way analysis of variance was performed in order to uncover the variations between samples across the scales. The differences in mean values of RUSCOL and OCQ scales in Estonia, Latvian and Lithuanian samples were important at the significance level $p \leq 0.05$ (see Studies II and III). Correlations between individual values and orientations of organisational culture were performed using Spearman's Correlation Coefficients. Due to the ranking technique of the value statements, the questionnaire correlations were interpreted in the opposite way – a negative correlation signifying the same trend and a positive correlation signifying the opposite trend between the aspects analysed. To find correlations between collectivistic attitudes and organisational culture orientations, Pearson's Correlation Analysis was conducted on the same condition. In order to check for the effects of social category diversity the analyses of variance on a number of demographic variables was conducted.

Part 2. PUBLICATIONS

I

Study I
Changes around and within organisations: Manifestations and consequences

Preface to the special issue of TRAMES

Maaja Vadi, Rebekka Vedina

1. Introduction

By definition, the environment provides the context in which the organisation operates. If we accept the view that an organisation is in constant relationship with its environment, it follows that macro-structural changes of society affect the behaviour of the organisation and its members. In the last decades, the dramatically changed environment has played a crucial role in the organisational developments in the former Eastern-bloc countries. Transition to the democratic society in these countries provides context for unpacking the impact of dynamic environment and speculate how this affects the organisations. This is an important issue also because in parallel with the transition period, a globally interesting period witnessed several emerging industries based on knowledge and more intensive use of human capital.

The political decisions made in the last century led to the formation of some new states which, having disappeared in World War II emerged again in the 1990s. In many countries it can be argued that fifty years of communist ideology and practice have had a marked effect upon organisations and their members, which in consequence appear to be unable to adapt to the current environmental conditions of western corporatism. The communist way, born with the Russian October Revolution in 1917, brought with it a set of clearly articulated human values and behaviours based mainly on principles of socialist realism.

The year 1991 marked the beginning of a large-scale transition at cultural, individual, institutional and societal levels in the Soviet-bloc countries. Environmental factors have so intensively affected the functioning of organisations in the former East-bloc countries that it is appropriate to refer to the transition. Hood, Vahlne, and Kilis (1997) suggested the following: 'Transition' has become a key word in contemporary thinking about the series of complex changes taking place in the post-socialist world…Emerging market mechanisms increasingly pervade the economy and society, and it is time to carefully consider how economic actors and social groups not just adapt to a new economic environment, but also struggle to form the new rules of the game' (Hood et al. 1997:1).

This introduction explores the dynamics around and within organisations through a lens of the manifestations and consequences of changes in the dynamic environment.

2. Impact of the environment

It is often not an easy task to divide the organisation from its environment. For example, Frishammar (2006) proposes the adaptive perspective as a promising approach, but also admits that one angle is too limited for a conceptualisation. It is thus sensible to integrate the qualities of different perspectives in order to overcome this limitation.

Organisational task environment could be characterised in three dimensions ─ munificence (capacity), complexity (homogeneity-heterogeneity, concentration-dispersion), and dynamism (stability-instability, turbulence) (Dess, Beard 1984). These dimensions may open some aspects of environmental developments in the former Eastern bloc countries. Dess and Beard (1982) refer also to the population ecology paradigm when they analyze the resources for the organisations. According to this treatment, organisations are subjects of natural selection and have to find an appropriate niche in order to retrieve resources. The theory focuses on groups (populations) of organisations instead of individual organisations. The entity forming process is characterised as three consecutive steps: variation, selection, and retention. We take these three elements of population ecology theory for our framework of systematisation and discuss the organisational environment.

An abundance of resources permits organisational growth and stability and thus it leads to the variation in the organisational world. Estonia is an example of how munificence developed plurality in the organisational world. An example of the growth could be drawn from Estonian banking. It was established as a new sector of economy and therefore it would be interesting to look at the munificence in its environment. In a small Estonian city, Haapsalu, there were three independent banks at the beginning of 1991 (Haapsalus juba …, 1991) and yet it appeared that in a few months time another new bank would be opened in this city (Haapsalus jälle…, 1991). According to Sõrg's data there were 41 operating banks in Estonia in 1992, 22 in 1993, and 24 in 1994 (Sõrg 2003). The data reveal that the role of banks in economy increased more than two-fold (Banks assets, % of GDP).

The aspiration for growth dominated and several companies looked for markets in the neighbouring countries (i.e. Russia, other Baltic countries) in the mid-1990s. An Estonian business newspaper announced in the first issue of 1995: a year of growth and lending is coming (Tulemas on…, 1995). Probably, the peak of this atmosphere was in 1996 and therefore we characterise this period as the 'golden 1996', which expresses the belief in quantitative growth

and its primary role. This has created the fallacious perception of a good shape of organisations in many cases.

Munificence was an important social source of homogeneity-heterogeneity and concentration-dispersion in the organisational environment and it was regulated by selection. The selection phase was introduced by various means. Herein we elicit two of them – customers and the role of governmental regulations. Buyers and sellers started to acquire new roles and both had to learn how to select and to be selected. Vadi and Suuroja (2006) have put it as follows: "The amount of products increased and retail outlets entered into competition to regain their customer base. The direction and division of power relationships between retailers and customers in the selling process changed."

Legal regulations can be considered as the second important element of selection. There were no bankruptcies in the former Soviet Union but they were enacted in newly independent Estonia. The first official crash of a company took place at the end of 1992 (Täna hakkab kehtima…, 1992, Esimene teada-olev…, 1992) and 31 companies went bankrupt already in early 1994 (Intervjuu Ettevõtteregistri…, 1994). The focus of efficiency management moved from the execution of state-level planned numbers to the organisational level.

In the task environment of organisations it forms the basis on dynamism (i.e. stability-instability and turbulence). The retention phase gave a positive feed-back to those who had successfully passed the selection phase, which was concluded by the strongest tool – a financial crisis, which came in November 1997 (Külm dušš…, 1997). The retention phase proves the importance of efficiency. Those who were not able to pass the selection phase went out of business and others were able to stay. The change of environment and organisations took place and here we refer to the economic data because they clearly show that the number of actors has stabilised in the organisational world. Stabilisation of the organisational environment has created a situation where organisational leadership thinks how to stay, perform better, and satisfy their customers' needs.

The general environment of organisations is shaped by macro-level processes, yet the period of market economy in the former Soviet-bloc countries is too short to enable a systematic approach. Too much has happened during this brief period; therefore it is not easy to find the salient events and trends that could serve as a framework for systematisation. Systematisation in the transition era is a complicated task in regard to all aspects of societal life and human behaviour.

3. Processes in organisations

Hannan and Freeman (1997, 1988) suggest that organisational efficiency results from the excess of some kind of capacity. They say: "In a rapidly changing environment, the definition of excess of capacity is likely to change frequently. What is used today may become excessive tomorrow, and what is excessive today may be crucial tomorrow." In a similar vein, we argue that transitional society created such an environment for organisations, where the necessary capacity was changing frequently. Namely, this approach assumes that the environment selects the organisations, which are able to survive in populations.

The establishing of organisations was quite impressive in the early 1990, especially considering people's previous experience and attitudes. In the former Soviet Union, setting up organisations was carefully monitored by the state as they served as tools of controlling individuals and groups. Consequently, people had probably learned to be passive regarding organisations, but the number of new enterprises grew very fast and people's state of mind indicated that the birth of organisations was a natural part of life.

If the environment is turbulent, organisations have to keep up with the speed of developments. An organisation is a collective creation that consists of people and different kinds of human relations. It constitutes the collective effort of many people who aim to accomplish the tasks, but the outcome depends on how well the organisation can integrate its members. The organisational changes consist of a wide set of factors: people, strategy, structure, technology and those are shortly examined in the following paragraphs.

The change in peoples' mind was followed by changes in the entire society. Two aspects could be outlined here – the change of mentality and the role of individuals in the transformation of organisations. The lack of knowledge and necessary managerial experience was probably the main reason why out-standing entrepreneurs and salient ideas failed in those days. There was a polarization of mindsets – one group of people coped well with the change of the entire society, while the other retained the old approach to work. Indeed, the rapid change of mentality characterized people who had entrepreneurial traits and brought new ideas to organisations.

Understanding organisational goals was one of the main issues for many organisations in transitional society. There was often a drastic gap between the objectives of employees and the organisational objectives in everyday practices of transitional societies because in the socialist system, reaching state level planned numbers was the goal, and socialist competition was the movement, which supported the achievements of individuals and groups. In transitional societies the first half of the nineties gave several examples of organisations and organisational members who represented a mix of 'new' and 'old' type of understanding of organisational task or goals. For example, large enterprises and their remaining parts were affected by the new tendencies but they had

retained something from the past and were characterized by the in their former large size and good reputation (Üksvärav 1995).

The planned economy made the organisational goal and task rather vague because it was based on the magnification of results and irrational feedback criterion. This experience did not support the understanding of market economy and its requirements. For example, Liuhto (1991) compared Estonian and Finnish organisations when the transition started in the beginning of nineties and found that the Estonians organisations were production and relationship oriented and had a weak comprehension of costs, while the Finnish organisations showed the opposite results being market and goal oriented and knowing well the principles of cost analysis. It is interesting to mention that the picture has changed after 10 years. Kankaanranta-Jännäri (2006) found that the Estonian organisations were more task oriented than their Finnish counterparts.

The newly founded organisations needed an organisational structure, which would serve as rules for making decisions. More specifically, these decisions would be directed towards relationships between the parts of an organised entity by providing the principles for differentiation and integration, standardisation and locus of decision-making. For example, Vadi and Roots (2006) open various aspects of organisational structure (i.e. differentiation, personnel selection and training) and Vadi and Suuroja (2006) implicate the fundamental changes in personnel selection and training. Thus, we can suppose that the Soviet type human resources practices (Russian term "kadrovaja rabota" – operating in cadres) were gradually replaced by the democratic behaviour patterns. The model of organisational design was taken from the command economy and entrepreneurs supplemented it with personal understanding.

At the first stages of transition, small firms were typical and one person's ideology ruled the others' behavioural patterns, social issues of organisations were not discussed and young people were preferred to older employees (Üksvärav 1995). The lack of knowledge and necessary managerial experience about the organisational structure was probably the main reason why outstanding entrepreneurs and salient ideas failed in those days. Namely, in former socialist countries people had an experience with mainly hierarchical and strongly regulated organisations and such an attitude was not appropriate in the new conditions. Nogueira and Raz (2006) have shown by using computer simulation that in dynamic environments loose designs of organisations outperform tight organisational structures.

The firms, which created a strong structure from the very beginning, were unsuccessful (for instance, Vadi 2003); on the other hand, if loose structure was the crucial resource at the very outset of the transition, the ability to create a reasonable structure is crucial at the next stage. A dynamic environment implies a flexible approach to the organisational structure and the transitional society abounded with stories of success and failure in this respect.

In parallel with the transition period, a globally interesting period began that witnessed several emerging industries based on knowledge and more intensive use of human capital. Transitional economy enabled to follow new trends and provide motivation for fast development, and changes of organisations were fixed. These aspects are related to the technology or tools that organisations exploit in their functioning. There was a high variation of technology in the organisational society (Vadi, Roots 2006). Some organisations invested in old technology that did not enable them to compete with the western companies that had started to operate in Estonia, while others were innovative and searched new technologies (see also Vedina, Fink, and Vadi 2007). Banks were at the forefront in the use of new technologies and they disseminated this attitude to the rest of society (e.g. Luštšik 2004).

The concepts of population ecology theory enable us to explain the organisational environment and processes within organisations in the dynamic environment. The design of organisations and their functioning principles varied considerably. The role of entrepreneurs was very important at the initial stage of development, whereas later, when efficiency issues required special heed, managerial competence became a crucial capacity. Some areas had the advantage of starting from zero, while others had to grapple with the mentality and organisational culture that had been produced in the conditions of command economy. Indeed, many organisations started from zero, but society in general remembered the 'old times'. The previous market economy experience was still alive in Estonia when the transition began. Something similar was mentioned by Martin: "the starting-points for transformation are defined by the experience of both pre-socialist and socialist periods" (Martin 1999). He thought that pre-socialist experience would have a small impact on transformation because the socialist period represented only slightly more than a generation of experience in many Central and East European countries.

4. Manifestations and consequences of changes
in transition economies

In order to systematize the topics tackled in the articles, in the following section we switch from the broader population ecology and resource dependence perspectives to a more specific framework for understanding organisational changes, which considers dynamics from the perspective of an organisation. The current articles focus on different aspects of changes around and within organisations. Each article explores the interrelations between certain factors of change on various levels, in various activity domains, sectors, organisations, and using different methods. We show how they complement each other by means of Greenwood and Hinings' (1996) framework. Their approach follows the logics considered above from the perspective of the organisation, regarding the

dynamics in the environment by distinguishing between the dynamics of market and institutional context, and dividing intraorganisational dynamics into precipitating (interest dissatisfaction and value commitments) and enabling dynamics (power dependencies and capacity for action; see the model on Figure 1).
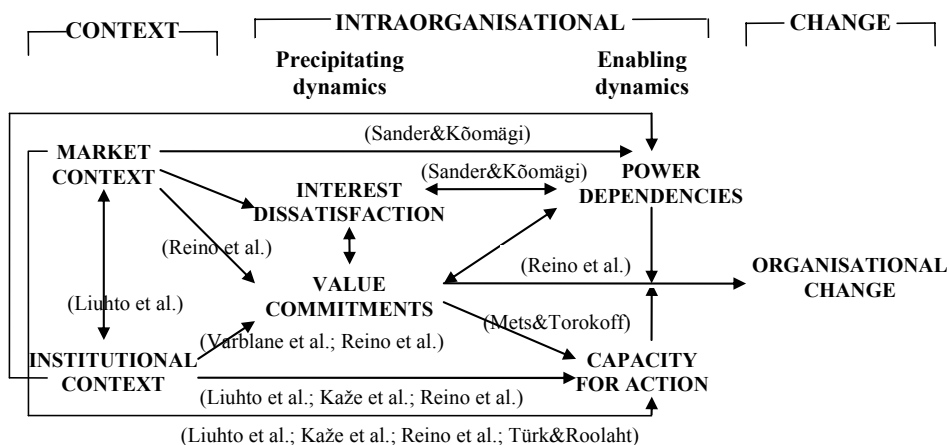
Note: References to the articles in this issue are marked in parentheses.
Source: Adapted from Greenwood and Hinings (1996)
Figure 1. Dynamics around and within organisations from the organisational perspective

4.1. Market context

The research has shown that market context has a direct effect on firms. It also incorporates changes in other areas of an organisation's external environments (see references in Uhlenbruck et al. 2003). In transition economies organisations have to reconfigure their resources dramatically and learn to operate successfully in the new context (*ibid.*). Many factor inputs are difficult to obtain, therefore the situation on the financial market context is one of the crucial aspects. Financial services stimulate stability and development of other national economy sectors (see article by Kaže et al.). Two articles in this issue describe in detail the development of the banking sector in Estonia and Latvia, and the article by Sander and Kõomägi focuses on another source of financial resources – venture capital.

The market context of the banking sector in Estonia has been very dynamic since the beginning of the transition period. The composition of the market participants and their profit earning strategies has been changing quite dramatically, as described by Liuhto et al. The reasons behind such dynamics were

related to the transition peculiarities in the banking market context, as well as to certain regulatory restrictions. The authors also emphasize another important factor of changes – internationalization, i.e. foreign banks' entry on the market that significantly intensified the competition and triggered certain institutional and organisational changes. Besides Estonian banking sector, Liuhto et al. analyse the impact of foreign bank entry in other transition countries – Croatia, Poland and Romania.

A similar situation on the banking market is in Latvia, where foreign banks (often the same as in Estonia, e.g. Hansabank and SEB) are the major players. As in Estonia, the acquisition of foreign competences, technologies and client servicing models helped banks to adapt quickly to the rapidly growing market demands and provide service quality expected by clients. In the Latvian institutional context of this sector, the situation is somewhat different, which creates difficulties for the development of the newest kinds of services (e.g. the lack of legislation concerning electronic signature in Latvia restricts the supply of e-services, see Kaže et al.).

In sum, the banking sector in these transition economies has developed towards transparency and effectiveness, which enables to finance organisations in other sectors. However, in new emerging industries young companies may lack credit history and collaterals and have a high level of information asymmetry, which prevents them from using the traditional sources of financing (Sander and Kõomägi). Therefore, venture capital and private equity play a crucial role in financing these companies. The allocation of control rights of venture capitalists are studied in detail in the article by Sander and Kõomägi.

Other forces stimulating market context changes in Estonia and Latvia, as well as in other transition countries were, among others, the rapidly growing Internet penetration and overall customers' orientation towards innovative technological IT solutions. As Kaže et al. assert, environment has an influence not only on the choice of dominating solutions offered by financial service providers, but also on the preferred choice of those solutions by customers. Moreover, customer demands, priorities and lifestyle are influenced by changes in the external environment arising from the transformation of economical structure. In the banking sector it meant the rapid development of electronic banking, which is the focus of both Liuhto et al. and Kaže et al.'s articles. Also for the IT companies it meant changes in their strategies, scope of activities, stimulated growth and hence caused intraorganisational changes, which are analyzed in the article by Reino et al.

Besides the banking and IT sector, other industries emerge in the transition societies that are based on knowledge and more intensive use of human capital. This puts a pressure on the education system, which also has to be able to adapt quickly to the market demands. Türk and Roolaht emphasize that the quality of education is related to the position of the graduates on the labour market and also to the requirements of possible employers. In order to know the customer

interests, universities should monitor more closely their customers' expectations. The authors look at this issue from the angle of monitoring the outcomes of the adaptation process in public and private universities by comparing their performance appraisal and compensation systems. They assert that since the higher education system is essentially rather conservative, compensation policies develop faster in the private sector, which shows that private universities tend to be more dynamic and adapt faster to changes in the education market. Yet, state budget difficulties in Estonia have called for better management and more efficient motivation of lecturers and researchers in the public higher education institutions (Türk and Roolaht).

4.2. Institutional context

Institutional context reveals its impact in different ways. One aspect of institutional context pressure for change stems from the extent of the establishment of institutional mechanisms. In transition economies, where these mechanisms are not fully established, it creates more alternative ways of organisational change and development, which are considered by Greenwood and Hinings (1996) as a necessary part of change stipulations. Varblane et al. consider the systemic change in the transition (Baltic) countries in the late 1980s as a situation to which organisations have to adapt, in other words, a trigger for intraorganisational change. The examples of such adaptation can be found in banking and IT sectors (see our references to the articles by Liuhto et al, Kaže *et al.,* Reino et al. in this introduction). However, later on Varblane et al. point out that since the speed of the catching-up process has been high in these countries and a current business model has produced permanent rapid growth and seems to be good enough, it actually creates less external stimulus to change than one might expect in a transition economy. Therefore it is difficult to persuade organisations and other actors of innovation system to initiate change, i.e., there is no or low commitment to change. In the model in Figure 1 this causal link is illustrated by an arrow between institutional context and value commitments, which according to Greenwood and Hinings (1996) are an important component of the precipitating intraorganisational dynamics.

4.3. Intraorganisational dynamics

In explaining intraorganisational dynamics, Greenwood and Hinings (1996) further extend this relationship, claiming that a change can be blocked if organisations with a successful current business model are not committed to change and have a concentrated power structure (elite domination) and/or an active transformational leadership that continuously reaffirms the importance,

efficiency and effectiveness of the current archetype. Sufficient conditions for no change become resistance to change by a dominant coalition with a concentrated power structure, regardless of the values held by the non-elite (Greenwood, Hinings 1996: 1046). Value commitment is thus related to power dependencies in organisation.

Power dependencies are also related to the interest dissatisfaction, as can be seen from the article by Sander and Kõomägi. They stress that although venture capitalists obtain voting rights, minority ownership by itself does not provide sufficient protection of their interests. Therefore, venture capitalists increase their influence over the company through the active involvement in supervisory and management boards. This increases the internal complexity of organisations, the role of which is stressed by Greenwood and Hinings: "every organisation is a mosaic of groups structured by functional tasks and employment status" (1996: 1033). Functionally differentiated groups are not neutral and indifferent to other groups, and they seek to translate their interest into favourable allocations of scarce and valued organisational resources. Groups use favourable power dependencies to promote their interests (1996: 1037). A potential pressure for change and/or inertia, therefore, is the extent to which groups are dissatisfied with how their interests are accommodated within an organisation. A high measure of dissatisfaction becomes a pressure for change (see references in Greenwood and Hinings 1996: 1035).

The transition economy has brought along a new diversity in organisational forms and a plurality of property rights (Meyer, Peng 2005). In the article by Sander and Kõomägi the institutional context also has an impact on power dependencies: the specificity of the Estonian institutional context is that minority shareholders' rights are protected relatively well, which allows venture capitalists to have a considerable control over the company and influence the management decisions, including processes of change. As the authors conclude, due to the dynamic nature of venture capital backed companies, additional capital infusions, exercising conversion rights and employee stock options, there might be frequent changes in ownership and board structure. This in turn may lead to other organisational changes.

Dissatisfaction, however, does not provide direction for change. Greenwood and Hinings (1996) emphasize that critically important is the pattern of value commitments of the groups in the organisation: some support and are committed to the status quo (current archetype, or template-in-use), whereas others prefer an articulated alternative (*Ibid.* 1035). Value commitments are explored in Reino et al. article, where Competing Values Framework approach is used for discovering the organisational culture type and its dynamics over time. Due to the development of the global and local IT sector environment the organisation under focus had to and was able to adapt quickly to the changing situation. The rapid growth of demand on the market has forced the company to expand its activities, first in Estonia and then internationally, though broadening the

activity internationally was not seen as an end in itself (see reference in Reino et al.). Later changes in the institutional context, such as the necessity to certificate quality management according to ISO standards also caused certain organisational changes. However, during the last years there was a shift in organisational values in the organisation under focus: from a small enthusiastically working team it has become a formalized and result-oriented organisation valuing stability. That is notwithstanding the fact that the environment undergoes continuous changes as well. This result is in contradiction with the earlier findings, which showed that organisations with a recent experience of change are more likely to attempt further change (see reference in Greenwood and Hinings 1996: 1040). Such experience should accumulate the capacity for action in organisation, another important aspect of intraorganisational change enabling dynamics.

Capacity for action in Greenwood and Hinings' approach means the ability to manage the transition process in organisation (*Ibid*. 1039). According to them, 'radical change cannot occur without the organisation's having sufficient understanding of the new conceptual destination, its having the skills and competencies required to function in that new destination, and its having the ability to manage how to get to that destination' (Greenwood and Hinings 1996: 1040). Capacity for action embraces both the availability of these skills and resources within an organisation *and* their mobilization, which is the act of leadership (*Ibid*.). As mentioned at the beginning, the retention phase after some stabilisation of the organisational environment in Estonia has created a situation where the organisational leadership think how to stay, perform better, and meet their customers' needs. Reino et al.'s study shows that the capacity for action was high enough in turbulent times, but has decreased during more stable periods.

Besides the capacity for action the supportive power dependencies are necessary for implementing a change (Greenwood, Hinings 1996: 1040). As referred by Reino *et al.,* it was previously found that the power dependencies in the company were shifted, when some employees were left out from the inner circle of the company's management. This causes interest dissatisfaction that may constitute a potential pressure for change. Again, value commitments are important in such situations, since once they become taken for granted – as is orientation towards stability in a company – they can serve to alleviate expressions of dissatisfaction (Greenwood and Hinings 1996: 1036).

Value commitments and capacity for actions can also be considered as knowledge structures (Greenwood, Hinings 1996: 1046). Change from one archetype to another involves designing new organisational structures and systems, learning new behaviours, and interpreting phenomena in new ways (*Ibid*. 1046). The learning capacity in organisations is considered very important by Varblane et al. for increasing the learning capacity of the whole society, establishing the interactive learning based system and promoting knowledge in

the economy, and thus, for building national innovation systems. The authors emphasize the importance to overcome the path dependency in thinking, encouraging understanding that learning is necessary, and the need for the increase of importance of planning and practical skills.

When we look at the results of Mets and Torokoff's study, we see that managers have quite different attitudes towards the appreciation of employees' initiative, dedication and creativity. Furthermore, there is a difference in the responses of managers and workers, with a much larger number of such interrelated manifestations of the internal organisational climate in the workers' sample, than among managers. This suggests that there might actually be quite large differences in value commitments first, among managers, and second, between managers and workers. This may indicate some interest dissatisfaction as well. The findings also indicate the still modest distribution of learning organisation behaviour among the companies' management staff. The authors claim that the managers in these companies are more organisation oriented and trained for their role to behave as team members, whereas the middle managers have not widened their role towards the creation of workers' teams and team learning. Mets and Torokoff concluded that due to the specific field of the companies under study (production) they cannot be positioned as learning organisations. Therefore, we can assert that in these organisations the potential for action is not high enough for organisational learning, and as such, for organisational change.

However, these conclusions can be extended to other industries in transition economies. A low motivation to create learning capabilities is explained by Varblane et al. by the advantages of being latecomers, which have created short-time success, and by isolation of the companies and their lack of support for key stages in the process. As the authors claim, in a society the ability to generate new knowledge presumes the existence of active learning by all actors of the system, and the organisations need to maintain permanent capability to learn and change if they wish to survive and develop. To create new resources and take advantage of new opportunities, organisations must build up the according dynamic capabilities. To accumulate them, learning is required. In order to learn and profit by knowledge, organisations must develop an adequate absorptive capacity – an ability to recognize valuable new knowledge, integrate it and use it productively, which depends on prior related knowledge. Hence, there exists path-dependence between the existing and new resources of the company (See references in Uhlenbruck et al. 2003). Yet, path dependence might be also problematic. Lock-in situations and neglecting path-dependency are very dangerous, because the proposed action plans may be inadequate and not implementable (Varblane et al.). Moreover, organisations should take into account the frequent change of the necessary capacity caused by transitions in the society.

In short, the considered aspects of change around and within organisations support the Greenwood and Hinings (1996) belief of the critical role of intra-

organisational dynamics in accepting or rejecting institutionalized practices. It is particularly obvious in transition economies.

5. Conclusions

Any change implies processes of dynamic nature. Thus, changes around and within organisations open important issues of dynamics in transition societies in general. This is a new experience, which helps to explain organisational change when not only the organisational context, but the whole society is changing. Providing a broader understanding of such changes enhances the field of organisational theories.

Based on the above, we can draw several conclusions for organisations. First, the relationship between the market and institutional context is reciprocal: changes in the former involve changes in the other, and vice versa.

Second, interests and values are an important part of the change process. As Greenwood and Hinings (1996) define it, organisations are heterogeneous entities composed of functionally differentiated groups pursuing goals and pro-moting interests, and how organisations 'respond' to institutional prescriptions, is a function of these internal dynamics. Here we propose that the changed economic environment emphasizes values because they enable to understand the processes of change from organisational and societal point of view. Values are crucial to understanding the 'invisible' component of change (Schöpflin 1997:272). It is our argument that the concept of value enables us to appreciate the trajectory of both micro- and macro-level forces of organisational change within economic transition.

Third, change depends on the managerial competence in the organisation. As different research has shown, the magnitude of the required change may exceed many managers' and employees' cognitive abilities. Rapid processes of transition from communist ideology and command economic systems to democracy and market economy resulted in a significant change of managerial qualities and organisational activities in transitional countries.

Fourth, so far change has been considered mainly on its positive side. The rapid transformation of the economy in recent years has been achieved, in part, by matching new economic demands in terms of knowledge and experience with appropriate styles of management. However, in certain conditions not all changes might be necessary. The results of change can be clearly seen and therefore more objectively analyzed form a longer time distance. Looking into the unsuccessful stories of organisational change provides a better knowledge of this phenomenon and is a potential future research direction.

Fifth, organisational changes consist of both dynamic and stable components. According to the population ecology approach, turbulent times are always followed by a period of stability. So far we have looked at the changes around

and within organisations in dynamic environments of the transition societies, and these have been continuous. There is however some evidence of emerging stability. Whether the processes in these societies will start to fit more with the traditional approach to organisational changes, is the question that deserves a closer observation in the future.

The dynamics of the process and the transition-related problems vary a lot in Central and East European countries (CEE), but sometimes these were seen as very similar. Gilbert (2001: 411) has said that some early Western analysis of management changes in the countries of CEE tended to approach the topic as though the events of the second half of the twentieth century rendered the whole region culturally homogeneous. We have found that this process is influenced by several organisational and societal factors in organisations. The outcome may depend on the managers' skills and knowledge of binding these issues together.

Acknowledgements

References

Dess, G. G. and D. W. Beard (1982) "Objective measurement of organizational environments". *Academy of Management Proceedings*, 245–249.

Dess, G. G. and D. W. Beard (1984) "Dimensions of organizational task environments". *Administrative Science Quarterly* 29, 52–73.

Gilbert, K. (2001) "Management change in central and eastern Europe". *The international handbook of organizational culture and climate*, 407–428. C.L. Cooper, S. Cartwright, and P.C. Early, eds. Chichester: Wiley & Sons.

Greenwood, R. and C. R. Hinings (1996) "Understanding radical organizational change: bringing together the old and the new institutionalism". *Academy of Management Review*, 21, 4, 1002–1054.

Hannan, M. T. (1988) "Organisational population dynamics and social change". *European Sociological Review* 4, 2, 95–109.

Hannan, M. T. and J. Freeman (1977) "The population ecology of organisations". *The American Journal of Sociology* 82, 5, 929–964.

Hood, N., J.-E., Vahlne, and R. Kilis (1997) "Introduction". In *Transition in the Baltic states: micro-level studies,* 1–15. N. Hood, R. Kilis, and J.-E. Vahlane, eds. London: Macmillan.

Kankaanranta-Jännäri, J. (2006) "The relationship between organizational culture and individual values: a comparative study between Estonia and Finland". In *National and International Aspects of Organizational Culture,* 209–223. M. Vadi, A. Reino, and G. Hämmal, eds. Tartu: Tartu University Press.

Liuhto, K. (1991) *The interaction of managerial cultures in Soviet-Finnish joint ventures – including Estonian-Finnish joint ventures.* Turku: School of Economics and Business Administration, Institute for East-West Trade.

Luštšik, O. (2004) *Can e-banking services be profitable?* (University of Tartu Working Paper, 30.) Tartu.

Martin, R. (1999) *Transforming management in central and eastern Europe*. Oxford: Oxford University Press.

Meyer, K.E. and M. W. Peng (2005) "Probing theoretically into central and eastern Europe: transactions, resources, and institutions". *Journal of International Business Studies* 2005 – palgrave-journals.com.

Nogueira, J. C. and T. Raz (2006) "Structure and flexibility of project teams under turbulent environments: an application of agent-based simulation". *Project Management Journal* 367, 2, 5–10.

Schöpflin, George (1997) "The intangibles of transition: attitudinal obstacles to change". *Transition in the Baltic states: micro-level studies,* 272–279. N. Hood, R. Kilis, and J.-E. Vahlane, eds. London: Macmillan.

Sõrg, M. (2003) *Reformation of the Estonian banking system.* (Diskussionspapier, 2/03.) Greifswald: Ernst-Moritz-Arndt Universität.

Uhlenbruck, K., K. E Meyer, and M. A. Hitt (2003) "Organizational transformation in transition economies: resource-based and organizational learning perspectives". *Journal of Management Studies* 40, 2, 257–282.

Vadi, M. (2003) "Background to the organisational culture developments in transitional Estonia". *Organisational culture in Estonia: manifestations and consequences,* 27–46. M. Vadi, ed. Tartu: Tartu University Press.

Vadi, M. and H. Roots (2006) "Estonian organizations – the subjects for transformation". *Estonia, the new EU economy: building a Baltic miracle?,* 189–206. H. Hannula, S. Radoševic, and N. von Tunzelmann, eds. Aldershot: Ashgate Publishing.

Vadi, M. and M. Suuroja (2006) "Training retail sales personnel in transition economies: applying a model of customer-oriented communication". *Journal of Retailing and Consumer Services* 13, 5, 339–349.

Vedina, R., G. Fink, and M. Vadi (2007) "Value diversity for innovativeness in the multicultural society of Estonia". *Entrepreneurship, cooperation and the firm: the emergence and survival of high tech ventures in Europe*, 507. J. Ulijn, D. Drillon, and F. Lasch, eds. Cheltenham: Edward Elgar Publishing.

References from Estonian newspapers

"Esimene teadaolev pankrot Eestis." [First known bankruptcy in Estonia.] (1992) *Äripäev* (Tallinn) 90.

"Haapsalus jälle üks pank juures." [Another bank in Haapsalu.] (1991) *Äripäev* (Tallinn) 30.

"Haapsalus juba kolm panka." [There are already three banks in Haapsalu.] (1991) *Äripäev* (Tallinn) 7.

Intervjuu Ettevõtteregistri juhataja S. Rogovaga. [Interview with the manager of the Business Register S. Rogova.] (1994) *Kaubaleht* (Tallinn) 25.

"Külm dušš börsil." [A cold shower on the stock market.] (1997) *Äripäev* (Tallinn) 1041.

"Täna hakkab kehtima pankrotiseadus." [Bankruptcy Act becomes operative today.] (1992) *Äripäev* (Tallinn) 80.

"Tulemas on kasvu- ja laenuaasta." [The year of growth and credit is coming.] (1995) *Kaubaleht* (Tallinn) 1.

Üksvärav, R. (1995). "Organisatsioonikultuur: osata teha õige valik". [Organizational culture: to make a right choice.] *Ärielu* (Tallinn) 8.

II

Study II
Interactions of cultural elements: Estonian organisations in the pan-Baltic mirror

Rebekka Vedina, Maaja Vadi, Elina Tolmats

The society is the mirror in which one catches sight of oneself
(Adam Smith 1759)

Introduction

One of the ways to understand the determinants of socioeconomic development in a society is looking at its actors, namely, organisations, from a comparative perspective. The functioning of organisations depends on the society's formal and informal rules and when these are compared to other societies, they can provide an important insight into organisational performance. When a society's formal and informal rules are in harmony, the transaction costs of maintaining and protecting the social game are reduced and resources freed for the production of wealth (Pejovich 1997; cf. Tomer 2002). The informal rules in a society reflect its social norms and cultural values. As Roland (2004) has pointed out, a better understanding of the role of the values and norms that shape ideas and institutions in a society is essential for better understanding the determinants of economic growth.

Several scholars have associated economic development with the adjustment of people's value systems: people become modern by incorporating the values implicit in the institutions of industrialised societies into their personal value systems (cf. Schwartz & Sagie 2000). Presumably, these modern values facilitate social and psychological adjustment to the demands of institutions in economically developed societies, whereas the traditional values that would interfere with adjustment are rejected (Yang 1988, cf. Schwartz & Sagie 2000). However, cultures tend to be stable and reluctant to change and when they do change, they transform slowly (Hofstede 2001). This implies a conflict of values in transition societies. Indeed, Pejovich (1997) has concluded that the transition in Eastern Europe can be slowed down by the clash between its customs and traditions which are "largely devoid of such Western ideas as those expressed in classical liberalism and individualism" and "have a strong bias towards collectivism and egalitarianism", and the values of Western capitalistic cultures (cf. Tomer 2002: 434). As the World Values Survey has shown, although Estonia is one of the few countries in the world with the lowest traditional orientation towards authority, religion and prevailing world views, its values emphasize economic and physical security that entail survival and

materialistic values as opposed to self-expression values, what was also found in the other ex-Soviet block countries (Inglehart & Baker 2000). Coping with this controversy in values is a challenge not only for each individual, but for a society as a whole.

Similarly to individuals, most organisations bear the diverse consequences of culture in our modern globalising world. On the one hand, they operate in societies where certain values and norms prevail, affecting the actual as well as preferred arrangements in commerce and industry, technology, organisational structure, organisational functions and activities (Hofstede 2001; Fink & Mayrhofer 2001; Matsumoto 1996). On the other hand, they consist of individuals each having a set of values obtained in a certain cultural context. These values and norms crucially affect the orientations and attitudes of employees towards both their work and employers (Gabriel 1999). Hence, values can be seen as a link between society and organisations.

The success of an organisation as a whole depends on the collective contribution of all members, not on the performance of some remarkable individuals (Jacobs 1981). The cooperation between individuals, groups, and organisations is a vital issue for any social entity and largely depends on their cultural background. As Aycan (2000: 11) has put it: the real issue is not whether but to what extent and in what ways culture influences individual and group phenomena in organisations. In order to disentangle the cultural and non-cultural factors that influence organisational structure and practices, she argues for comparative studies that would allow us to estimate both the direct and indirect impact of culture.

