

**INFLUENCE OF ORGANIZATIONAL CULTURE
ON CONFLICTS IN BULGARIAN FIRMS –
A COMPARATIVE ANALYSIS**

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Abstract: The research analysis is oriented towards the establishment of the dynamics of organizational culture and its relation to organizational conflicts in two different periods of time. The purpose of this analysis is to identify dominant value practices. A comparative analysis of two groups of people, working in the information technology, mechatronics and automation sectors over a period of five years - 612 people in 2008 and 580 people in 2012, is presented. Data are processed with the standard package statistical programs SPSS-16. A frequency distribution of data is made as well as correlation and regression analyses. Conclusions about the essential differences in the choice of dominant value orientation are drawn. The analysis and evaluation of the results of this survey reveal trends in value orientation in the organization and makes possible their change, consolidation and development.

Key words: organizational culture, types of organizational conflicts.

Introduction

Organizational culture is defined as a set of norms, values, attitudes that can predict future behaviours, forms of communication, and can also be a prerequisite for effective management of the organization. Organizational culture is considered a multidimensional concept, which includes different components that remain stable for short periods of time, and is subject to changes and development [Ilieva, 2006: 7-13]. Some of the indicators of the organizational culture status are the types of conflicts in the workplace, which in its turn gives grounds to test the types of conflicts, as well as the impact of organizational culture on them. In this sense, the conflicts, which are rooted in different dominant value orientations, would correlate to a different type of organizational culture. Causes for emerging conflicts are explained by frustration and the presence of divergence of interests and values [Rigio, 2006: 331-339].

The study analyses the types of organizational culture and conflicts. Constructs allow their adequate measuring and reporting back of the impact they

have on a number of organizational factors. Thus, sound psychometric and quantitative tools can be applied. Also, through a package of statistical programs, those variables with the greatest impact expected to be deduced.

Culture in an organization can be considered as microculture that interacts directly with the culture medium [Morgan, 1986: 23-45]. Macroculture is made up of national and international cultures, political, economic, educational and other systems. Microculture is expressed through a system of beliefs, values, norms, organizational structure, etc. Macroculture and microculture of the organizational environment are in a state of continuous communication. Values, beliefs and convictions relate meaningfully to the organization (groups, activities, etc.), as well as to the environment (competitors, local community, etc.) [Karabelyova, 2011: 25-46]. The interactions of organizational culture with cultural systems such as the national and the individual, determine much of its appearance. In this sense, organizational culture corresponds to the internal and external environmental factors and is subject to change. This gives grounds for a comparative analysis of two different time periods – 2008 and 2012.

Frequency distribution is used to track down the average arithmetic and standard deviations for the types of organizational culture and conflicts, as well as to reveal their specificity. Significant relationships and those variables that have the strongest deterministic role in different time stages are deduced via correlation analysis. Regression analysis reveals the main factors of influence of organizational culture on the types of conflicts in the organization. Data were processed with the standard package statistical programs SPSS- 16.

The object of this research is organizational culture and conflicts for different time periods: in 2008 - 612 respondents, and in 2012 - 580 people, working in the field of mechatronics and information technologies in Bulgarian organizations.

Sample. Respondents were divided into groups depending on the studied demographics: gender, age, status in the hierarchy of the organization, experience in organization and general service as well as the number of people in the work group. Women (63.3%) were approximately two times more than men (36.7 %). Depending on the position in the organization: managers - 15.8%, and executives - 84.2%. According to the experience on the specific workplace, respondents are divided into three groups: up to 2 years - 35.5%, from 2 to 7 years - 30.4%; over 7 years - 34.1%, and based on total service: up to 2 years - 16%; up to 5 years - 15.9%, up to 10 years - 16.3% ; up to 15 years - 16.6%; up to 20 years - 16.3% ; over 20 years - 15.9%. Depending on the number of members in the group: up to 6 people - 33.8%, from 7 to 13 people - 32.2%; over 13 people - 30.0%.

