

A Tendency toward New Cultural Attitudes of Business Agents in Bulgaria

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Summary: The article discusses some transformations in the economic culture of the Bulgarian business agents resulting from the integration of the Bulgarian business with the EU business space. In 2006 and 2007 we carried out a survey and its main results are summarized in the article. Our thesis is that the survival of Bulgarian business in a new global culture depends on the capability of Bulgarian companies "to preserve the role of a consumer of the world knowledge" (Bauman) in order to secure for themselves a place in the global commodity market. Yet, the sufficient condition to be met is connected with the ability of the Bulgarian business people to run business effectively by modern business and management practices, which to a high degree are absent from the Bulgarian market space. We conclude that the transformations of the Bulgarian business are spreading unequally and with different pace. The research reveals various and sometimes even contrasting types of cultural behavior among Bulgarian managers and entrepreneurs.

Key words: economic culture, cultural axis, traditional and modern business practices, business space.

JEL: Z13, M20, M50, O15.

1. Introduction*

The integration of Bulgarian society in the European business space and the embeddedness of our national economic streams in the globalization phenomenon have been complex and continuous processes. It is widely known that this is a process not only requiring large capital investments, innovative investments, and solid management knowledge, but also a process that necessitates the functional synchronization of the social and economic institutions. Only through the achievement of such synchronization could the specific organic economic environment, whose tissue and internal coherence is built of a complex network of economic flows, be created. (Gern 2002). Thus, after all, in addition to enhancing competition, globalization fosters yet another tendency – the increased significance of cooperation as an external source of innovative solutions. By this

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means a number of goals is actually achieved – the cost of economic development is reduced, the period for the introduction of different market niches could be shortened, social and economic risks are also minimized, as well as the time for the implementation of innovations is also cut down to a considerable degree.

In today's world, which Scott Lash and John Urry called a world of "disorganized capitalism", the new global economy put an end to the possibility for modern society to be analyzed through the existing "centre-periphery" models, or through the simple "push-pull" models, or through the traditional balance of trade models, or finally through the "consumption-production" models. A global culture with a complex structure of partial coincidences and contradictions, whose core characteristic is the "the effort of uniformity and distinction to be preoccupied each other" (Appadurai 2006:71) has been establishing itself more firmly.

The social space of business is by no means an exception from the rest of the social spaces, rather, this is precisely the space that rules over the changes occurring in the age of ever expanding flow of the local historic trajectories into complex transnational structures. In the year pronounced by the European Commission as a European year of intercultural dialogue, we believe that it is especially important that the genealogy (in the sense which Appadurai attached to this concept) of the cultural structures of Bulgarian business, within whose frames new European forms of business practices have been integrated, should be constructed.

Our goal is not to research the history of the existing cultural business habitus. The main question which we seek to answer is: does Bulgarian business cultural sphere fit to the pre-set parameters of global modernity, or is its genealogy completely plunged into the historicity of the local habitus?

By refraining from building a skeleton of a general theory of the global cultural processes, in our quest for an answer to that question, we use the polyphonic sense of the concept of "culture" found in two major discourses. Culture as substantiality – a configuration of attitudes, values and symbols, on the one hand; and on the other hand – culture as one of the dimensions of phenomena, a dimension related to the situated and embodies variation (Appadurai 2006). In other words, we've tried to delineate the local borders of the cultural differences for the representatives of Bulgarian business. For the purpose of the present article the concepts of "economic culture", "entrepreneur culture", and "business culture" will be used in the various contexts describing the borders of the cultural varieties in the business space of Bulgarian society during the Euro-integration process. We use the concept "business space" to show that we do not fix our attention on any particular social relations, in the same way and from the same angle, but rather we project or visualize "multilayer constructs, conditioned by the historical, linguistic and political situation of different types of cultural actors" (Appadurai 2006:56).