The purpose of the current study is to portray the cultural background of Estonian organisations in the context of three Baltic States, using their common ethnic minority as a basis for comparison. All three Baltic States – Estonia, Latvia and Lithuania – have Russian-speaking minority populations that have a similar historical, political and ethnic background. This similarity stems from the analogous socio-political situation of Russian-speakers in the Soviet Union: after the incorporation of these republics into the Soviet Union, Soviet authorities worked unremittingly to cultivate Russian cultural presence in all the Union republics by setting up industries and military bases as well as administrative and political bodies, the major workforce of which was made up by the speakers of Russian transferred with their families from central parts of Russia and other Soviet republics. The common legacy of these populations in the Baltic States from the Soviet period is the shift from perceiving themselves as the majority in the Soviet Union to becoming a minority in the independent republics (Runblom 2002).

The Russian-speaking minority in the Baltic States represents a special ethnic identity (Linz & Stepan 1996; Laitin 1998: 33, 295), although the relative sizes as well as ethnic roots of the populations belonging to it are somewhat different. The proportions of Russian-speaking populations in the Baltic States

are as follows: Estonia – 32%, Latvia – 40%, Lithuania – 9.5% (Baltic Econo-mic Stats 2004). Besides people of Russian nationality, Belorussians and Uk-rainians are also included in this group (corresponding to 1–3.9% of the total population) (Baltic Media Book 2001). This approach is explained by Linz and Stepan (1996) who assert that since identities are in fact socially constructed and constantly changing, the Russian-speaking population, whether from the Ukraine, Belarus, Russia, or some other CIS republic, are actually developing a new diaspora identity of the "Russian-speaking minority" which is based on linguistic as well as socio-political grounds. Indeed, in the Russophone diaspora many people identify themselves as "Russian-speaking" rather than as "Rus-sians" (Linz & Stepan 1996; Laitin 1998: 33, 295).

This unique self-perception suggests a distinctive set of values and attitudes held by the Russian-speaking minority in the three Baltic States, which is shared by these populations and as such can serve as a common variable in analysing the country-of-residence effect and in highlighting the specific traits of interactions of cultural elements in Estonian organisations. In the following sections the theoretical perspectives on the elements of culture are presented, a survey of the values and attitudes of Russian-speaking employees is described and analysed, and finally, conclusions are drawn and discussed.

Theoretical perspectives on the elements of culture

Interactions of cultural elements in a society
Values, attitudes, social norms and rules are the manifestations of culture, which is shaped differently at different levels, such as society, organisation, or a group of individuals. Among the manifestation levels of culture, at the deepest level of consciousness are basic assumptions, which are taken for granted and treated as nonnegotiable (Schein 1997: 16). At the next level basic assumptions manifest themselves in espoused values, attitudes and beliefs and ultimately, in norms of conduct and observed everyday behaviour. Starting with the same set of basic assumptions, the greater the number of potentially divergent factors within the cultural unit (e.g. ethnicity, language, religion, etc.), the more one can expect variety in espoused values and attitudes, and observed behaviour.

These cultural elements are in constant interaction both at each separate level and between different societal levels. For example, the values and beliefs of individuals acquired in a society's certain cultural context are brought into and socialised in organisations where these individuals work. At the same time, work does not only take place in workplaces and is not always rewarded only with payment; it is also a large part of people's domestic lives, as well as of the voluntary sector (Gabriel 1999). By rewarding certain values may be endorsed and others disapproved, which has its effect at the level of society. Therefore, to

determine the relationships that are important in organisations, one needs to consider the interaction of cultural elements at different levels.

When a society is homogeneous, its national culture is considered as the main source of basic assumptions, values, attitudes and beliefs. For example, Mead (1994) argues that national culture is the essential determinant of values and behaviour within the organisation. With each different national culture comes a fresh set of values, and with each fresh set of values comes the question of how they can be integrated within the organisation, or how far their differentiation is to be tolerated or even welcomed (Griseri 1998). From the perspective of Estonian organisations, the subculture of the Russian-speaking population provides another significant source of cultural elements. If we link these issues together, we can give some explanations to the functioning of organisations in Estonia and intangible aspects, such as individual values, attitudes and organisational culture, could serve as a lens for the examination of these issues.

Individual values
As Gabriel (1999) claims, values are an essential part of any culture and they can vary widely across different cultures. Similarities and differences in value orientations can be one source of overall and financial growth, or of conflict, frustration, and organisational stumbling (Matsumoto 1996: 113). Therefore, values are important in making economic and business performance har-monious, and this performance depends on interrelated values and a work environment that fit the tasks (King 1997).

According to Hofstede (1997), values are acquired early in life, mainly in the family and in the neighbourhood, and later at school. Mead (1994) claims that values determine how individuals interpret the context of events that surround them; what they select as imperative in the context, what needs to be explained and what can be taken as routine, and what can be edited out of consciousness as insignificant. Rokeach and Regan (1980), in their turn, determine a value as a conception of desirable means and end-state actions that are employed as standards or criteria of actions.

Rokeach (1969) has identified two fundamental types of values: terminal and instrumental. *Terminal values* reflect wants and desires that people wish to fulfil during their life (Vadi 2000); these are self-sufficient end-states of existence that people strive to achieve and they are pursued for their own sake (Meglino, Ravlin 1998). *Instrumental values* are values that support people to choose a proper behaviour (Rokeach 1973) – these are modes of behaviour rather than states of existence (Meglino, Ravlin 1998).

Smith *et al*. (2002) have asserted that the attraction of values as the basis for conceptualising culture is that they can be expressed in a decontextualised manner. Respondents can be asked to report their values without the need to specify what actions might be entailed by adherence to these values in particular

circumstances. Individual reports of values can then be used as indirect indicators of the cultural values that prevail across the many contexts to which people are exposed during their life within a society (Schwartz 1999). In the present survey individual values are studied on the basis of Rokeach's (1969) classification of terminal and instrumental values.

Collectivistic attitudes
Another indicator of preferred modes of behaviour is attitudes which are regarded as the expression of values as well as functions of values (cfr. Abraham 1998). In organisations, attitudes determine the nature of the relationship between workers and their workplace, which is in turn strongly influenced by the level of individualism and collectivism prevalent in a given society (Hofstede 2001). Indeed, several studies have shown that the collectivistic attitudes of members of an organisation are related to the strength of the emotional and cognitive ties with the organisation. For example, Love, Macy and Rea (2002) discovered that the sense of community at work and workers' level of collectivism are positively associated with certain organisational behaviour types directed to one's co-workers, e.g. helping a co-worker with a work problem. This is in line with Moorman and Blakely's (1995) finding that employees who held collectivistic values or norms also endorsed items related to interpersonal helping, individual initiative and loyal boosterism (cf. Love *et al*. 2002).

Furthermore, it was found that collectivist orientation is a predictor of organisational commitment (Wang *et al*. 2002; Parkes *et al.* 2001; Boyacigiller & Adler 1991; Angle & Lawson 1993; Clugston *et al.* 2000) and that the concept of collectivism can explain differences in cooperative behaviour (Chatman & Barsade 1995; Wagner 1995; Chen *et al.* 1998). Thus, pertaining literature appears to support the notion that in-group attachment for the collectivist may be translated into workgroup attachment at work.

Collectivistic attitudes differ in terms of their focus on the individual or group as the object of interest. According to Hui (1988), individualistic and collectivistic tendencies are specific to the target groups and largely depend on how important such target groups appear to be to the person (e.g. spouse, parents, friends, co-workers) (cf. Realo 2002). In order to differentiate the collective attitudes, it is necessary to answer the question – collective in relation to what or to whom? Realo, Allik, and Vadi (1997) found that collectivism can be regarded as a hierarchical construct where there are three levels of relationships: family-related, friends- (peers) related, and society-related collectivism.

Family-related collectivism (Familism) implies a person's dedication to his/her family, putting its interests higher than one's personal aspirations. Family security, honouring parents and elderly people, respect for traditions and reciprocation of favours serve as guiding principles in a familist's life. Peer-related collectivism (Companionship) can be described by close relations

between an individual and his/her neighbours, friends, or co-workers. Society-related collectivism (Patriotism) means dedication to serving one's nation by surrendering one's personal comforts to those of the latter. Patriots are always ready to sacrifice themselves defending their nation against enemies. (Vadi *et al*. 2002)

Application of the hierarchical model of collectivism allows us to study how the different domains of collectivism are interrelated with the intangible aspects of an organisation, i.e. organisational culture. Besides interdependence at individual and organisational levels, collectivistic attitudes are formed and transferred through the dominant culture of the society in which the organisation operates (Vadi *et al*. 2002). Therefore, collectivistic attitudes that stem from such cultural context are of importance when studying the levels of connections between collectivism and organisational culture.

Perception of organisational culture
The concept of organisational culture enables us to highlight the importance of certain actions in an organisation and to explain them. The common part of many different definitions of organisational culture is that it is a set of shared beliefs, values, and behaviours (Schein 1997; Hofstede 1997, 2001). Organisational culture studies, as a rule, focus on how the organisation regulates, controls, and influences the behaviour of its members through its values, language (jargon), rituals, and customs. One of the most important functions of organisational culture is stabilising individual behaviour: it provides people with indications about what is successful and unsuccessful behaviour in the organisation (De Witte & van Muijen 1999). Hence, the perception of organisational culture comes into question.

It is possible to distinguish between two main orientations of organisational culture: task and relationship orientations. *Task orientation* reveals general attitudes towards organisational tasks, in other words, it reflects the extent to which all members are willing to support the achievement of common goals (Schein 1997; Harrison 1995; Vadi *et al*. 2002). *Relationship orientation*, on the other hand, reveals interpersonal relationships between organisational members, i.e. it indicates belongingness – people assist one another in work-related problems and discuss all the important topics with one another (Vadi *et al*. 2002).

Both organisational culture orientations are equally important (Schein 1997: 371). Yet there are some controversial points of view with regard to which orientation is more suitable for a certain environment. For example Schein (1997: 371) claims that in a stable environment it is safe to be completely task-oriented, and in a complex, turbulent environment, in which technological and other forms of interdependence are high, one needs to value relationships in order to achieve the level of trust and communication that will make joint problem-solving and implementation of solutions possible. On the other hand, Harrison (1995: 157) points out that task-oriented culture's greatest strength is

dealing with a complex and changing environment, and that the person-oriented organisation, too, is well adapted to dealing with complexity and change. It is difficult to affirm what type of environmental characteristics breed a certain type of organisational culture. But it is possible to draw conclusions about the type of culture on the basis of predominant orientations of organisational culture. The latter will show the strength of supportiveness and perception of organisational members, and whether the task or the relationships are being in favour.

Empirical study

Sample
A study of individual values, collectivistic attitudes and perception of organisational culture was conducted among 664 Russian-speaking employees in Estonia (in 1996–2001), 313 in Latvia, and 203 in Lithuania in 2003[*] in the textile industry, service, trading and energy sectors. The average age of respondents was 38.7 years (*SD*=9.27) for Estonia, 27.8 years (*SD*=8.61) for Latvia and 40.9 years (*SD*=8.48) for Lithuania. The same Russian-language version of questionnaires was used for surveying speakers of Russian in Estonia, Latvia and Lithuania.

Method
In order to study individual values, Rokeach's methodology was applied. The respondents were given a list of 18 terminal and 18 instrumental values. For each list the respondent was asked to rank the values according to how important each of them was to him or her. He/she had to place a "1" next to the value that was most important to him/her, a "2" next to the second most important one and so on. (Vadi 2002) To find the main terminal and instrumental values, the ranking order was then analysed. It is necessary to note here that the importance of values is determined by the decreasing mean value because of the ranking technique of the questionnaire. Correlations between the values and orientations of organisational culture were performed using the values of Spearman's Correlation Coefficients on condition that $\rho \geq |0.10|$ at the significance level $p \leq 0.05$. Due to the ranking technique of the value statements, the questionnaire correlations were interpreted in the opposite way –

---

[*] In order to collect data in Estonia, Latvia and Lithuania a network of researchers was developed and cooperation was started. Besides the University of Tartu, Vytautas Magnum University in Lithuania and University of Latvia collaborated in the project. Hereby we acknowledge the cooperation effort taken by Dr. Irene Bakanauskiene and Dr. Nijole Petkevičiute from Lithuanina, Prof. Erika Sumilo and BA student Aiga Stabulniece from Latvia.

a negative correlation signifying the same trend and a positive correlation the opposite trend between the aspects analysed.

The RUSCOL Likert-type 5-point scale (Realo *et al*. 1997[**]) was used to measure collectivistic attitudes. The scale consists of 24 items, which measure three subtypes of collectivism: Familism (further also marked as COL1), Companionship (marked as COL2), and Patriotism (marked as COL3). Each respondent was asked to rank the statements depending on to what extent he/she agreed or disagreed with each of them. One-way ANOVA was then performed in order to uncover the variations between the Estonian, Latvian and Lithuanian samples. The differences in mean values are important at the significance level $p \leq 0.05$. To find the correlations between collectivistic attitudes and the perception of organisational culture, Pearson's Correlation Analysis was conducted.

For the purpose of studying the perception of organisational culture, an instrument developed by Vadi (2000) was used. The organisational culture questionnaire (OCQ) consists of 43 items measured by Likert-type 10-point scale, 16 of which form two scales: eight items with substantial and unique loadings measuring task orientation of organisational culture, and the other eight measuring relationship orientation (Vadi *et al*. 2002). The respondents were asked to rank the statements about their organisation, depending on to what extent they agreed or disagreed with each of them.

Results

The five most important terminal and instrumental values of the Russian-speaking members of Estonian, Latvian and Lithuanian organisations were found. Table 1 presents the comparison of the results. An analysis of the most important terminal values shows that such terminal values as *family security*, *self-respect, wisdom* and *a sense of accomplishment* are similar in all three samples. In addition, members of Estonian and Lithuanian organisations share the terminal value *the world at peace*.

Table 1. The most important terminal and instrumental values of Russian-speaking members of Estonian, Latvian and Lithuanian organisations.

		RusEst (*M*)	RusLat* (*M*)	RusLit (*M*)
Terminal values	*Family security*	4.60	7.03	6.67
	A sense of accomplishment	6.92	6.35	7.34
	Self-respect	6.56	5.91	7.68
	Wisdom	6.16	6.42	7.88
	A world at peace	7.67	–	6.80
	Mature love	–	6.94	–
Instrumental values	*Imaginative*	7.35	–	–
	Loving	7.60	–	7.37
	Logical	7.76	7.89	–
	Responsible	7.97	5.68	7.31
	Courageous	8.20	–	–
	Honest	–	5.76	4.01
	Ambitious	–	7.48	–
	Helpful	–	8.20	–
	Forgiving	–	–	6.86
	Clean	–	–	8.12

Notes: RusEst – Russian-speakers in Estonia; RusLat – Russian-speakers in Latvia; RusLit – Russian-speakers in Lithuania. * Terminal values of the older than 30 years old Russian-speakers in Latvian organisations; mean values are calculated on the basis of ranking technique from 1 (the most important value) to 18 (the less important value).

The only similarity between the Estonian, Latvian and Lithuanian samples concerning instrumental values is that they all share the value *responsible* (see Table 1). There are also similarities between the instrumental values in the Estonian and Latvian samples with respect to the value *logical*, and between the instrumental values in the Estonian and Lithuanian samples with respect to the value *loving*. Russian-speakers in Latvia and Lithuania share the instrumental value *honest*. No more similarities could be detected among the speakers of Russian in Estonian, Latvian and Lithuanian organisations with respect to the most important instrumental values.

The mean values of the three RUSCOL Subscales are shown in Table 2. One-way ANOVA indicated significant differences between the Russian-speaking minorities in Estonia, Latvia and Lithuania on the Familism and Companionship subscales (F $(2,1164)$=164.792 and F$(2,1163)$=122.249, respectively, both significant at 0.00 level), and smaller yet significant differences on the Patriotism subscale (F$(2,1164)$=56.517). Russian-speakers in Estonia scored highest on the Familism and Patriotism, and lowest on the Companionship subscale. Speakers of Russian in Latvia scored lowest on Familism and

Patriotism, whereas their counterparts in Lithuania scored highest on Companionship.

Table 2. The Mean Values and Standard Deviations of the RUSCOL Subscales

	Familism			Companionship			Patriotism		
	M	*n*	*SD*	*M*	*N*	*SD*	*M*	*n*	*SD*
RusEst	**3.34**	651	0.47	**1.41**	650	0.55	**2.28**	651	0.69
RusLat	**2.63**	313	0.70	**1.59**	313	0.50	**1.79**	313	0.69
RusLit	**2.94**	201	0.68	**2.07**	201	0.49	**2.19**	201	0.64

Notes: RusEst – Russian-speakers in Estonia; RusLat – Russian-speakers in Latvia; RusLit – Russian-speakers in Lithuania; Mean scores of importance ratings: 0 (absolute disagreement with the assertion) … 4 (absolute agreement with the assertion).

In order to find the relationships between three RUSCOL and two Organisational Culture subscales, Pearson's Correlation was conducted. Russian-speaking members of organisations in Estonia and Latvia have similar correlations between Familism and relationship orientation of organisational culture. In the Lithuanian sample, Companionship attitudes are significantly correlated with both organisational culture subscales. However, there is no such correlation in the other two samples. An interesting finding is that Patriotism is positively correlated with relationship orientation of organisational culture in all three samples. Moreover, it is also correlated with task orientation in the Latvian sample (see Table 3).

At the same time, according to correlation analysis of the relationships between organisational culture orientations and individual values among the Russian-speaking members of organisations in Estonia, Latvia and Lithuania, these connections are different in all three samples. There was only one similarity among the Russian-speakers in Estonia and Lithuania where the terminal value *a sense of accomplishment* has a positive relationship with task orientation of organisational culture.

The detected differences in collectivistic attitudes and in their relationships with organisational culture orientations suggest that they can be considered as national contextual variables. In order to check for their possible connections with the relationships between individual values and organisational culture orientations, a two-level correlation analysis was performed according to the suggestion by Huang and van de Vliert (2003). We correlated the scores of the 3 types of collectivistic attitudes with the size of the correlation coefficients between individual values and organisational culture orientations. Spearman's correlation analysis was made and the results can be seen in Table 3.

Table 3. Significant correlations between cultural elements

		Task orientation of OC		Relationship orientation of OC	
Most important terminal values	*A sense of accomplishment*	+	Estonia, Lithuania		
	A world at peace			+	Estonia
	Family security			-	Lithuania
	Self-respect		Latvia		
	Wisdom			+	Latvia
	A world at peace	-	Lithuania	+	Estonia
Instrumental values	*Ambitious*	+	Lithuania		
	Broadminded	-	Lithuania	-	Lithuania
	Clean	+	Lithuania	-	Estonia
	Cheerful	-	Lithuania		
	Obedient	+	Lithuania		
	Forgiving			+	Lithuania
	Helpful			+	Latvia
	Imaginative			-	Lithuania
	Loving			+	Lithuania
	Responsible			+	Estonia
Collectivistic attitudes	Familism			+	Estonia, Latvia
	Companionship	+	Lithuania	+	Lithuania
	Patriotism	+	Latvia	+	Estonia, Latvia, Lithuania

Notes: OC – organisational culture; + and ↔ mean positive correlations, – and ↔ mean negative correlations (ρ ≥ |0.10|; p ≤ 0.05); Spearman's rho is used for all correlation analyses, except correlations between collectivistic attitudes and organisational culture, where Pearson correlation was used (1-tailed)

Table 3 indicates that Familism and Patriotism are correlated mainly with the relationships between terminal values and task orientation of organisational culture, whereas Companionship is mainly related to the links between instrumental values and relationship orientation of organisational culture.

This finding suggests that those employees who value highly their family's and society's interests tend to relate their most important basic values (and their achievement) to the organisation employing them and to fulfilling its goals. Or it can mean that on the contrary, those who link (the achievement of) the basic values with the organisations employing them and to fulfilling its goals, tend to put their family's and society's interests above their own. For instance, those for whom the importance of *self-respect* contradicts achievement of organisational goals tend to put their family's and society's interests above their own. At the same time, those who place higher value on *a world at peace* perceive their organisations as less task-oriented. However, putting one's family's and society's interests above one's own has a negative effect on that relationship. In contrast, for those employees who value the interests of their peers and friends more highly, this attitude reveals itself in a stronger perception of their organisation's relationship orientation.

Conclusions and discussion

Our study has confirmed the prevalent approach to culture, according to which the variance of elements of culture at its deepest levels, i.e. the basic values are lower among people with a similar cultural background, while the variance of other elements is higher. The sets of most important terminal individual values are alike for the Russian-speaking populations in Estonia, Latvia and Lithuania, whereas the most important instrumental values as well as collectivistic attitudes vary considerably, which is also reflected by the perceptions of organisational culture in these countries. Hence these basic values can be seen as a mirror for capturing the impact of society in the three Baltic states on people's understanding of the means for achieving these end-states of existence.

The impact of different societal levels and interactions of individual values, collectivistic attitudes and perceptions of organisational culture validated by the present study are generalised and illustrated in Figure 1, which serves as an emblematic frame for the abovementioned mirror. Grey areas in the figure mark the societal levels and culture manifestation levels under consideration, whose interrelationships were found by the current study. One-way arrows represent causal relationships, while two-way arrows symbolise mutual relationships.
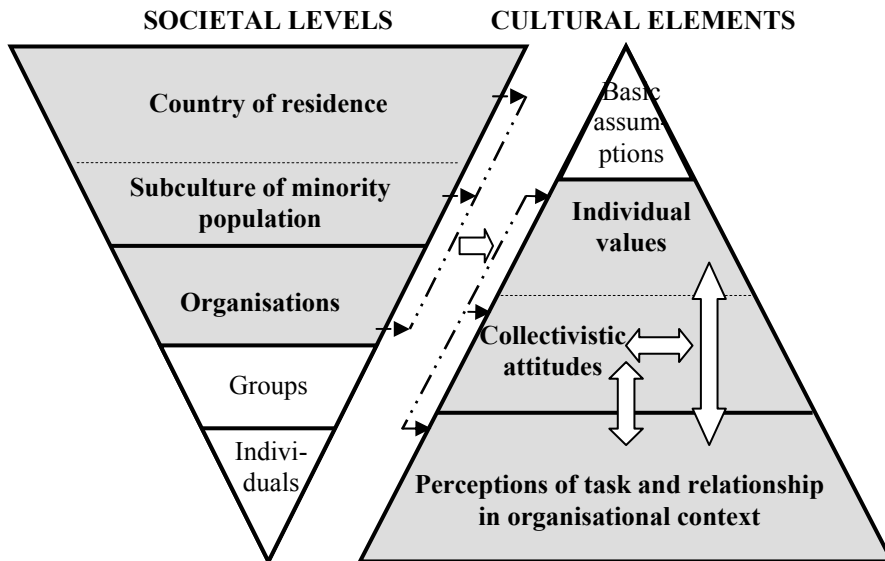
Figure 1. Interactions of cultural elements

Figure 1 shows that the country of residence – that is, Estonia for Estonian organisations − affects the preferred modes of behaviour in an organisation and

the perception of organisational culture more strongly than does the subculture of Russian-speaking organisational members. However, the existence of this subculture and its influence is confirmed by the identity of the end-states of existence or terminal values among its members. Besides the country-of-residence effect, organisational culture and, consequently, its perception are also influenced by the organisations themselves.

Implications for organisations

The organisational context of instrumental values emphasizes the patterns of behaviour that people consider right and tend to implement in their workplace. The variance in the most important instrumental values found by the current survey indicates that they are more related to shared daily practices learnt in the organisations than to the employees' cultural background. For Estonian organisations it means that it is possible to guide organisational members' behavioural intentions by means of organisational culture, notwithstanding the origin of the workforce. However, the identity and stability of their basic (terminal) values implies that such actions should be approached with caution for the danger of causing a cognitive dissonance among organisational members.

Among the most important instrumental values found in the present survey *ambitious, courageous, imaginative* and *logical* are considered to be individualistic, whereas *forgiving, helpful, honest, loving* and *responsible* are thought to be collectivistic (Abraham 1998). Compared to the other two samples, the number of collectivistic instrumental values of Russian-speaking members of Estonian organisations is slightly lower than the number of individualistic values. However, among people of Estonian nationality, the content of such a set is different, balancing between collectivistic and individualistic orientations (see Tables 4 and 5 in Appendix, and Abraham 1998 for the categorisation of collectivistic and individualistic instrumental values). This implies that in organisations consisting of employees with different cultural backgrounds, the motivating forces for shared daily practices might be based on both collectivistic and individualistic tendencies. From the managerial point of view, this is quite an encouraging result, since according to Morris *et al.* (1993) individualism and collectivism were found to influence organisational outcomes: too much of either individualism or collectivism tends to slow the growth process.

Furthermore, collectivistic attitudes towards friends and peers were found to be related to the links between instrumental values and relationship orientation of organisational culture. In the Estonian sample, a negative relationship was revealed between these attitudes and the positive connection linking the instrumental value *responsible* and relationship orientation. One can suggest that if the workforce values being responsible, the importance of relations in the organisation is strengthened, however, this connection should be an adjunct to avoiding to place friends' and peers' interests higher than one's own. Hence supporting this value in an organisation is quite advantageous.

However, it should be noted that research into the relationship between attitudes and behaviours consistently shows that the measures of general attitudes seldom predict specific behaviours, and that attitude measures predict behaviour only to the extent to which the situation does not limit the freedom of behaving in the manner suggested by the attitude. One can conclude that attitudes predict behavioural intentions better than they predict behaviour. (Organ and Bateman 1991; cf. Yorks & Sauquet 2003)

The analysis of the interactions of cultural elements in Estonian organisations leads us to the following conclusions:

- the three Baltic states cannot be regarded as a homogeneous cultural context, contrary to what is often surmised by multinational companies when establishing their regional headquarters in one of these countries;
- Estonian organisations are relatively more relationship- than task-oriented;
- their members attribute twice as much importance to their family needs and family security than to social relations (with peers, friends and neighbours) − a fact that actually strengthens their perception of the organisation as relationship-oriented;
- organisational members' attitudes to society/nation are quite high, which is also related to a stronger perception of relationship orientation in an organisation;
- organisational members have relatively low collectivistic attitudes towards their peers, friends and neighbours − a phenomenon that might weaken the link between such an instrumental value as being responsible and the relationship orientation of organisational culture.

In the present study all three samples are comparatively more relationship- than task-oriented. There have not been many surveys conducted to explore organisational culture orientations in Estonian, Latvian and Lithuanian organisations. Nonetheless Mockaitis' (2002b) survey on values for leadership revealed that Estonian nationals scored higher than Lithuanian nationals on preferences for a relationship orientation. Another research on leadership orientations revealed that in general, Estonian managers (leaders) have more concern for task than for people (Andrén *et al.* 1994). In the light of such a small number of studies, however, it is difficult to conclude what kinds of orientations of organisational culture prevail in Estonian, Latvian and Lithuanian organisations.

In a wider scope, R. Harrison (1995) notes that there seem to be increasing pressures from the members of modern organisations to move towards relationship orientation. Also van Muijen and Koopman (1994) emphasize in the light of environmental change that it is no longer sufficient for leaders to be task-oriented. It shows the increasing emphasis on the cognitive-emotional elements of organisational life expressed in interactions between people who are involved in organisational activities. This makes it possible to develop warm relationships between people working in the organisation and creates the conditions for

forming well-functioning teams, gaining synergy also from ethnical diversity. For a transition country like Estonia, where many organisations are in need of new forms of management practices and organisational policies reflected in workplace values and culture, this issue is of crucial importance.

Implications for socioeconomic development
Yang (1988; cf. Schwartz & Sagie 2000) asserted that societal institutions directly linked with economic growth are inducing "specific functional adaptations" towards more individualistic structures in society, while other institutions, such as family relationships, show much less change. These statements imply the importance of individualism and collectivism for socioeconomic development in society at different levels of reference. In his study, Hofstede (2001) demonstrated the existence of a positive link between the country-level individualism score and wealth (GNP per capita), but a negative relationship with economic growth (rate of change in GNP) among the twenty two richest countries in his research, and suggested that for wealthier countries, individualism impedes economic growth. This finding is similar to the one by Franke *et al*. (1991) (cf. Morris *et al*. 1993). On the contrary, in Diener *et al*.'s study individualism and GDP per capita were found to be positively related to the subjective well-being of nations as well as to each other (Diener *et al*. 1995). On the basis of these contrasting findings we can suggest that while some individualistic attitudes found in Estonian organisations should be associated with economic growth, there are also other cultural factors at play.

The similarity of terminal values reflects the high values consensus among the Russian-speaking minorities in Estonia, Latvia and Lithuania, thus confirming Schwartz and Sagie's (2000) suggestion that the changes in socioeconomic development that have happened in these countries during the last decade have not brought along a change in basic values. On the other hand, compared to the set of the most important terminal values of people of Estonian nationality found in previous studies (see Appendix), one can notice that only three values match the results of the present study: *family security*, *a sense of accomplishment* and *self-respect*. This might imply that the value consensus in Estonian society as a whole is far from the optimal level, as according to Schwartz and Sagie (2000) is also the level of socioeconomic development. So the lower level of value consensus in Estonia might be an impeding factor for development.

Our study additionally revealed that the five most important terminal values can be classified according to Schwartz's categorisation into security and universalism value types, while the types of instrumental values are benevolence, self-direction, stimulation and security. The importance attributed to universalism, benevolence, self-direction and stimulation were found by Schwartz and Sagie (2000) to be associated with the higher level of socioeconomic development. This implies that the present values in Estonia as well as Latvia and Lithuania tend to be supportive of growth.

However, security was found by Schwartz and Sagie (2000) to be less important in highly developed countries. This finding is consistent with that of Inglehart and Baker (2000) who claimed that the shift from industrial to service economies goes together with a shift in value priorities from an emphasis on material objects and economic and physical security towards an increasing emphasis on self-expression, subjective well-being, environmental protection and quality of life. The high importance of security values found among Estonians and the Russian-speaking minority living in Estonia might impede this process. Therefore, providing people with economic and physical security will help them cross the threshold of a post- materialistic society and thus speed up the transition process.

Acknowledgements

References

Abraham, R. (1998). Instrumental Values: A Five-Nation Comparative Study. *Cross-Cultural Management*, Vol. 5(1)

Andrén, C., Andersson, G., Hööglund, P., Jonsson, L., Lind, M., Magnusson, P., Olsson, J., Söderström, G. (1994). Studies of Structure, Motivation, Leadership and Marketing in four Estonian Organizations. *Transition Studies*, Vol. 2, 195 p.

Angle, H.L., Lawston, M.B. (1993). Changes in affective and continuance commitment in times of relocation. *Journal of Business Research*, 26: 3–15

Arvist, M., Heinla, E. (2001). Eesti elanikkonna väärtushinnangud 1993. ja 1998. aastatel. In: Eda Heinla (ed) *Kultuur, elukvlaiteet ja väärtushinnangud*. Tallinn: TPÜ Press, pp. 90–105 (in Estonian)

Aycan, Z. (2000). Cross-Cultural Industrial and Organizational Psychology. Contributions, Past developments, and Future Directions. *Journal of Cross- Cultural Psychology*, 31:116–128

Baltic Economic Stats (2004), http://www.balticsworldwide.com/economic_stats.htm, 25.04.2004

Baltic Media Book (2001). BMF Gallup Media, Tallinn, Riga, Vilnius. 263 pp.

Barnowe, J.T., King, G.J., Krumina, M. (2003). Ethical Aspects of Value-Based Relationship. *EBS Review*, No. 17: 98–103

Boyacigiller, N. A., Adler, N. J. (1991). The parochial dinosaur: Organizational science in a global context. *Academy of Management Review*, 16 (2): 262–290

Chatman, J. A., Barsade, S. G. (1995). Personality, organizational culture, and cooperation: Evidence from a business simulation. *Administrative Science Quarterly*, 40: 423–443

Chen, Chao C., Chen, Xiao-Ping, Meindl, James R. (1998). How can cooperation be fostered? The cultural effects of individualism-collectivism. *Academy of Management Review*, Vol.23(2)

Clugston, M., Howell, J.P., Dorfman, P.W. (2000). Does cultural socialization predict multiple bases and foci of commitment? *Journal of Management*, Vol. 26(1)

De Witte, K., van Muijen, J. L. (1999). Organisational Culture: Critical Questions for Researches and Practitioners. *European Journal of Work and Organisational Psychology,* No 8: 583–595

Diener, E., Diener, M., Diener, C. (1995). Factors Predicting the Subjective Well-Being of Nations. *Journal of Personality & Social Psychology*, Vol. 69(5)

Fink, G., Mayrhofer, W. (2001). Intercultural Issues in Management and Business: The Interdisciplinary Challenge. In: Cooper, Cartwright, & Early (eds), *The International Handbook of Organizational Culture and Climate*). Wiley & Sons, Ltd, 471–486

Gabriel, Y. (1999). *Organizations in Depth*. London: Sage Publications, 338 p.

Griseri, P. (1998). *Managing Values: Ethical Change in Organizations*. London: Macmillan Business, 230 p.

Harrison, R. (1995). *The Collected Papers of Roger Harrison*. San Francisco: Jossey-Bass Publishers, 422 p.

Hofstede, G. (1997). *Cultures and Organisations: Software of the Mind*, 2nd ed. McGraw-Hill.

Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nation*s, 2nd ed. Thousand Oaks, CA: Sage.

Huang, X., van de Vliert, E. (2003). Comparing Work Behaviours across Cultures: A Cross-level Approach Using Multilevel Modeling. International Journal of Cross Cultural Management, Vol. 3(2): 167–182

Inglehart, R., Baker, W.E. (2000). Modernization, cultural change, and the persistence of traditional values. *American Sociological Review*, Vol 65: 19–51

Jacobs, D. (1981). Toward the Theory of Mobility and Behavior in Organizations: An Inquiry into the Consequences of Some Relationships between Individual Performance and Organizational Success. *American Journal of Sociology*, 87: 684–707.

Kiaupaite-Grusniene, V. (2002). Factors Influencing Formation of Management Styles in Lithuania. *X Conference on the Management of Business Organizations*, Conference proceedings, Tallinn, 2002, pp. 63–67.

King, G.J. (1997). Values of the Latvian Road to the Market. In: Neil Hood, Robert Kilis, Jan-Erik Vahlne (eds) *Transition in the Baltic States*. Houndmills, Basingstoke, Hampshire, London: Macmillan Press Ltd., pp. 261–271.

Kitvel, T. (2001). Kasvatusväärtustest Eests 20. sajandil. In: Eda Heinla (ed) *Kultuur, elukvaliteet ja väärtushinnangud*. Tallinn: TPÜ Press, pp. 16–50 (in Estonian)

Laitin, D.D. (1998). *Identity in Formation: The Russian-Speaking Populations in the Near Abroad*. Cornell University Press, Ithaca and London

Lauristin, M., Vihalemm, T. (1997). Changing Value Systems: Civilization Shift and Local Differences. In: Lauristin, M., Vihalemm, P. (eds) *Return to the Western World*. Tartu: Tartu University Press, pp. 243–265.

Lewis, R.D. (2003). *Kultuuridevahelised erinevused*. Tallinn: Tea, 535 p.

Linz, J.J., Stepan, A. (1996). *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe.* The John Hopkins University Press, Baltimore and London, 479 p.

Love, M.S., Macy, G., Rea, C.B. (2002). Considerations for the Cooperative Workplace: Collectivism and a Sense of Community. *Current Topics in Management,* Vol. 7, p279

Matsumoto, D. R. (1996). *Culture and Psychology*. Pacific Grove: Brooks/Cole Publishing Company, 350 p.

Mead, R. (1994). *International Management: Cross-Cultural Dimensions*. Blackwell Publishers, 525 p.

Meglino, B.M., Ravlin, E.C. (1998). Individual values in organizations: Concepts, controversies, and research. *Journal of Management*, Vol. 24(3), p351

Mockaitis, A.I. (2002a). The National Cultural Dimensions of Lithuania. *Ekonomika*, Vol. 59.

Mockaitis, A.I. (2002b). The Influence of National Cultural Values on Management Attitudes: A Comparative Study Across Three Countries. Doctoral Dissertation Summary. Vilnius: Vilnius University, 27 p.