METHODS

Research methods allow the establishment of causal and consequential links of culture with conflicts within the organization: the method used is “FOCUS” [Van Muijen et al., 1996]. According to the latter, *organizational culture* is seen as a model of competing values, including four value orientations: towards objectives, support, innovations and rules. Individual dimensions of organizational

culture are determined in 35 statements. The questionnaire includes an assignment to assess how typical of the organization, according to the respondents, are certain allegations. Typical items for *rules culture* are: "How often does management emphasize on stability in the functioning of the organization" or "How often is work carried out according to specific procedures?" The second component consists of five statements that describe *support-oriented culture*, e.g. "How many people are given new opportunities after they have experienced failure?" or "How often are managers interested in and concerned about the personal problems of their employees?":. The third subscale outlines the *organizational culture of innovations* and includes the statements: "How many people use new ways of working?" or "How often does your organization look for new markets for existing products?". The last subscale, describing *goals culture* includes statements such as: "How many people are responsible for implementing their own purposes?" or "How often the remuneration you get depends on your performance?"

For the purpose of the study, Likert's 6-point scale has been used, ranging from "never" to "always". The reliability of the questionnaire is very high ($\alpha = 0.86$), individual subscales show good reliability as per Cronbach's α coefficient and are similar to those of other researchers who have applied the questionnaire [Ilieva, 2006: 128-138; Karabelyova, 2011: 139-149].

The set of tools that are used has been developed under the leadership of Afzala Rahim [Rahim, 1997], where the types of conflicts are divided into three dimensions: *cross-group*, *intra-group* and *roles conflicts*. It is composed of 21 statements that reveal respectively the presence or absence of conflict.

The first subscale consists of 6 items, characterizing *cross-group conflict*. Cross-group conflicts are revealed in statements such as: "There is understanding between my group and the other groups" or "Other groups withhold information, necessary for the performance of our tasks." The following statements can be pointed out for *intragroup conflicts* research: "In my group there is harmony and cooperation" or "We argue a lot about who does what in our group." The third subscale determines *role conflicts* and is marked by rationales such as: "I like the tasks I perform more than the other tasks performed in the organization" or "My skills are fully used in this job".

High degree of agreement is related to the lack of conflicts and is an indicator of personal harmony, group cohesion and cooperation among the groups. Low values reveal the presence of conflicts on a particular dimension. For each type of conflict 7 items are set and there are some reversible among them. Evaluations are given after Likert's 5- point scale, starting from 1 - completely disagree, to 5 - completely agree. The reliability of the questionnaire is very high ($\alpha = 0.89$). Individual subscales show good reliability according to Cronbach's coefficient α .

It is assumed that organizational culture, characterized by the choice of communication, would have a direct impact on the types of organizational conflicts. It is expected to confirm, in this way, the assumption that organizational culture and conflicts play an important role in the organization. It is also assumed that the effect of the different types of organizational culture and conflicts over different periods of time undergoes certain changes.

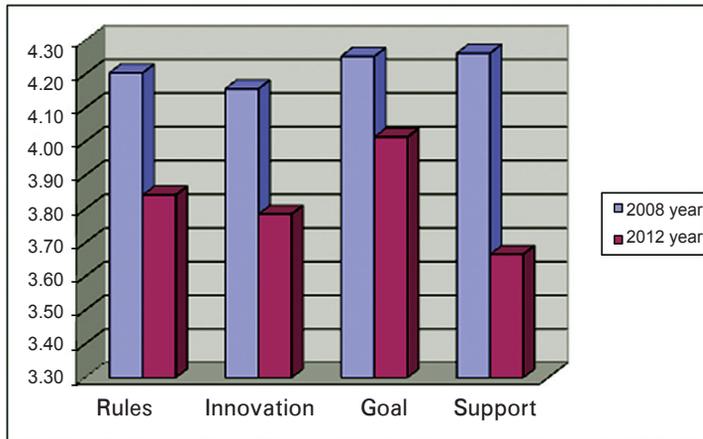


Fig. 1. Descriptive statistics of the types organizational culture in 2008 and 2012

In order to prove or disprove deduced hypotheses, the differences in the types of organizational culture and conflicts for specific years in the particular area of activity are researched; relationships between types of organizational culture and conflicts are established; the types of organizational culture that have an impact on the types of organizational conflicts are analyzed, and a comparative analysis over the years is carried out.

With the help of the methods used in this research, the degree of influence of certain factors is estimated as well as the reasons of substantial importance. “X” indicates the average statistics values, “sd”- the standard deviation.