Our thesis claims that the need for the Bulgarian business to preserve the "role of consumer of the world's knowledge" (Z. Bauman), and by doing so to manage to integrate itself in the global commodity market, is a necessary condition for the Bulgarian business to survive in the powerful international market, and of course under the conditions of a new global culture. *The sufficient condition, however, is related to the ability of the representatives of Bulgarian business to apply effective management strategies, which on its turn requires a high degree of business culture and contemporary management skills related to the new information technologies the shortage of which in the Bulgarian business space is, in our opinion, remarkable.*

2. Basic Theoretical and Cultural Models

Global science has known the application of several theoretical models in the research of the differentiation of economic culture from national culture; each of those models has several cultural dimensions. Some of the most popular models are those developed by G. Hofstede (Hofstede 2001) and F. Trompenaars & Charles Hampden-Turner (Trompenaars & Charles Hampden-Turner 1995, 2004)¹. The authors use different binaries to define the basic parameters of national economic cultures. The only binary code that both models share is "individualism – communitarians" (individuality versus collectivity). In F. Trompenaars & Charles Hampden-Turner's model, however, in addition to "individualism – communitarians" there also other binaries included, like "universalism – particularism" (rules versus informal contacts); "neutrality – affectivity"; "specific – diffuse"; "external – internal locus of control"; "achievement – instruction"; "attitudes towards time"; "attitudes towards environment". Our opinion matches what has already been shared by T. Chavdarova, that F. Trompenaars & Charles Hampden-Turner's model is more appropriate for practical locally in the examination of the cultural characteristics of Bulgarian business practices (Chavdarova 2004). Consequently, we have based a part of our central standpoint precisely on this approach.

Culture, as F. Trompenaars & Charles Hampden-Turner write, provides a meaningful context, which allows people to effectively solve the problems and challenges by which they are faced. The set of artefacts, norms, values, and assumptions across cultures can vary within a wide range, but the concentration of variety

around the average, or the "norm" differentiates one culture from another. The authors, in unison with the ideas of Claude Levi Strauss, warn that the stereotyping or the conscious or unconscious equalization between the different and the wrong could by no means be an indication for a situationally adequate culture. The main conclusion made by F. Trompenaars & Charles Hampden-Turner is that different cultures reflect situations in different ways, so it is not correct to consider any of the identified ideal types of culture more successful than any of the rest. It appears that for different situations different types of culture prove successful. For instance, in the context of individualistic cultures, if we have a situation when a mistake has been made, the business practice concentrating on the person whose fault it is and making him/her responsible is considered successful. In collectivistic cultures, the focus on the person whose fault it is not entirely ruled out, yet the responsibility is always shouldered by the group, because it is considered that the mistake is a result of poor group collaboration.

F. Trompenaars & Charles Hampden-Turner organize the typisation of corporate culture along two dimensions: equality–hierarchy and orientation toward the individual – orientation toward the task. Thus, four idealized type of corporate cultures are formed, described by Trompenaars & Hampden-Turner through the following metaphors: "Family"; "Eiffel Tower"; "Rocket-launcher"; "The Incubator".

The metaphor of the "family" is normally used about cultures depending on close yet at the same time hierarchical relations. What is important in this case is that this type of power is rather intimate instead of threatening. "Family" cultures often allow for a phenomenon

¹ Business culture research using Hofstede's model has been conducted in Bulgaria by a number of scientific teams: P. Ivanov and all.; Tzvetan Davidkov and all.; S. Karabeljova, J. and all.; Trompenaars & Charles Hampden-Turner Jr.'s model has been applied in one research with which we are familiar – under the project "East"- "West" Cultural Encounters 2004.

described by M. Weber as a "role conflict". Family culture, however, by rule is more attracted by the intuitive than by rational knowledge. The stress is put on who does what rather than on what is actually done. "Firms modelled by the family culture type can react quickly to the fast changing environment affecting their power". Strategic offers are sometimes just a facade behind which the family is acting in unison with their own traditions. "The family model does not give special priority to efficiency (doing things the right way), yet effectivity (doing the right things) is highly treasured" (Trompenaars, Hampden-Turner, 2004: 223 -227). Judging by data from the research conducted by the two authors in the late 1980s, Bulgarian companies could be defined as a borderline culture, somewhere between the "family" and the "Eiffel Tower" types, with a stronger orientation toward the former. This could be explained by the fact that, then as well as now, small and mid-size enterprises prevailed in Bulgaria, and by rule those are companies more inclined to develop cultures of the type "family" and "incubator". (Trompenaars, Hampden-Turner, 2004, p.245)

The metaphor of the "Eiffel Tower" is aimed at describing a culture that gives priority to the rules of a strict hierarchy and to the roles with their assigned functions. This is a culture built entirely of the rules of the ideal bureaucracy, following M. Weber' theory. Authority comes from role assumption, relationships are specific, the status is prescribed and remains within the office. Cultures of this type follow objective standards and established procedures in the first place. "The planning of workforce, evaluation centres, evaluation systems, training blueprints, and personnel turnaround on various positions, has the general disposition of contributing to the classification and building of resources corresponding to particular roles. A change in a company of the "Eiffel Tower" type will by all means bring about a change in rules. (Trompenaars, Hampden-Turner 2004:232) A

culture of this type depends on anticipation, meticulousness, and precision of behaviour. Duty has been internalized as a value by employers. Conflicts are considered irrational.