Morris, M.H., Avila, R.A., Allen, J.W. (1993). Individualism and the modern corporation: Implications for innovation and entrepreneurship. *Journal of Management,* Vol. 19(3): 595–612

Niit, K.-K. (2002). Eesti tudengite väärtused 1990. aastatel.. In: Aune Valk (ed) *Eesti ja eestlased võrdlevas perspektiivis*. Tartu: Tartu University Press, pp. 42–59 (in Estonian)

Nørgaard, O., Johannsen, L., Skak, M., Sørensen, R.H. (1999). *The Baltic States after Independence*. 2nd Ed. Cheltenham: Edward Elgar Publishing Company, 241 p.

Parkes, L., Bochner, S., Schneider, S. (2001). Person-Organization Fit Across Cultures: An Empirical Investigation of Individualism and Collectivism. *Applied Psychology*, Vol. 50(1)

Pettersson, T. (2002). Social Capital and Traditional-Conservative Values in the Baltic Region. In Witold Maciejewski (ed) *The Baltic Sea: Cultures, Politics, Societies*. Uppsala: The Baltic University Press, pp. 165–177

Realo, A. (2002). Individualism ja kollektivism Eesti moodi. In: Aune Valk (ed) *Eesti ja eestlased võrdlevas perspektiivis*. EuroCollege, University of Tartu (in Estonian)

Realo, A., Allik, J., Vadi, M. (1997). The Hierarchical Structure of Collectivism. *Journal of Research in Personality*, 31: 93–116.

Roff, L.L., Klemmack, D.L., Jaskyte, K., Kundrotaite, L., Kimbriene, B., Macijauskiene, J. (2002). Attitudes of Lithuanian Service Providers in Gerontology Educational Programs: A Preliminary Study. *Educational Gerontology*, Vol. 28: 577–585.

Rokeach, M., Regan, J.F. (1980). The Role of Values in the Counseling Situation. *Personnel and Guidance Journal*. Vol.58(9): 576–583

Rokeach, M. (1969). The Role of Values in Public Opinion Research. *Public Opinion Quarterly*. Vol.32(4): 547–560.

Roland, G. (2004) Understanding Institutional Change: Fast-Moving and Slow-Moving Institutions. *Studies in Comparative International Development*, Winter 2004, Vol. 38(4): 109–131

Runblom, H. (2002). The Cultural Diversity of the Baltic Sea Region. In: Maciejewski, W. (Eds) *The Baltic Sea Region: Cultures, Politics, Societies*. The Baltic University Press, Uppsala 2002, pp. 373–374

Schein, E.H. (1997). *Organizational Culture and Leadership*, 2nd ed. San Francisco: Jossey-Bass Publishers, 418 p.

Schwartz, S.H. (1999).Cultural value differences: Some implications for work. *Applied Psychology: An International Review*, 48: 23–48.

Schwartz, S.H., Sagie, G. (2000). Value consensus and importance: A cross-national study. *Journal of Cross-Cultural Psychology*, 32: 465–497.

Smith, P.B., Peterson, M.F., Schwartz, S.H. (2002). Cultural Values, Sources of Guidance, and Their Relevance to Managerial Behaviour: A 47-Nation Study, *Journal Of Cross-Cultural Psychology*, Vol.33(2): 188–208

Smrstik, C. (1998). Not three of the kind. *Business Eastern Europe*, 23 February 1998, p. 5.

Šalčiuvienė, L. (2002). Dimensions of Cultural Values. *Ekonomika*, Vol. 59.

Šalčiuvienė, L., Virvilaite, R. (2002). Relationship between Lithuanian Consumers' Values and Retail Store Attributes. – Marketing and Business Strategies for Central & Eastern Europe. Proceedings of the 10th annual conference, Vienna, pp. 97–106.

Tomer, J.F. (2002). Intangible Factors in the Eastern European Transition: A Socio-Economic Analysis. *Post-Communist Economies,* Vol. 14, No. 4

Vadi, M. (2002). Organisatsioonikultuuri ja väärtuste seosed eestlastel ja venelastel. In: Aune Valk (ed) *Eesti ja eestlased võrdlevas perspektiivis*, Tartu University Press (in Estonian), pp. 74–86

Vadi, M. (2000). Organisational culture and values and the relations between them (on the example of Estonia) (Organisatsioonikultuur ja väärtused ning nendevahelised seosed (Eesti näitel)). *Dissertationes Rerum Oeconomicarum*. Tartu University Press (in Estonian).

Vadi, M., Allik, J., Realo, A. (2002). Collectivism and Its Consequences for Organizational Culture. University of Tartu, Faculty of Economics and Business Administration, *Working Paper Series*, Number 12.

Van Muijen, J.J., Koopman, P.L. (1994). The Influence of National Culture on Organizational Cultures: A Comparative Study Between 10 Countries. *European Work and Organizational Psychologist*, Vol. 4(4): 367–380.

Wagner III, John A. (1995). Studies of Individualism-Collectivism: Effects on Cooperation in Groups. *Academy of Management Journal*, Vol. 38(1)

Wang, L., Bishop, J.W., Chen, X., Scott, K. D. (2002). Collectivist Orientation as a Predictor of Affective Organizational Commitment: A Study Conducted in China. *International Journal of Organizational Analysis*, Vol. 10(3): 226–239

Yorks, L., Sauquet, A. (2003). Team Learning and National Culture: Framing the Issues. *Advances in Developing Human Resources*,Vol.5(1): 7–25

APPENDIX

Table 4. Importance of terminal values held by Estonians in comparison with Latvians and Lithuanians

Terminal values	Importance in Estonia	Importance in Latvia	Importance in Lithuania
Family security	Highly important	Highly important	Highly important
Inner harmony	Highly important	Less important	Less important
An exciting life	Important	Important	Important
A sense of accomplishment	Important	Important	Important
Self-respect	Important	Important	Important
Social recognition	Important	Important	Controversial results
Freedom	Rather important	Rather important	Rather important
Mature love	Rather important	Rather important	Rather important
Equality	Less important	Important	Less important
National security	Less important	Less important	Highly important
True friendship	Less important	Less important	Less important

Source: Kitvel 2001; Šalčiuvienė, Virvilaite 2002; Lauristin, Vihalemm 1997; Realo 2002; Smrstik 1998; King 1997; Mockaitis 2002a; Barnowe, King, Krumina 2003; Pettersson 2002; Niit 2002; Arvist, Heinla 2001; Roff *et al.* 2002; Šalčiuvienė 2002; Nørgaard *et al.* 1999.

Table 5. Importance of instrumental values held by Estonians in comparison with Latvians and Lithuanians

Instrumental values	Importance in Estonia	Importance in Latvia and Lithuania
Ambitious	Highly important	Highly important in Lithuania
Responsible	Highly important	No evidence
Honest	Highly important	Highly important in Latvia and Lithuania
Imaginative	Highly important	No evidence
Forgiving	Important	Important in Latvia
Helpful	Important	Important in Latvia
Independent	Important	No evidence

Source: Mockaitis 2002a; Kiaupaite-Grusniene 2002; Šalčiuvienė 2002; Lewis 2003; Niit 2002; Barnowe, King, Krumina 2003; Lauristin, Vihalemm 1997; Realo 2002; King 1997.

III

Study III
A national identity perspective on collectivistic attitudes and perception of organisational culture

Rebekka Vedina, Maaja Vadi

Purpose

To explore the relationships between collectivistic attitudes and organisational culture perception among Russian-speaking employees in Estonia, Latvia and Lithuania, and to explain the findings from the national identity perspective.

Methodology

The study applies a survey method and uses the original scales developed at the University of Tartu. Collectivistic attitudes of individuals are grouped according to three levels of relationships, namely, relationships with family, peers (including co-workers), or society. Collectivistic attitudes are measured on 5-point Likert-type scale. Perceptions of organisational culture are measured alongside the task and relationship orientations on 10-point Likert-type scale.

Findings

Collectivistic attitudes towards one's nation are found to be related to the perception of one's organisational culture on both orientations. We find that differences in the strength of these relationships in the Latvian sample are associated with the self-reported nationality of the respondents and we suggest similar tendencies in the Lithuanian sample. We propose that collectivistic attitudes of respondents basing the construction of their national identity on ethnic and linguistic grounds could have stronger positive connections with organisational culture than those of respondents, whose national identity formation was based on citizenship and assimilation.

Research implications and limitations

Positive emotional connection with society and nation provides ground for supporting organisational tasks and relationships. National identity construction can further influence these relations. Limitations: the proposed relationships are hypothetical and are limited to the Latvian sample.

Practical implications

In organisations, human resource strategies should be formulated that support developing or retaining one's sense of national or within-group identity, which will facilitate maintaining strong ties with the organisation.

Originality/value

This paper provides insight for managers, academics and students on the role of identity construction in revealing employee attachment to their organisation.
Keywords: collectivistic attitudes, organisational culture, minority, national identity, Russian-speakers

Introduction

The question of what attitudes and values determine the relations of employees to their organisation has been under a lot of consideration. The concept of collectivism has been suggested as one important predictor of such connections. Several studies have shown that collectivistic attitudes of members of an organisation are related to the strength of the emotional and cognitive ties with the organisation. For example, Love *et al*. (2002) discovered that sense of community at work and worker's level of collectivism are positively associated with certain organisational behaviour types directed to one's co-workers, e.g. helping a co-worker with work-related problems. This finding is in line with Moorman & Blakely's (1995) judgment that employees who held collectivistic values or norms also endorsed interpersonal helping, individual initiative and loyal boosterism. Furthermore, it was found that collectivist orientation is a predictor of organisational commitment (Wang *et al*. 2002; Parkes *et al*. 2001; Boyacigiller & Adler 1991; Angle & Lawson 1993; Clugston *et al*. 2000) and that the concept of collectivism can explain differences in cooperative behaviour (Chatman & Barsade 1995; Wagner 1995; Chen *et al*. 1998). Thus, the literature appears to support the notion that in-group attachment for the collectivist may be translated into workgroup attachment at work.

Previous research has also shown that levels of collectivism of individuals are culture-based (Hofstede 1997, 2001; Triandis 1995; Earley & Gibson 1998, to name a few). Culture not only influences the bases of an individual's psychological attachment to an organisation, culture also influences which objects become the focus of an individual's attachment (Bochner & Hesketh 1994). Individual behaviour in organisations stems largely from such connections while organisations themselves accommodate the values and attitudes of their members so that they can function effectively within them (Schwartz 1994). On the other hand, the behaviour of organisational members is stabilized by organisational culture, which provides people with indications about what is successful and non-successful behaviour in the organisation (De Witte & van Muijen 1999). Hence, it is important to observe perceptions of organisational culture when studying the determinants of workgroup attachment and behaviour. Indeed, previous studies have proved that collectivistic attitudes of individuals are related to organisational culture (Vadi 2001; Vadi *et al*. 2002, Vedina *et al*. 2006).

On the basis of the above discussion one can presume that in organisations consisting of individuals belonging to the same cultural group and allegedly sharing similar collectivistic attitudes organisational members should relate to their organisations in the same way. To test this proposition, a survey was organized in the three Baltic republics – Estonia, Latvia and Lithuania among their Russian-speaking minority populations that have a similar cultural and historical background. This similarity stems form analogous socio-political situation of Russian-speakers in the Soviet Union, where Russian was used as the main language of communication in most public matters and where Russian cultural presence was to be extended to all Soviet republics.

The common legacy of Russian-speakers from the Soviet era today is the change in perception of themselves as a majority population of the Soviet Union to minority populations in the independent republics. According to social identity theory such change implies change in one's national identity and has an impact on individual's level of identification with his or her nation. There is evidence in recent research that the level of identification is also related with people's collectivistic orientations: those, whose identification is lower, take a more individualist stance toward the group they are members of; in contrast, high identifiers are more willing than low identifiers to work for the group, give priority to group goals, conform to group standards and norms and be attentive to needs of other group members (Jetten *et al*. 2006, McAuliffe *et al*. 2003; for more references see Jetten *et al*. 2002). Therefore, the changes in perception bring along new challenges and influence people's life on different levels, including their every-day work life and the relations with and within the organisations.

The objective of the study is to explore the relationships between collectivistic attitudes and organisational culture perception among Russian-speaking

minority populations in Estonia, Latvia and Lithuania, and to explain the findings from the national identity perspective. The study described in this paper has shown that indeed, there are certain differences in national identities of Russian-speaking respondents, which might have a moderating effect on the links between collectivistic attitudes and organisational culture perception. Due to certain data limitations these differences are best explained on the example of Russian-speakers in Latvia. Therefore, while the first part of the paper presents the theoretical foundations behind the collectivistic attitudes and organisational culture constructs, the methodology used and the findings for all three countries for comparison reasons, the second section focuses on the national identity formation among the Russian-speaking population of the Baltic republics in general and of Latvia in particular. The third section discusses the findings from the national identity perspective, and the last section presents managerial and policy implications.

Collectivistic attitudes and organisational culture in Estonia, Latvia and Lithuania

An individual's collectivistic orientation reflects how highly he/she values being loyal to a social group, working hard for group goals, and sacrificing personal benefits for group interests (Triandis 1995). A social group may be a family, a community, a nation, or an employment organisation. Therefore, collectivistic tendencies are target group specific, depending largely on how important the target group is to the person (e.g. spouse, parents, friends, co-workers). In order to distinguish between collectivistic attitudes, it is necessary to answer the question – collective in relation to what or to whom? Realo *et al.* (1997) have found that collectivism can be regarded as a hierarchical construct involving three levels of relationships: those with family, friends (peers), and society. Family related collectivism (*Familism*) implies dedication of one's life to the family, putting its interests higher that one's personal aspirations. Family security, honoring parents and elderly people, respect for traditions and reciprocation of favours serve as guiding principles in a familist's life. Peer-related collectivism (*Companionship*) can be described by close relations between an individual and his/her neighbours, friends, or co-workers. Society-related collectivism (*Patriotism*) means dedication to serve one's nation by surrendering one's personal comforts to those of the latter. Patriots are in principle ready to sacrifice themselves to defend their nation against its enemies. (Vadi *et al.* 2002)

The RUSCOL Likert-type 5-point scale offers an instrument to measure these collectivistic attitudes (Realo *et al.* 1997). The scale consists of 24 items, which measure three subtypes of collectivism: *Familism*, *Companionship* and *Patriotism*. Example items are: "Children should not be an embarrassment to

their parents", "The opinions of friends should not interfere with one's deci-sions" and "If required by the interests of the state, individuals must surrender their own comforts". The respondents are asked to rank the statements ac-cording to their agreement or disagreement (1 – "strongly disagree", 5 – "strongly agree").

This hierarchical model of collectivism allows us to study how different domains of collectivism are related to organisational culture and to differences in its perception. Organisational culture can be measured along different dimen-sions. According to Harrison (1995), the two major organisational culture dimensions are the relationship and task orientation. The relationship orien-tation of organisational culture reflects interpersonal relationships between organisational members, i.e. it indicates belongingness in an organisation when people assist each other in work-related problems and discuss all the important topics with each other (Vadi *et al*. 2002). Task orientation reflects general attitudes towards organisational tasks, i.e. the extent to which all members are willing to support the achievement of common goals (Schein 1997; Harrison 1995).

An instrument developed by Vadi (2000) was used to study organisational culture (OC) orientations. The organisational culture questionnaire (OCQ) con-sists of 16 items measured by Likert-type 10-point scale, forming two scales. First scale consists of eight items with substantial and unique loadings mea-suring Task orientation of organisational culture, for example "(In our organisa-tion) people are acknowledged for their good work" and "… everyone has a freedom of activity" (Vadi 2000). Other eight items like "(In our organisation) people know about each other's personal lives" and "… people help each other in work-related issues" measure Relationship orientation (*Ibid*.). Respondents are asked to rank the statements about their organisation according to what extent they agree or disagree with each statement (1 – "strongly disagree", 10 – "strongly agree").

The Russian language version of questionnaires was used for a survey among Russian-speakers in the three Baltic countries. In Estonia the research was carried out in 1996–2001 (Vadi *et al*. 2002), and in Latvia and Lithuania in 2003[*]. The respondents represented employees of organisations operating in such areas as light industry, service and trade in Estonia and Latvia, and utilities in Lithuania, all with majoritarian Russian-speaking workforce. The number of respondents was 664 in Estonia, 313 in Latvia, and 203 in Lithuania, with the average age 38.7 years (*SD*=9.27), 27.8 years (*SD*=8.61), and 40.9 years (*SD*=8.48), respectively. One-way ANOVA was performed for uncovering the differences between samples. The differences in mean values were important at

the significance level $p < .01$. For finding the correlations between collectivistic attitudes and perception of organisational culture we conducted a Pearson Correlation Analysis.

The mean values of the two OCQ subscales are shown in Table I. According to mean analysis it is possible to conclude that organisational culture in all three samples is perceived as relationship oriented. One-way ANOVA shows that there are significant differences between Russian-speakers in Estonia, Latvia and Lithuania in their organisational culture orientations, the latter ones scoring higher on both subscales: for task orientation, $F(3,1144) = 61.954$, and for relationship orientation, $F(3,1147) = 19.136$, all significant at .000 level.

Table I. The Mean Values and Standard Deviations of the Organisational Culture Subscales

	Task orientation of OC			Relationship orientation of OC		
	M	*n*	*SD*	*M*	*n*	*SD*
RUSEST[1]	4.37	630	1.76	6.71	632	1.58
RUSLIT[2]	5.53	202	1.48	7.45	203	1.33
RUSLAT[3]	5.77	313	1.43	6.49	313	1.29

Notes: OC – organisational culture; [1] – Russian-speakers in Estonia, [2] – Russian-speakers in Lithuania, [3] – Russian-speakers in Latvia, *M* – mean (on a scale from 1 to 10), *n* – sub-sample size (excluding missing variables), *SD* – standard deviation

The mean values of the three RUSCOL Subscales are exhibited in Table II. One-way ANOVA shows significant differences between Russian-speakers in Estonia, Latvia and Lithuania in all subscales ($F(3,1164) = 110.198$ for Familism, $F(3,1163) = 83.259$ for Companionship, and $F(3,1164) = 38.325$ for Patriotism, all significant at .000 level).

Table II. The Mean Values and Standard Deviations of the RUSCOL Subscales

	Familism			Companionship			Patriotism		
	M	*n*	*SD*	*M*	*n*	*SD*	*M*	*n*	*SD*
RUSEST[1]	3.34	651	0.47	1.41	650	0.55	2.28	651	0.69
RUSLIT[2]	2.94	201	0.68	2.07	201	0.49	2.19	201	0.64
RUSLAT[3]	2.63	313	0.70	1.59	313	0.50	1.79	313	0.69

Notes: [1] – Russian-speakers in Estonia, [2] – Russian-speakers in Lithuania, [3] – Russian-speakers in Latvia, *M* – mean (on a scale from 1 to 5), *n* – sub-sample size (excluding missing variables), *SD* – standard deviation

However, when the means of the Patriotism subscale are analysed separately, there are no considerable differences between the Estonian and Lithuanian samples. It may mean that these samples are more similar in their attitudes towards society, while in the Latvian sample these collectivistic attitudes are notably lower. To check for possible explanations we included a demographic variable to the analysis – Respondents' self-reported nationality, which is considered in this paper as manifestation of national identity. While in Lithuanian sample it was rather poorly reported upon (109 respondents or 54% reported their nationality as whether Russian, Ukrainian and Belorussian, 6 respondents as Poles (3%), 4 respondents as Lithuanians (2%), and 84 respondents (41%) did not indicate their nationality), the Latvian sample was clearly divided into two major groups: "Russian" (105 out of 313) and "Latvian" (208 out of 313). However, since this item was incorporated in the questionnaire several years after the data in Estonia has been gathered, we cannot use national identity as an explanation factor in analyzing this sample and present the data on Estonia merely for comparison reasons.

We conducted one-way ANOVA to test for differences between the two groups in each sample. One rather weak divergence in collectivistic attitudes occurred at Companionship level in the Latvian sample, where respondents who reported their nationality as Russian scored higher than those who reported their nationality as Latvian ($F(1,312) = 5.134$, $p < .05$). In Lithuanian sample there was also difference in Companionship between those who reported their nationality as Russian and those who did not indicate their nationality ($F(1,190)=8.419$, $p < .01$) and in Familism ($F(1,190)=7.712$, $p < .01$).

Moreover, Pearson Correlation analysis, conducted in order to find relationships between three RUSCOL and two OCQ subscales, revealed more significant differences in the correlation between Patriotism and both orientations of organisational culture in Latvian sample and in the correlation between Companionship and both OC orientations in Lithuanian sample. In Latvian sample the coefficients for respondents who reported themselves as Russians were considerably higher than for those who reported themselves as Latvians (see Tables III and IV). In Lithuanian sample such ratio (respondents who reported themselves as Russians, Ukrainians or Belorussians scoring higher as compared to respondents who did not indicate their nationality) held only for Companionship level, the remaining differences in correlation coefficients were minor.

Table III. The Pearson Correlations between the RUSCOL and OC task orientation subscale among the Russian-speakers in Estonia, Lithuania and Latvia

	Task orientation of OC				
	RUSEST	**RUSLIT1**	**RUSLIT2**	**RUSLAT1**	**RUSLAT2**
Familism	−0.06	0.01	0.09	−0.04	−0.08
Companionship	0.01	0.30**	0.08	0.07	0.00
Patriotism	0.12	0.12	0.21	0.25*	0.14*

Notes: OC – organisational culture; RUSEST – Russian-speakers in Estonia, RUSLIT1 – Russian-speakers in Lithuania who reported their nationality as Russian, Ukrainian or Belorussian, RUSLIT2 – Russian-speakers in Lithuania who did not report their nationality, RUSLAT1 – Russian-speakers in Latvia who reported their nationality as Russian, RUSLAT2 – Russian-speakers in Latvia who reported their nationality as Latvian; * Correlation is significant at the 0.05 level (2-tailed); ** Correlation is significant at the 0.01 level (2-tailed)

Table IV. The Pearson Correlations between the RUSCOL and OC relationship orientation subscale among the Russian-speakers in Estonia, Lithuania and Latvia

	Relationship orientation of OC				
	RUSEST	**RUSLIT1**	**RUSLIT2**	**RUSLAT1**	**RUSLAT2**
Familism	0.14*	−0.08	0.13	0.26**	0.07
Companionship	0.02	0.27**	0.10	0.11	0.05
Patriotism	0.17*	0.23*	0.27*	0.27**	0.19**

Notes: OC – organisational culture; RUSEST – Russian-speakers in Estonia, RUSLIT1 – Russian-speakers in Lithuania who reported their nationality as Russian, Ukrainian or Belorussian, RUSLIT2 – Russian-speakers in Lithuania who did not report their nationality, RUSLAT1 – Russian-speakers in Latvia who reported their nationality as Russian, RUSLAT2 – Russian-speakers in Latvia who reported their nationality as Latvian; * Correlation is significant at the 0.05 level (2-tailed); ** Correlation is significant at the 0.01 level (2-tailed)

An interesting finding that is similar to the findings from the Estonian sample was that in the first Latvian sub-sample (respondents who reported themselves as Russians) a positive correlation existed between Familism and relationship orientation. A remarkable finding is that correlations between Patriotism and relationship orientation are quite high in the samples of all three countries. However, only in the Latvian sample was such correlation found for task orientation of organisational culture.

On the basis of these findings one may conclude that the question of nationality is important for the perception of oneself, one's society and one's organisation, and its possible underlying reasons are related to the question on how national identity is formed. Indeed, it has been claimed in the literature that

social identity, cultural antecedents and values are the main factors that influence the way the members of an organisation give sense to the organisational context and that different social experiences can encourage the perception and establishment of subtle and detailed group distinctions (Hurtado *et al*. 1993: 133, cf. Ferdman 1995: 44–45). The next section discusses national identity formation among the Russian-speaking population of the Baltic republics.

National identity formation among Russian-speakers in the Baltic republics

It has been stated that Russian-speakers in the post-Soviet republics are still facing a radical crisis of identity (e.g. Laitin 1998: ix). According to social identity theorists, social identity is part of an individual's self-concept, which derives from the knowledge of one's membership of a social group together with the value and emotional significance attached to that membership (cf. Chen *et al*. 1998). National or ethnic identity is thus based on the value attached to the membership of one or another national group. For Russian-speakers in the Baltic republics it is a rather complicated issue.

First, using the term "Russian-speakers" itself suggests that the identity is based on linguistic grounds. Indeed, although the relative sizes as well as ethnic roots of members of these populations are quite different, Russian language as the first (native) language remain the common factor. The share of the Russian-speaking population in the Baltic republics is as follows: Lithuania – 9,5%, Latvia – 40%, Estonia – 32% (Baltic Economic Stats 2004). Besides people of Russian nationality, Belorussians and Ukrainians are also included in this group, corresponding to 1–3,9% of the total population (Baltic Media Book 2001). Such categorization is explained by Linz & Stepan (1996) by asserting that since identities are in fact socially constructed and constantly changing, Russian-speaking populations, whether originary from Ukraine, Belarus, Russia, or other ex-Soviet republics, are actually developing a new diaspora identity of a "Russian-speaking minority" based on linguistic as well as socio-political grounds. Indeed, in Russophone diaspora many people identify themselves as "Russian-speaking" rather than as "Russians" (Linz & Stepan 1996; Laitin 1998: 33, 295).

The socio-political ground is the second factor indicating the specificity of this identity formation. After the incorporation of the Baltic republics into the USSR in the 1940s, Soviet authorities worked unremittingly to cultivate a Russian cultural presence in all the Union republics by setting up industries and military bases as well as administrative and political bodies (see e.g. Nagle *et al*. 2000). Their major workforce was constituted by workers with different, yet mostly Russian ethnic backgrounds transferred with their families from central parts of Russia and other Soviet republics. That means they were not voluntary

immigrants as much as they were colonists (Kennedy & Stukuls 1998). Russian-speaking immigrants were then the majority because they were an extension of the politically and linguistically dominant Russian majority in the USSR. After Estonia, Latvia and Lithuania regained their independence in 1991, some Russian speakers left these countries with their families, but most stayed on with the intention of integrating into the new societies that were yet to emerge. Their social and economical situation today may vary, but due to the new citizenship policies (see the explanation below), the nationality issue is still a problem as of today for many of them, which creates difficulties to define their national identity.

The citizenship issue, i.e. the initial inclusiveness of citizenship policies is closely tied with national identity formation (Nørgaard *et al*. 1999: 157). Estonia and Latvia have adopted exclusionary citizenship policies granting citizenship to individuals belonging to minority populations through naturalization, while Lithuania alone has chosen an inclusive approach, giving citizenship to all persons residing there before July 1991 (Lind 2003; Nørgaard *et al*. 1999: 157). In fact, Lithuania enacted a special law protecting national minorities (1989), which guarantees minority rights to schools, newspapers, organisations, religious congregations, etc. (Runblom 2002). Russian-speakers in Lithuania have also been granted citizenship automatically, as well as all according civil rights by a special law (The Russian… 1999). This is in stark contrast with the situation in Estonia and Latvia, where a large part of the Russian-speaking community don't have Estonian or Latvian citizenship.

The anxiety connected with the construction of national identity may also be brought along by other formal requirements, for example the reification of passport identities, i.e. mandatory identification of ethnicity determined by the state based in the ethnicity of the parents that was abolished in Estonia but initially persisted in Latvia (Laitin 1998: 193, Nyiri 2003). Another difference between Estonian and Latvian principles of citizenship was the initial lack of formal guidelines needed for naturalization process in Latvia until 1994; therefore the vast majority of Russian-speakers there could not even start the process of naturalization until that year, which caused an additional concern that has not subsided yet. Nevertheless, restrictions were imposed on the rights of non-citizens, such as the right to occupy state office and other job restrictions (cf. Laitin 1998: 96). Thus, according to Nagle *et al*. (2000), citizenship became an issue of immediate economic survival and future economic, educational, residential, cultural, and political opportunity.

The process of naturalization in Latvia was started in the beginning of 1990-s and is still being reinforced (Laitin 1998: 96; Latvia… 2002). Latvia's approach to nation state building can be considered as an ethnic approach, where there are differences in the possibilities to obtain citizenship: the ethnic majority population obtains it automatically (given that an individual or his/her closest relatives were Latvian residents at the time of annexation by the Soviet

Union in 1940 (Nyiri 2003)) while the rest of the population has to prove that it is trustworthy to be granted citizenship (Kolströ 1996). This implies that the minority groups are considered as second-rank residents and not the equal of the majority population (*Ibid*.; Nørgaard *et al*. 1999: 161). Moreover, according to Nagle *et al*. (2000: 5) in ex-Soviet republics and in other countries of Eastern Europe a clear popular expectation persisted that the dominant ethnic elite would purposefully disadvantage and perhaps even expel ethnic minorities from long-standing places of work and residence. Therefore, the findings by Austers (2002) in Latvia, which show that representatives of Russian-speaking minority group are more attentive and sensitive to the ethnic majority group across different evaluative attributes, than vice versa, are not surprising.

In social identity theory such negative differentiation of populations is referred to as identity threat. Threat is usually defined as threat to the value of a group identity (Tajfel & Turner 1979; cf. Jetten *et al*. 2002). According to previous research findings negative differentiation of one's group of the same ethnic cultural background from the larger outgroup is usually related with a low identification with this ethnic ingroup (see references in Simon *et al*. 1995, Jetten *et al*. 2002). Therefore, in case of the identity threat it is not uncommon for people to want to leave their group in order to enhance their social identity (Tajfel & Turner 1979; cf. Warner *et al*. 2007). Members of groups with low status, for example, might seek to escape that group and to migrate to a group with higher status, particularly if the status hierarchy appears stable, legitimate (Boen & Vanbeselaere 2001; cf. Warner *et al*. 2007), and/or the person does not identify strongly with their group (Ellemers *et al*. 1997). In case of Russian-speakers in Latvia such escape may take a form of assimilation with Latvians, a group with the higher status. In fact, many Russian-speakers in Latvia appeared to be willing to assimilate (Laitin 1998: 356).

Assimilation implies a change in ethnic identity (Lind 2003). A possible manifestation of such change was found in the present survey: two-thirds of the sample in Latvia reported their nationality as Latvian. That is despite the common univocal understanding of "Latvian" as ethnic group name in both Russian and Latvian languages (Austers 2002) and the fact that in Russian language word "национальность" (referred to as "nationality" in this paper) that was used in the questionnaire means "ethnic nationality", or belongingness to people – i.e. national ethos – of the same linguistical, territorial, economical and cultural affinity (Russian Language Dictionary 1983). At the same time, although "Russian-speakingness" is a common concept and in a way a recently constructed identity, it cannot be considered as nationality itself (Laitin 1998: 265). Therefore, when answering nationality questions, a Russian-speaker faces a dilemma; whether to follow the German tradition (influential in Eastern Europe), which reflects the emphasis that an individual lays to his/her ethnicity, native language and cultural heritage; or to follow the French (Western) tradition of identifying nationality with citizenship (for a discussion see Hint 1999).

As reported by the Latvian colleague who collected the data for this study, answering "Latvian" in the survey was largely related to the Western tradition. However, in the light of the political and social situation described above, it can also be regarded as an overt demonstration of the desire to assimilate and construct another identity without necessarily basing it on the inner perception of one's ethnic identity.

41% of Lithuanian respondents use slightly different approach by neither choosing "Lithuanian" as a basis of their national identity nor identifying themselves with their ethnicity when answering the question of nationality. We can assume that granting citizenship to all residents, as is the case in Lithuania, results in the lack of need for assimilation for Russian-speakers, as in Latvian case. Yet, for some people it might be unsufficient as a basis for constructing their national identity, which results in differences in relating one's attitudes with perception of organisational culture. The fact that 41% of respondents in the Lithuanian sample did not report their nationality may also be an indicator of difficulties these people face in constructing their national identity.

Discussion of the results from the national identity perspective

Due to the stance of the larger outgroup in Latvia (Latvians), which is in many terms privileged two-thirds of our study respondents who belong to an ethnic group in Latvia (allegedly ethnically Russians, Ukrainians or Belorussians) and 41% of respondents in Lithuania have demonstrated the willingness to not identify themselves with this ingroup. The difference in the approach to national identity construction is reflected in the relationships between various individual and organisational phenomena in the samples in the three Baltic republics.

As Lange and Westin (1985, cf. Austers 2002) and Liebkind (1992, cf. *Ibid*.) claim, ethnic identity needs to be negotiated, that is, people present themselves to others wanting them to accept this presentation, which in turn is confronted with self-presentation of the others. This assumption may explain on the one hand, the comparatively weaker collectivistic attitudes towards peers among the respondents in the Latvian sample (since many of them – every third – do not have the same approach to constructing national identity); on the other hand, it may explain weaker correlations between attitudes towards society and organisational culture orientations of the respondents who reported their nationality as Latvian, as compared to their counterparts – those respondents in the Latvian sample who reported their nationality as Russians.

Jetten *et al*. (2002) argue that differences found between high and low identifiers bear a resemblance to the distinctions between collectivists and individualists and suggested that those who identify highly with their national identity endorse more collectivism than those whose commitment is lower. In the present study collectivistic attitudes towards peers and co-workers, or Com-

panionship, were found to be positively related to both organisational culture orientations in Lithuanian sub-sample of respondents who reported their ethnicity when answering the question of nationality. That is, those who sustain close relations with friends, neighbours and co-workers are more likely to have a higher level of belongingness to an organisation as well as to support organisational goals more strongly.

Such relationship was not found in the other Lithuanian sub-sample (those who did not indicate their nationality) or in Estonian and Latvian samples, and at least in the former and the latter case we explain this finding by respondents' lower identification with the group of the same ethnic origin resulting in identity shift through assimilation (in the case of Latvia). Our proposition is that in case of identity threat the links between collectivistic attitudes towards peers and co-workers and perception of organisational culture become weaker or even disappear and it is more difficult for managers to create a basis for connecting individual and organisational phenomena.

Collectivistic attitudes towards family were positively related to relationship orientation in Estonian and the first Latvian sub-sample (RUSLAT1). This finding implies that employees who are dedicated to their families will more likely dedicate themselves to hold good interpersonal relationships with their co-workers, help each other in work-related problems and have a higher level of organisational commitment. Based on the division of respondents in the Latvian sample according to different identity construction, our proposition is that for those who identify themselves less with their ethnic cultural group, the links between their attachment to family and perception of organisational culture become stronger.

The only pattern in the relationships between collectivistic attitudes and perceptions of organisational culture that holds for Estonian, Latvian and Lithuanian samples is the connection of Patriotism with the relationship orientation of organisational culture. This finding implies that having a positive emotional connection with one's society and nation provides a ground for supporting one's organisational tasks and relationships, and this connection is further strengthened by respondent's national identity based on positive ethnic identity. In the current study this is revealed by the fact that among those respondents who reported their nationality as Russian the connections between collectivistic attitudes towards society and both organisational culture orientations are remarkably stronger.

On the other hand, the process of creating a solid identity group for Russian-speakers is continuing (Laitin 1998: 357). Identification as a member of the Russian-speaking population is an alternative to assimilation (as a Latvian) and can provide a basis for creating a stronger sense of identity and attachment to the respective national group. We can conclude that developing a national identity based on ethnic and linguistic grounds rather than politically determined purposes leads to the construction of stronger identity and thus stronger

ties to other members of the same group on all levels – family, peers and society. This in turn results in stronger positive relationships with organisational culture.

Managerial and policy implications

This survey has shown very different patterns of relationships between collectivistic attitudes and perception of organisational culture among Russian-speaking populations in the three Baltic republics. Although the Russian-speakers in these countries have a common cultural heritage, which is reflected in their core values (see e.g. Vedina *et al*. 2006), significant differences in their collectivistic attitudes and organisational culture orientations *per se* imply a high importance of the environment they live in. One can conclude that different cultural contexts have a different impact on employees' perceptions of organisational culture with presumably similar cultural background. This finding is in accordance with Schein's (1984) statement that organisations exist in a parent culture, and much of what is found in them derives from the assumptions of the parent culture. Also according to the observations made by Hofstede et al. (1990) there may be different organisational cultures in organisations of the same or similar national cultures (cf. Lau & Ngo 1996). Hence, organisational culture is a unique phenomenon and is perceived according to the specific environment. This assumption is crucial for organisations that experience multicultural interactions.