Over the years, changes in the dominant value preferences have been registered. The results of the descriptive statistics (see **Fig. 1**) attribute the highest values to *support culture* for 2008 ($x = 4.26$; $sd = 0.99$) in contrast to the dominant values of the respondents in 2012, where *goals culture* is ranking first at the choice of behavior ($x = 4.01$; $sd = 0.67$), orientation to support ranks last ($x = 3.66$; $sd = 1.04$). The standard deviation is in its highest range. This shows significant variations and fluctuations when choosing in the range “never” to “always”. The differences between the dominance of support culture and goals culture in 2008 are very small ($x = 4.25$; $sd = 0.57$). These results suggest a transition to a market type culture in the researched period. It may be assumed that this is a consequence of changes in the external environment. Combining market-oriented values with values, oriented towards human relationships, is replaced by the dominant preferences towards seeking a competitive edge, dynamics, innovations, and creativity.

Support culture is characterized with aspiration for creating a sense of members’ satisfaction in the organization, an atmosphere of mutual understanding, empathy and tolerance, while prevalent in goals culture are high demands on people regarding their work, high personal commitment and responsibility for their tasks, as well as the fact that their work is controlled by rules and proce-

dures. Power is associated with the position and status in the organization, not with the individual.

Innovations culture is characterized by a pronounced emphasis towards applying new methods of management and production while, at the same time, suggesting flexibility and adaptation to the requirements of the situation. However, according to the results of this study there is a decline towards this type of orientation in 2012 ($x = 3.78$; $sd = 0.81$). The comparative analysis of preferences for certain organizational values shows that with innovations ($x = 4.15$; $sd = 0.73$) - for 2008 and ($x = 3.78$; $sd = 0.81$) - for 2012 and those of the support ($x = 4.26$; $sd = 0.99$) for 2008 and ($x = 3.66$; $sd = 1.04$) the difference is most considerable. There is a decreasing tendency in the aspiration to preserve tradition, and orientation is directed towards the external environment ($x = 4.20$; $sd = 0.73$) - for 2012 and ($x = 3.84$; $sd = 0.78$) - for 2008. Orientation is primarily aimed at achieving the strategic objectives of the organization. Dominating values are more related to the development of human potential than to the creation of atmosphere of mutual understanding and assistance.

Conflict situations are an indicator of the accepted values and behaviour, as well as of the dominant type of organizational culture. They are one of the important factors for the functioning of an organization. Therefore, the way that conflicts are perceived has been interpreted. The scales used for studying the various types of organizational conflicts are three – inter-group, intra-group and roles.

In order to determine the type of conflict employees in researched organizations collide most frequently with, a descriptive statistics has been elaborated. Regardless of the researched period, the values of role conflict: ($x = 4.037$; $sd = 0.708$) - for 2008, and ($x = 4.037$; $sd = 0.708$) - for 2012, are most pronouncedly manifested, followed by intragroup conflict with a relatively large difference: ($x = 3.259$; $sd = 0.431$) - for 2008, and ($x = 3.335$; $sd = 0.451$) - for 2012. Cross-group conflict, without any change in the selection over the years, occupies the final position: ($x = 3.182$; $sd = 0.407$) - for 2008, and ($x = 3.445$; $sd = 0.561$) - for 2012. It should be borne in mind that the set of tools about the types of conflicts measures the perceptions about the lack of certain type of conflicts rather than their availability (see Fig. 2).

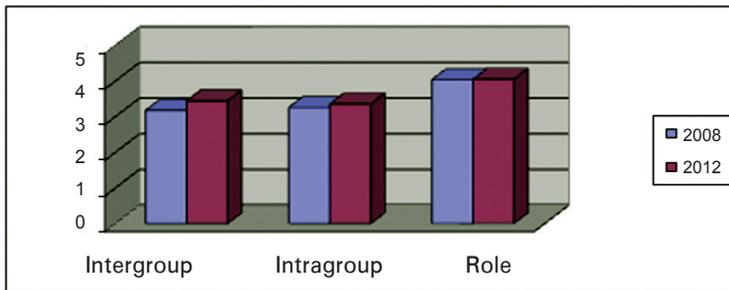


Fig. 2. Descriptive statistics of the types organizational culture in 2008 and 2012

Role conflicts are characterized by personality frustrating situations, mostly related to misunderstanding the place and role of a personality in the group and organization, which leads to blocking the intention to achieve organizational goals. The contradictions that arise between the different role positions and personalities, together with the uncertainty and excess tension in the course of the activity, lead to role conflicts. Discrepancies in the initial positive and unrealistic expectations when starting the job can also cause personal disagreements.