The metaphor of the "Rocket-launcher" describes an egalitarian type of corporate culture closer to the "Eiffel Tower", as this type is impersonal and task-oriented. The fundamentals in this type of culture are in the first place values. The idea is to put the strategic intention into practice and thus achieve the particular goal. Actually, this is a culture of the expert interdisciplinary knowledge. A culture of this type is mostly characteristic of matrix organizations; this is a cybernetic type of culture, target-oriented and demanding strong feedback, i.e. a circular rather than a linear culture. In this type of culture, normally the aim is to find new means rather than new targets. Motivation is internal. Problem solution is a leading incentive, rather than the discipline related to rule compliance. Evaluation is performed by the peers, not by the superiors. This culture is individualistic by nature.

The "Incubator" metaphor is used to describe a culture related to the "existential idea that organizations are secondary to the fulfilment of individuals". The creative fulfilment of individuals and the minimization of the time spent in self-sustenance are a priority. This is a culture reasoning innovative theories by reacting in an intelligent way to the untraditional. Habitually, it is an attribute to a social practice predominantly applied in small entrepreneur companies by individualists possessing personal charismatic authority working mostly alone yet willing to "share certain resources while comparing their experience". The leading incentive here is the "journey" itself – the road to the realization of the idea. This culture depends on "face-to-face" relationships and work intimacy. Change could be fast and spontaneous, if all members are "on the same wavelength". Contrary to "family" culture, in this case leadership is achieved rather

than inherited. Conflicts are resolved either through splitting, or through trying various alternatives. This is above all a culture of *ad hoc organizations*.

By studying the historical transformation of the economic culture of Bulgarian business, B. Kolev developed a model of the culture's genesis by means of several basic cultural axes. (Kolev 2002) Those are cultural attributes of social practices, structured by the transformations of social changes, attitudes and self-reproducing lifestyles and structures, over the period from the Liberation of Bulgaria till present day. The first of the axes is "the cultural model of barter" – "self-satisfaction", or more specifically, "if you do this for me – I will do that for you" and vice versa. The second axis is "collectivism". This is a cultural axis stemming from the pre-liberation patriarchal community, passing through the consumer and mutual assistance cooperations at the time of the first modernization of Bulgarian society, almost fully forced by the socialist regime and still existing in our contemporary post-totalitarian society. The third axis is the "leadership role", or "the crucial state intervention on the economy".

If we go back in history and consider the three major political transformations in Bulgaria (after the Liberation, after the year of 1944, and after the year of 1989), we will notice that national transformations were effected without the leading role of the objectively needed social-economic subjects adequate to the particular transition. Thus, for instance, after the Liberation, Bulgaria started on the road to the bourgeois development, but without the existence of a well-structured bourgeois class; after 1944, the building of socialism with the avant-garde role

of the working class was widely advertised, while Bulgaria itself is amorphous and sparse; the years after 1989 marked the development of a market society, however, without the existence in the country of a clearly outlined and stratified entrepreneur class². This was what caused the integration of national economy resources during the three transitional periods to be carried out by the state administration, rather than by objectively originated and mature relevant economic entities. In other words, an opportunity was created for state officials to seize unusual political and dominant roles and thus quickly turn their political power directly into economic power and status (these processes were also described by W. Zombart³).

S. Bochev also noted that process and emphasized that the "nationalization" of Bulgarian economy as the interference of the state had been a distinctive and immanent characteristic even before the building of the "fundamentals of capitalism in our country" after the Liberation. The interference of the state is so significant that it marked many a decade of our whole post-Liberation history. The aspirations toward a "maximum fiscal impact" choking private capital resulted in a distorted economic mentality, penetration of false values, and tough resistance against the adoption of authentic market values. (Bochev 1998) This situation reached the peak of its deformed "genetic existence", especially after 1944. Unfortunately, it is so well familiar now owing to the scheme chosen for the realization of the transition from a centrally planned to a market economy. Again, this is a move that has been effected to the detriment of the main interest of the stratum motivating social progress – the stratum of the middle class, which began to

² After the Liberation, more than 83 % of the general population lived in rural areas, while there were around 260-270 wealthy families, of which only three were millionaires; according to the census of 1946, the rural population in Bulgaria amounted about 73 % and a working class of between 8 to 11 % (Kolev 2002).