Bochner and Hesketh (1994) asserted that differences in employees' attitudes can be predicted on the basis of cultural dimensions even within a homogeneous work setting within one country. The survey presented in this article shows that national identity construction can further influence the relationship between collectivistic attitudes and organisational culture within the same work group. The shift in identity construction caused by identity threat can jeopardize the sense of belongingness of an individual to the organisation as well as willingness to support organisational goals. We can further extend this assumption by Jetten *et al*.'s (2002) suggestion that in case of low commitment to a group in organisations it is likely that not all employees care as much for the welfare of their company as managers hope when they stimulate a collectivist company culture.

In case of a threat to the value of a group identity, responses to it are different for low and high identifiers: highly identified group members are more likely to defend the integrity of the group when threatened than low identified group members are (Branscombe *et al*. 1993, cf. Jetten *et al*. 2002). Furthermore, Jetten *et al*. (2002) have found that when under threat, high identifiers are also more likely to embrace salient group norms and act in accordance with these norms than low identifiers. From a managerial point of view it is impor-

tant to avoid appearing of such threat among employees and to support their positive social identity.

The socio-political situation in a society has a considerable impact on the relationships with the environment and on national identity formation. As Nagle *et al*. (2000) proposed in their discussion on ethnic nationalism in Eastern Europe and the former Soviet Union, the origins of identity conflict today are rooted in relationship-constructs that may be unique to the region and influenced by regional political history. Ethnicity-based approach to national state building in the ex-Soviet Baltic republics is not exceptional. Politically and public-supported purposeful segregation of different inhabitant groups and exclusive ethnic citizenship are prevalent in other Eastern European and Central European countries, too (see e.g. Stullerova 2002, Nagle *et al*. 2000, Mujkic 2007). We can draw parallels here with the situation in the regions – now separate ethnically based political entities – of the former Yugoslavia. Serbia's aim was a hegemony in the Yugoslav federation (Poirot Jr. 1997), and after disintegration Serbs were faced with a need of changing their self-perception as a majority population to minority populations in the newly independent countries (for instance, in Croatia), just like Russian-speakers in the Baltic republics. In Slovakia, just like in Latvia, a particular ethnic group is declared as the "nation-forming" one (Nyiri 2003). Since the institutional structure in Balkan countries is being constructed based even more rigidly on ethnic principles (Nyiri 2003), we can expect a lower level of collectivistic attitudes there, including patriotism among representatives of the excluded ethnic groups. As Mujkic (2007: 113) asserts, "(Political) Representation that depends exclusively on ethnic affiliation discourages civic initiative". Jetten *et al*.'s (2002) finding that those who identify highly with their national identity are more likely to act in accordance with the dominant societal normative orientation is essential for creation of populations socially active and loyal to their societies.

Laitin (1998: 190) argued that Russian-speakers in post-Soviet countries have various degrees of self-consciousness, inventing new categories of identity to help them make sense of who they are. This issue is complicated by other factors influencing the choice of identity for Russian-speakers in the Baltic republics, such as political and media influence from Russia. However, one can conclude that given the similar cultural background of the employees, their collectivistic attitudes and organisational culture orientations largely depend on nation-building policies in their countries. There are clear policy implications at the political level: loosening the constraints on creating a strong national identity will nurture individuals' sense of belongingness, which in turn will be reflected at the organisational level. There are also implications for organisations: human resource strategies should be formulated that support retaining one's national identity and creating strong in-group identities. This facilitates maintaining strong ties with the organisation.

There are several limitations to this study. First, we did not define the concept of respondents' self-reported "nationality" in the questionnaire, i.e. whether we meant ethnic auto-identity (as we initially assumed), belonging to a certain nation, or belonging to a certain nation involving an according citizenship. This shortcoming does not let us clearly distinguish the grounds that respondents actually use to construct their national identity, making the proposed relationships hypothetical. Second, these relationships are restricted to the Latvian and only partially to Lithuanian sample. If the study were repeated in Estonia, we would expect similar results, the social and political situation of Russian-speakers being more comparable to the one in Latvia than to the one in Lithuania. A third limitation is an average time gap of about 4 to 5 years of data collection. Although national identity construction is a slow process, one would expect that its manifestations might have changed in the intervening time. Yet, this limitation has little impact for this paper, given our main results are driven mainly by Latvian data. Further research should examine more closely the dynamics of identity construction among minority populations and measure its actual effect on workplace attitudes and behaviour.

Acknowledgements

References

Angle, H.L., Lawston, M.B. (1993). Changes in affective and continuance commitment in times of relocation. *Journal of Business Research*, 26, pp. 3–15

Austers, I. (2002). Attribution of value stereotypes as a consequence of group membership: Latvian and Russian students living in Latvia compared. *International Journal of Intercultural Relations*, 26: 273–285

Baltic Economic Stats (2004), http://www.balticsworldwide.com/economic_stats.htm, 25.04.2004

Baltic Media Book (2001), BMF Gallup Media, Tallinn, Riga, Vilnius. 263 pp.

Bochner, S., Hesketh, B. (1994). Power distance, individualism/collectivism, and job-related attitudes in a culturally diverse work group. *Journal of Cross-Cultural Psychology*, 25 (2): 233–257.

Boen, F., Vanbeselaere, N. (2001). Individual versus collective responses to membership in a low-status group: The effects of stability and individual ability. *Journal of Social Psychology*, 141, Issue 5, 765–783

Boyacigiller, N. A., Adler, N. J. (1991). The parochial dinosaur: Organisational science in a global context. *Academy of Management Review*, 16 (2): 262–290

Chatman, J. A., Barsade, S. G. (1995). Personality, organisational culture, and cooperation: Evidence from a business simulation. *Administrative Science Quarterly*, 40, p423–443

Chen, Chao C., Chen, Xiao-Ping, Meindl, James R. (1998). How can cooperation be fostered? The cultural effects of individualism-collectivism. *Academy of Management Review*, Vol.23, Issue 2

Clugston, M., Howell, J.P., Dorfman, P.W. (2000). Does cultural socialization predict multiple bases and foci of commitment? *Journal of Management*, Vol. 26, Issue 1

De Witte, K., van Muijen, J. L. (1999). Organisational Culture: Critical Questions for Researches and Practitioners. *European Journal of Work and Organisational Psychology,* No 8, p583–595

Earley, P., Gibson, C. (1998). Taking stock in our progress on individualism-collectivism: 100 years of solidarity and community. *Journal of Management*, Vol. 24 Issue 3, p265

Ellemers, N., Spears, R., & Doosje, B. (1997). Sticking together or falling apart: In-group identification as a psychological determinant of group commitment versus individual mobility. *Journal of Personality and Social Psychology*, 72, 617–626.

Ferdman, Bernando M. (1995). Cultural Identity and Diversity in Organisations: Bridging the Gap between Group Differences and Individual Uniqueness, pp. 37–61

Harrison, R. (1995). The Collected Papers of Roger Harrison. San Francisco: Jossey-Bass Publishers.

Hint, M. (1999). State Nation vs. Ethnic Nation: A Comparison of Western and Eastern European Tradition. *The Baltic Review*, Vol.17

Hofstede, G. (1997). *Cultures and Organisations: Software of the mind*. 2nd ed., London: HarperCollins Publishers, 279 pp.
Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviours, Institutions, and Organisations across Nation*s, 2nd ed. Thousand Oaks, CA: Sage.

Hofstede, G., Neuijen, B., Ohayv, D.D., Sanders, G. (1990). Measuring Organisational Cultures: A Qualitative and Quantitative Study across Twenty Cases. *Administrative Science Quarterly*, Vol. 35, Issue 2

Jetten, J., McAuliffe, B.J., Hornsey, M.J., Hogg, M.A. (2006). Differentiation between and within groups: The influence of individualist and collectivist group norms. *European Journal of Social Psychology*, 36, 825–843.

Jetten, J., Postmes, T. and McAuliffe, B. J. (2002). 'We're *all* individuals': group norms of individualism and collectivism, levels of identification and identity threat, *European Journal of Social Psychology*, 32, pp. 189–207.

Jetten, J., Spears, R., Manstead, A.S. (1997). Strength of identification and intergroup differentiation: the influence of group norms. *European Journal of Social Psychology*, Vol. 27, 603–609.

Kennedy, Michael D. and Stukuls, Daina (1998). The Narrative of Civil Society in Communism's Collapse and Post-communism's Alternative: Emancipation and the Challenge of Polish Protest and Baltic Nationalism. Constellations: An International Journal of Critical & Democratic Theory, 13510487, Dec98, Vol. 5, Issue 4

Kolströ, P. (1996). The New Russian Diaspora – An Identity of its Own? *Ethnical and Racial Studies*, Vol. 19, No. 3, p. 609–639

Laitin, D.D. (1998). Identity in Formation: The Russian-Speaking Populations in the Near Abroad. Cornell University Press, Ithaca and London

Latvia to Speed up Naturalisation (2002). *The Baltic Review*, Vol.21, p. 33

Lau, C.-M., Ngo, H.-Y. (1996). One Country Many Cultures: Organisational Cultures of Firms of Different Country Origins. *International Business Review*. Vol.5, No.5, pp. 469–486.

Lind, M. (2003). Estonia – One or Two Societies? *Occasional paper no. 1*, Baltic Defense College Institute for Defense Studies, Tartu

Linz, J.J., Stepan, A. (1996). Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe. The John Hopkins University Press, Baltimore and London, 479 pp.

Love, M.S., Macy, G., Rea, C.B. (2002). Considerations for the Cooperative Work-place: Collectivism and a Sense of Community. *Current Topics in Management,* Vol. 7, p279

McAuliffe, B.J., Jetten, J., Hornsey, M.J., Hogg, M.A. (2003). Individualist and collectivist norms: when it's ok to go your own way. *European Journal of Social Psychology*, 33, 57–70.

Moorman, R.H., Blakely, G.L. (1995). Individualism-Collectivism as an Individual Difference Predictor of Organisational Citizenship Behaviour. *Journal of Organisational Behaviour*, Vol. 16, No. 2, pp. 127–142.

Mujkic, A. (2007). We, the Citizens of Ethnopolis. *Constellations*, Vol. 14, No. 1.

Nagle, J.D., Pearson, F.S., Suprun, M. (2000). Overcoming Wilsonialism: American Conflict Resolution and Ethnic Nationalism in Eastern Europe and the Former Soviet Union. In Sean Byrne and Cynthia L. Irvin (eds) *Reconcilable Differences*, Kumarian Press.

Nørgaard, O., Johannsen, L., Skak, M., Sørensen, R.H. (1999). The Baltic States after Independence. 2nd Ed. Cheltenham: Edward Elgar Publishing Company, 241 p.

Nyiri, P. (2003). Xenophobia in Hungary: A Regional Comparison. Systemis Sources and Possible Solutions. Working Paper, Center for Policy Studies, Central European University, Budapest.

Parkes, L., Bochner, S., Schneider, S. (2001). Person-Organisation Fit across Cultures: An Empirical Investigation of Individualism and Collectivism. *Applied Psychology*, Vol. 50, Issue 1.

Poirot, C.S. Jr. (1997). The Return to Barbarism. *Journal of Economic Issues*, Vol. 31, No. 1.

Realo, A., Allik, J., Vadi, M. (1997). The Hierarchical Structure of Collectivism. *Journal of Research in Personality*, 31, 93–116.

Runblom, H. (2002). Majority-minority relations: an overview. In: Witold Maciejewski (Eds) *The Baltic Sea Region: Cultures, Politics, Societies*. The Baltic University Press, Uppsala 2002, p. 406, 676 pp.

Russian Language Dictionary (1983). Словарь русского языка в четырех томах. А.Р. Evgenieva (Editor in chief), 2nd ed., Moscow, Russki Yazyk.

Schein, E.H. (1992). *Organisational Culture and Leadership*. San Francisco: Jossey-Bass Publishers, 418 pp.

Schwartz, S.H. (1994). Beyond individualism/collectivism: New cultural dimensions of values. In U. Kim, H.C. Triandis, C. Kagitcibasi, S.-C. Choi, & G. Yoon (Eds.), Individualism and collectivism: Theory, methods and applications. Thousand Oaks, CA: Sage, p85–122

Simon, B., Kulla, C., Zobel, M. (1995). On being more than just part of the whole: regional identity and social distinctiveness. *European Journal of Social Psychology*, Vol. 25, 325–340.

Stullerova, K. (2002). Understanding Xenophobia in Eastern Europe. Workshop Report, June 21–22, 2002, Central European University, Budapest, Hungary.

The Russian Minority in the Baltic States and the Enlargement of the EU (1999). *Enlargement Briefings*, European Parliament, Briefing No. 42, http://www.europarl.eu.int/ enlargement/briefings/ pdf/42a1_en.pdf, 11/06/2003.

Triandis, H. (1995). *Individualism and collectivism*. Boulder, CO: Westview Press, 259pp.

Vadi, M. (2000). Organisatsioonikultuur ja väärtused ning nendevahelised seosed (Eesti näitel) (Organisational culture and values and the relations between them (on the example of Estonia)). *Dissertationes Rerum Oeconomicarum*. Tartu University Press (in Estonian).

Vadi, M. (2001). The Impact of Individual Values on Organisational Culture in a Transitional Economy. Studies in *Industrial Engineering and Management*. No.16, pp. 302–319. Lappeenranta University of Technology.

Vadi, M., Allik, J., Realo, A. (2002). Collectivism and Its Consequences for Organisational Culture. University of Tartu, Faculty of Economics and Business Administration, *Working Paper Series*, Number 12.

Vedina, R., M. Vadi and E. Tolmats (2006), 'Interactions of cultural elements: Estonian organisations in the pan-Baltic mirror', in Helena Hannula, Slavo Radosevic and Nick von Tunzelmann (eds), *Estonia, the New EU Economy: Building a Baltic Miracle?* London: Ashgate, pp. 169–88.

Wagner III, John A. (1995). Studies of Individualism-Collectivism: Effects on Co-operation in Groups. *Academy of Management Journal*, Vol. 38, Issue 1

Wang, L., Bishop, J.W., Chen, X., Scott, K. D. (2002). Collectivist Orientation as a Predictor of Affective Organisational Commitment: A Study Conducted in China. *International Journal of Organisational Analysis*, Vol. 10 Issue 3, p226–239

Warner, R., Hornsey, M.J., Jetten, J. (2007). Why minority group members resent impostors. *European Journal of Social Psychology*, 37, 1–17

IV

Study IV
Value diversity for innovativeness
in the multicultural society of Estonia

Rebekka Vedina, Gerhard Fink, Maaja Vadi

Introduction

In this chapter, we shall investigate the potential effects that cultural similarities and differences between the two major cultural groups, ethnic Estonians and people belonging to the Russian-speaking community, might have on the inclination to innovate. We shall study whether the required capabilities, based on instrumental and terminal values, are available in Estonia; and whether these values are equally distributed within and between these groups, or whether more intense cooperation between Estonians and Russian speakers would be required to invest complementary values into new hybrid corporate cultures that have yet to emerge in order to foster innovation. This is an important issue, since the Estonian performance in innovation is rather disappointing at present. Relative private sector innovation expenditure amounts to only 22 per cent of the EU average (Republic of Estonia 2005: 23). In the year 2000, in Estonia the innovation expenditures of companies as a percentage of turnovers amounted to 1.43 per cent (EU average was 2.15 per cent, ibid.: 31). The rather poor performance in innovation is in obvious contrast with the observation that Estonia is doing pretty well in various rankings on economic freedom and factors that are supposed to determine international competitiveness or usage of new technologies. In this chapter, we shall try to explain this contrast by going beyond the visible and easily grasped features, which form the basis of these kinds of competitiveness rankings, and provide research into the less obvious, but possibly more important cultural factors. These cultural factors are at the core of our analysis.

Belief in market mechanisms and denial of the role of government at the beginning of the 1990s led to the radical implementation of market mechanisms in public policy (Kattel 2004) which has had surprisingly negative effects on the development of entrepreneurship. Following economic reform Estonian enterprises had to adapt themselves to new economic conditions and re-orientate themselves to Western markets (Ratso 2005). State aid to small and medium-sized enterprises was concentrated on training courses and consulting support only. In order to survive, new entrepreneurs tried to take advantage of the only available short-term competitive edge, namely cheap labour and resources (Kattel 2004). Consequently, international subcontracting had become a popular means to survive, especially in such sectors as clothing, machinery, metalwork

and textiles (Dana 2005: 288), much more than for example among Bulgarian or Polish enterprises (Elenurm 2004). While the inflow of technological knowledge from abroad is a positive feature, the flipside is potential outflow of a substantial part of the revenues, insufficient domestic technological innovation and only weak development of entrepreneurship. Although Estonia has an innovation potential and some remarkable high-tech innovation can be identified, for example Internet voice communication development by Skype, there is still need to deepen the capabilities to induce and implement innovations at corporate levels.

Estonian entrepreneurs lack innovative inputs ('Innovation policy profile: Estonia', 2001; Kurik *et al.,* 2002). For development of entrepreneurship awareness of the importance of innovation and innovative ideas is urgently needed (see the discussion of the link between entrepreneurship and innovation by Wakkee *et al.,* ch. 9 in this book). Understanding and acceptance of the concepts of innovation and innovativeness are rather poor. Innovation is a notion imported from abroad. The public and many key persons (policy makers, top managers, entrepreneurs, investors, and the media) have difficulty associating the same meaning with this term as it has in the West. Because it is difficult to grasp, innovation is considered someone else's responsibility (Kalvet *et al.,* 2005). If at all, innovation is conceptualized as a rather radical, one-time fast success tool, as for example new products or R&D-derived basic innovations. Incremental innovation in processes and organizational innovations are rather neglected (ibid.).

Interestingly, such public attitudes coexist with the quite optimistic assessments reported by Estonian executives on the openness to foreign ideas in Estonian society (which is similar to that reported in Iceland, Ireland, the Netherlands, Hungary, the Slovak Republic and Portugal; IMD 2005) and on flexibility and adaptability of people when faced with new challenges. For example, Swedish companies often test ideas first in Estonia, since Estonians tend towards industriousness and are perceived as having a heartier appetite for change than even the forward-thinking Swedes (Levine 2004). Another potential indicator of the generally positive attitude towards the novel trends of the modern world is broadband internet access. In 2004, Estonia ranked sixth among the 25 EU member states on broadband internet access among enterprises of more than 10 employees (68 per cent) after Denmark (80 per cent), Sweden (75 per cent), Spain (71 per cent) and Belgium (70 per cent). The average was 52 per cent.

Various rankings indicate that general conditions are relatively favourable for entrepreneurship and innovation. Economic freedom is high. According to the survey conducted by the Wall Street Journal and the Heritage Foundation, Estonia holds seventh place in the Index of Economic Freedom 2006, and according to the World Bank Group (2006) it ranks 16th in the ease of doing business among 155 economies. The World Economic Forum (2005) ranks

Estonia among the top 20 countries, and in the 'The Lisbon review' survey Estonia is ranked as the most competitive new EU member state (Ratso 2005). With EU membership, political stability and ideological legitimacy was established. Why then is entrepreneurship and innovation lagging?

Besides these general trends certain demographic factors play a particular role in the development processes. Miettinen (2004) considers demographic crisis – negative growth of population together with the shortage of both highly qualified white- and blue-collar workers – as one of the major problems for the development of entrepreneurship (of all those employed some 90 per cent are employees and 10 per cent entrepreneurs). As he points out, the liberal and open economic policy together with the neglected or deficient social policy has created growing inequality among regions, occupations and genders, and it calls for individuals to take the initiative and bear the responsibility for their own future (ibid.). Together with the failure of the state to hedge the entrepreneurial risks this may result in reluctance to take such risks, that is, lower levels of entrepreneurship and innovation.

Furthermore, since regaining independence in 1991, an important feature of Estonia is the culturally heterogeneous workforce, which is a legacy of the Soviet era. Many big enterprises employed mainly workers from a minority population (that is, Russian speakers) with little or no cultural connection with the majority population (Estonians). Since most of these large corporations were not economically viable and had closed down, integrating the people of these two distinct cultural backgrounds into the new social order is a major challenge for society and policy makers.

Given that persistent split in society, differences in values are an important part of the social system: these differences define and mediate the relations between the population groups and play a role in structuring the interactions between entrepreneurs (see Sijde, Kirwan and Groen in this book referring to Parson 1964). Therefore, when approaching the issues of cooperation and innovation in entrepreneurship, it is important to take into consideration the value diversity prevailing in Estonian society. Are diverse values an obstacle for cooperation? On the contrary! Following Triandis (1995, pp. 11–12) we would argue that differences in values could be an asset for emerging new enterprises. Based on this view we shall pursue the following research questions: what are the specific values salient among the representatives of the two major cultural groups? To what extent are both groups equipped with values that could influence innovativeness?

This chapter is organized as follows: after this introduction, the next section focuses on the concept of values and the potential consequences of value diversity for innovativeness. The third section summarizes insights into cultural diversity in Estonia: the Russian-speaking community and Estonians. An empirical study on values (following Rokeach 1973) follows in the fourth section, where we highlight similarities and complementarities in the value

profiles of Estonians and the Russian-speaking minority. In the final sections, the possible impact of cultural values on innovativeness among the representatives of majority and minority populations in Estonia is discussed and implications are drawn for managers.

VALUES THAT FOSTER INNOVATIVENESS AND COOPERATION

Values are an indispensable implicit part of any culture, be it group, organisational, professional, sector or national culture. Each value relates to a specific basic assumption and in turn has an influence on attitudes, modes of behaviour and norms. In entrepreneurship, specific sets of values are important for providing the ground for innovation, and cultural diversity can be a potential competitive advantage for an enterprise (see Ulijn *et al.,* ch. 1 in this book). In any cooperation, adequately combined values will attain potentially better results.

In their study of seven European countries, Mairesse and Mohnen (2002) have compared the expected and observed innovation intensity (measured by the share of innovative products in total sales). They found that there are differences between the expected innovation ('propensity to innovate' estimated with *ex ante* defined explanatory variables) and observed actual innovation in EU countries. They called this unexplained residual 'innovativeness'. We would expect that cultural factors, which were not included in their model, could explain these variances in the observed innovation intensity.

Indeed, the process of innovation, be it product, process or organisational innovation, requires diverse skills in an organisation. Following Damanpour (1991), Nakata and Sivakumar (1996), Flynn and Chatman (2001), to name but a few, we consider the innovation process to consist of two phases: (a) initiation, or the generation of new ideas; and (b) implementation, or the actual introduction of the change. From a cultural perspective, there is a clear distinction between initiation and implementation of innovation. Different values play different roles in each phase. Ulijn et al. (2004) proposed that the Dutch might be better equipped to initiate innovations and commercialise them, whereas the Germans are the better implementers and manufacturers. Nakata and Sivakumar (1996) claimed that in the initiation phase, individualistic culture promotes the ability to generate ideas and test the product concept, and collectivistic culture would promote the implementation phase through emphasis on interdependence, cooperation and unified purpose. On the organisational level, it is therefore crucial to combine human resources equipped with different values to promote the innovation process most efficiently. This brings us to the question of value diversity versus value uniformity and their importance for innovation.

Schein (1993) has argued that diverse but connected group cultures are desirable for an innovative organisational culture. Hauser (1998) asserted that diversity in values leads to a more profound problem perception and definition

as well as likely acceptance of a chosen solution. In addition to differences in cultural values, diversity of knowledge is an important source and facet of organisational innovation (Souder and Jenssen 1999). Knowledge-based minority views can stimulate consideration of non-obvious alternatives and interaction with persistent minority viewpoints stimulates creative thought processes (Nemeth 1986). Hence, value diversity is a crucial asset in the innovation initiation phase.

Realization of the innovative solution, in its turn, is supported by complementary knowledge, together with a common focus (Hauser 1998). Cohesion is important for the attainment of organisational goals, and harmony is necessary to implement creative ideas (Flynn and Chatman 2001: 273). Cohesion and harmony should therefore be emphasized during the innovation implementation phase. However, one should not forget that strongly coherent groups tolerate less deviation. If cohesion turns into uniformity, it may result in a decrease in innovation and in reduced willingness or ability to adapt to changing circumstances (Nemeth and Staw 1989 p. 175, Nemeth 1997).

In the psychological literature on team performance, we found yet another example of the importance of similarity and difference:

> Neumann et al. (1999: 28–45) investigated into the effectiveness of different strategies for using personality tests (Big Five) to select members for work teams. Their research question was whether 'team personality elevation' (= the average level of a given trait within a team) and 'team personality diversity' (= the variability or differences in personality traits found within a team) predict performance of teams. They found that high levels of agreeableness, conscientiousness and openness to experience, but also 'team personality diversity' of extroversion and emotional stability were valid predictors of team performance. Therefore, according to their findings the appropriate team selection strategy would be to select candidates, who are highly agreeable and open to new experience, but differ with respect to extroversion and emotional stability. (Fink *et al.,* 2004: 25).

Hence, the success of innovation projects depends on cooperation between individuals with different values. The innovative productivity of collaboration comes from the 'differentness' of the individuals in a group, not their sameness (Nakata and Sivakumar 1996; Zien and Buckler 1997). Diverse subcultures of different departments, often referred to as 'professional cultures' (see Ulijn and Weggeman 2001), can be complementary and enhance one another's effects on innovativeness. Therefore, complementary values are well suited for stimulating innovation processes (Hauser 1998).

In the literature, we found a few articles dealing with values of importance for initiation and implementation of innovation. Using the Rokeach (1973) value inventory, Fagenson (1993) found that important instrumental values for initiation are honest, ambitious, capable, independent, courageous, imaginative and logical; and most important values for implementation are the terminal

values of true friendship, wisdom, salvation, and pleasure (ibid.). Based on Schwartz's (1992) value inventory, similar values were later also found in the work of Voss (2002; Table 11.1).

Table 11.1. Values of importance for initiation and implementation of innovation

	Values for initiation	Values for implementation	Variables	Sources
Terminal values	self-respect freedom a sense of accomplishment a world at peace an exciting life	true friendship wisdom salvation pleasure	Dependent variable: Entrepreneurs vs. Administrators Independent Variables : Rokeach (1973) value inventory	Fagenson (1993)
Instrumental values	honest ambitious capable independent courageous imaginative logical	loving/compassionate forgiving helpful self-controlled		
Terminal values	freedom social order social power respect for tradition	mature love pleasure true friendship sense of belonging wisdom a varied life reciprocation of favours unity with nature	Dependent variable: Entrepreneurs vs. administrators Independent Variables : Schwartz's (1992) value inventory	Voss (2002)
Instrument al values	ambitious curious	daring influential protecting the environment		

110

CULTURAL DIVERSITY IN ESTONIA:
THE RUSSIAN-SPEAKING COMMUNITY AND ESTONIANS

Different cultural backgrounds and historical influences are the reasons why diversity emerged in Estonia. For centuries, Estonia has been under Danish, German, Swedish or Russian rule, which has had an important impact on the Estonian national character. After 22 years of independence during 1918–1940, as a consequence of the Hitler-Stalin pact, Estonia was forcibly incorporated into the USSR and was under Soviet control until 1991.

Today, there are two major cultural groups – Estonians and Russian speakers, that is, speakers of Estonian or Russian as a native (first) language, accounting for 68 per cent and 30 per cent, respectively. The Russian-speaking population has its own identity based on linguistic and socio-political grounds (see Vedina et al. 2006). During the Soviet era, many families with different ethnic backgrounds from different parts of Russia and other Soviet republics were relocated to Estonia. The use of Russian as the main language of communication in most public matters and self-perception as belonging to a majority population of the Soviet Union was the common element. After Estonia regained its independence in 1991, some Russian speakers left the country with their families, but most stayed on with the intention of integrating into the new society that was yet to emerge. Their social and economical situation today may vary, but speaking Russian as a mother tongue together with the shift in self-perception as becoming a minority in the independent republic remain as common factors of their identity (ibid.).

These two major cultures are influential in the business environment. We assume that differences in their values have an impact on their behaviour and interactions, and therefore on innovativeness and on the innovation processes.

Jerschina and Górniak (1997), who studied participation in the transformation processes among the minorities and majorities in Estonia, Latvia and Lithuania, distinguished between 'conductors of change', 'passive experts', 'active citizens' and 'silent citizens'. In the period of transition, silent citizens comprised 49 per cent, 12 per cent were conductors of change, 12 per cent passive experts and 26 per cent active citizens. The differences between national minorities and majorities are remarkable. While there were no differences found between minorities and majorities in Latvia or Lithuania, in Estonia the minorities (mainly Russian speakers) are much more passive. Their behaviour differs strongly from that of the national majority (ibid.).

Passivity is mostly ascribed to 'communist heritage'. Rightly so, albeit the presumptions are utterly wrong that the observed behaviour had become a sort of 'national cultural value' under socialism. 'Passivity' is not a value that can easily be clarified if reference is made to the literature on values (Kluckhohn and Strodtbeck 1961; Hofstede 2001; House *et al.,* 2004; quote from Fink and Lehmann 2006, forthcoming). Passivity is a typical cultural shock syndrome,

which is emerging due to a severe lack of orientation (Fink and Feichtinger 1998; Fink and Holden 2002). The significant difference in the passivity between Russian speakers and Estonians can possibly be attributed to a much more severe collective culture shock of the Russian speakers. At the time of the investigation Russian speakers very likely felt more disorientated than Estonians.

In many companies the legacy of the communist period is still present, for example in the lack of skills, management techniques and competence. Interpersonal relationships enjoy high esteem. Strong inertia in the thinking among the older generation results in a polarization of mindsets between generations (Pärna 2004; Vadi and Roots 2006) and makes change difficult.

In earlier research, the following core values of Estonians were identified: patience, Scandinavian individualism, honesty, nationalism, Western orientation, adaptability and flexibility, as well as in manifestations such as silent protest, shyness and moderation, peacefulness, communication as information rather than of small talk, and closeness to nature (Nurmi and Üksvärav 1994). Estonians are considered to be quite individualistic (Hofstede 2001: 502; Jürgenson 2005; Vadi and Meri 2005).

In various domains of social relationships, Russian speakers display more collectivistic attitudes towards family, peers, society and in interpersonal relations within organisations by which they are employed (Vadi *et al.,* 2002). They can therefore be perceived to be more cooperation orientated.

Estonians have mostly been Lutherans, while people of Russian origin are predominantly Orthodox. For example, before the First World War, one million Estonians were Lutherans. The Lutheran Church retained some of its influence on Estonians during the period of Soviet occupation (Stricker 2001). Thus, it is likely that Estonians, more than Russian speakers, have internalized the principle introduced by the Protestant Reformation that one's calling in life is to work hard in order to fulfil one's earthly duties. The protestant work ethic was seen as the source of such personal qualities as industry, self-discipline, asceticism and individualism (Weber [1904] 1930; Furnham 1984; Dose 1997; Ryan 2000).

However, preferred values may change with the changing standards of living. In a recent study of Schwartz's (1992) value types among Estonian students, Niit (2002) has illustrated that the values 'creativity' and 'varied life', which are related to openness to change, became much less important between 1992 and 1999, which may reflect the improved economic conditions and the greater availability of achieving variety in life. Hence, a preference emerged for the preservation and enhancement of the welfare of those with whom one is in frequent personal contact. Benevolence values are likely to gain in importance.

HYPOTHETICAL IMPACT OF CULTURAL VALUES ON INNOVATIVENESS IN ESTONIA

In the light of previous research, we shall examine the following: can we identify sufficient differentness (diversity) among the dominating Estonian subcultures and also sufficient cohesion, or potential for harmony, which are necessary ingredients for successful innovativeness in a given society?

Following Fagenson (1993) we look at the sources of such differences and similarities by studying individual values as suggested by Rokeach (1973). Accordingly, in a first step we distinguish between 'instrumental' and 'terminal' values. Instrumental values represent modes of behaviour (Meglino and Ravlin 1998: 352) that people choose as proper (Rokeach 1973: 8). Terminal values reflect wants and desires that people wish to fulfil during their life (Vadi 2000), or self-sufficient end-states of existence that people strive to achieve and pursue for their own sake (Meglino and Ravlin 1998: 351).

The sample consisted of 340 Estonian (age M = 33.6, SD = 9.23) and 664 Russian-speaking employees (age M = 38.7, SD = 9.27) in 16 different organisations operating in various areas such as processing industry, services, and information technology in 1996–2001.

The ranking of instrumental values shows little similarity between Estonians and Russian speakers. Pearson's correlation coefficient ($-1 \leq r \leq 1$) is 0.48 between the final ranks and 0.57 between the means of the individual rankings (M columns in Table 11.2). R^2 is only 0.33. By contrast, the ranking of terminal values is relatively similar between Estonians and Russian speakers. Pearson's correlation coefficient ($-1 \leq r \leq 1$) is 0.82 between the final ranks and 0.85 between the individual rankings (M columns in Table 11.3). R^2 is 0.72.

When we compare the top six instrumental values for Estonians and Russian speakers, we find both similarity and difference. Three values get a high ranking in both groups: 'responsible', 'loving' and 'logical', while 'honest' is more important for Estonians. Two values are different in each group: among Estonians 'intellectual' and 'capable' get a high ranking, as do 'imaginative' and 'courageous' among the Russian speakers (Table 11.2).

Table 11.2. Ranking of Rokeach instrumental values among Estonians and Russian-speakers in Estonia

	Estonians, n=340			Russian-speakers, n=649		
Rank	Instrumental value	M	SD	Instrumental value	M	SD
1	*honest*	4.45	3.97	*imaginative*	7.36	4.85
2	*responsible*	6.13	3.78	*loving*	7.61	4.93
3	*intellectual*	6.92	4.57	*logical*	7.78	5.17
4	*loving*	7.50	4.99	*responsible*	7.97	5.14
5	*logical*	9.01	4.57	*courageous*	8.20	5.12
6	*capable*	9.16	4.84	*honest*	8.85	5.50
7	*helpful*	9.33	4.96	*polite*	8.94	4.35
8	*broadminded*	9.50	5.24	*self-controlled*	9.09	4.39
9	*self-controlled*	9.53	4.75	*intellectual*	9.23	4.56
10	*courageous*	9.66	4.61	*forgiving*	9.25	5.07
11	*cheerful*	9.75	4.65	*cheerful*	9.99	5.24
12	*independent*	9.83	5.13	*independent*	10.00	4.91
13	*clean*	10.10	4.61	*obedient*	10.56	5.24
14	*polite*	10.15	4.30	*broadminded*	10.61	4.75
15	*forgiving*	10.20	4.96	*helpful*	10.86	5.61
16	*imaginative*	10.81	4.76	*clean*	11.14	4.88
17	*ambitious*	11.93	4.61	*capable*	11.16	4.66
18	*obedient*	16.37	2.90	*ambitious*	12.20	5.45

Note: Due to the ranking technique, the smaller the mean, the higher is the importance of a value.
Source: own research

When we compare the top six terminal values for Estonians and Russian speakers, we find stronger similarity and less difference. Five values get a similar high ranking in both groups: 'family security', 'wisdom', 'self-respect' and 'happiness'. One value is different among the top six in each cultural group. 'A sense of accomplishment' seems to be more important to Estonians than to Russian speakers. There is a larger difference for 'a world at peace', which ranks five among Russian speakers, but only 14 among Estonians (Table 11.3).

Table 11.3. Ranking of Rokeach terminal values among Estonians and Russian-speakers in Estonia

Rank	Estonians, n=340			Russian-speakers, n=649		
	Terminal value	M	SD	Terminal value	M	SD
1	family security	4.72	3.47	family security	4.60	3.78
2	a sense of accomplishment	4.96	3.57	wisdom	6.15	4.32
3	wisdom	6.07	4.08	self-respect	6.56	3.98
4	inner harmony	6.11	4.24	a sense of accomplishment	6.92	4.08
5	self-respect	6.41	3.90	a world at peace	7.68	5.93
6	happiness	6.82	4.12	happiness	8.17	4.22
7	mature love	6.84	3.91	inner harmony	8.47	4.60
8	true friendship	8.40	3.55	true friendship	9.15	3.94
9	freedom	8.43	4.02	freedom	9.18	4.40
10	social recognition	10.90	4.33	an exciting life	9.37	4.76
11	an exciting life	11.16	4.09	national security	9.51	5.49
12	national security	11.30	4.75	mature love	9.85	4.48
13	equality	14.64	3.49	a comfortable life	10.82	5.13
14	a world at peace	11.41	5.39	a world of beauty	11.48	3.86
15	a comfortable life	11.69	4.11	equality	11.63	4.59
16	a world of beauty	11.72	3.29	social recognition	12.25	4.10
17	pleasure	12.96	3.84	pleasure	13.77	4.27
18	salvation	16.17	3.37	salvation	15.15	3.79

Note: Due to the ranking technique, the smaller the mean, the higher is the importance of a value.
Source: own research

Thus, in this first step of our brief analysis we can find similarity and difference between Russian speakers and Estonians, which could constitute a basis for efficient teams with connected, but also diverse values, as Schein (1993) has indicated. A necessary condition for successful innovation would be that Estonians and Russian speakers rank highly values that are important for initiation and implementation of innovations. In addition, a sufficient number of those values should be similar and others complementary.