However, due to the fact that this method measures the absence, rather than the presence of conflicts, we can claim that susceptibility to role conflicts is low. According to research data role contradictions are more likely to cause aspiration for higher and faster results. Clarity on the role in the group and the place of an individual in the organization reduces the degree of personal conflicts. The preferences of a particular individual and of the groups are supposed to be directed at avoiding tension and severe stress situations. Values such as cooperation and good interpersonal communication make possible asserting one's opinion as well as participation in the work activities of the group. This way of perceiving work paves the way for positive emotions and managing criticism and conflict in an appropriate way. Perhaps this is a good approach to create mechanisms for resolving conflicts.

Inter-group conflicts arise from stated differences, related to power, competition and lack of tolerance for the other groups in the organization. The survey results show low values of this type of contradictions for both periods that have been researched. Interpersonal misunderstandings lie at the heart of the conflicts in the studied organizations. However, they fail to develop into cross-group ones.

In order to confirm or refute deduced conclusions, and because of the presence of other typical characteristics of organizational culture and conflicts, establishing the degree of connectivity and influence among the variables was sought after. Data from the research are subjected to **correlation analysis**. The coefficient of correlation is the quantitative measure - "**r**", while "**p**" is guaranteed probability, which ensures the correctness of the evaluation in the way of scholastic error.

According to research data, regardless of the research period there is a positive correlation between role conflict and each of the organizational cultures (see **Table 1**). Although not very high, the correlation with goal culture ($r = 0.111$; $p < 0.01$) is most pronounced, followed by support culture ($r = 0.104$; $p < 0.05$) and rule culture ($r = 0.080$; $p < 0.05$) for 2008. The focus on collaboration turns competitiveness into advantage. Values of communication in the organization are manifested in maintaining the integrity of the organization and mastering the intergroup conflicts ($r = -0.089$; $p < 0.05$).

According to respondents, the main task of working in the organization is that it leads to efficiency, good results and profit. The main prerequisites for success are associated with adopting high degrees of control, aiming at success on the market, which in its turn maintains, to a large degree, tolerance in the organization during the research periods of time.

Table 1

Correlations between types of organizational culture and the types of conflicts in 2008 and 2012

Year	Conflicts	Intergroup	Intragroup	Role
	Culture			
2008	Rules	-0.036	-0.001	0.080*
	Innovations	-0.044	0.019	0.069
	Goals	-0.089*	-0.052	0.111**
	Support	-0.051	-0.011	0.104*
2012	Rules	0.055	-0.069	0.327**
	Innovations	0.075	-0.060	0.191*
	Goals	-0.116	-0.030	0.028
	Support	0.186	-0.042	0.337**

*** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$

In 2008, compared to 2012, there is no significant correlation with goals culture. A new positive correlation appears though – that of role conflict with innovations culture ($r = 0.191$; $p < 0.01$). Once again, for the same period of time, other significant correlations between the types of organizational culture and conflicts are not reported. The essence of role conflict is in the competition between an individual and a group or between particular individuals for limited resources, power, and prestige and good reputation. Typical of innovations culture are the basic prerequisites defining innovative initiatives as a key to success. This correlation is assumed to be logical, on the one hand, because of the specifics of work - mechatronics, automation, information technologies, and on the other hand – because of dynamic changes in the external environment, associated with the development and implementation of new products and services in this area, are observed.

Based on correlation analysis data, it can be stated that a tendency for the development of prerequisites where customers are seen as partners is adopted. Qualities such as loyalty and willingness to participate in organizational life are displayed ($r = 0.337$; $p < 0.01$). Core values require strengthening of the control system, reliability of work performance, speed and efficiency ($r = 0.327$; $p < 0.01$). Thus, in the long run, the organization is directing towards building stability and predictability using support, keeping the rules and spirit of enterprise.

In order to verify the hypothesis of the impact of culture on conflicts in the organization, a *regression analysis* has been carried out, examining the processes of influence of certain factors on a number of random variables with an existing linear relationship between them. Beta (β) is the regression coefficient which measures the changes occurring in the phenomenon-consequence on the phenomenon-factor in order to demonstrate cause-and-effect relationship and dependence, “ ΔR^2 ” is the percentage of variation, “ p ” is the level of significance, no more than 0.05.