³ Further details on the processes of this transformation in Bulgaria you will find in Kolev 2002, and also in T. Rakadjiiska 1998.

shape itself back in history, under the conditions of the centrally planned economy.

From the historical perspective, we could speculate on one further cultural axis, which should rather be considered as a derivative from the previous one, and this extra axis is defined as "paternalism and egalitarianism". Just as the rest of the "axes", this last one originated from the pre-Liberation "levelling" of the oppressed Bulgarian population. The insufficient modernization of the first capitalist generations, the speculative practices of accumulation of capital through the state institutions, preserve people's aptitude for egalitarianism and develop further their attitude of non-acceptance and lack of recognition for those who have accrued capital. This explains the generally accepted banal statement, so well expressed by Aleko Konstantinov through the words of his unique ethno-cultural character: "All of them are [the same] scoundrels". Paternalism and egalitarianism as a prevailing emotional attitude was duly institutionalized during the socialist regime and it still exists, even among the representatives of the private business (Kolev 2002).

Now, we can clearly see that Bulgarian history has known three significant changes, happening within a century or so, which have radically reorganized the economic sphere, yet not so crucially its economic culture. Each of those radical changes has its own logical identification and offers specific cultural matrices for economic behaviour. Economic culture changes, however, take effect slowly; according to the data, they carry the "scars" of the past scenario of the patriarchal "clan culture" (Minkov 2007:21 et al.) of Bulgarian nation, although a tendency has already been noted in the direction of the so-called "clanless" cultures.

3. Some New Cultural Parameters of Bulgarian Business in the Euro-integration Process

It has already been noted that in 2006 and 2007 the authors' panel conducted a survey of the business in Bulgaria, by making use of certain parameters of the F. Trompenaars

Table 1. Ways of Giving Negative Feedback in the Company

		Frequency 2007	Percentage 2007	Frequency 2006	Percentage 2006
Valid cases	1. Feedback is directed towards the performance rather than the person's qualities	626	66.6	550	55.1
	2. It is provided only when requested	30	3.2	69	6.9
	3. The person who has not managed is usually blamed	165	17.6	252	25.2
	4. Criticizing is avoided to prevent from hurting others' feelings	63	6.7	80	8.0
	5. Unable to decide	52	5.5	48	4.8
	Total	936	99.6	999	100.0
Not responded		4	0.4	-	-
Total		940	100.0	-	-

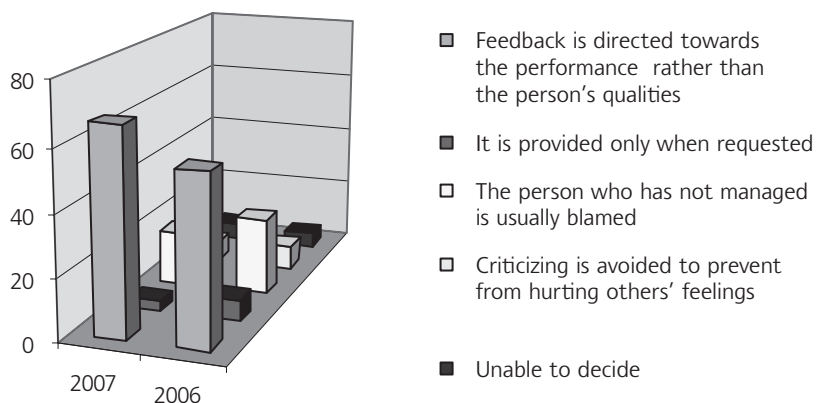


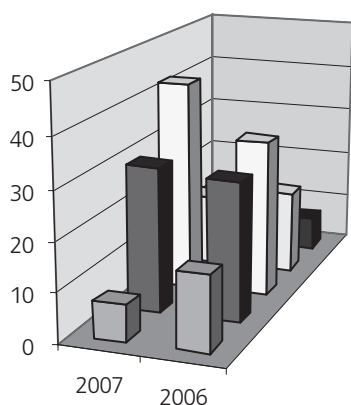
Chart 1. Ways of Giving Negative Feedback

& Charles Hampden-Turner's model. It was observed that the main task was to outline some of the new cultural parameters of the economic behaviour of Bulgarian business entities under the conditions of our full EU membership. Here the intention is twofold: on the one hand, there is the aim of establishing to what extent the cultural axes of the parameters of national culture specified above

continue to determine the corporate culture of business agents; and on the other hand, if the dawn of a new modernity significantly influenced by the cultural models of the global business practices is not approaching on the horizon. According to the indication "applied method of criticizing within the company" Bulgarian businessmen can be distributed as shown in Table 1.