   We can show how a combination of Estonians' and Russian-speakers' values would help us to come closer to the ideal situation as indicated by Fagenson (1993). Among the values for initiation of innovation, both groups have a remarkable set of values in common. The instrumental values 'honest' and 'logical', and the terminal values 'self-respect' and 'a sense of accomplishment' get a high ranking in both groups. The instrumental value 'independent', and the terminal values 'freedom' and 'an exciting life' are middle ranking in both groups. Complementarities could help to foster innovativeness. In a team,

Russian speakers could bring in high instrumental values 'courageous' and 'imaginative' and a high terminal value 'a world at peace'. Estonians could bring in a high instrumental value 'capable'. Lack of ambition seems to present a problem – the instrumental value 'ambitious' ranks lowest in both groups (Table 11.4).

Table 11.4. Values for initiation of innovation among Estonians and Russian speakers

Values as found by Fagenson (1993)	Estonians Rank of value out of 18	Russian-speakers Rank of value out of 18	Comments
Instrumental values			
honest	1	6	both high
ambitious	17	18	both very low
capable	6	17	complementary (Estonians high)
independent	12	12	both middle
courageous	10	5	complementary (Russian-speakers high)
imaginative	16	1	Complementary (Russian-speakers high)
logical	5	3	both high
Terminal values			
self-respect	5	3	both high
freedom	9	9	both middle
a sense of accomplishment	2	4	both high
a world at peace	14	5	Complementary (Russian-speakers high)
an exciting life	11	10	both middle

Source: own research

Among the values for implementation of innovation, again, both groups have a remarkable set of values in common: the instrumental value 'loving/compassionate' and the terminal value 'wisdom' get a very high ranking in both groups. The instrumental value 'self-controlled' and the terminal value 'true friendship' are middle ranking in both groups. Complementarities could help to foster innovativeness. In a team, Russian speakers could bring in a somewhat higher instrumental value 'forgiving', and Estonians could bring in a higher instrumental value 'helpful'. The terminal values 'pleasure' and 'salvation' rank lowest in both groups (Table 11.5).

Table 11.5. Values for implementation of innovation among Estonians and Russian-speakers

Values as found by Fagenson (1993)	Estonians Rank of value out of 18	Russian-speakers Rank of value out of 18	Comments
Instrumental values			
loving/compassionate	4	2	both very high
forgiving	15	10	both middle, complementary (Russian speakers higher)
helpful	7	15	complementary (Estonians higher)
self-controlled	9	8	both middle
Terminal values			
true friendship	8	8	both middle
wisdom	3	2	both very high
salvation	18	18	both lowest
pleasure	17	17	both very low

Source: own research

The values of Russian speakers with their instrumental values 'courageous', and 'imaginative', and the terminal value 'a world at peace' could prove strongly supportive in the initiation phase of the innovation process: referring to the instrumental value 'capable', Estonians could reasonably contribute to the initiation phase, too. For implementation, the instrumental values 'forgiving' (Russian speakers), and 'helpful' (Estonians) may foster the capabilities of cooperating groups. Thus, we conclude that well-designed cooperation among Russian speakers and Estonians may enhance the innovative capabilities in Estonia. However, there are two major conditions:

- appropriate selection of staff who possess the appropriate values; and
- in the team formation process, staff have to be made aware of their communalities and important differences in their values and attitudes.

DISCUSSION

This book chapter draws attention to the need for further study of the relation between values and innovation. We have generated some applicable empirical data from the perspective of Estonian society. However, more needs to be done to understand how these values influence the emergence of organisations and their culture, and how these organisations become sustainable and innovative.

The study has shown that the impact of national culture on innovativeness is multidimensional. Its possible effects on innovation would stem from the composition of different cultural groups living in Estonia, their common and diverse individual values, and from managerial support. The presence of these complementary group cultures is important to combine advantages in the early stages of innovation with those in the later ones.

The set of the most important terminal values is similar for majority and minority populations; this means that they share the same end goals in life, which should make the cooperation easier. There is more variety in instrumental values, meaning that the desired ways to achieve the end goals are somewhat different among these two populations. Therefore, the joint effects of cooperation among Estonians and Russian speakers will depend on the organisational setting. If those values that are conducive to innovation prevail in an integrative effort, the outcome could be positive. However, there is no guarantee of that. Ulijn et al. (ch. 1 in this book) have found that the more individualistic the person is, the lower his or her acceptance of partner dissimilarity. Leaving aside issues in communication, which may arise from different languages, the rather individualistic Estonians might favour coopera-tion with those who have moderately different values. The more collectivistic Russian speakers possibly could be more willing to accept dissimilar partners, also depending, of course, on the perceived size of their in-group. Thus, there is a risk: in a joint effort by Estonians and Russian speakers only those values that are dominant in both groups might prevail. In that case cooperation would not enhance, but rather reduce innovativeness. Therefore, in an integrative effort, the values of both groups need to be carefully managed in order to enhance those values that are conducive to innovation.

Due to the collective cultural shock, Russian speakers have been largely passive in the transformation process, but the value of being courageous enjoys high esteem. It remains unclear whether there is a lasting hidden paradox in the way the minorities behave and feel. As long as passive behaviour prevails, opportunities are lost for organisations. If the focus in the society were to change from competition to cooperation, risk tolerance might increase, which would alleviate the difficult task of new business creation. However, it is of the utmost importance to manage the emerging values of new organisations in order to strengthen those values that foster innovation.

There are several limitations to this study. So far, we have not directly controlled the relations between the cultural values and the innovation process. The perceived relations among national culture, innovativeness and co-operativeness need further study. Could other variables interfere? For instance, could organisational culture overrule the effects of the identified value inventory? Further research is needed to establish and study the links between individual values, individualistic and collectivistic attitudes, and the results of the innovation process, and thus on the development of entrepreneurship.

The similar analysis in other countries with a large minority population and a more collectivistic background would prove to be helpful. For instance, today many European countries (for example, Germany, France) face difficulties with integrating such populations into their societies and organisations. The present research provides some ideas and a foundation for turning the diversity into an advantage.

IMPLICATIONS FOR MANAGERS AND NEW BUSINESS DEVELOPMENT

Previous research has emphasized that integrated pluralistic cultures prove best suited for innovation. In entrepreneurship, the role of individuals in developing innovations and creating new businesses is crucial. Value diversity is a main asset in entrepreneurship for promoting innovativeness and cooperativeness. The knowledge and awareness of one's own values and also those of the partners, can be an important asset for establishing partnerships and accessing international markets. However, there is a risk. Value diversity can also express itself in different perceptions of organisational tasks and missions; suppressing different values will reduce rather than enhance the innovation potentials. The differences in values are best seen and also have the strongest impact during times of crisis or critical incidents, which may have a strong effect on coope-ration (see for example the description of tension episodes in Groen et al. (ch. 9 in this book), or reference to solving the conflict between academic entre-preneurs who lack necessary business skills and their experienced business partners in Kirwan et al. (ch. 12 in this book).

There is a large innovation potential in Estonian society. The prevailing diversity of values between Russian speakers and Estonians could prove to be an important resource in the process of creating and implementing new ideas. Society, as represented by the government, should acknowledge that improving innovativeness implies a need for cooperation across Estonian subcultures.

Consequently, the management of such a diverse resource requires cultural sensitivity and a clear aim: the creation of corporate cultures conducive to persisting innovation. The synergy of innovation will stem from the purposeful management of diversity. Representatives of both Estonian and Russian-speaking populations could successfully play different roles in the initiation and implementation of innovation. Our value inventory could serve as a guide for selecting the right staff: people who have the appropriate different values, which complement one another.

Organisational culture that stresses teamwork and participation, but also divergent thinking should be promoted. Managers and staff need to learn how to cooperate without giving up the fruitful components of their diversity. Team mangers should be capable of establishing functioning communication between

diverse groups. They should make work-group members aware of the cultural and attitudinal differences, and encourage and reward cooperation across cultures. (See Box 11.1.)

BOX 11.1. MANAGERIAL IMPLICATIONS – TO BROADEN THE VALUE REPERTOIRE FOR INNOVATION

Diverse values among different subgroups in Estonian could significantly contribute to foster innovativeness.

For initiation of innovation among Estonians and Russian speakers those persons need to be selected, who show above average high esteem for being honest, capable, independent, courageous, imaginative and logical.

For implementation of innovation among Estonians and Russian speakers those persons need to be selected, who are loving/compassionate, forgiving, helpful and self-controlled.

Since several of these values rank differently in both groups, in a team formation process staff need to be made aware that not so much the common values, but the different values are a major resource of innovativeness. Suppressing different values would reduce chances to succeed on the market.

These insights, we believe, help us to understand the emergence of foreign-owned state of the art high tech enterprises in Estonia. Many foreign companies have realized the innovation potential by locating their engineering and R&D departments in Estonia; for example, the large Swedish bank SEB recently moved most of its code-programming operations there and the major R&D centre of Skype, the world's fastest-growing service for internet voice communication, is also located in Tallinn.

Referring to the Estonian Action Plan for Growth and Jobs, we find that injecting capital and managerial knowledge will not suffice. Managing cultural commonness and diversity, not by unifying cultures, but by taking different values of different people as a major resource, will help Estonian enterprises to become successful in the global arena.

NOTE

- Rebekka Vedina is the main author, Gerhard Fink and Maaja Vadi contributed equally to this chapter. This chapter has been prepared with the support of the Estonian Science Foundation grant project No. 5527 and of the Andreas and Dr. Elmerice Traks Scholarship provided to the main author by the Estonian Relief Committee (USA). The main author also wishes to acknowledge the help of Eindhoven Centre for Innovation Studies of the Eindhoven University of Technology (The Netherlands) during her stay there.

REFERENCES

Damanpour, F. (1991), 'Organizational innovation: A meta-analysis of effects of determinants and moderators', *Academy of Management Journal*, 34 (3): 555–90.

Dana, L.P. (2005), *When Economies Change Hands: A Survey of Entrepreneurship in the Emerging Markets of Europe from the Balkans to the Baltic States*, New York: International Business Press.

Dose, J.J. (1997), 'Work values: An integrative framework and illustrative application to organizational socialization', *Journal of Occupational and Organizational Psychology*, 70: 219–40.

Elenurm, T. (2004), 'Estonian perspectives of international entrepreneurship', in Léo-Paul Dana (ed.), *Handbook of research on international entrepreneurship*, Cheltenham, UK and Northampton, MA, USA: Edward Elgar, pp. 370–82.

Fagenson, E.A. (1993), 'Personal value systems of men and women entrepreneurs versus managers', *Journal of Business Venturing*, 8: 409–30.

Fink, G. and C. Feichtinger, (1998), 'Towards a theory of collective culture shock', *Journal of Contemporary Management Issues*, 3 (2): 53–57.

Fink, G. and N. Holden, (2002), 'Collective culture shock: contrastive reactions to radical systemic change', Forschunginstitut für Europafragen Working Paper 45.

Fink, Gerhard and Maren Lehmann (2006), 'People's twist: the cultural standard of "loyalty" and performance in former "Socialist Economies"', in David Pauleen (ed.). *Cross-Cultural Perspectives on Knowledge Management*, Libraries Unlimited.

Fink, G., A-K. Neyer, M. Koelling and S. Meierewert (2004), 'An integrative model of multinational team performance', Europainstitut Working Paper, 60: 25.

Flynn, F.J. and J.A. Chatman (2001), 'Strong cultures and innovation: oxymoron or opportunity?', in C.L. Cooper, S. Cartwright and P.C. Earley (eds), *The International Handbook of Organizational Culture and Climate*, Chichester: John Wiley, pp. 263–87.

Furnham, A. (1984), 'Work values and beliefs in Britain', *Journal of Occupational Behaviour*, 5 (4): 281–91.

Hauser, M. (1998), 'Organizational culture and innovativeness of firms – an integrative view', *International Journal of Technology Management*, 16 (1/2/3): 239–55.

Hofstede, G. (2001), *Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations across Nations*, 2nd edn, Thousand Oaks, CA: Sage.

House, R., P. Hanges, M. Javidan, P. Dorfman, and V. Gupta (eds) (2004). *Culture, Leadership and Organizations: The GLOBE study of 62 countries*, Thousand Oaks, CA: Sage.

IMD (2005). World Competitiveness Yearbook, 'Index of Economic Freedom 2006', IMD International, Lausanne, Switzerland, www.heritage.org/research/features/index/countries.cfm, 20 January.

'Innovation policy profile: Estonia' (2001), ftp://ftp.cordis.lu/pub/innovation-policy/studies/studies_six_candidate_countries_estonia_2001.pdf, 15 September 2005.

Jerschina, J. and J. Górniak (1997), 'Leftism, achievement orientation, and basic dimensions of the socioeconomic and political attitudes in Baltic countries versus other Central and East European countries', in Neil Hood, Robert Kilis and Jan-Erik Vahlane (eds), *Transition in the Baltic States: Micro-Level Studies*, London: Macmillan, pp. 80–107.

Jürgenson, A. (2005), 'Culture´s effect on organizational behaviour in Miecys concern in the Baltic states (based on Hofstede´s dimensions) ', Master's thesis, University of Tartu (in Estonian).

Kalvet, T., R. Kattel, K. Küünarpuu, D. Vaarik, K. Rahu and E. Ojamets (2005), 'Innovation and Estonian opinion leaders. Pre-research for finding out the relevant needs of the state Innovation Awareness Programme target groups', Tallinn: Centre of Political Studies PRAXIS and Hill and Knowlton Eesti AS (in Estonian).

Kattel, R. (2004), 'Governance of innovation policy: the case of Estonia', *Trames*, 8 (4): 397–418.

Kluckhohn, F.R., and F.L. Strodtbeck (1961). *Variations in Value Orientations*. New York: Elmsford.

Kurik, S., R. Lumiste, E. Terk and A. Heinlo (2002), 'Innovative activities in Estonian enterprises 1998–2000', *Innovation Studies*, 2, Tallinn: Enterprise Estonia (in Estonian).

Levine, J. (2004), 'Estonia: "If it works, you can break it"', *Forbes Global*, 20 December; www.forbes.com/global/2004/1220/016.html.

Mairesse, J. and P. Mohnen (2002), 'Accounting for innovation and measuring innovativeness: an illustrative framework and an application', *Economics of Technology and Innovation*, 92 (2): 226–30.

Meglino, B.M. and E.C. Ravlin (1998), 'Individual values in organizations: concepts, controversies and research', *Journal of Management*, 24 (3): 351–89.

Miettinen, A. (2004), 'Estonian SMEs in a changing environment: from institutional constraints to emphasis on market factors', *Journal of Enterprising Culture*, 12 (3): 195–210.

Nakata, C. and K. Sivakumar (1996), 'National culture and new product development: an integrative review', *Journal of Marketing*, 60: 61–72.

Nemeth, C.J. (1997), 'Managing innovation: when less is more', *California Management Review*, 40 (1): 59–74.

Nemeth, C.J. (1986), 'Differential Contributions of Majority and Minority Influence', *Psychological Review*, 93, 23–32.

Nemeth, C.J. and B.M. Staw (1989), 'The tradeoffs of social control and innovation in groups and organizations', in Leonard Berkowitz (ed.), *Advances in Experimental Social Psychology*, Vol. 22, New York: Academic Press, pp. 175–210.

Neumann, G.A., S.H. Wagner, and N.D. Christiansen, (1999). The relationship between work-team personality composition and the job performance of teams. Group *and Organization Management*, 24 (1): 28–45.

Niit, K.-K. (2002), 'The values of Estonian students in the 1990s', in Aune Valk (ed.). *Estonia and Estonians in the comparative perspective: Cross-cultural research from the end of the 20th century*, Tartu: Tartu University Press, pp. 42–59 (in Estonian).

Nurmi, R. and R. Üksvärav (1994), 'Estonia and Finland: Culture and Management, A Conjectural Presentation', Publications of the Turku School of Economics and Business Administration, Series A-9.

Pärna, O. (2004), *Analysis of Business Environment and Identification of Potential Entrepreneurs in Estonia*, Tallinn: Connect Estonia.

Ratso, S. (2005), 'Miracle of Estonia: entrepreneurship and competitiveness policy in Estonia', paper presented at the Forum "After fifteen years of market reforms in transition economies: new challenges and perspectives for the industrial sector", UNECE Palais des Nations, Geneva, 24–5 May.

Republic of Estonia (2005), Action Plan for Growth and Jobs 2005–2007, for implementation of the Lisbon Strategy, Tallinn, http://europa.eu.int/ growthandjobs/pdf/nrp_2005_en.pdf , 13 October.

Rokeach, M. (1973), *The Nature of Human Values*, New York: Free Press.

Ryan, John J. (2000), 'Work values and organizational citizenship behaviors: values that work for employees and organizations', *Journal of Business and Psychology*, 17 (1): 123–33.

Schein, E.H. (1993), 'Innovative cultures and organizations', in T.J. Allen, and M.S. Scott Morton (eds), *Information Technology and the Corporation of the 1990s: Research Studies*, Oxford University Press, pp. 132–9.

Schwartz, S. H. (1992), 'Universals in the content and structure of values: Theoretical advances and empirical tests in 20 countries', in M.P. Zanna (ed.), *Advances in experimental social psychology*, Vol. 25, New York: Academic Press, pp. 1–65.

Souder, W.E. and S.A. Jenssen (1999), 'Management practices influencing new product success and failure in the United States and Scandinavia: a cross-cultural comparative study', *Journal of Product Innovation Management*, 16: 183–203.

Stricker, G. (2001), 'Lutherans in Russia since 1990', *Religion, State and Society*, 29 (2): 101–13.

Triandis, H.C. (1995), 'A theoretical framework for the study of diversity', in Martin M. Chemers, Stuart Oskamp and Mark A. Costanzo (eds), *Diversity in Organizations: New Perspectives for a Changing Workplace*, Thousand Oaks, CA: Sage, pp. 11–36.

Ulijn, J. and M. Weggeman (2001), 'Towards an innovation culture: what are its national, corporate, marketing and engineering aspects, some experimental evidence', in C.L. Cooper, S. Cartwright and P.C. Earley (eds), *The International Handbook of Organizational Culture and Climate*, Chichester: John Wiley, pp. 487–517.

Ulijn, J., F. Wynstra and A. Lincke (2004), 'The effect of Dutch and German cultures on negotiation strategy: an exploratory study to compare operations and innovation contexts', *International Negotiation*, 9 (3): 201–28.

Vadi, M. (2000), 'Organizational Culture and Values and the Relations between Them: The Example of Estonia', *Dissertationes Rerum Oeconomicarum*, Tartu: Tartu University Press (in Estonian).

Vadi, M., J. Allik and A. Realo (2002), 'Collectivism and its consequences for organizational culture', Faculty of Economics and Business Administration, Working Paper No. 12, University of Tartu.

Vadi, M. and Riin Meri (2005), Estonian culture in the framework of the Hofstede's dimensions model (the case of the hotel industry), *Trames*, 9 (3): 268–84

Vadi, M. and H. Roots (2006), 'The Estonian Organizations – The Subjects of Transformation', in Helena Hannula, Slavo Radosevic and Nick von Tunzelmann (eds), *Estonia, the New EU Economy: Building a Baltic Miracle?*, London: Ashgate, pp. 189–206.

Vedina, R., M. Vadi and E. Tolmats (2006), 'Interactions of cultural elements: Estonian organisations in the pan-Baltic mirror', in Helena Hannula, Slavo Radosevic and Nick von Tunzelmann (eds), *Estonia, the New EU Economy: Building a Baltic Miracle?*, London: Ashgate, pp. 169–88.

Voss, R.S. (2002), 'Generating entrepreneurial and administrative hierarchies of universal human values as a basis for identifying entrepreneurial and administrative potential across contexts', Dissertation Abstracts International Section A: Humanities and Social Sciences, 62(9-A), p. 3110.

Weber, M. (1904 [1930]), *Protestant ethic and the spirit of capitalism*, Winchester, MA: Allen & Unwin.

World Bank Group (2006), Doing Business: Benchmarking Business Regulations, www.doingbusiness.org, 20 January.

World Economic Forum (2005), 'Growth Competitiveness Index rankings: 2005 and 2004 comparisons', www.weforum.org, 20 January 2006.

Zien, K.A. and S.A. Buckler (1997), 'From experience dreams to market: crafting a culture of innovation', *Journal of Product Innovation Management*, 14: 274–87.

Part 3. CONCLUSIONS

3.1. Discussion of research propositions
in the framework of workforce diversity

The studies presented in this dissertation have shown that societal changes in post-Soviet countries have had an effect on workforce diversity dynamics and the ways it influences its relationships with organisations. Furthermore, these effects differ across societies depending on their institutional and organisational environments. The main findings are summarized in Table 3, p. 126.

It was suggested in P1 that Russian-speakers in Estonia, Latvia and Lithuania have a similar set of individual values. This proposition was supported partially: it was found that Russian-speakers in Estonia, Latvia and Lithuania have a similar set of most important terminal values, that is, the end-states of existence they look up for: *family security*, *a sense of accomplishment*, *self-respect*, *wisdom* (see also Table 1 in Study II). This also reflects the value consensus in relation to these values. However, the sets of the most important instrumental values vary among these sub-samples, which means that they see the ways to achieve these end-states of existence differently.

This finding shows that to some extent value diversity is present also among the people of the same cultural background. Whereas values, which are situated at the deeper level of human conscience and form the basis for other values, tend to change less across time and environments, the values that are located at the less deep levels change depending on one's environment and country of residence. Moreover, this value diversity is reflected in the employees' perception of organisational culture orientations[8] by assessing them higher or lower according to the importance attributed to certain values. Thus, value diversity is related to the diversity in orientations towards organisational task support and in the strength of belongingness to one's organisation.

According to P2a, Russian-speakers in Estonia, Latvia and Lithuania would have similar collectivistic attitudes. It was not supported, since collectivistic attitudes across the corresponding samples vary considerably. This variation stems from the differences in the agreement of the respondents with the statements, which express their attitudes in relation to certain target groups – family, peers or society (Table 2 in Study II). Hence, diversity is also present at the level of collectivism among the representatives of one cultural group. While this finding seems to somewhat contradict the previous statements that a certain level of collectivism is shared among the people of the same cultural background, the author of this dissertation believes that by distinguishing different types of collectivism it actually provides a deeper understanding of this issue.

---

[8] It should be noted here that the employees' perception of their organisation as such, not the perception of other employees (mutual perception) or of the larger society is under focus.

Table 3. Summary of the findings

Study	Objective	Object of study	Sample	Findings/conclusions	Confirmation of propositions
Study I	To provide a context for Studies II, III and IV	The manifesta-tions and con-sequences of changes around and within organisations	Empirical and conceptual studies in the special issue of *Trames*	Values enable understanding the processes of change from the organisa-tional and societal point of view; the concept of value enables us to appreciate the trajectory of both micro- and macro-level forces of organisatio-nal change within economic transition.	– (no propositions were made)
Study II	To find commonalities and differences in individual values, collectivistic attitudes, perception of organisational culture and their interactions among the employees belonging to the same cultural background.	Individual values, collec-tivistic attitudes, organisational culture orienta-tions	Russian-speaking employees in Estonian, Latvian and Lithuanian companies; sample sizes: 664, 313 and 203, respectively	A similar set of most important terminal values, differing most important instrumental values and collectivistic attitudes; prizing some values is related to the perception of organizational culture; collectivistic attitudes have an intervening effect on the relationships between respondents' individual values and the perception of organisational culture.	P1 partially confirmed; P2a rejected; P1 partially confirmed; P2b supported, mostly with respect to instrumental values.
Study III	To explain the specific relationships found during the analysis of the data used in Study II from the social category diversity perspective.	Collectivistic attitudes, organisational culture	Russian-speaking employees in Estonian, Latvian and Lithuanian companies; sample sizes: 664, 313 and 203, respectively	The connections between respondents' collectivistic attitudes and the perception of organisational culture differ with respect to the approach they take to construct their national identity.	P3 rejected and further developed

Study	Objective	Object of study	Sample	Findings/conclusions	Confirmation of propositions
Study IV	To find, what are the specific values salient among the representatives of the two major cultural groups in a society and to what extent are both groups equipped with values that could influence innovativeness.	Individual values	Russian-speaking employees and employees of Estonian origin in Estonian organisations; sample sizes: 664 and 340, respectively	Values that are attributed more importance by the employees of one cultural background should support the initiation phase of organisational innovation process, whereas values prized by the employees of the other cultural background should support the implementation phase.	P4 further developed

A variation is also present in the relationships between collectivistic attitudes and the perception of organisational culture. However, one relationship is found to be similar in all samples – that between collectivistic attitudes towards society and the relationship orientation of organisational culture (Table IV in Study III). This suggests that the argumentation on which P3 was grounded was reasonable enough.

P2b hypothesised that collectivistic attitudes of the Russian-speakers in Estonia, Latvia and Lithuania have an intervening effect on the relationships between their individual values and perception of organisational culture. This proposition was to some extent supported, mostly with respect to instrumental values (Table 3 in Study II). This finding also has implications in organisations and can be categorised as reflecting value diversity concept in the framework of workforce diversity.

P3 stated that Russian-speakers in Estonia, Latvia and Lithuania should have a similar approach to self-categorisation with respect to society and with respect to their organisation. This proposition was rejected in Study III, which found that the connections between employees' collectivistic attitudes and organisational culture differ with respect to the approach they take to construct their national identity (see Tables III and IV in Study III). It is suggested in Study III that identity threat as a consequence of the changes in society's institutional context, and in particular, citizenship and naturalisation of minorities policies, plays an additional role in this process. Since national identity is one type of social identity, it means that when evaluating workforce in terms of its diversity, value diversity should be considered together with social category diversity.

According to P4, value diversity stemming from different cultural backgrounds of the employees is positively related to organisational innovativeness. This proposition was further developed by studying what constitutes organisational innovativeness and what values should support its different aspects. Previously existing data on values of employees in Estonian organisations was used for constructing more specific hypotheses. Based on the propositions found in the previous research, it was found that employees of one cultural background attribute more importance to values that should support the initiation phase of organisational innovation process, whereas the employees of the other cultural background evaluate higher the values that are important for the implementation phase of organisational innovation process. These values are illustrated as components of value diversity and the hypothesised relations are drawn on Figure 4. Corresponding suggestions for further research are made in Study IV and below.
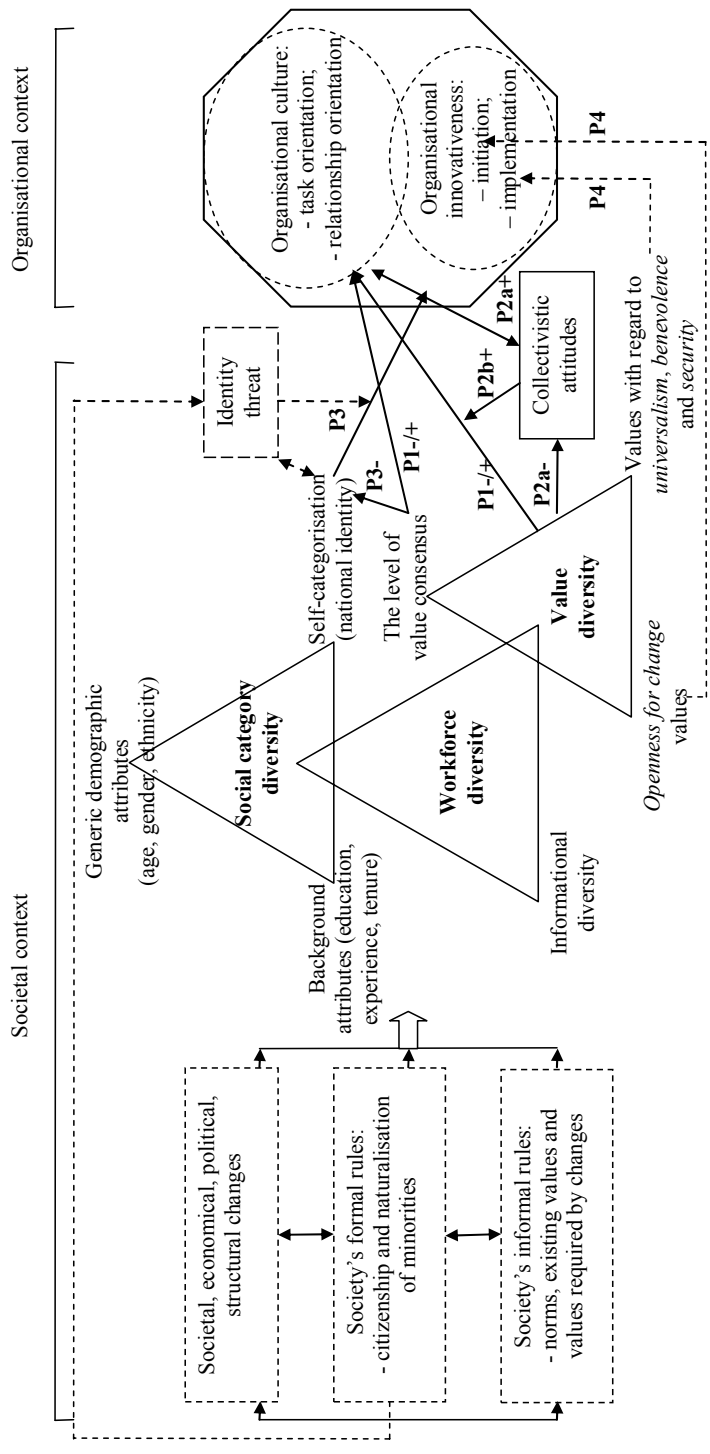
Notes: Confirmed propositions are added a sign "+", not confirmed propositions are added sign "–"; double-ended arrows represent correlations, single-ended arrows represent causal relations; dotted arrows represent hypothesized relationships.

Figure 4. Relationships found in the study and hypothesized relationships between diversity and organisational phenomena

3.2. Value diversity in organisations:
summary and discussion of the main findings

Societal changes in Estonia, Latvia and Lithuania have caused the emergence of different types of diversity on both societal and organisational levels. The present studies focused on value diversity, while some of its variance is related to social category diversity, in particular, the issue of national identity construction.

Value diversity in the same cultural group
The legacy of the Soviet Union is a culturally heterogeneous workforce in post-Soviet countries. In all three Baltic republics there is a similar composition of populations, where the largest minority group is Russian-speaking population. Its members consider the same terminal values as most important. Yet, there are differences in most esteemed instrumental values both among these three minority populations and between minority and majority population in the same country (Estonia). It means that the most important end-states of existence are considered the same, while the desired ways to reach these end-states vary a great deal. One can suggest that this is the effect of the societal context one lives in, i.e. country of residence effect. Considering that individuals spend most of their days at work, it increases the possibility that organisations also can have an impact on which instrumental values should be regarded as more important.

This value diversity further manifests itself in different collectivistic attitudes and the connections of individual values with the perception of organisational culture. Russian-speakers in Estonia score highest on family-related and society-related attitudes, and these attitudes are also correlated with the relationship orientation of organisational culture. These connections with organisational culture are the only ones present in this sample. At the same time, Russian-speakers in Estonia have the lowest attitudes to peers among the three samples. Drawing a parallel with collectivistic or individualistic orientation of individual values (Abraham 1998, see Study II), it can be stated that if compared to Latvian and Lithuanian samples, Russian-speakers in Estonian organisations esteem individualistic instrumental values higher than collectivistic values (*imaginative* and *courageous* are not included in the set of the most important values in the Latvian and Lithuanian samples, whereas *loving* and *responsible* present in all samples have lower mean ranking in the Estonian sample). The knowledge of whether Estonian society in general provides more individualism than the other two societies is limited; however, there are some studies, which in some measure indicate the ratio in favour of individualism in Estonia, as compared to Latvia and Lithuania (Vadi, Meri 2004; Jürgenson 2005; Hofstede 2001: 502). The studies presented in this dissertation have partly confirmed it as well. This may mean that the societal context in Estonia contributes to

esteeming individualistic values with regard to peers also among its minority population members, who otherwise have different cultural background.

Nevertheless, collectivistic attitudes of Russian-speakers moderate the links between the values that they hold and their perception of organisational culture. Collectivistic attitudes towards one's family and collectivistic attitudes towards society collate mainly with the relationships between terminal values and task orientation, whereas collectivistic attitudes towards one's peers are mainly related to the links between instrumental values and relationship orientation of organisational culture. However, these correlations vary in terms of their strength and direction, so no general conclusion can be drawn (see for some explanations in Study II).

The differences in the relationships between collectivistic attitudes and perception of organisational culture are further related to social category diversity. It stems from the variation in the basis of constructing national identity. The author proposed in Study III that collectivistic attitudes of the respondents, who base construction of their national identity on ethnic and linguistic grounds, could have stronger positive connections with organisational culture than those of respondents, whose national identity formation was based on citizenship and assimilation.

In the classification of both aspects and consequences of diversity into task-related and relations-oriented, Sessa and Jackson (1995) categorized national origin diversity and concomitant to it diversity in values and attitudes as relations-oriented attributes. They considered national origin as a readily detectable attribute. The author of this dissertation sees national identity as an underlying attribute, which can de detected only by questioning respondents. Notwithstanding the differences between these approaches to this social category, the present dissertation contributes to this insight by distinguishing, which aspects of national identity create the basis for stronger relationship orientation. Furthermore, by finding that these aspects have an impact also with regard to the perception of task orientation of organisational culture, this dissertation provides a wider understanding of the possible outcomes of this type of workforce diversity.

Among the task-related mediating states and processes of the dynamics of workforce diversity Sessa and Jackson (1995: 138) mention discovery and creativity as a learning aspect, and among task-related long-term consequences they list creativity as a component of personal performance. Creativity is a necessary yet not sufficient prerequisite for organisational innovativeness (Caldwell and O'Reilly 1995; cf. Flynn and Chatman 2001). Study IV presented in this dissertation implies that the relations between employees' cultural background and organisational innovativeness is multidimensional and can be contradictory. It is alleged that its effects stem from the presence of employees of different cultural background and the diversity in their individual values, collectivistic attitudes and organisational task support.

Value diversity in the encounter of employees of different cultural groups

Study IV focused on value diversity across two cultural groups in Estonia: Russian-speakers and employees of Estonian ethnicity (referred to as Estonians in Study III and further on). It was found that instrumental value *imaginative* is the most important among Russian-speakers (it is third least-important among Estonian respondents), *responsible* is forth and *courageous* is fifth most important instrumental value (ninth least important among Estonians). For Estonians, three most important values are *honest*, *responsible* and *intellectual*. Being imaginative is crucial for innovation, and if it is combined with being courageous to take risks, one could suggest that cultural basis for innovation is provided by a large part of the Estonian society. On the other hand, being honest and responsible are important for implementing the innovative ideas, and it is presented relatively stronger in another part.

Values *imaginative* and *courageous* are connected to the *Openness to change* dimension in Schwartz value invention (1992). *Honest*, *responsible* and *intellectual* are related to the *Benevolence* values. *Capable* and *ambitious,* which belong to *Achievement* values according to Schwartz's terminology, rank last in the Russian-speakers sample. Thus, according to Study IV *Openness to change*, which is important for the initiation phase of innovation is more represented among the Russian-speaking population. *Self-transcendence* (represented by Benevolence), which can be intuitively considered as important for cooperation, is more likely to be a characteristic of Estonians. One can conclude that the values of Russian-speakers with their openness to change fit better in the initiation phase of innovation process, whereas more disciplined, responsible and committed Estonians would do well in the implementation phase.