Table 2

Influence of the types of organizational culture on the types of conflicts in 2008 and 2012

Cul- ture Con- flict	Rules		Innovations		Goal		Support		
	Year	2008	2012	2008	2012	2008	2012	2008	2012
ΔR^2		0.005	0.077	0.004	0.058	0.023	-0.022	0.012	0.084
Inter- group		$\beta = -.058$; $p > 0.05$	$\beta = 0.016$; $p > 0.05$	$\beta = -.072$; $p > 0.05$	$\beta = 0.079$; $p > 0.05$	$\beta = -0.107$; $p < 0.05$	$\beta = -0.148$; $p > 0.05$	$\beta = -0.076$; $p > 0.05$	$\beta = 0.067$; $p > 0.05$
Intra- group		$\beta = 0.002$; $p > 0.05$	$\beta = -0.079$; $p > 0.05$	$\beta = 0.029$; $p > 0.05$	$\beta = 0.137$; $p > 0.05$	$\beta = -0.042$; $p > 0.05$	$\beta = 0.047$; $p > 0.05$	$\beta = -0.008$; $p > 0.05$	$\beta = 0.019$; $p > 0.05$
ROLE		$\beta = 0.094$; $p > 0.05$	$\beta = 0.350$; $p < 0.05$	$\beta = 0.080$; $p > 0.05$	$\beta = 0.260$; $p < 0.05$	$\beta = 0.144$; $p < 0.05$	$\beta = 0.033$; $p > 0.05$	$\beta = 0.123$; $p < 0.05$	$\beta = 0.307$; $p < 0.05$

The results of the regression analysis (see **Table 2**) confirm the partially raised hypothesis. Data show that organizational culture in the first stage of the research – in 2008, performs its integrating function when implementing intergroup processes when it is necessary to achieve certain organizational and personal goals ($\beta = -0.107$, $p < 0.05$). Afzal's methodology explores the absence of conflicts in particular. Therefore, intergroup and role conflicts are not an obstacle to solving organizational problems ($\beta = 0.144$, $p < 0.05$).

Support culture plays an integrating role both in the first stage - 2008 ($\beta = 0.123$, $p < 0.05$), and in the second one - in 2012 ($\beta = 0.307$, $p < 0.05$). Compliance with the rules defines the specific place of the individual in general organizational context and enables the display of individual qualities to a greater extent in 2008 than in 2012, when competitive antagonism ($\beta = 0.350$, $p < 0.05$) stands out.

Role conflicts are not presented as a serious obstacle to the emergence of innovative ideas and the performance of entrepreneurial tasks ($\beta = 0.260$, $p < 0.05$). Therefore, the types of organizational culture that influence the types of conflict contribute to a better interpersonal communication, empathy and support. They can be used for an adequate display of emotions and for the implementation of innovative ideas, and they can also help observing the organizational rules and goals.

The formulated hypothesis about the influence of the types of organizational culture on the types of conflicts has been confirmed partially - registered value orientations are, for the most part, with an average degree of impact. The percentage of variation is not large. Organizational culture determines mostly role conflicts.

Conclusions

The following conclusions can be drawn, based on obtained results: In the researched organizations and years, dominant cultural value preferences towards goals culture have been observed. The picture is similar for the two periods of the research. In 2012, unlike 2008, a tendency for value orientation towards innovations management was observed as well as continuous improvement. At relatively lower values of intergroup conflict in researched organizations, the following conclusion was drawn - most of the conflicts are not due to inaccurate or poorly regulated distribution of the resources. Situations that would cause instability between the groups are rare. Estimates are that it would hardly lead to intensifying the differences and to an abrupt change of value preferences in both organizational norms and the willingness for integration.

Data from correlation analysis of the types of organizational culture and conflicts for the two periods of the research show a tendency towards creating a dynamic work environment, associated with entrepreneurial and creative activity that focuses on observing rules and attention to well-being in interpersonal relations in the long run.

Based on the conducted regression analysis, the following conclusions can be drawn: statistically significant indicators of the impact of the types of organizational culture on conflicts are displayed on the second stage of the research period (in 2012). No organizational culture influences on intragroup conflicts have been observed at any time stage of the research. This fact is probably related to the sustainable characteristics of the perceptions of the organizational environment.

It has been established that all types of organizational culture have their influence on role conflicts. This is registered more clearly in 2012 with rules, innovations and support cultures, and in 2008 with goals culture and support culture. Goals culture influences two of the types of organizational conflicts - inter-group and role conflicts, but only in the first period of the study – in 2008. Support culture determines role conflicts significantly, regardless of the stages of the research. In the end, it can be concluded that an emphasis is put not only on the ongoing processes in the organization, but on the formation of effective interpersonal support as well, which probably helps to find an adequate response to the unexpected changes outside the organization.

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