Table 2. Ways of Conflict Solving in the Company

		Frequency 2007	Percentage 2007	Frequency 2006	Percentage 2006
Valid Cases	1. Control by higher authority and is often encouraged in order to maintain power	70	7.4	154	15.4
	2. Conflicts are suppressed by quoting rules and procedures	279	29.7	284	28.4
	3. Conflicts are solved by discussing the work qualities of the people involved	404	43.0	321	32.1
	4. Conflicts are solved in an open and detailed discussion of people's needs	137	14.6	172	17.2
	5. Unable to decide	46	4.9	68	6.8
	Total	936	99.6	999	100.0
Not responded		4	0.4	-	-
Total		940	100.0	-	-



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- Conflicts are solved in an open and detailed discussion of people's needs
- Unable to decide

Chart 2. Ways of Conflict Solving

According to the methodological instructions for interpretation of the applied dimensions, provided by F. Trompenaars and Charles Hampden-Turner, the largest parameter value of the data from Table 1 indicates that with regard to the method of criticizing two-thirds of the business AGENTS (66.6 %) have an aptitude for the "Rocket-launcher" cultural model, about

one third – for the "Incubator" model, while an insignificant percentage follow the patterns of the "Eiffel Tower" and the "Family" cultural model. It can definitely be claimed that such an attitude is modified by the present, rather than the past, with the clear indication that most of the business AGENTS are trying to adopt the principles of democracy in their practices.

Table 3. Opinion on the Role of Hierarchy in the Company

		Frequency 2007	Percentage 2007	Frequency 2006	Percentage 2006
Valid cases	1. Hierarchy is unnecessary – everyone works towards their own development	56	6.0	137	13.7
	2. Hierarchy is necessary – people need to know who has power over whom	411	43.7	357	35.7
	3. Hierarchy is defined by the power and the authority of those included	157	16.7	134	13.4
	4. Hierarchy is useful only if it helps the performance of tasks	285	30.3	327	32.7
	5. Unable to decide	26	2.8	44	4.4
	Total	935	99.5	999	100.0
Not responded		5	0.5	-	-
Total		940	100.0	-	-

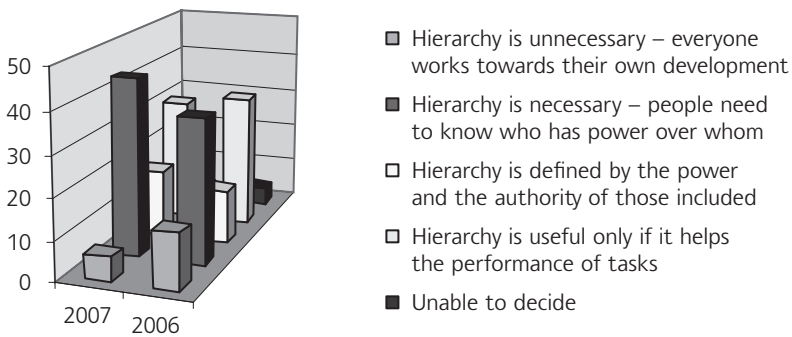


Chart 3. Opinion on the Role of Hierarchy

With regard to the indication “Ways of Conflict Solving in the Company”, the largest number of business entities (43.0 %) are again supporters of the “Rocket-launcher” cultural model, about one third, however, hold up the “Eiffel Tower” cultural model, about one ninth are oriented toward the “Incubator” cultural model, and less than a tenth – toward the “Family” (Table 2).

With regard to the third dimension under examination – the opinion about company hierarchy, however, there is a crucial difference as per the distribution of respondents across the separate cultural models. The largest number of the surveyed respondents expresses opinions which mark them as representatives of the “Family” culture, followed by the supporters of the “Rocket-launcher” – about one third. One ninth of the business entities hold up the “Eiffel Tower” cultural model, while finally there are those who are, in regard to their attitude toward company hierarchy, followers of the “Incubator” cultural model (Table 3).