Estonians are also considered to be quite individualistic (Vadi and Meri 2005; Jürgenson 2005; Hofstede 2001, p. 502), while Russian-speakers in Estonia – more collectivistic according to various domains of social relationships – attitudes toward family, peers, society and interpersonal relations in organisations by which they are employed (Vadi et al. 2002), and thus are more teamwork and cooperation oriented. At the same time the study of Vadi et al. (2002) has revealed that Russian-speakers perceive organisational culture as less task-oriented than Estonians, implying that their unified organisational purpose support is lower. This entails a possible negative effect on the level of cooperativeness in this sample, and as such, on the implementation phase of innovation process. Based on the above mentioned studies and Study IV of this dissertation the controversial effects of cultural values and attitudes in the different phases of the process of innovation are proposed and illustrated in Figure 5.

ESTONIANS **RUSSIAN-SPEAKERS**
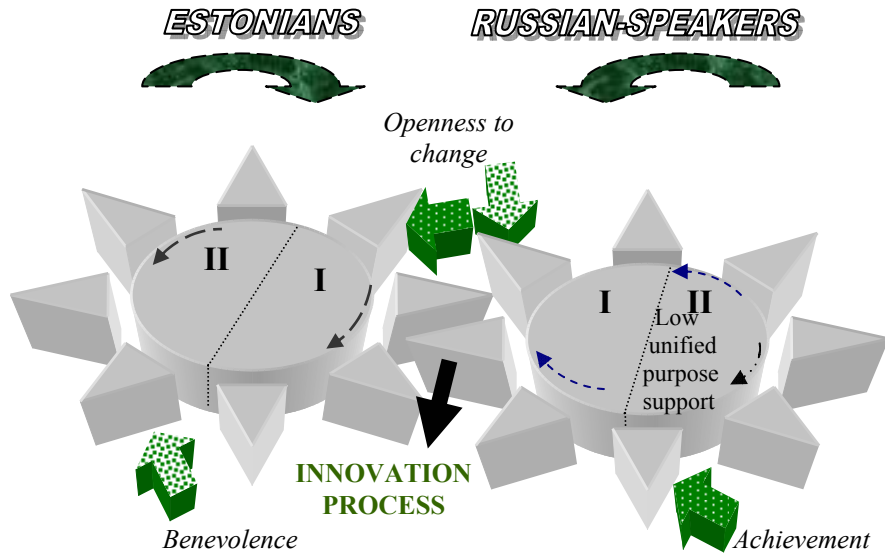
Notes: I – innovation process initiation phase; II – innovation process implementation phase;
⟹ – **low** relative importance of the value type, therefore having innovation process **restrictive** force;
⟹ – **high** relative importance of the value type, therefore having innovation process **conducive** force;
– – – ▶ – moderating effect of individualistic attitudes; - - - - ▶ – moderating effect of collectivistic attitudes;
– ·· – ▶ – moderating effect of lower organisational task support;

Figure 5. Illustration of the potential impact of value diversity on organisational innovativeness in Estonia

Two rotating cogwheels, which are linked together in Figure 5, present a metaphor of the innovation process as a joint effort of the members of Estonian and Russian-speaking populations interacting during this process. For making the innovation process run smoothly they have to interact with each other in a manner, which adds to, not deters the other's rotation direction. However, it can be proposed that the differing individual values and attitudes that exist in these two populations may either hinder or facilitate this process. During the first innovation process phase, initiation, values related to the openness to change act as an interfering force: their higher importance among Russian-speakers should make this process easier, while their lower relative importance for Estonians hypothetically act in the opposite way. In addition, the study of collectivistic attitudes has shown that Russian-speakers value more global things like being

patriotic[9], which is also useful for the initiation phase of innovations. Estonians, in their turn, more value being honest, intellectual and responsible, which is very important for the innovation realisation, i.e. implementation phase.

During the second innovation process phase, that is, implementation, lower importance of values related to achievement among Russian-speakers impede the process, whereas important values of Estonians related to benevolence may act as a conducive force. In the figure these forces are presented by thick dotted arrows. At the same time, collectivistic and individualistic attitudes, as well as organisational task support in these populations have an additional effect on teamwork and cooperativeness, which in turn may have further controversial outcomes during the different phases of innovation process.

The summary of the findings regarding Estonian organisations is as follows:

– The set of most important terminal values is similar for majority and minority populations in Estonia. This means, they share the same end goals in life. However, the ways to achieve these goals – instrumental values – differ in their importance.

– Russian-speaking employees perceive Estonian organisations as relatively more individualistic, but more relationship- than task-oriented.

– Russian-speaking employees in Estonian organisations attribute twice as much importance to their family needs and family security than to social relations (peers, friends and neighbours), what, on the other hand, strengthens their relationship orientation of organisational culture.

– Nevertheless, the collectivistic attitudes of Russian-speakers to society/ nation[10] are quite high and strengthen their organisational relationship orientation as well.

– The relatively low collectivistic attitudes to peers, friends and neighbours of Russian-speaking employees weaken the link between instrumental value being *responsible* and the relationship orientation of organisational culture.

– Estonians consider benevolence values as more important, whereas Russian-speakers prefer stimulation values, and this can have differing outcomes in organisational activities. For instance, this can imply that the Russian-speakers tend to be more courageous in starting a new project or a new business and being open to new ideas, but performing relatively weaker in the routine tasks. Whereas Estonians probably care more for the smooth running of the business and the everyday work, as well as for the well-functioning interpersonal relations.

– The fact that Russian-speakers have been passive in the transformation processes found in the study by Jerschina and Górniak (1997) suggest that there is also a hidden paradox in the way the minorities feel and behave. One

---

[9] Although the knowledge of which nation the resondents refer to is lacking due to the design of the questions (see Appendix 2).

[10] See the previous note.

possible indicator of this is the much lower mean ranking of the value of being *honest* among the Russian-speakers in as compared to Estonians in the Estonian sample and to Russian-speakers in Latvian and Lithuanian samples (Table 11.2 in Study IV and Table 1 in Study II). It may to some extent undermine the credibility of their other evaluations, and hence take the edge off the argumentations above. Howbeit, one implication is that if the strength of value *courageous* holds true, but coexists with a passive behaviour, the failure to support it from organisation's side, or by other societal factors, may mean lost opportunities for an organisation.

3.3. Implications for managers

It was suggested above that organisations can influence which instrumental values should be regarded as more important. It is in line with Alas and Rees' (2006) suggestion that organisations can exert an influence on societal values. Organisations can do it by supporting and discouraging behaviour of their employees and by stressing the values that are considered crucial for their functioning. This can be done with help of creating and maintaining a corresponding organisational culture.

The next implication regards relationship orientation of organisational culture that was perceived by the respondents as stronger than task orientation. In the context of changes both orientations are considered important. On the one hand, it was claimed that a person oriented organisation is well adapted to dealing with complexity and change (Harrison 1995: 157), because one needs to value relationships in order to achieve the level of trust and communication that will make joint problem solving and solution implementation possible (Schein 1997: 371). In this regard organisations with predominantly Russian-speaking employees in Estonia, Latvia and Lithuania should have good potential to deal with societal and organisational changes.

However, it was found that in Estonian organisations Russian-speaking employees have a lower unified organisational purpose support, i.e. task orientation, than their counterparts of Estonian nationality (Vadi et al. 2002), which, according to Harrison (1995) is a disadvantage in dealing with a complex and changing environment. Another study has found that Estonian managers have more concern for task than for people (Andrén et al. 1994). It implies that if managers in Estonia are able to orient themselves more to relationships and to establish management practices and organisational policies, which would increase the task support among their Russian-speaking employees, as well as the relationship orientation among their Estonian counterparts, their organisations would achieve synergy for dealing better with the changing environment.

It was proposed in this dissertation that culturally heterogeneous Estonian society should promote differing views and as a result, innovativeness. Re-

presentatives of both Estonian and Russian-speaking populations play a certain role in different phases of innovation process. The strengths of each group in each phase should be purposefully and carefully combined, brought together and trained to cooperate. At the same time, to take advantage of it, there is a need for creating a supportive climate in the organisation, which will make use of wide ranging interests. A profuse network of interactions with others needs to be created. As Zien and Buckler (1997) have pointed out, this takes time, conscious reaching out to different people and skills, and a culture that rewards lateral participation.

Value diversity can thus be regarded as a main asset in organisations for promoting innovativeness and cooperativeness. However, besides the positive impact on innovativeness, value diversity can express itself in the different understanding of organisational tasks and missions. Therefore, an organisational culture should be promoted that encourages teamwork, participation, and yet divergent thinking. It should encourage awareness and inform work-group members of the cultural and attitudinal differences, as well as encourage employees to cooperate and be capable to establish an efficiently functioning communication between the diverse groups.

As previous research has emphasized, integrated pluralistic cultures prove to be the best suited for innovations. Diverse values among different cultural groups in Estonia could significantly contribute to fostering innovativeness. In a team formation process staff need to be made aware that not so much the common values, but the different values are a major resource of innovativeness. Suppressing dissimilar values would reduce chances to succeed on the market.

A significant component of the diversity in an organisation is constituted by values stemming from different cultural backgrounds of its members, thus representing cultural differences among them. The previous research has shown that ignoring or attempting to suppress cultural differences can result in many negative outcomes for organisations, groups and individuals. In line with Ferdman (1995) it can be suggested that organisational interventions are needed aimed at helping people to understand, accept, and value the cultural differences between groups, with the ultimate goal of reaping the benefits of cultural diversity. It also requires looking at individuals in the context of their particular groups, and thus being cognizant of and sensitive to their (and our) cultural group memberships. Furthermore, the process of "joining up" may vary depending on individuals' cultural identities (Ibid.), and it should be considered in attempts to socialize and incorporate people with different cultural identities into organisations.

This argument also stresses the importance of creating a shared social identity with regard to organisations. Rink and Ellemers (2007) have stated that participation of individuals in the development of a shared identity facilitates their attachment to the group or organisation it refers to. Employees will most likely be alienated from the organisation when there is no possibility for self-activation or collective participation in the formation of a shared identity

(Brickson, 2000; Haslam, Powell and Turner 2000, cf. Rink and Ellemers 2007). If members do not feel attached to their organisation as a whole, they will tend to engage in competition with other teams, favouring their own team at the expense of other teams. This tendency will only increase when people feel that their team's (diversity-based) identity is not accepted by the organisation. For this reason – and for diverse teams to function effectively and remain involved with the organisation as a whole – it is extremely important that people identify with both their team and their organisation and that diversity is embedded at every level of the organisation. (Ibid.)

On the other hand, some researchers (Pelled *et al.,* 1999; Tsui *et al.,* 1992) have proposed that identifying individual group members with distinct groups (i.e., "outgroups") may disrupt group dynamics. Here the suggestion by Chatman and her colleagues (Chatman and Flynn 2001, Chatman et al. 1998) can be of help for the managers. They claimed that for counteracting the potentially negative effects of diversity on performance fostering a collectivistic culture in diverse groups (thus verifying a social self-view) would reduce the salience of categorical differences among group members. The implications of these findings are not limited to enterprises and can be applied to other types of social groups with a common goal, such as public sector organisations, non-profit organisations, unions etc.

3.4. Main conclusions at societal, organisational and individual levels

Several conclusions can be made on the basis of present research:

First, increasingly diverse workforce on a global scale brings more diversity into organisations.

Second, value diversity in organisations appears not only due to different personalities or backgrounds, but also because people of different cultural backgrounds come to work together and bring along their beliefs and understandings of the ways things work and should be done in general or within an organisation.

Third, this also creates expectations of how value diversity impacts organisational innovativeness. The issue of workforce diversity is rather under-represented in the entrepreneurship and innovation studies, although the general trend of the increasing diversity of populations, especially in the developed countries, and consequently of the workforce, was pointed out decades earlier (e.g., Triandis 1995b). This diversity is an inseparable feature of the modern world, and it has advantages in many areas, especially with regard to encouraging and developing entrepreneurship and innovation.

Value diversity creates large innovation potential for the Estonian society. First, value diversity *per se* is an important component in the process of creating and implementing new ideas. Second, the importance of values related to inno-

vativeness was found to differ in the two main cultural groups, whicch suggests that their representatives play a different role in the different stages of the innovation process. The presence of complementary group cultures is important to combine advantages in the early stages of innovation with those in the later ones. This also implies that the need for cooperation in general should be acknowledged in the society, and besides representing a challenge of managing this diversity, successful cooperation between the diverse people will bring along further advantages at all societal levels.

The case of Estonia can be transmitted and generalized to other countries, where populations with individualistic and collectivistic backgrounds and differing cultural values coexist. For instance, today many European countries face difficulties with integrating large collectivistic population groups in their societies and organisations (e.g. in Germany these populations account for 6 million people). The present research provides some ideas on how to turn it into an advantage. The argument is that a multicultural society can be very innovative upon the condition that different cultural groups' representatives cooperate and combine their strengths.

Fourth, the present research provides an insight into what aspects should be paid attention to when studying social category diversity. Another possible source of this type of workforce diversity is the construction of national identity among the members of minority populations in a society. This issue is especially topical today in the light of increasing immigration flows into developed countries, Western Europe in particular, when the second generation immigrants are entering into their workforce. They face the challenge of finding an answer to who they are, how they should categorise themselves with respect to their cultural roots, in relation to their ancestors in a homeland they may have not known or even ever seen, and the society they were born into. That is, the challenge is to find an answer to what should be their approach to constructing social and national identities. If the pressures in a society somehow marginalise certain groups, their members can feel that they have to cognitively separate themselves from the group to be seen positively (see for references Ferdman 1995). Previous evidence also demonstrates that minorities are slightly less committed to the group than non-minorities (Kirchmeyer and Cohen 1992; cf. Sessa and Jackson 1995). Yet, the separation does not completely solve the problem of self-categorisation, and, as the present research have shown, may still cause weaker relationships with one's organisation and with the society.

The recent turbulences in Estonian society with regard to major misunderstandings among and between its populations have demonstrated the importance of national identity issues for the integration process. Acknowledgment of the existence of these difficulties, if it will bring along the attempts to deal with them consistently at the level of society should be rewarding at all levels, ease the tensions within individual, between individuals and between individual and organisation(s).

Fifth, research into collectivistic attitudes is useful for that reason, too. Large immigrant populations from less developed countries into more developed countries usually are more collectivistic than people living in their host countries. This is a source of possible clashes of values, misunderstandings and conflicts. Classifying the collectivistic attitudes and their relations with organisational phenomena can help to deal with these issues.

Sixth, individual values of members of Estonian organisations reflect values in accordance with high economic development, which suggests that there is/will be no big conflict between values of people and changes connected with economic growth. However, the high importance of security values in this society, as well as in its Baltic neighbours might impede this process. Alas and Rees (2006) have found that a closer relationship between job-related attitudes and attitudes toward social values exists in post-socialist countries than in the case of the traditional capitalist countries. They hypothesized that while traditional capitalist countries have well-established societal values and these values are immune to what is taking place in organisations, in post-socialist countries new societal values are emerging as societal transformations take hold, and organisations can exert influence on these values.

Schwartz and Sagie (2000) have proposed that within a society people of differing socio-cultural backgrounds gradually develop similar value systems, and that this is the case even for marginalized groups in developed as compared to less developed nations. If certain values and attitudes that impede the development (e.g. family and national security) relinquish their actuality and importance relatively to the other, change promoting values, the differences across different cultural populations with respect to these values may diminish. This will help individuals, society and organisations in dealing with changes and complex environments.

However, the diversity in other values is a good source of synergy for coping better with these processes. In line with Ragins' (1995) proposition that effective management of diversity requires significant and inclusive change in cultural, structural and behavioural domains, the main message of this dissertation is that diversity in Estonia and other post-Soviet countries is to a large extent a consequence of the changes that took place at the larger societal level. Although it is a topical issue and cannot be ignored, it also functions as a factor that facilitates further changes.

3.5. Contributions to the theory, limitations and suggestions for further research

The present research contributes to the theory of individual values by finding that distinguishing between terminal and instrumental values (Rokeach 1969) is a useful tool for studying values not only across cultures, but also among the people with the same cultural background. It was found that while they have the same set of most important terminal values, their instrumental values differ to a large extent and may be subject to societal context and possibly to organisational context influences.

Distinguishing between the target groups for measuring people's collectivistic attitudes that was earlier recommended by Realo et al. (1997) has proven to be practical in studying collectivism also among the representatives of the same cultural group. It has resulted in the similar finding as mentioned above – that societal context can impact the variety of collectivistic attitudes of people of the same cultural background. This gives an additional insight to the studies of cultural differences where collectivism is one of the main dimensions of these differences.

From this perspective the present research is also a contribution to value diversity research field, and consequently, to the theory of workforce diversity. Research on value diversity as a component of workforce diversity has been very scarce up until today. For example, value diversity was estimated by asking the respondents whether and to what extent they perceive that value diversity is present in their organisations (Jehn et al. 1999), and not by studying which values are present and considered important among the employees and then evaluating to what extent they objectively differ.

Another contribution is proposing the effects of value diversity on organisational innovativeness. These two different research areas have been rarely examined together to find their interrelationships. One example is the study of Fagenson (1993) based on Rokeach (1969) value inventory, who found the certain value sets as typical and salient characteristics of entrepreneurs and other values as typical and salient characteristics of administrators. Voss (2002) in his doctoral dissertation further developed this research using Schwartz' (1992) value inventory and has found similar results. However, no research to the author's knowledge has been done for distinguishing values among all level employees within organisations and for finding what effects this can have on organisational processes and innovation process in particular. The present studies have proposed certain possible effects; however, more research is needed for their better understanding.

The first limitation of the study is associated with the nature of values. Individual values are an abstract construction and while they serve as the criteria of choices, we cannot predict the actual choices and behaviour of individuals.

Nevertheless, the unspecific nature of values stipulates remaining on the abstract level when drawing conclusions.

The second limitation is related to the time gap of the data collection and the composition of the samples. While in Latvia and Lithuania the data was collected in 2003, in Estonia the period of data gathering was from 1996 to 2001. Although the major societal change central for the present research – regaining the independence – have been completed in all three countries years before 1996, the next period was as dynamic and turbulent for having further bearing on people's attitudes and relations to their organisations. There are also some biases in gender and age composition of the samples. Whereas these demographic variables did not play a significant role in the interactions discovered in the present studies, further research should be more careful in matching the samples by various social categories, which are considered as important in workforce diversity studies.

Another aspect of this limitation is the approach to Russian-speaking organisational members as a homogeneous sample. Yet, this sample is possibly more fragmented than suggested with relation to the social status, the ability and willingness to integrate with the society in the country of residence, ethnic roots and traditions, etc. The differences in instrumental values found in the studies presented in this dissertation may be a possible indication of such fragmentation, rather than being merely a country of residence effect. Furthermore, in addition to the interactions with culture(s) of one's country of residence, frequent contacts with other cultures of the world nowadays can influence and possibly even reduce the homogeneity of cultural background. This can further complicate the interactions between value diversity and its manifestations in organisations and organisational outcomes, not predicted in the present studies.

The third limitation of this dissertation is the hypothetical nature of the propositions made in Study IV. The innovation process itself was not examined and the relations between its outcomes and the cultural values were not controlled directly. It is not clear whether the outlined relations between national culture and innovativeness are in fact as suggested and whether the other interfering variables, as for instance organisational structure and culture, are relatively stronger to overrule such effects. Further research is needed to study and establish more carefully the link between the individual values as well as individualistic and collectivistic attitudes and the results of the innovation process.

In order to improve the face validity of such research, other types of values and attitudes might be included to the variables list. As Harrison et al. (1998) emphasized, the relevant deep-level variables in any situation are those that bear directly on the fundamental purposes of the group. An important theoretical and research question is then, which attitudinal differences are most significant for which types of groups. In addition, a closer attention should be given to whether and to what extent value consensus is present in organisation and in a larger

society versus establishing the consensus of prizing value diversity as a phenomenon that benefits both organisations and societies.

As Sessa and Jackson (1995) point out, much of the literature on workforce diversity has implicitly assumed that different types of diversity are more or less equal in their consequences. The present research shows that it is not so and sheds some light on the social identity aspects of diversity that may have an unexpected impact. Future research should gain a deeper knowledge on the dynamics of diversity in organisations and in society in general.

Van Knippenberg and Schippers (2007) have drawn attention to the fact that the field of workforce diversity research has been dominated by studies focusing on "main effects," testing relationships between dimensions of diversity and outcomes without taking potentially moderating variables into account. A suggestion for further research is to include various organisational aspects, interaction and interpersonal factors (e.g. interpersonal trust, task or emotional conflicts, behavioural disintegration etc.) in the studies in order to account for the value diversity effects adequately.

A possible contribution to acculturation theory is also made. Ferdman (1995) have brought attention to the fact that in acculturation theory cultures are viewed in a unitary and relatively objective fashion as being separate from their members and as somewhat static. Thus, for example, Berry (1993) writes about cultural transmission in the context of "two cultures in contact (A and B)." (cf. Ibid.: 49). Ferdman (1995) points out that it is possible that each of these cultures may appear quite different to different individuals, whether or not they are original members of the groups. He also mentions that there might be a great deal of individual variation in the way in which individuals subjectively construct the cultures (i.e. what cultures are understood to be). An example of such variation is provided by Austers (2002), who has found that there are differences in the way how representatives of the majority and minority population groups in Latvia stereotype and view the members of their own and the other culture. This aspect may have unexpected implications, and further research should be aware of it. If we explain it as a consequence of an identity threat and consequent feelings as second-rank citizens among the members of minority populations, as was done in Study III presented in this dissertation, then a suggestion for further research is to incorporate the concept of identity threat and the mutual vision of other cultures in the acculturation models. This approach should be useful in other countries with minority populations struggling with integration issues.

REFERENCES

Abraham, R. (1998). Instrumental values: A five-nation comparative study. *Cross-Cultural Management*, 5(1): 5–21.

Alas, R., Rees, C.J. (2006). Work-related attitudes, values and radical change in post-socialist contexts: A comparative study. *Journal of Business Ethics*, 68: 181–9.

Alas, R., Sharifi, S. (2002). Organizational learning and resistance to change in Estonian companies. *Human Resource Development International*, 5(3): 313–31.

Andrén, C., Andersson, G., Hööglund, P., Jonsson, L., Lind, M., Magnusson, P., Olsson, J., Söderström, G. (1994). Studies of Structure, Motivation, Leadership and Marketing in four Estonian Organizations. Thesis, *Transition Studies* (Linköping), 2.

Angle, H.L., Lawston, M.B. (1993). Changes in affective and continuance commitment in times of relocation. *Journal of Business Research*, 26: 3–15

Austers, I. (2002). Attribution of value stereotypes as a consequence of group membership: Latvian and Russian students living in Latvia compared. *International Journal of Intercultural Relations*, 26: 273–85.

Bardi, A., Schwartz, S.H. (2003). Values and behavior: Strength and structure of relations. *Personality and Social Psychology Bulletin*, 29(10): 1207–20.

Bechtoldt, M.N., De Dreu, C.K.W., Nijstad, B.A. (2007). Team personality diversity, group creativity, and innovativeness in organizational teams. The Fondazione Eni Enrico Mattei Series, SUSDIV Paper 1.

Biggiero, L. (2001). Self-organizing processes in building entrepreneurial networks: a theoretical and empirical investigation. *Human Systems Management*, 20: 209–22.

Bluedorn, A.C. (2000). Time and organisational culture. In Neal M. Ashkanasy, Wilderom, P.M., Peterson, M.F. (eds) *Handbook of organisational culture and climate*, Thousand Oaks: Sage, 117–28.

Boyacigiller, N. A., Adler, N. J. (1991). The parochial dinosaur: Organizational science in a global context. *Academy of Management Review*, 16 (2): 262–90.

Byrne, D. (1971). The Attraction Paradigm. New York: Academic Press.

Chatman, J.A. (1991). Matching people and organizations: Selection and socialization in public accounting firms. *Administrative Science Quarterly*, 36: 459–84.

Chatman, J. A., Flynn, F. J. (2001). The influence of demographic heterogeneity on the emergence and consequences of cooperative norms in work teams. *Academy of Management Journal*, 44: 956–74.

Chatman, J. A., Barsade, S. G. (1995). Personality, organizational culture, and cooperation: Evidence from a business simulation. *Administrative Science Quarterly*, 40: 423–43.

Chatman, J. A., Polzer, J. T., Barsade, S. G., Neale, M. A. (1998). Being different yet feeling similar: The influence of demographic composition and organizational culture on work processes and outcomes. *Administrative Science Quarterly*, 43: 749–80.

Chemers, M.M., Costanzo, M.A., Oskamp, S. (1995). An introduction to diversity in organisations. In: Martin M. Chemers, Stuart Oscamp and Mark A. Costanzo (eds) *Diversity in organizations: New perspectives for a changing workplace*. Thousand Oaks: Sage, 37–61.

Chen, Chao C., Chen, Xiao-Ping, Meindl, James R. (1998). How can cooperation be fostered? The cultural effects of individualism-collectivism. *Academy of Management Review*, 23(2): 285–304.

Choi, J.N., Price, R.H. (2005). The effects of person–innovation fit on individual responses to innovation. *Journal of Occupational and Organizational Psychology*, 78: 83–96.

Christian, J., Porter L.W., Moffitt G. (2006). Workplace Diversity and Group Relations: An Overview. Group Processes & Intergroup Relations, 9(4): 459–66.

Clark, G.L., Tracey, P., Smith, H.L. (2002). Rethinking comparative studies: An agent-centred perspective. *Global Networks*, 2: 263–84.

Clugston, M., Howell, J.P., Dorfman, P.W. (2000). Does cultural socialization predict multiple bases and foci of commitment? *Journal of Management*, 26(1): 5–30.

Cox, T. Jr. (1993). *Cultural diversity in organizations: Theory, research and practice*. San Francisco: Berrett-Koehler.

Cox, T. H., Lobel, S. A., McLeod, P. L. (1991). Effects of ethnic group cultural differences on cooperative and competitive behavior on a group task. *Academy of Management]ournal,* 34: 827–47.

Damanpour, F. (1991). Organizational innovation: A meta-analysis of effects of determinants and moderators. *Academy of Management Journal*, 34 (3): 555–90.

De Witte, K., van Muijen, J. L. (1999). Organisational Culture: Critical Questions for Researches and Practitioners. *European Journal of Work and Organisational Psychology,* 8: 583–95.

Earley, P. C., Mosakowski, E. (2000). Creating hybrid team cultures: An empirical test of international team functioning. *Academy of Management Journal*, 43: 26–49.

Ely, R.J., Thomas, D.A. (2001). Cultural diversity at work: The effects of diversity perspectives on work group processes and outcomes. *Administrative Science Quarterly*, 46: 229–73.

Fagenson, E.A. (1993). Personal value systems of men and women entrepreneurs versus managers. *Journal of Business Venturing*, 8: 409–30.

Ferdman, B.M. (1995). Cultural identity and diversity in organizations: Bridging the gap between group differences and individual uniqueness. In: Martin M. Chemers, Stuart Oscamp and Mark A. Costanzo (eds) *Diversity in organizations: New perspectives for a changing workplace*. Thousand Oaks: Sage, 37–61.

Flynn, F.J., Chatman, J.A. (2001). Strong Cultures and Innovation: Oxymoron or Opportunity? In: Cooper, C.L., Cartwright, S., Earley, P.C. (eds) *The International Handbook of Organizational Culture and Climate*, Chichester: John Wiley & Sons, Ltd., 263–87.

Franke, R.H, Hofstede, G., Bond, M.H. (1991). Cultural roots of economic performance: A research note. *Strategic Management Journal*, 12: 165–73.

Gabriel, Y. (1999). *Organizations in Depth*. London: Sage Publications.

Granato, J., Inglehart, R., Leblang, D. (1996). The effect of cultural values on economic development: Theory, hypotheses and some empirical tests. *American Journal of Political Science*, 4(3): 607–31.

Griseri, P. (1998). *Managing Values: Ethical Change in Organizations*. London: Macmillan Business.

Hambrick, D.C., Cho, T.S., Chen, M.J. (1996). The influence of top management teams' heterogeneity on firm's competitive moves. *Administrative Science Quarterly*, 41: 659–84.

Hambrick, D.C., Davison, S.C., Snell, S.A., Snow, C.C. (1998). When groups consist of multiple nationalities: Towards a new understanding of the implications. *Organization Studies*,19: 181–205.

Harper, S.M., Becker, S.W. (2004). On the leading edge of innovation: A comparative study of innovation practices. *Southern Business Review*, 29(2).

Harrison, R. (1995). *The Collected Papers of Roger Harrison*. San Francisco: Jossey-Bass Publishers.

Harrison, D.A., Klein, K.J. (2007). What's the difference? Diversity constructs as separation, variety or disparity in organizations, *Academy of Management Review*, 32(4): 1199–228.

Harrison, D., Price, K., Gavin, J., Florey, A. (2002). Time, teams, and task performance: Changing effects of surface and deep-level diversity on group functioning. *Academy of Management Journal*, 45: 1029–45.

Harrison, D. A., Price, K. H., Bell, M. P. (1998). Beyond relational demography: time and the effects of surface and deep-level diversity on group functioning, *Academy of Management Journal*, 41(1): 96–107.

Hauser, M. (1998). Organizational culture and innovativeness of firms – an integrative view. *International Journal of Technology Management*, 16 (1/2/3): 239–55.

Hofstede, G. (1997). *Cultures and Organisations: Software of the Mind*, 2nd ed. McGraw-Hill.

Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nation*s, 2nd ed. Thousand Oaks, CA: Sage.

Inglehart, R., Baker, W.E. (2000). Modernization, cultural change, and the persistence of traditional values. *American Sociological Review*, 65: 19–51.

Jackson, S.E., Joshi, A., Erhardt, N.L. (2003). Recent research on team and organizational diversity: SWOT analysis and implications. *Journal of Management*, 29: 801–30.

Jackson, S. (1992). Team composition in organizations. In S. Worchel, W. Wood, and J. Simpson (eds) *Group Process and Productivity*. Newbury Park, CA: Sage, 1–12.

Jackson, S.E., Alvarez, E.B. (1992). Working through diversity as a strategic imperative. In: S.E. Jackson et al. (eds) *Diversity in the workplace: Human resources initiatives*. New York: Guifor, 13–36.

Jackson, S.E., Joshi, A. (2004). Diversity in social context: a multi-attribute, multilevel analysis of team diversity and sales performance. *Journal of Organizational Behavior*, 25: 675–702.

Jehn, K.A., Mannix, E.A. (2001). The dynamic nature of conflict: A longitudinal study of intragroup conflict and group performance. *Academy of Management Journal,* 44: 238–51.

Jehn, K. A., Northcraft, G. B, Neale, M. (1999). Why differences make a difference: a field study of diversity, conflict and performance in workgroups. *Administrative Science Quarterly*, 44: 741–64.

Jehn, K. A., Chadwick, C., Thatcher, S. M. B. (1997). To agree or not to agree: The effects of value congruence, individual demographic dissimilarity, and conflict on workgroup outcomes. *International Journal of Conflict Management*, 8(4): 287–305.

Jerschina, J., Górniak, J. (1997). Leftism, achievement orientation, and basic dimensions of the socioeconomic and political attitudes in Baltic countries versus other Central and East European countries. In Neil Hood, Robert Kilis and Jan-Erik Vahlane (eds), *Transition in the Baltic States: Micro-Level Studies*, London: Macmillan, 80–107.

Jürgenson, A. (2005). Culture´s effect on organizational behaviour in Miecys concern in the Baltic states (based on Hofstede's dimensions). Master's thesis, University of Tartu (in Estonian).

Katz, D., Kahn, R.L. (1966). The social psychology of organizations. New York: John Wiley & Sons.

King, G.J. (1997). Values of the Latvian road to the market. In: Neil Hood, Robert Kilis, Jan-Erik Vahlne (eds) *Transition in the Baltic States*. Houndmills: Macmillan Press Ltd., 261–71.

Lewis, R.A., Rowland R.H. (1977). East is West and West is East... Population redistribution in the USSR and its impact on society. *International Migration Review*, 11 (1): 3–29.

Martin, J. (1992). *Cultures in Organizations: Three Perspectives*. New York Oxford University Press.

McLeod, P. L., Lobel, S. A. (1992). The effects of ethnic diversity on idea generation in small groups. *Academy of Management Best Paper Proceedings*: 227–31.

Mead, R. (1994). *International Management: Cross-Cultural Dimensions*. Blackwell Publishers.

Milliken, F. J. and L. L. Martins (1996). Searching for common threads: understanding the multiple effects of diversity in organizational groups. *Academy of Management Review*, 21: 402–33.

Morris, M.H., Avila, R.A., Allen, J.W. (1993). Individualism and the modern corporation: Implications for innovation and entrepreneurship. *Journal of Management,* 19(3): 595–612.

Möller, K., Svahn, S. (2004). Crossing east-west boundaries: Knowledge-sharing in intercultural business networks. *Journal of World Business*, 33: 219–228.

Nakata, C., Sivakumar, K. (1996). National culture and new product development: an integrative review. *Journal of Marketing*, 60: 61–72.

Nemeth, C.J. (1997). Managing innovation: when less is more. *California Management Review*, 40 (1): 59–74.

Nemeth, C.J. (1992). Minority dissent as a stimulant to group performance. In S. Worchel, W. Wood, and J. Simpson (eds) *Group Process and Productivity*. Newbury Park, CA: Sage, 95–111.

Nemeth, C.J. (1986). Differential Contributions of Majority and Minority Influence. *Psychological Review*, 93: 23–32.

Nemeth, C.J., Staw, B.M. (1989). The tradeoffs of social control and innovation in groups and organizations. In Leonard Berkowitz (ed.) *Advances in Experimental Social Psychology*, New York: Academic Press, 22: 175–210.

Niit, K.-K. (2002). Eesti tudengite väärtused 1990. aastatel.. In: Aune Valk (ed) *Eesti ja eestlased võrdlevas perspektiivis*. (Estonia and Estonians in a comparative perspective.) Tartu: Tartu University Press, 42–59 (in Estonian).

Nonaka, I., Takeuchi, H. (1995). *The Knowledge-Creating Company*. New York: Oxford University Press.

North, Douglass C. (1990). *Institutions, institutional change and economic performance.* New York: Cambridge University Press.

Nystrom, P.C., Ramamurthy, K., Wilson, A.L. (2002). Organizational context, climate and innovativeness: adoption of imaging technology. *Journal of Engineering and Technology Management*, 19: 221–47.

O'Reilly, C.A., Caldwell, D.F., Barnett, W.P. (1989). Work group demography, social integration, and turnover. *Administrative Science Quarterly*, 34: 21–37.

O'Reilly, C.A., III, Chatman, J., Caldwell, D.F. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of Management Journal*, 34: 487–516.

O'Reilly, C.A., III, Williams, K.Y., Barsade, W. (1998). Group demography and innovation: Does diversity help? In D. Gruenfeld (ed.) *Research on Managing Groups and Teams*. St. Louis, MO: Elsevier, 1: 183–207.

Parkes, L., Bochner, S., Schneider, S. (2001). Person-organization fit across cultures: An empirical investigation of individualism and collectivism. *Applied Psychology*, 50(1): 81–108.

Pejovich, S. (1997). Law, tradition, and the transition in Eastern Europe. *The Independent Revie*w, 2(2): 243–54.

Pelled, L.H. (1996). Demographic diversity, conflict, and work group outcomes: An intervening process theory. *Organization Science*, 7(6): 615–31.

Pelled, L. H., Eisenhardt, K. M., Xin, K. R. (1999). Exploring the black box: An analysis of work group diversity, conflict, and performance. *Administrative Science Quarterly*, 44: 1–28.

Phillips, K.W., Loyd, D.L. (2006). When surface and deep-level diversity collide: The effects on dissenting group members. *Organizational Behavior and Human Decision* Processes, 99: 143–60.

Phillips, K.W., Northcraft, G.B., Neale, M.A. (2006). Surface-Level Diversity and Decision-Making in Groups: When Does Deep-Level Similarity Help? *Group Processes & Intergroup Relations*, 9(4): 467–82.

Priem R.L., Lyon D.W., Dess G.G. (1999). Inherent limitations of demographic proxies in top management team heterogeneity research. *Journal of Management*, 25: 935–53.

Ragins, B.R. (1995). Diversity, power, and mentorship in organisations: A cultural, structural, and behavioural perspective. In: Martin M. Chemers, Stuart Oscamp and Mark A. Costanzo (eds) *Diversity in organizations: New perspectives for a changing workplace*. Thousand Oaks: Sage, 91–132

Realo, A. (2002). Individualism and collectivism in Estonian way. In: Aune Valk (ed) *Eesti ja eestlased võrdlevas perspektiivis*. (Estonia and Estonians in a comparative perspective.) Tartu: Tartu University Press, 23–41 (in Estonian).

Realo, A., Allik, J., Vadi, M. (1997). The Hierarchical Structure of Collectivism. *Journal of Research in Personality*, 31: 93–116.

Rink, F., Ellemers, N. (2007) Diversity as a basis for shared organizational identity: The norm congruity principle. *British Journal of Management*, 18: 17–27.

Rink, F., Ellemers, N. (2006). What can you expect? The influence of gender diversity in dyads on work goal expectancies and subsequent work commitment. *Group Processes and Intergroup Relations*, 9: 577–88.

Rokeach, M. (1969). The Role of Values in Public Opinion Research. *Public Opinion Quarterly*, 32(4): 547–60.

Rokeach, M. (1973). *The Nature of Human Values*, New York: John Wiley.

Roland, G. (2004). Understanding institutional change: Fast-moving and slow-moving institutions. *Studies in Comparative International Developmen*t, 38(4): 109–31.

Schein, E.H. (1997). *Organizational Culture and Leadership*, 2nd ed. San Francisco: Jossey-Bass Publishers.

Schneider, S.K., Northcraft, G.B. (1999). Three social dilemmas of workforce diversity in organizations: A social identity perspective. *Human Relations*, 52: 1445–67.

Schwartz, S.H. (1999). Cultural value differences: Some implications for work. *Applied Psychology: An International Review*, 48: 23–48.

Schwartz, S. H. (1992). Universals in the content and structure of values: Theoretical advances and empirical tests in 20 countries. In M. P. Zanna (ed.), *Advances in experimental social psychology*, New York: Academic Press, 25: 1–65.

Schwartz, S.H., Sagie, G. (2000). Value consensus and importance: A cross-national study. *Journal of Cross-Cultural Psychology*, 32: 465–97.

Sessa, V.I., Jackson, S.E. (1995). Diversity in decision-making teams: All differences are not created equal. In: Martin M. Chemers, Stuart Oscamp and Mark A. Costanzo (eds) *Diversity in organizations: New perspectives for a changing workplace*. Thousand Oaks: Sage, 133–56.

Silver, B. (1974). Social mobilization and the russification of Soviet nationalities. *The American Political Science Review*, 68 (1): 45–66.

Smit, I. (2001). Assessment of cultures: A way to problem solving or a way to problematic solutions? In C.L. Cooper, S. Cartwright and P.C. Earley (eds) *The International Handbook of Organizational Culture and Climate*, Chichester: John Wiley, 165–84.

Smith, P.B., Peterson, M.F., Schwartz, S.H. (2002). Cultural Values, Sources of Guidance, and Their Relevance to Managerial Behaviour: A 47-Nation Study. *Journal of Cross-Cultural Psychology*, 33(2): 188–208.

Souder, W.E., Jenssen, S.A. (1999. Management practices influencing new product success and failure in the United States and Scandinavia: a cross-cultural comparative study. *Journal of Product Innovation Management*, 16: 183–203.

Swann Jr., W.B., Polzer, J.T., Seyle, D.C., Ko, S.J. (2004). Finding value in diversity: verification of personal and social self-views in diverse groups. *Academy of Management Review*, 29(1): 9–27.

Triandis, H. (1995a). *Individualism and collectivism*. Boulder, CO: Westview Press.

Triandis, H.C. (1995b). A theoretical framework for the study of diversity. In: Martin M. Chemers, Stuart Oscamp and Mark A. Costanzo (eds) *Diversity in organizations: New perspectives for a changing workplace*. Thousand Oaks: Sage, 11–36.

Triandis H.C., Kurowski L.L., Gelfand M.J. (1994). Workplace diversity. In: Harry C. Triandis, M.D. Dunnette, L.M. Hough (eds) *Handbook of Industrial and Organizational Psychology*. Palo Alto, CA: Consulting Psychology Press, 2nd ed. Vol. 4: 769–827.

Tsui, A.S., Egan, T.D., Xin, K.R. (1995). Diversity in organizations: Lessons from demography research. In: Martin M. Chemers, Stuart Oscamp and Mark A.

Costanzo (eds) *Diversity in organizations: New perspectives for a changing workplace*. Thousand Oaks: Sage, 191–219.

Tsui, A., Egan, T, O'Reilly, C. (1992). Being different: Relational demography and organizational attachment. *Administrative Science Quarterly*, 37: 549–79.

Udy, S.H., Jr. (1959). „Bureaucracy" and „rationality" in Weber's organisation theory: An empirical study. *Americal Sociological Review*, 24(6): 791–5.

Ulijn, J. and M. Weggeman (2001). Towards an innovation culture: what are its national, corporate, marketing and engineering aspects, some experimental evidence. In C.L. Cooper, S. Cartwright and P.C. Earley (eds) *The International Handbook of Organizational Culture and Climate*, Chichester: John Wiley, 487–517.

Vadi, M. (2000). Organisational culture and values and the relations between them (on the example of Estonia) (Organisatsioonikultuur ja väärtused ning nendevahelised seosed (Eesti näitel)). *Dissertationes Rerum Oeconomicarum*. Tartu University Press (in Estonian).

Vadi, M., Roots, H. (2006). Estonian organizations – the subjects for transformation. In *Estonia, the new EU economy: building a Baltic miracle?* In: Helena Hannula, Slavo Radoševic, and Nick von Tunzelmann (eds) *Estonia, the New EU Economy: Building a Baltic Miracle?*, Aldershot: Ashgate Publishing, 189–206.

Vadi, M., Meri, R. (2005), Estonian culture in the framework of the Hofstede's dimensions model (the case of the hotel industry), *Trames, A Journal of Humanities and Social Sciences*, 9 (3): 268–84.

Vadi, M., Allik, J., Realo, A. (2002). Collectivism and Its Consequences for Organizational Culture. University of Tartu, Faculty of Economics and Business Administration, *Working Paper Series*, 12.

van Knippenberg, D., Schippers (2007). Work group diversity. *Annual Review of Psychology*, 58: 515–541.

Van Maanen, J., Schein, E. (1979). Toward a theory of organizational socialization. In: L.L. Cummings and B.M. Staw (eds) *Research in Organizational Behavior*, 1: 209–264, Greenwich, CT: JAI Press.

Vihalemm, T., Masso, A. (2003). Identity dynamics of Russian-speakers of Estonia in the transition period. *Journal of Baltic Studies*, 34 (1): 92–116.

Voss, R.S. (2002). Generating entrepreneurial and administrative hierarchies of universal human values as a basis for identifying entrepreneurial and administrative potential across contexts. Dissertation Abstracts International Section A: Humanities and Social Sciences, 62(9-A), p. 3110.

Wagner, G.W., Pfeffer, J., O'Reilly, C.A. (1984). Organizational demography and turnover. *Administrative Science Quarterly*, 29: 74–92.

Wang, L., Bishop, J.W., Chen, X., Scott, K. D. (2002). Collectivist orientation as a predictor of affective organizational commitment: A study conducted in China. *International Journal of Organizational Analysis*, 10(3): 226–39.

Watson, W.E., Kumar, K., Michaelson, L.K. (1993). Cultural diversity's impact on interaction process and performance: Comparing homogenous and diverse task groups. *Academy of Management Journal*, 3: 590–602.

Webber, S.S., Donahue, L. (2001). Impact of highly and less job related diversity on work group cohesion and performance: A meta analysis. *Journal of Management*, 27: 141–62.

Welzel, C., Inglehart, R., Klingemann, H.-D. (2003). The theory of human development: A cross-cultural analysis. *European Journal of Political Research*, 42: 341–79.

Williams, K.Y., O'Reilly, C.A. (1998). Demography and diversity in organizations: A review of 40 years of research. *Research in Organizational Behavior*, 20: 77–140.

Zien, K.A. and S.A. Buckler (1997). From experience dreams to market: crafting a culture of innovation. *Journal of Product Innovation Management*, 14: 274–87.

APPENDICES

Appendix 1. List of terminal and instrumental values
by M. Rokeach (1973: 28)

Terminal value	*Instrumental value*
A comfortable life (a prosperous life)	Ambitious (hard working, aspiring)
An exciting life (a stimulating, active life)	Broadminded (open-minded)
A sense of accomplishment (lasting contribution)	Capable (competent, effective)
A world at peace (free of war and conflict)	Cheerful (lighthearted, joyful)
A world of beauty (beauty of nature and the arts)	Clean (neat, tidy)
Equality (brotherhood, equal opportunities for all)	Courageous (standing up for your beliefs)
Family security (taking care of loved ones)	Forgiving (willing to pardon others)
Freedom (independence, free choice)	Helpful (working for the welfare of others)
Happiness (contentedness)	Honest (sincere, truthful)
Inner harmony (freedom from inner conflict)	Imaginative (daring, creative)
Mature love (sexual and spiritual intimacy)	Independent (self-reliant, self-sufficient)
National security (protection from attack)	Intellectual (intelligent, reflective)
Pleasure (an enjoyable, leisurely life)	Logical (consistent, rational)
Salvation (saved, eternal life)	Loving (affectionate, tender)
Self-respect (self-esteem)	Obedient (dutiful, respectful)
Social recognition (respect, admiration)	Polite (courteous, well-mannered)
True friendship (close companionship)	Responsible (dependable, reliable)
Wisdom (a mature understanding of life)	Self-controlled (restrained, self-disciplined)

Appendix 2. Items of the RUSCOL scale adapted to English (Realo et al. 1997)

Collectivistic attitudes towards family (*Familism*):
In life, family interests are most important.
Family celebrations are the most important events during one's life.
A family should have one joint budget.
Children should not be an embarrassment to their parents.
The highest thing that a person can do in life is to dedicate him/herself to his/her family.
The most important decisions in a person's life should be made within the family circle.
Children should not create worry for their parents.
In life, the interests of one's family are not most important. (R)

Collectivistic attitudes towards peers (*Companionship*):
Neighbors should lend things to each other.
A person can only feel good in the company of one's mates.
There should be no secrets between friends.
One does not have to tell everything to one's friends. (R)
Neighbors should live as one big family.
One does not have to lend money to co-workers. (R)
Everything should be equally shared between friends.
The opinions of friends should not interfere with one's decisions. (R)

Collectivistic attitudes towards society (*Patriotism*):
If necessary, one should die in the name of one's nation.
A person should sacrifice him/herself for the future of his/her nation.
People who dedicate themselves to their nation deserve special recognition.
A person who renounces his/her nationality deserves scorn and contempt.
The interests of nation outweigh the individual interests of its members.
A person cannot be contented if his/her nation is suffering.
Every nation should remember and honor its heroes.
If required by the interests of the state, individuals must surrender their own comforts.

Notes: (R) denotes items re-coded toward collectivism.

Appendix 3. The items of Organisational Culture Questionnaire
(Vadi et al. 2002)

Task orientation	*Relationship orientation*
In our organisation:	In our organisation:
… people are proud of their organisation	… people know each other well
… people are acknowledged for their good work	… people know how to communicate with each other
… everyone has a freedom of activity	… people know about each others' personal lives
… people are not afraid of making mistakes	… it is embarrassing in front of other members of the organisation in case of mistakes
… positive changes take place constantly	… there is a strong feeling of togetherness in difficult situations
… a distance between superiors and subordinates is not articulated	… each other's hobbies and out-of-work activities are known
… people think more about their own needs than of the goals of the organisation [R]	… people help each other in work related issues
… people's welfare is thought of	… all the important issues are discussed with each other

Notes: [R] = item is reversed for scoring.

Appendix 4. The questionnaire in Russian

Уважаемый Сотрудник!

Данное исследование старается найти ответ на вопрос: что объединяет людей на их рабочих местах? Мы обращаемся к Вам за помощью! На предложенные Вам вопросы нет «правильных» и «неправильных» ответов, и результат сложится из многочисленных мнений. Пожалуйста, заполните сейчас прилагаемые опросники и верните их сразу координатору программы. Обратите внимание, что вопросы напечатаны на обеих сторонах листов.

В жизни людей одни вещи имеют более важное значение, чем другие. Эти более значимые вещи называются ценностями. Поэтому для того, чтобы лучше понять человека, важно знать его отношение к ценностям.

Ознакомьтесь, пожалуйста, внимательно со следующим списком и подумайте, какая из названных ценностей самая главная **для Вас**. Поставьте в клетку перед этой ценностью число 1. Далее подумайте, какая из ценностей по своей значимости вторая, третья и т.д. Наименее важную для Вас ценность отметьте цифрой 18. Таким образом, мы просим Вас выстроить ценности по их значимости **для Вас** от 1 до 18.

Я СЧИТАЮ ГЛАВНЫМ:

	МУДРОСТЬ (зрелость мысли для понимания жизни)
	САМОРЕАЛИЗАЦИЯ (постоянное развитие)
	САМОУВАЖЕНИЕ (уважение к себе)
	ЛЮБОВЬ (духовная и телесная близость)
	ИСКУПЛЕНИЕ ГРЕХОВ (благословенная, вечная жизнь)
	КОМФОРТНАЯ ЖИЗНЬ (преуспевающая, состоятельная жизнь)
	УДОВОЛЬСТВИЕ (полная веселья и приятных ощущений жизнь)
	ПОКОЙ В СЕМЕЙНОЙ ЖИЗНИ (забота о близких)
	ИНТЕРЕСНАЯ ЖИЗНЬ (увлекательная, активная жизнь)
	МИР ВО ВСЕМ МИРЕ (мир без войн и конфликтов)
	НАЦИОНАЛЬНАЯ БЕЗОПАСНОСТЬ (защищенность от нападений)
	ВНУТРЕННЕЕ РАВНОВЕСИЕ (отсутствие внутренних противоречий)

	ОБЩЕСТВЕННОЕ ПРИЗНАНИЕ (быть уважаемым, объектом восхищения)
	НАСТОЯЩАЯ ДРУЖБА (близкая дружба)
	СВОБОДА (независимость, свобода выбора)
	РАВЕНСТВО (братство, равные возможности для всех)
	СЧАСТЬЕ (удовлетворенность)
	ОКРУЖАЮЩАЯ КРАСОТА (красота природы, искусства)

Appendix 4. The questionnaire in Russian (continued)

Ознакомьтесь, пожалуйста, внимательно со следующим списком и подумайте, какое из этих качеств **для Вас** важнее всего. Поставьте в клетку перед этой ценностью цифру 1. Далее подумайте, какая ценность по значимости на втором, третьем и т.д. местах. Самую маловажную для Вас ценность отметьте номером 18. Таким образом, просим Вас выстроить ценности по их значимости для Вас от 1 до 18.

ДЛЯ МЕНЯ ВАЖНО БЫТЬ:

	ПОМОГАЮЩИЙ (работает ради благополучия других)
	ПРОЩАЮЩИЙ (готовый других простить)
	ЛЮБЯЩИЙ (нежный, сердечный)
	ЧЕСТНЫЙ (откровенный, правдивый)
	СТАРАТЕЛЬНЫЙ (много работающий, честолюбивый)
	СМЕЛЫЙ (отстаивающий свои убеждения)
	АККУРАТНЫЙ (ухоженный, чистый)
	ИЗОБРЕТАТЕЛЬНЫЙ (оригинальный, творческий)
	ПОСЛУШНЫЙ (исполнительный, почтительный)
	ЛОГИЧНЫЙ (последовательный, разумный)
	ЖИЗНЕРАДОСТНЫЙ (беззаботный, веселый)
	ТОЛЕРАНТНЫЙ (без предрассудков)
	НЕЗАВИСИМЫЙ (самоуверенный, самостоятельный)
	УРАВНОВЕШЕННЫЙ (умеренный, дисциплинированный)
	ДУХОВНЫЙ (образованный, интеллигентный)
	ОТВЕТСТВЕННЫЙ (надежный, заслуживающий доверия)
	ВЕЖЛИВЫЙ (благопристойный, воспитанный)
	СПОСОБНЫЙ (сведущий, деловитый)

Этот блок вопросов состоит из 25 утверждений. Пожалуйста, прочтите каждое утверждение внимательно и оцените, насколько верным Вы его считаете. Отвечая на вопрос, обведите, пожалуйста, номер только одного наиболее подходящего для Вас ответа. Отвечайте, пожалуйста, обязательно на все вопросы, содержащиеся в каждом ряду! Для ответа используйте следующую шкалу:

0 неверно	1 почти неверно	2 сложно сказать	3 почти верно	4 верно			

1	Если потребуется, то нужно быть готовым отдать жизнь во имя своего народа	0	1	2	3	4
2	Интересы семьи для человека наиболее важны	0	1	2	3	4
3	Соседи должны одалживать друг другу вещи	0	1	2	3	4
4	Человек может чувствовать себя хорошо лишь в среде товарищей	0	1	2	3	4
5	Между друзьями не должно быть тайн	0	1	2	3	4
6	Семейные празднества – самые важные события в жизни человека	0	1	2	3	4
7	Человек должен жертвовать собой во имя будущего своего народа	0	1	2	3	4
8	Семья должна иметь общий кошелек	0	1	2	3	4
9	Друзей не нужно посвящать во все свои дела	0	1	2	3	4
10	Соседи должны жить единой семьей	0	1	2	3	4
11	Люди, посвящающие себя служению своей стране и своему народу, заслуживают наивысшего признания	0	1	2	3	4
12	Человек, отрекающийся от своей нации, заслуживает презрения	0	1	2	3	4
13	Интересы нации выше личных интересов человека	0	1	2	3	4
14	Человек не может быть счастлив, если его народ бедствует	0	1	2	3	4
15	Дети не должны позорить своих родителей	0	1	2	3	4
16	Лучшее занятие для человека – посвящение себя своей семье	0	1	2	3	4
17	Товарищам по работе не следует давать денег взаймы	0	1	2	3	4
18	Все наиболее важные решения, касающиеся жизни человека, следовало бы принимать в кругу семьи	0	1	2	3	4
19	Каждый народ должен помнить и чтить своих героев	0	1	2	3	4
20	У друзей все вещи должны быть общими	0	1	2	3	4
21	Дети не должны огорчать своих родителей	0	1	2	3	4
22	Мнения друзей не должны мешать принятию решений	0	1	2	3	4
23	Интересы семьи – не самое важное в жизни человека	0	1	2	3	4
24	Человек должен отказаться от личных удобств, если того требуют интересы государства	0	1	2	3	4
25	Пребывая за границей, человек не должен забывать, что он представляет свое государство и свой народ	0	1	2	3	4

Appendix 4. The questionnaire in Russian (continued)

Люди работают на многих предприятиях или в организациях. Организацией можно назвать любую группу, где люди стремятся к достижению какой-либо общей цели. Постарайтесь оценить по 10-балльной шкале, в какой мере следующие утверждения верны для Вашей организации. Если Вы полностью согласны с утверждением, обведите цифру 10, а если утверждение для Вашей организации совершенно недействительно, обведите цифру 1.

В НАШЕЙ ОРГАНИЗАЦИИ ИЛИ ФИРМЕ ...

... много подразделений
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... приятная рабочая среда
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... знают друг друга
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... организуют общие мероприятия
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... люди гордятся своей организацией
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... хорошо знают своих конкурентов
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... люди получают признание за хорошую работу
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... знают, как между собой общаться
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... при необходимости можно поговорить с руководителем
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... знают, какие у организации цели
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... хорошо принимают новых работников
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... традиции имеют большое значение
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... считаются с каждым человеком
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... люди смотрят одинаково на многие вещи
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... необходимая информация доступна всем
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... знают о личной жизни друг друга
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... мнения руководителей и других работников часто совпадают
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... в случае ошибки стыдно перед другими членами организации
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... в тяжелых ситуациях проявляется сильное чувство солидарности
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

... членам хотелось бы больше знать о своей организации
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

В НАШЕЙ ОРГАНИЗАЦИИ ИЛИ ФИРМЕ ...

... у каждого большая свобода действия

1	2	3	4	5	6	7	8	9	10

... люди не боятся ошибиться

1	2	3	4	5	6	7	8	9	10

... постоянно происходят положительные перемены

1	2	3	4	5	6	7	8	9	10

... недоразумения решаются своевременно

1	2	3	4	5	6	7	8	9	10

... не подчеркивают разницу между подчиненным и начальством

1	2	3	4	5	6	7	8	9	10

... люди больше думают о своих нуждах, чем о целях организации

1	2	3	4	5	6	7	8	9	10

... признают тех, у кого хорошие отношения с начальством

1	2	3	4	5	6	7	8	9	10

... знают о любимых занятиях и увлечениях друг друга

1	2	3	4	5	6	7	8	9	10

... образовались разные дружеские группы

1	2	3	4	5	6	7	8	9	10

... между собой общаются вежливо

1	2	3	4	5	6	7	8	9	10

... стыдно людям признаться, где я работаю

1	2	3	4	5	6	7	8	9	10

... на работу приходят неохотно

1	2	3	4	5	6	7	8	9	10

... умеют ценить хорошее настроение

1	2	3	4	5	6	7	8	9	10

... помогают друг другу в работе

1	2	3	4	5	6	7	8	9	10

... чувствуют радость от работы

1	2	3	4	5	6	7	8	9	10

... все важные дела обсуждают между собой

1	2	3	4	5	6	7	8	9	10

... сурово реагируют на любое заблуждение

1	2	3	4	5	6	7	8	9	10

... думают о благополучии людей

1	2	3	4	5	6	7	8	9	10

... все хорошо выполняют свои поручения

1	2	3	4	5	6	7	8	9	10

... общие мероприятия очень популярны

1	2	3	4	5	6	7	8	9	10

... многие хотят поменять место работы

1	2	3	4	5	6	7	8	9	10

... многие люди работают вместе уже долгое время

1	2	3	4	5	6	7	8	9	10

... точно объясняют поручения

1	2	3	4	5	6	7	8	9	10

Благодарим Вас!

национальность .... пол ....

должность .... возраст ....число ....

компания .... отрасль экономики ....

SUMMARY IN ESTONIAN

INDIVIIDI VÄÄRTUSTE DIVERSITEET JA SELLE ROLL ORGANISATSIOONIDES MUUTUSTE KONTEKSTIS

Töö aktuaalsus ja uurimuse eesmärk

Endise sotsialismibloki riikides aset leidnud sotsiaal-majanduslikud muutused tõid nende üksikisikutele, organisatsioonidele ja ühiskondadele kaasa uued väljakutsed. Ülemineku-ühiskondades tegutsevatele organisatsioonidele tähendas vajadus kohaneda kiirestimuutuvate tingimustega kohanemist uute juhtimis-viiside ja poliitikatega, mis peegelduvad väärtustes ja kultuuris. Seetõttu oli ja on tarvis põhjalikke teadmisi väärtuste olemusest − sellest, kas nad on muu-tustele toeks või takistuseks, millised jõud mõjutavad nende dünaamikat, kuidas mõjutab väärtuste diversiteet ühiskonda ja kuidas ta on seotud organisatsioonis esinevate nähtustega, kuidas organisatsioonid saavad neid teadmisi ära kasutada ning milliseid võimalusi need teadmised nende jaoks kätkevad.

Töö ja tööjõu iseloomu muutumine pole tüüpiline mitte üksnes ülemineku-ühiskondadele. Seda tunnistati juba läinud sajandil ning palju on tähelepanu pööratud tööjõu mitmekesistumisele kui tänapäeval juhtide ees seisvale suurele probleemile (Williams ja O'Reilly 1998). See tähendab kasvavat väärtuste diversiteeti kogu maailmas, eriti kui võtta arvesse järjest suurenevat üleilmset migratsiooni. Kommunismi kokkuvarisemine Kesk- ja Ida-Euroopas ning sealsete riikide avanemine on samuti teinud need küsimused väga aktuaalseks. Nõukogude-perioodi pärandiks post-sovjeetlikes riikides on kultuuriliselt heterogeenne töötajaskond, mis veelgi suurendab väärtuste diversiteeti neis riikides. Käesolev väitekiri uuribki, milline on selle diversiteedi roll nende riikide organisatsioonides.

Lisaks kultuurilisest mitmekesisusest tulenevale väärtuste diversiteedile on post-sovjeetlikel riikidel ning eriti Eestil tulnud tegelda integratsiooniproblee-midega. Paljude Eesti ettevõtete töötajaskond koosnes peaasjalikult vähemus-rahvuse esindajaist, s.o. venekeelsest elanikkonnast, kelle kultuuriline side põlisrahvuse eestlastega oli vähene või puudus, ning kelle lõimimine uue ühis-konnakorraga on keeruline nii poliitilises, majanduslikus kui ka ühiskondlikus mõttes. Selgitades seoseid inimese rahvusliku identiteedi tõlgendamise ja organisatsiooni mõistmise vahel, loob käesolev uurimus pinna antud küsimu-sega tegelemiseks organisatsiooni ja ühiskondlikul tasandil, kasutades saadud teadmisi juhtimisalaste ja poliitiliste järelduste tegemiseks.

Käesoleva doktoritöö eesmärgiks on välja tuua, milline on interaktsioon indiviidi väärtuste ja organisatsiooni vahel ja kuidas väärtuste diversiteet avaldub ulatuslike sotsiaalsete ja organisatsiooniliste muutuste kontekstis kolme Balti riigi − Eesti, Leedu ja Läti − näitel.

Eesmärgi saavutamiseks püstitas autor järgmised uurimisülesanded:

– analüüsida suhteid organisatsiooni keskkonnas toimuvate ulatuslike muutus-te ja üleminekuühiskonna organisatsiooniliste muutuste vahel, luues sellega üldise konteksti järgnevate uurimisülesannete täitmiseks (seda funktsiooni täidab artikkel I);

– leida, milline väärtuste diversiteet esineb sama kultuurigrupi esindajatel kolmes Balti vabariigis suure sotsiaalse muutuse − taasiseseisvumise järel ning kuidas see peegeldub organisatsioonides (artikkel II);

– selgitada välja, millised suhted valitsevad ning millised segavad faktorid esinevad indiviidi ja organisatsiooni tasandi nähtuste vahel (artiklid II ja III);

– välja töötada ettepanekud, kuidas organisatsioonid saaksid väärtuste diversi-teeti kasutada, olemaks muutuste kontekstis edukamad (artikkel IV).

Töö uudsus ja meetodid

Käesoleva uurimuse uudsus seisneb esmalt selles, et ta ühendab eri valdkonda-dest pärit varasemate uuringute tulemusi ja teoreetilisi seisukohti, et kindlaks teha individuaalsete, organisatsioone iseloomustavate ja ühiskondlike nähtuste vahel valitsevaid seoseid ning seostada neid inimlike ja kultuuriliste aspekti-dega. Eelnevad uurimused annavad vähe teavet sellest, kuidas paigutab üksik-isik oma väärtushinnangud nende tähtsuse järgi süsteemi, kuidas need väärtus-hinnangute süsteemid erinevad sama ühiskonna eri kultuurigruppides ja millised väärtushinnangud ning väärtushinnangute kombinatsioonid võiksid paremini toetada edasist arengut. Käesolev uurimus käsitlebki seda küsimuste ringi, panustades antud uurimisvaldkonda keskendumisega post-sotsialistlikes üle-minekuriikides väheuuritud töötajate väärtushinnangute diversiteedile. Uuri-muse fookuses on indiviidi väärtuste diversiteet. Väärtused on loomult univer-saalsed, neid saab rakendada erinevates kontekstides ning kui uurida neid kompleksselt, saab nende suhtelist tähtsust üksikisiku elus üldjoontes võrrelda.

Teine uudsuse aspekt on panus tööjõu diversiteedi uurimisse. Olgugi et töö-jõu diversiteeti käsitlevad paljud tööd, puudub nii teadlaste kui praktikute vahel üksmeel tööjõu diversiteedile lähenemise küsimuses. Varasemad uurimused vaatlesid diversiteeti põhiliselt ea, soo, rassi või rahvuse pinnalt lähtudes, s.o. võttes aluseks hõlpsasti jälgitavad omadused, ent muudele, raskemini tabata-vatele dimensioonidele on olemasolevates tüpoloogiates vähem tähelepanu pööratud. Harva on käsitletud raskesti jälgitavaid tegureid nagu väärtushinnan-gud. Käesoleva töö panus on väärtuste diversiteedi kontseptualiseerimine ja paigutamine laiemasse tööjõu diversiteedi raamistikku ning erinevate vaate-punktide ühendamine.

Töötajaskonna diversiteedi varasemaid uuringuid iseloomustavad suuresti ka ebajärjekindlad tulemused, mille põhjuseks van Knippenberg ja Schippers

(2007) peavad liiga lihtsustatud lähenemist diversiteedile, rõhutades, et viimase potentsiaalse mõju väljaselgitamiseks on vaja kasutada keerukamaid mudeleid. Puuduvad uuringud, mis käsitleks süva-diversiteedi ja pinnapealse diversiteedi karakteristikute samaaegse esinemise keerukusi (Phillips ja Loyd 2006). Philipsi ja tema kolleegide (Phillips ja Loyd 2006, Phillips, Northcraft ja Neale 2006) sellealased tööd on küll tubli panus antud valdkonda, ent siiski on meie teadmised süvaomaduste tegelikest allikatest ja avaldumisvormidest veel piiratud. Käesolev doktoritöö uurib süva-diversiteeti, vaadeldes üheaegselt individi väärtuste sisu ja suhtelist tähtsust, ning nähtavamat tunnust – inimeste kuuluvust teatud kultuurigruppi erinevates ühiskondades.

Töö uudsus tuleneb ka kasutatud valimi spetsiifilisusest. Kõigis kolmes Balti vabariigis − Eestis, Leedus, Lätis − on venekeelne elanikkond olemas kui rahvusvähemus, kellel on ühesugune ajalooline, etniline ja kultuuriline taust (vt. selgitus artiklis II). See tähendab, et nende maade venekeelsed organisatsiooni liikmed võivad omada kindlat väärtuste ja hoiakute komplekti, mida saab kasutada Baltikumi hõlmavas uuringus ühise muutujana. Järelikult on tegu unikaalse tööjõu diversiteediga, mida pole teistes maades.

See võimaldab meil ühtlasi tähelepanu pöörata sotsiaalse kategooria identiteedile, mis on samuti üks puuduv lüli tööjõu diversiteedi uuringutes ja on seotud sotsiaalse grupiga, millega üksikisik end samastab. Enamasti on sellise sotsiaalse kategooria identiteedi näiteks kuuluvus teatud organisatsiooni või organisatsioonide gruppi (sotsiaalse kategooriana) (nt. Tsui et al. 1995), kuid kultuuriga seotud identiteedi uuringuid esineb harva. Artikkel III käsitleb seda teemat paljudes post-sovjeetlikes riikides vaidluste objektiks oleva rahvusliku identiteedi seisukohalt, tuues fookusesse rahvusvähemuste uue ühiskonda integreerimise katsete varjatud tagajärjed.

Käesolev doktoritöö ühendab teooria edasiarendamise andmete kvantitatiivse analüüsiga. Et välja töötada raamistik erineva tasandi nähtuste uurimiseks, kasutab autor mitmeid sellistest valdkondadest nagu psühholoogia, organisatsioonikäitumine, organisatsiooni innovatsioon ja sotsiaalse identiteedi teooria pärit teoreetilisi arendusi. Dissertatsioonis esitatavad tööd on olemuselt eksploratiivsed.

Väärtushinnangute uurimismetoodika on rikas, kuid meetodid erinevad ebajärjekindluse tõttu lähenemisel küsimusele väärtuse olemusest. Käesoleva dissertatsiooni autor uurib indiviidi väärtusi vastavalt Rokeachi (1973) väärtushinnangute loendile, kus väärtusi käsitletakse kui üldisi, mõneti abstraktseid mõisteid, mida inimesed peavad oma elus tähtsaks ja millest nad juhinduvad oma käitumises. Osalt on tulemuste interpreteerimisel kasutatud ka Rokeachi väärtusteskaala Schwartzi (1992) poolt täiendatud versiooni. Väärtuste diversiteeti hinnatakse kvantitatiivselt, võrreldes suhtelist tähtsust, mida teatud väärtustele omistavad erinevaist sotsiaalsetest kategooriatest töötajad mitmes Eesti, Leedu ja Läti organisatsioonis. Seega, kuna kasutatakse ja võrreldakse

erinevate kultuurikontekstide ja maade andmeid, on käesolev töö oma olemuselt kultuuridevaheline uurimus.

Empiiriliste andmete kogumiseks kasutas autor küsitluse meetodit ja toetus kolmele varem väljatöötatud skaalale:

1. Rokeachi väärtusskaala, mis oli eelnevalt kohandatud vastajate emakeelele.
2. Kollektivistlike hoiakute mõõtmise küsimustik, mille töötasid Tartu Ülikoolis välja Realo, Allik ja Vadi (1997).
3. Küsimustik organisatsiooni kultuuri orientatsioonide väljaselgitamiseks, mille töötas välja Vadi (2000).

Töö praktiline tähtsus

Töö praktilise tähtsuse selgitamiseks võib rõhutada järgmist:

– Väärtuste diversiteedi uurimine aitab mõista, kuidas väärtused rikastavad organisatsioone ning toovad esile uusi võimalusi. Teave töötajaskonna väärtuste kohta annab juhtidele põhjalikumad teadmised nende motivatsioonist, mida juhid saavad ära kasutada, selleks et suurendada vastavalt vajadusele organisatsiooni edukust (nt. kas nad soovivad tuua organisatsiooni rohkem sidusust või loovust).

– Lisaks saavad organisatsioonid mõjutada teatavate tugiväärtuste tähtsustamist, toetades ja stimuleerides töötajate teatavaid käitumisviise ning rõhutades neid väärtusi, mis on nende funktsioneerimiseks eriti olulised. Seda saab teha vastava organisatsioonikultuuri kujundamise ja hoidmisega.

– Leiti, et Eesti organisatsioonides on venekeelsete töötajate ülesande orientatsioon madalam kui eesti rahvusest töötajatel, mis keerukas ja muutuvas keskkonnas osutub puuduseks. Järelikult, kui Eesti organisatsioonide juhid suudaksid end rohkem orienteerida inimestelevahelistele suhetele ning luua juhtimispraktikaid ja organisatsioonipoliitikaid, mis suurendaksid venekeelsete töötajate ülesande orientatsiooni ning eestlastest töötajate suhetele orientatsiooni, siis nende organisatsioonid saavutaksid sünergia muutuvates tingimustes paremini tegutsemiseks.

– Käesolevad uuringud aitavad paremini mõista, kuidas saada väärtuste diversiteedist sünergiat, ent ühtlasi toovad esile võimalikke puudusi ja probleeme. Kultuuriliselt heterogeenne Eesti ühiskond peaks rohkem toetama erinevad seisukohti ja innovatiivsust. Innovatsiooniprotsessi erinevates faasides on oma roll nii eesti kui ka venekeelsel elanikkonnal. Igas faasis tuleks vastavalt eesmärgile hoolikalt ühendada kummagi grupi tugevad küljed, viies nad kokku ning õpetades neid kooperatuma. Samal ajal on tarvis luua organisatsioonis toetav kliima, kasutades ära nii inimeste laialdasi huvisid kui ka kultuuri, mis väärtustab loovat osavõttu. Meeskonna moodustamisel tuleks töötajatele teadvustada asjaolu, et rohkem kui ühistest väärtustest

tuleneb innovatiivsus erinevustest ja et erinevate väärtushinnangute maha-surumine vähendab turul läbilöömise võimalusi.

– Eesti kogemust saavad üldistada ja üle kanda teised riigid, kus esinevad kõrvuti individualistliku ja kollektivistliku taustaga elanikegrupid ning toimivad paralleelselt erinevad väärtushinnangud. Antud uurimus laiendab seniseid arusaamu organisatsiooni toimimist mõjutavatest sotsiaalsetest teguritest ning ühiskonna dünaamikast üldse (nt. integratsiooni küsimused). Need teadmised kuluvad ära ka teistes riikides, mis peavad tegelema ana-loogiliste probleemidega.

Doktoritöö teoreetiline taust

Käesolevas töös esitatud uurimuste kontseptuaalne raamistik ning uurimis-hüpoteesid tuginevad peamiselt organisatsioonikäitumise ja psühholoogia (indi-viidi väärtused) ning sotsiaalset identiteeti, organisatsiooni innovatsiooni ja töötajate diversiteeti käsitlevatele teooriatele. Töö alapeatükis 1.1. leiavad käsit-lemist väärtused kui ühiskonnas esinevad mitteformaalsed reeglid ning nende roll muutuste toetamisel või mittetoetamisel koostoimes ühiskonna formaalsete reeglitega (seadused, korraldused, poliitika). Doktoritöö läbiv idee põhineb paradoksil, et ühest küljest nõuab muutustega toimetulek küll teatud tüüpi väärtushinnanguid ning seega nende kooskõlastamist, saavutamaks ühiseid ees-märke ühiskonna kõigil tasanditel, teisest küljest aga, sedamööda kuidas suure-neb ülesannete heterogeensus, võivad iga ülesande täitmisel sobivaks osutuda hoopis erinevad väärtused.

Individuaalseid väärtushinnanguid defineeritakse kui "suhteliselt püsivat usku, et mingi spetsiifiline käitumisviis või olemise lõppseisund on nii isiklikult kui ka sotsiaalselt eelistatav alternatiivsetele käitumisviisidele või lõppseisun-ditele" (Rokeach 1969: 160). Lähtudes Rokeachi (1969) määratlusest, käsitle-takse neid lõppseisundeid käesolevas dissertatsioonis kui *põhiväärtusi* (*terminal values*) ja käitumisviise kui *tugiväärtusi* (*instrumental values*). Uuringu-tulemuste tõlgendamisel ja arutelul jaotatakse väärtused lisaks veel mitmesugus-tesse alamtüüpidesse vastavalt Schwartzi (1992) väärtuste klassifikatsioonile.

Indiviidi kultuuritausta osatähtsust tema väärtushinnangute kujunemisel käsitletakse, tuginedes väljapaistvate kultuuri-uurijate töödele (Hofstede 2001, Gabriel 1999, Mead 1994, Griseri 1998). Igal inimesel on arvukalt mitmesuguse tähtsusega väärtushinnanguid (Bardi ja Schwartz 2003) ning tema hoiakud ja käitumine sõltuvad mitte ühe kindla väärtushinnangu prioriteetsusest, vaid kompromisslahendusest mingi käitumisviisi või hoiaku puhul üheaegselt mõjuvate implitsiitsete konkureerivate väärtushinnangute vahel (Schwartz 1999). Üldiselt tähtsustavad ühte kultuurigruppi kuulujad väärtusi ühtemoodi ning see peegeldub ka nende hoiakutes. Seda seost vaadeldaksegi dissertat-sioonis, keskendudes samasuguse kultuuritaustaga töötajate kollektivistlikutele

165

hoiakutele. Kollektivistlike hoiakute uurimisel mitmesuguste sihtgruppide − perekonna, kaaslaste ja ühiskonna suhtes toetub autor Realo et al. (1997) lähenemisele.

Väärtuste rolli väljaselgitamiseks organisatsioonides võetakse abiks organisatsioonikultuuri mõiste. Organisatsioonikultuur stabiliseerib üksikisiku käitumist, andes talle märku, missugune käitumine on organisatsioonis edukas ja missugune ei ole (De Witte ja Van Muijen 1999). Organisatsioonikultuuri orienteeritust kas ülesande täitmisele või suhetele kasutatakse, viitamaks sellele, kuidas töötajad oma organisatsiooni tajuvad (seotud sooviga toetada kas organisatsiooni eesmärkide täitmist või töötajatevahelisi suhteid).

Alapeatükis 1.2. sünteesitakse olemasolevad teoreetilised seisukohad töötajaskonna diversiteedi suhtes ning antakse ülevaade avastatud töötajate diversiteedi mõjudest organisatsioonile. Tuuakse välja paljude lähenemiste puudused, mis keskenduvad vaid üksikule diversiteedi tunnusele, uurimata erineva vaadeldamise (observability, detectability) taseme tunnuste omavahelisi seoseid. Uurimaks seni vähe käsitletud ja kontseptualiseeritud väärtuste diversiteeti, töötas autor olemasolevatele töötajaskonna diversiteedi taksonoomiatele põhinedes välja väärtuste diversiteeti integreeriva töötajaskonna diversiteedi raamistiku. Toetudes Jehn et al. (1999) lähenemisele, eristatakse käesolevas doktoritöös kolme töötajaskonna diversiteedi tüüpi: sotsiaalse kategooria, informatsiooni ja väärtuste diversiteet (vt. joonis 1 keskmine osa).

Väärtuste diversiteeti peetakse antud töös töötajaskonna diversiteedi alaliigiks, mis eristab inimesi vähe märgatava tunnuse alusel, millel on küll püsiv, ent raskestijälgitav mõju. Väärtuste diversiteedi mõiste ilmumine ühiskonna ja organisatsiooni käsitlustesse on seotud ulatuslike muutustega üleminekuühiskondades. Käesolevas doktoritöös vaadeldakse sotsiaalse kategooria diversiteeti olulise täiendava mõjuvana tegurina väärtuste diversiteedi ilmnemisele organisatsioonis. Alapeatükis 1.3. püstitakse uurimisväiteid, mida analüüsitakse neljas artiklis, mille valmimiskäiku ning metodoloogiat kirjeldatakse alapeatükis 1.4. ja 1.5. ning mis esitatakse täistekstina peatükis 2.

Empiirine uuring

Uurimistöö algas 2002. aastal teaduskirjanduse ning eelnevate uurmistulemuste läbitöötamisega indiviidi väärtuste ja hoiakute, individualismi ja kollektivismi ning organisatsioonikultuuri vallas. Järgnes andmete kogumine Leedus ja Lätis 2003. aastal.

Artikli I eesmärgiks oli täita esimene uurimisülesanne ning ülevaate andmisega üleminekuühiskondades ja organisatsioonides toimunud muutustest luua taust artiklitele II, III ja IV. Ta teeb kokkuvõtte ajakirja *Trames* eriväljaandes "Dynamics around and within organisations" ilmunud artiklitest ning süstematiseerib neis käsitletud küsimusi, mis puudutavad organisatsiooni-

keskkonna aspektide ja organisatsioonisisese dünaamika vahelisi seoseid. Muuhulgas annab artikkel 1 ka ülevaate üleminekuühiskonnale iseloomulikest inimese ja väärtustega seotud muutustest nagu muutused mentaliteedis ja üksik-isiku rollis organisatsioonide transformeerumisel, hoiakute polariseerumine ja nihked organisatsiooni eesmärkide mõistmisel.

Artikkel II keskendub sarnasuste ja erinevuste leidmisele Eesti, Leedu ja Läti venekeelse töötajaskonna individuaalsetes väärtushinnangutes, kollektiivsetes hoiakutes ja nende poolt organisatsioonikultuuri tajumises. Vaadeldakse ja selgitatakse nende kultuurielementide koostoimimist organisatsioonides ja ühiskonnas tervikuna, tuuakse välja kolme valimi erinevusi ja sarnaseid jooni, esitatakse leitut ning arutletakse selle üle.

Artikkel III keskendub artiklis II kasutatud andmete analüüsimisel avastatud spetsiifilistele seostele, selgitamaks neid sotsiaalse kategooria diversiteedi seisukohalt. Vaadeldakse nendevahelisi erinevusi, tehakse oletusi leitud erine-vuste seoste kohta vastajate suhtumisega rahvusliku identiteedi kujunemisse ning tehakse järeldusi juhtimise ja poliitika jaoks.

Artikkel IV seab fookusesse erinevused Eesti organisatsioonides töötavate etniliste eestlaste ja venekeelsete töötajate individuaalsetes väärtushinnangutes. Esiteks antakse lühike ülevaade Eesti ettevõtlus- ja innovatsioonikeskkonnast, selgitamaks seda maad vähem tundvale lugejale tema iseärasusi. Seejärel tehakse kokkuvõte kalduvusest innovatiivsusele vaadelduna väärtushinnangute ja kultuurilise mitmekesisuse seisukohalt ning klassifitseeritakse väärtused vastavalt nende potentsiaalile toetada innovatiivsuse erinevaid aspekte. Kolmandaks võrreldakse Eestis esinevate eri kultuuride eeldusi. Neljandaks analüüsitakse etniliste eestlaste ja venekeelsete töötajate individuaalsete väärtushinnangute empiirilist uuringut artikli alguses toodud klassifikatsiooni alusel. Tuuakse välja kahe nimetatud kultuuri väärtushinnangute sarnasused ja teineteist täiendavad jooned.

Töös püstitatud uurimisväited ja nende analüüsi tulemused

Käesolevas töös püstitati viis uurimisväidet, millest esimesed kolm uurivad väärtuste ja kollektivistlike hoiakute diversiteedi ilmnemist organisatsioonides, üks keskendub sotsiaalse kategooria diversiteedi ilmnemisele ning üks on suunatud väärtuste diversiteedis peituvale potentsiaalile neis organisatsioonides, mille töötajad kuuluvad erinevatesse kultuurigruppidesse (cultural group). Kasutatud valim hõlmab Eesti, Leedu ja Läti vähemusgruppidest pärit töötajaid, kellel on sarnane ajalooline, sotsiaalpoliitiline ja kultuuriline taust ning kelle emakeeleks on vene keel (edaspidi vene keele kõnelejad, venekeelsed).

V1: Ühesuguse kultuuritaustaga töötajatel, s.o. Eesti, Leedu ja Läti vene-keelsetel töötajatel on sarnased individuaalsed väärtushinnangud ning nad tähtsustavad ühtemoodi organisatsioonikultuuri teatud aspekte.

See väide leidis osaliselt kinnitust: leiti, et Eesti, Leedu ja Läti venekeelsetel töötajatel on ühesugused olulisemad põhiväärtused, s.o. elueesmärgid, mida nad püüdlevad − *perekonna turvalisus*, *eneseteostus*, *eneseaustus*, *elutarkus*. Valimite olulisemate tugiväärtuste loetelud siiski varieeruvad, mis viitab sellele, et elueesmärkide saavutamise viise nähakse erinevalt. See tulemus näitab ka, et mingil määral esineb väärtuste diversiteeti ka sama kultuuritaustaga inimeste seas. Arvatavasti on see tingitud selle sotsiaalse konteksti mõjust, milles elatakse, nt. riigist, kus alaliselt elatakse. Kui arvestada, et inimesed veedavad enamuse ajast tööl, siis suureneb võimalus, et organisatsioon võib mõjutada seda, milliseid tugiväärtusi peetakse olulisteks. Pealegi on väärtuste diversiteet seotud orientatsioonide diversiteediga organisatsiooni ülesande toetamisele ja sellega, kui tugevalt tunnetatakse oma organisatsiooni kuuluvust.

V2a: Ühesuguse kultuuritaustaga töötajatel, s.o. Eesti, Leedu ja Läti vene-keelsetel on sarnased kollektivistlikud väärtushinnangud, mis väljendub selles, kuidas nad tajuvad organisatsioonikultuuri.

See väide ei leidnud kinnitust, kuna valimite kollektivistlikud hoiakud osutusid siiski erinevaks. Erinevused omakorda tulenesid vastajate erinevast nõustumisest küsitluses esitatud väidetega, mis väljendasid nende hoiakuid teatud sihtgruppide suhtes nagu perekond, kaaslased, ühiskond. Seega on ka ühe kultuurigrupi kollektivismi tasemes mitmekesisust. Kuigi see tulemus tundub mõneti vastu rääkivat eelnevatele väidetele, et sama kultuuritaustaga inimestele on iseloomulik teatav ühesugune kollektivismitase, usub käesoleva doktoritöö autor, et kollektivismi nähtust aitab paremini mõista selle alaliikide eritlemine.

V2b: Ühesuguse kultuuritaustaga töötajate, s.o. Eesti, Leedu ja Läti vene-keelsete kollektivistlikel hoiakutel on mõju nende individuaalsete väärtus-hinnangute ja organisatsioonikultuuri tajumise vahelisele seosele.

See väide leidis mõneti kinnitust, eriti põhiväärtuste osas. Kollektivistlikud hoiakud perekonna ja ühiskonna suhtes on seoses põhiväärtuste ja ülesandele orientatsioone suhtega, kollektivistlikud hoiakud kaaslaste suhtes aga seonduvad tugiväärtuste ja organisatsioonikultuuri suhteorientatsiooni vahelise seosega. Siiski varieeruvad nende seoste tugevus ja suunad, niisiis ei saa siin üldistusi teha.

V3: Ühesuguse kultuuritaustaga töötajad, s.o. Eesti, Leedu ja Läti vene-keelsed lähenevad ühtemoodi enese määratlemisele ühiskonna ja organisat-siooni suhtes.

See väide kinnitust ei leidnud (artikkel III), sest seosed töötajate kollektivistlike hoiakute ja organisatsioonikultuuri vahel on erinevad, olenevalt sellest, kuidas

töötajad määratlevad oma rahvuslikku identiteeti (vt. tabelid III ja IV artiklis III). Oletati, et nende küsitlusele vastanute kollektivistlikel hoiakutel, kes määratlevad oma rahvuslikku identiteeti etnilisel ja lingvistilisel baasil, võib olla tugevam positiivne seos organisatsioonikultuuriga kui neil vastanutel, kelle identiteedimääratlus põhineb kodakondsusel ja assimileerumisel. Autori väitel selles protsessis etendab täiendavat rolli oht identiteedile ühiskonna institutsioonide konteksti muutumise ning eriti vähemusrahvustele kodakondsuse andmise ja naturalisatsioonipoliitika tagajärjel. Kuna rahvuslik identiteet on üks sotsiaalse identiteedi liike, siis tähendab see, et töötajaskonna hindamisel tema diversiteedi kaudu tuleks arvestada nii väärtushinnangute diversiteeti kui ka sotsiaalse kategooria diversiteeti.

V4: Töötajate erinevast kultuuritaustast tulenev väärtuste diversiteet on positiivses seoses organisatsiooni innovatiivsusega.

Seda seisukohta arendati edasi, uurides, mida kujutab endast organisatsiooni innovatiivsus ja millised väärtused toetavad selle erinevaid aspekte. Et esitada spetsiifilisemaid uurimisväiteid, kasutati varasemat Eesti organisatsioonide töötajate väärtushinnangute andmestikku. Artikkel IV keskendus kahe Eestis elava kultuurigrupi, venekeelsete ja eesti rahvusest (edaspidi eestlastest) töötajate väärtushinnangute diversiteedile. Leiti, et venekeelsete jaoks oli tähtsaim tugiväärtus *kujutlusvõimeline* (eestlaste jaoks tähtsuselt tagant kolmas väärtus), kusjuures *vastutustundlik* ja *julge* osutusid neile tähtsuselt neljandaks ja viiendaks (eestlaste jaoks tähtsuselt kümnes). Eestlaste arvates olid kolm tähtsaimat väärtushinnangut *aus, vastutustundlik* ja *vaimne*.

Eelnevast uuringust selgus, et venekeelsed töötajad omistasid enam tähtsust väärtustele, mis toetavad organisatsiooni innovatsiooni algatamist ning seega sobivad nende väärtushinnangud rohkem kokku organisatsiooni innovatsiooni protsessi algusega. Distsiplineeritumad, vastutus- ja kohusetundlikumad eestlased jälle hindasid kõrgemalt väärtusi, mis osutuvad tähtsaks innovatsiooniprotsessi täideviimise faasis, ning peaksid seega kokku sobima organisatsiooni innovatsiooniprotsessi täideviimise faasiga. Tähendab, esimesed on rohkem avatud uutele ideedele ning neil on kalduvus olla julgemad uue projekti või äri algatajad, kuid rutiinsete ülesannete täitmisel on nad suhteliselt kehvemad, teised jälle hoolitsevad ilmselt rohkem äri ning igapäevase töö ladusa kulgemise ning hästi toimivate inimestevaheliste suhete eest. Tõrgeteta innovatsiooniprotsessi huvides peaksid mõlemad grupid koos toimima teise poole tugevusi võimendades, mitte takistades.

Neid väärtusi kui väärtuste diversiteedi komponente ning hüpoteetilisi seoseid kujutab joonis 1.
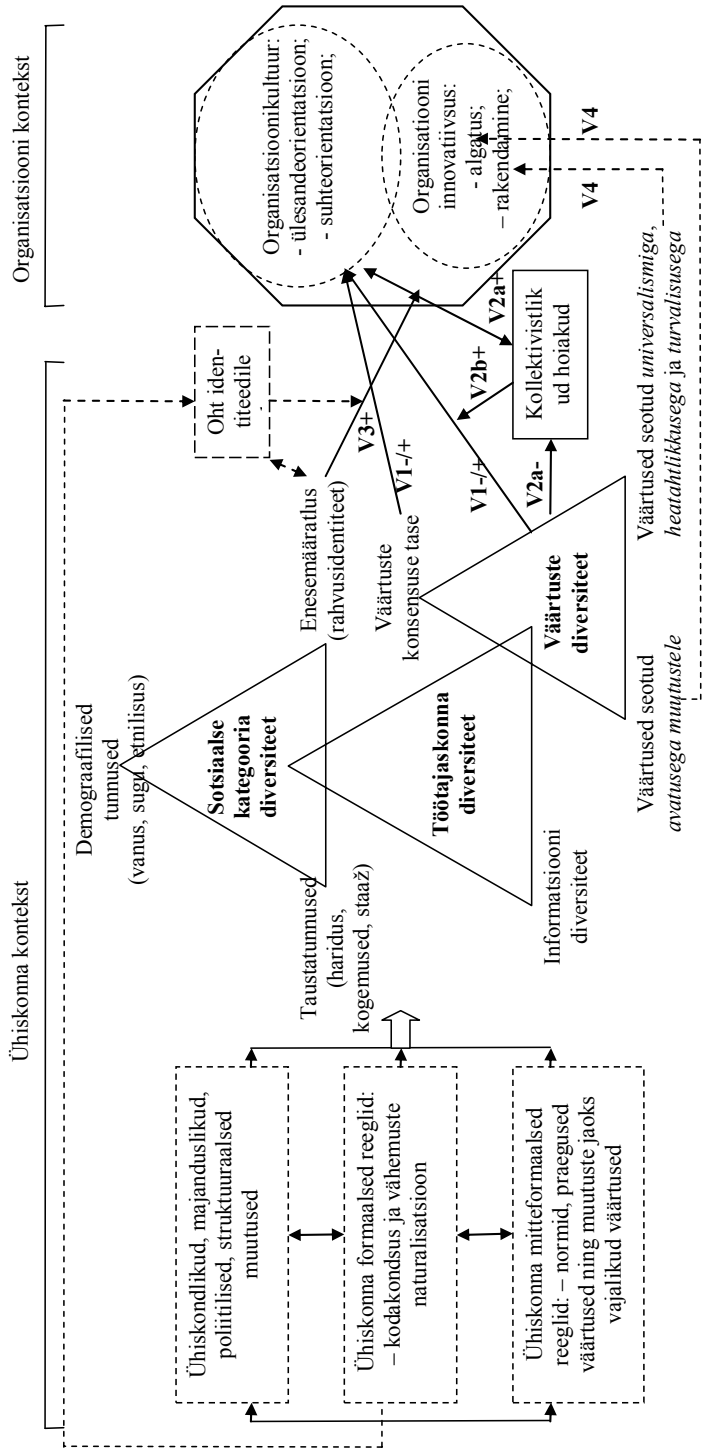
Märkused: Kinnitust leidnud uurimisväited on märgitud "+"-ga, kinnitust mitte leidnud uurimisväited "-"-ga; kahesuunalised nooled näitavad korrelatsioone, ühesuunalised nooled näitavad põhjuslikke seoseid; punktiiris nooled näitavad hüpoteetilisi seoseid.

Joonis 1. Uurimuses leitud seosed ja hüpoteetilised seosed diversiteedi ja organisatsiooninähtuste vahel

Põhitulemused ühiskonna, organisatsiooni ja indiviidi tasandil

Uurimuse põhjal saab teha mitmeid järeldusi:

– Esiteks, et kogu maailmas suurenev töötajaskonna diversiteet toob organisatsioonidesse enam mitmekesisust, sealhulgas väärtuste mitmekesisust.

– Teiseks, et väärtuste diversiteet organisatsioonides pole tingitud mitte üksnes erinevatest isikutest või taustadest, vaid sellest, et erineva kultuuritaustaga inimesed toovad tööle tulles kaasa oma tõekspidamised ja arusaamad sellest, kuidas asjad peavad käima nii üldises plaanid kui ka organisatsioonis.

Kolmandaks, väärtuste diversiteet võib mõjutada organisatsiooni innovatiivsust. Töötajaskonna diversiteedi probleemi on ettevõtluse- ja innovatsioonialastes uuringutes käsitletud vähe, olgugi et juba mitu kümnendit tagasi juhiti tähelepanu elanikkonna ja järelikult ka tööjõu mitmekesistumise üldisele tendentsile, seda eriti arengumaades (nt. Triandis 1995: 11–12). Kaasaja maailmast on diversiteet lahutamatu ning nii mõneski valdkonnas osutub ta soodsaks, seda eriti näiteks ettevõtluse ja innovatsiooni stimuleerimisel.

Eesti ühiskonnale loob väärtuste diversiteet tegelikult suure innovaatsioonipotentsiaali, sest esiteks on väärtuste diversiteet *per se* tähtis komponent uute ideede tekitamise ja täideviimise protsessis ning teiseks näitas uurimine, et kaks Eesti ühiskonna kultuurigruppi tähtsustavad innovatsiooniga seotud väärtusi erinevalt, mis lubab arvata, et kummagi grupi liikmetel on erinev roll innovatsiooniprotsessi eri faasides. Komplementaarse kultuurigrupi kohalolek on oluline, selleks et saavutada efektiivsus nii innovatsiooni varastes kui ka hilisemates faasides. See eeldab ka, et ühiskond üldiselt tunnistab nende gruppide koostöövajadust rõhutades, et erinevate inimeste edukas koostöö toob kaasa hüvesid ühiskonna kõigil tasanditel.

– Neljandaks, käesolev töö toob välja aspektid, millele tuleks tähelepanu pöörata sotsiaalse kategooria diversiteedi uurimisel. Töötajaskonna diversiteedi allikaks on ühiskonnas ka vähemuste poolt oma rahvusliku identiteedi mõistmine. See küsimus on eriti aktuaalne tänapäeval, kui järjest suureneb ränne arenenud maadesse, eriti Lääne-Euroopasse, ning töötajaskonna ridadesse astub teine generatsioon immigrante. Viimaste ees seisab ülesanne leida vastus küsimustele, kes nad on, kuidas nad peaksid end määratlema, arvestades oma kultuurilisi juuri, esivanemaid ja kodumaad, mida nad võib-olla pole kunagi külastanud, ning ühiskonda, kus nad on sündinud. See tähendab, milline peaks olema nende suhtumine sotsiaalse ja rahvusliku identiteedi loomisse. Kui ühiskondlik surve mõnd gruppi marginaliseerib, tekib selle liikmetel tunnetuslik vajadus eralduda sellest grupist, et jätta positiivne mulje (vt. Ferdman 1995: 47). Eelnevad uuringud on näidanud, et rahvusvähemused seovad end mõneti vähem grupiga kui põhirahvus (Kirchmeyer ja Cohen 1992; cf. Sessa ja Jackson 1995: 141). Ometi ei lahenda eespoolmainitud eraldumine enesemääratlemise küsimust ning, nagu näitab ka käesolev uurimus, võib põhjustada suhete nõrgenemist organisatsiooniga ja ühiskonnaga.

Eesti ühiskonnas hiljuti aset leidnud elanikegruppide rahutused demonstreerisid selgelt, kui tähtsad on integratsiooniprotsessi jaoks rahvusliku identiteedi küsimused. Raskuste olemasolu tunnistamine, juhul kui see toob kaasa katsed järjekindlalt ja kõigil ühiskonna tasanditel nendega tegelda, peaks end igati õigustama ning aitama maandada pingeid, mis on kogunenud üksikisikutesse või valitsevad isikute või isikute ja organisatsiooni vahel.

– Viiendaks, enesemääratlemise küsimuse aremaks mõistmiseks on kasulik uurida ka kollektivistlikke hoiakuid. Vähemarenenud riikidest arenenud riikidesse tulvavad suured immigrantide populatsioonid on tavaliselt kollektivistlikumad kui asukohamaa elanikud. See põhjustab vastuolusid väärtushinnangutes, arusaamatusi ja konflikte. Kollektivistlike hoiakute ning nende seoste liigitamisest organisatsioonis esinevate nähtustega võib olla abi nende probleemidega tegelemisel.

– Kuuendaks, Eesti organisatsioonidesse kuuluvate isikute individuaalsed väärtused vastavad kõrgele majanduse arengutasemele, mis laseb arvata, et ei ole ega teki suurt vastuolu inimeste väärtushinnangute ja majanduskasvuga seotud muutuste vahel. Kuid suur tähtsus, mida nii Eestis kui ka tema Balti naaberriikides omistatakse turvatundega seotud väärtustele, võib arengut pidurdada. Kui aga teatud arengut pidurdavad väärtused ja hoiakud, nagu näiteks perekonna ja rahvuslik turvatunne, kaotavad oma suhtelise aktuaalsuse ja nende kohale asuvad muutusi edendavad väärtused, siis vähenevad ka erinevate kultuurigruppide erinevused nende väärtuste suhtes. See aitab nii üksikisikuid, ühiskonda kui ka organisatsioone muutustega kohanemisel.

Eespoolviidatud protsessidega toimetulekul on muude väärtuste diversiteet heaks sünergia allikaks. Viidates Raginsi (1995) mõttele, et diversiteedi efektiivne juhtimine nõuab olulisi ja ulatuslikke kultuurilisi, strukturaalseid ja käitumisega seotud muutusi, on käesoleva väitekirja peamine sõnum, et olles Eesti ja teiste post-sovjeetlike riikide kontekstis ühiskonnas toimunud laiemate muutuste tagajärg, on diversiteet aktuaalne teema, mida ei tohi tähelepanuta jätta, ning on samas ka edasisi muutusi hõlbustav tegur.

Soovitusi tulevasteks uuringuteks

Väärtuste diversiteeti ja organisatsiooni innovaatilisust, kaht erinevat uurimisvaldkonda, on harva uuritud koos, et leida nendevahelised seosed. Autori teada pole keegi eritlenud organisatsiooni eri tasandi töötajate väärtushinnanguid, selgitamaks nende mõju organisatsioonis toimivatele protsessidele, eriti innovatsioonile. Käesolev töö toob küll esile teatud võimalikud mõjud, kuid parema arusaamise huvides oleks tarvis neid küsimusi veelgi uurida.

Suurendamaks uurimustulemuste paikapidavust, võiks muutujate hulka lisada veel teist tüüpi väärtusi ja hoiakuid. Sest nagu rõhutasid Harrison et al. (1998), on igas situatsioonis olulised süvatasandi muutujad need, mis on otse-

selt seotud grupi põhieesmärkidega, ning oluline teoreetiline ja praktilise uurimise probleem on seega küsimus sellest, millised hoiakute erinevused on milliste gruppide jaoks kõige tähtsamad. Lisaks tuleks selgitada, kas ja mil määral valitseb organisatsioonis ja ühiskonnas tervikuna üksmeel väärtushinnangute suhtes ning kuidas saavutada üksmeel küsimuses, et väärtuste diversiteet on nähtus, mis on kasulik nii organisatsioonile kui ühiskonnale.

Suur osa töötajaskonna diversiteedi alasest kirjandusest peab endastmõistetavaks asjaoluks, et diversiteedi eri liikidel on enam-vähem võrdsed tagajärjed. Käesolev uurimus seevastu näitab, et see pole hoopiski nii, ning heidab valgust diversiteedi sotsiaalse identiteedi aspektidele, millel võib olla hoopis ootamatu mõju. Edasine uurimistöö peaks püüdma saada rohkem teadmisi diversiteedi dünaamikast organisatsioonides ning ühiskonnas tervikuna. Et väärtuste diversiteeti adekvaatselt seletada, on soovitav uuringutesse kaasata mitmeid organisatsioonilisi aspekte ning interaktsiooni ja interpersonaalseid tegureid (nt. isikutevaheline usaldus, emotsionaalsed konfliktid jne.).

Innovaatilisuse kohta käivad väited on oma olemuselt hüpoteetilised. Innovatsiooniprotsessi ennast väitekirjas ei käsitletud ega kontrollitud otseselt ka tema tulemuste seoseid kultuuriväärtustega. Pole selge, kas kirjeldatud seosed rahvuskultuuri ja innovatiivsuse vahel vastavad tegelikkusele ning kas muud muutujad, nagu näiteks organisatsiooni struktuur ja kultuur, on suhteliselt tugevamad, tõrjumaks mõjutusi. Edaspidi oleks vaja uurida ja täpsemalt välja selgitada nii individuaalsete väärtuste vahel kui ka individualistlike ja kollektivistlike hoiakute ning innovatsiooniprotsessi tulemuste vahel valitsevad seosed.

CURRICULUM VITAE

Rebekka Vedina

Citizenship:	Estonian
Place and date of birth:	Tartu, May 13, 1976
Civil status:	Single
Address:	Ravila 48–4, 50408 Tartu, Estonia
Telephone:	+372 742 4535
Fax:	+372 737 6312
E-mail:	rebekka.vedina@ut.ee, rebekka.vedina@gmail.com

Education:

2002–2007	PhD studies at the University of Tartu, Faculty of Economics and Business Administration, Institute of Management and Marketing
1999–2001	Master of International Business (MIB, International MBA degree), Norwegian School of Economics and Business Administration (NHH), Bergen, Norway
1994–1999	Bachelor of Arts (economic sciences), University of Tartu, Faculty of Economics and Business Administration

Special courses:

Oct. 2005–Apr. 2006	Research seminars at the Eindhoven Centre for Innovation Studies (ECIS), Eindhoven University of Technology, the Netherlands, Faculty of Technology Management, Eindhoven, the Netherlands
Sep. 2004–Feb. 2005	Advanced doctoral training on Economics of Technological and Institutional Change (ETIC) within a European doctoral training network, BETA, University Louis Pasteur, Strasbourg, France

Professional employment:

2003–	Member of the Research Unit of Organisation and Management, University of Tartu. Projects:
– Apr.–May 2006	organisational communication and culture training for Eesti Põlevkivi Ltd., Jõhvi, Estonia;
– May–June 2004	employee satisfaction and organisational culture research for Eesti Põlevkivi Ltd., Jõhvi, Estonia.
2003–2004	Assistant Project Manager, Runway International Ltd., Tallinn, Estonia

2001–2002	Export Sales Representative/Coordinator, Kalev Plc, Estonia
June–Aug. 2001	Internship in Category Management and web-Marketing, Gamebookers Ltd., Antigua, Antigua and Barbuda

Scientific work:

2007–2010	Member of the research project "Service organisations from the perspective of organisational behaviour: some influencing factors and trends", awarded by the Estonian Science Foundation, grant no. 7018.
2006–2007	Co-editor of the Special Issue "Dynamics Around and Within Organisations" of *Trames*, *A Journal of the Humanities and Social Sciences*, 11(2), 2007.
2004	Coordinator of the organizing committee of the II International Scientific Conference "Management Theory and Practice: Synergy in Organisations"; peer-reviewer; web-master.
2003–2006	Member of the research project "Organisational culture in Estonia: national and international aspects", awarded by the Estonian Science Foundation, grant no. 5527.

CURRICULUM VITAE

Rebekka Vedina

Kodakondsus: Eesti
Sünniaeg ja -koht: 13. mai 1976, Tartu
Perekonnaseis: Vallaline
Aadress: Ravila 48–4, 50408 Tartu
Telefon: +372 7424535
Fax: +372 7376312
E-mail: rebekka.vedina@ut.ee, rebekka.vedina@gmail.com

Haridus:
2002–2007   Doktoriõpe, majandusteaduskond, Tartu Ülikool
1999–2001   Rahvusvahelise äri magister, Norra Kõrgem
             Majanduskool, Bergen, Norra
1994–1999   *Baccalaureus artium*, majandusteaduskond,
             Tartu Ülikool

Erialane enesetäiendus:
Okt. 2005–märts 2006   Uurimisseminarid Eindhoveni Innovatsiooniuuringute
                        Keskuses (Eindhoven Centre for Innovation Studies,
                        ECIS), Eindhoveni Tehnoloogiaülikool,
                        tehnoloogiajuhtimise teaduskond, Eindhoven,
                        Madalmaad.
Sep. 2004–apr. 2005   Doktorikursused "Tehnoloogiliste ja institutsionaalsete
                        muutuste ökonoomika" (Economics of Technological
                        and Institutional Change, ETIC), BETA, Louis Pasteur
                        Ülikool, Strasburg, Prantsusmaa.

Erialane teenistuskäik:
2003–   TÜ organisatsiooni ja juhtimise uurimisgrupi liige.
                    Projektid:
– Apr.–mai 2006   organisatsiooni kommunikatsiooni ja -kultuuri koolitus,
                    Eesti Põlevkivi AS, Jõhvi;
– Mai–juuni 2004   töötajate rahulolu ja organisatsioonikultuuri uurimus,
                    Eesti Põlevkivi AS, Jõhvi.
2003–2004   Projektijuht-assistent, AS Runway International,
                    Tallinn.
2001–2002   Ekspordi müügiesindaja/koordinaator, AS Kalev,
                    Tallinn.
Juuni–aug. 2001   Praktikant, Gamebookers Ltd., Antigua, Antigua ja
                    Barbuda.

Teadustegevus:

2007–2010	Uurimisprojekti "Teenindusorganisatsioonid organisatsioonikäitumise vaatenurgast: mõned tegurid ja arengusuunad" liige Eesti Tedusfondi grandi nr. 7018 raames.
2006–2007	*Trames*'i eriväljaanne "Dynamics Around and Within Organisations" kaastoimetaja, 11(2), 2007.
2004	II rahvusvahelise teaduskonverentsi "Juhtimisteooria ja -praktika sünergia organisatsioonides" korraldamistoimkonna koordinaator, retsensent, kodulehe looja.
2003–2006	Uurimisprojekti "Organisatsioonikultuur Eestis: rahvuslikud ja rahvusvahelised aspektid" liige Eesti Teadusfondi grandi nr. 5527 raames.

DISSERTATIONES RERUM OECONOMICARUM UNIVERSITATIS TARTUENSIS

1. **Олев Раю.** Экономическая ответственность и ее использование в хозяйственном механизме. Tartu, 1994. Kaitstud 20.05.1991.
2. **Janno Reiljan.** Majanduslike otsuste analüütiline alus (teooria, metodoloogia, metoodika ja meetodid). Tartu, 1994. Kaitstud 18.06.1991.
3. **Robert W. McGee.** The theory and practice of public finance: some lessons from the USA experience with advice for former socialist countries. Tartu, 1994. Kaitstud 21.06.1994.
4. **Maaja Vadi.** Organisatsioonikultuur ja väärtused ning nende vahelised seosed (Eesti näitel). Tartu, 2000. Kaitstud 08.06.2000.
5. **Raul Eamets.** Reallocation of labour during transition disequilibrium and policy issues: The case of Estonia. Tartu, 2001. Kaitstud 27.06.2001.
6. **Kaia Philips.** The changes in valuation of human capital during the transition process in Estonia. Tartu, 2001. Kaitstud 10.01.2002.
7. **Tõnu Roolaht.** The internationalization of Estonian companies: an exploratory study of relationship aspects. Tartu, 2002. Kaitstud 18.11.2002.
8. **Tiia Vissak.** The internationalization of foreign-owned enterprises in Estonia: An extended network perspective. Tartu, 2003. Kaitstud 18.06.2003.
9. **Anneli Kaasa.** Sissetulekute ebavõrdsuse mõjurite analüüs struktuurse modelleerimise meetodil. Tartu, 2004. Kaitstud 15.09.2004.
10. **Ruth Alas.** Organisational changes during the transition in Estonia: Major influencing behavioural factors. Tartu, 2004. Kaitstud 22.12.2004.
11. **Ele Reiljan.** Reasons for de-internationalization: An analysis of Estonian manufacturing companies. Tartu, 2004. Kaitstud 25.01.2005.
12. **Janek Uiboupin.** Foreign banks in Central and Eastern European markets: their entry and influence on the banking sector, Tartu, 2005. Kaitstud 29.06.2005.
13. **Jaan Masso.** Labour Reallocation in Transition Countries: Efficiency, Restructuring and Institutions, Tartu, 2005. Kaitstud 7.11.2005.
14. **Katrin Männik.** The Impact of the Autonomy on the Performance in a Multinational Corporation's Subsidary in Transition Countries, Tartu, 2006. Kaitstud 29.03.2006.
15. **Andres Vesilind.** A methodology for earning excess returns in global debt and currency markets with a diversified portfolio of quantitative active investment models, Tartu, 2007. Kaitstud 13.06.2007.