We believe that those remarkable differences are by no means coincidental. Taking into consideration the relative weight of the three dimensions (according to the conducted factor analysis, the relative weight of the first component is 0.520, 0.523 of the second, and 0.329 of the third), we can express our

hypothesis that Bulgarian business subjects still face significant difficulties in their adaptation to the new conditions of functioning in the European Union. Also, the data indicate that irrespective of the more modern attitudes gradually taking shape, the old business stereotypes have still not been completely overcome. Unfortunately, their influence on the applied business practices is still strong. Bulgarian business culture has been transforming itself at different paces in the interiorizing of different norms, yet it still has no clearly expressed single type form. There is, however, one defining fact – the fact of the leading role of people’s aspiration toward *the new*, considering that the better part of the surveyed individuals believe that modern attitudes in the economic culture have greater value compared to the old views and traditions shared so far.

Another way of analyzing the influence of cultural components on business are the priorities given by business entities to the various skills, characteristics, and qualities possessed by the human factor and contributing to business development (Table 4).

The respondents’ opinion regarding the significant weight of the high level of education is also confirmed by the correlational analysis which on its turn confirms the crucial relation between

Table 4. *Relative Importance of Higher Educational Level to Business Success*

		Frequency 2007	Percentage 2007	Frequency 2006	Percentage 2006
	Very Important	356	37.9	396	39.6
	Important	396	42.1	343	34.3
	Not very important	154	16.4	209	20.9
	Absolutely not important	12	1.3	46	4.6
	It depends	14	1.5	3	0.3
	Don't know	2	0.2	2	0.2
	Total	934	99.4	999	100.0
Not Responded		6	0.6	-	-
Total		940	100.0	-	-

respondents' education and their fulfilment as business entities. In addition, education also affects their ability to keep updated on the ongoing changes and on the undertaken business initiatives, as well as on the application of the IT in the business processes. It has been assumed that the high education level also allows a high level of access to information, also assessed as crucial for business development. Bulgarian business entities claim that they consider as important the opportunity to have access to the necessary information and would prefer to process the data themselves – 89.5 % for 2007, compared to 84.4 % for 2006. There is also a considerable difference expressed in the tendency of an increase toward an acknowledgement of the importance of the access to information for business development. Indisputably, Bulgarian business entities turn their backs to the paternalistic expectation for the passive receipt of information related to their future activity.

The high position in the hierarchy of various institutions is also considered a priority for successful business development, 35.4 % of the surveyed individuals in 2007 and 37.6 for 2006. It is very interesting the fact that 80.5 % of the surveyed individuals in 2007 and 87.3 % for 2006 evaluate the significance of initial capital as "very important" and "important". We would rather

explain the difference in the relative portions for the two years by the increased opportunities for bank crediting and sponsorships under different European funds programmes in 2007. Political power also has no greater significance for business development, according to the opinions of the respondents – 27.5 % in 2007 and 31.5 % in 2006 define it as "very important" and "important". We believe that the tendency toward a decrease in the relative portion shows that business practice is clearly developing toward the trivialization of charisma and rationalization of business relations, i.e. their subordination to the regulatory base. This indicates that the third cultural axis of the "crucial state intervention in the economy" has lost its key significance in the cultural dimensions of the economic behaviour of Bulgarian business entities.

However, the fact that 77.3 % of the respondents in 2007 and 65.7 % for 2006 evaluate as "very important" and "important" for business development the access to those who make the decisions, clearly shows that paternalism has still not been outlived, and that the cultural parameters of business behaviour are in a process of significant transformation.

If we assume that economic power should be viewed as domination over economic partnerships

Table 5. Measure of various personal qualities and skills as important and highly important

Share of those who defined it as important or very important	Percentage	Rank	Percentage	Rank
Personal quality	2007	2007	2006	2006
Patience	90.7	4	81.4	5
Focus	93.5	3	87.6	3
Flexibility	93.6	2	91.5	2
Practical sense	95.1	1	94.9	1
Willingness to help others	78.4	7	58.9	7
Imagination	80.3	6	80.4	6
Creative insight	85.5	5	85.8	4

and seizure of market niches, then we will reach the conclusion that the former is truly important for business development. Therefore, it is not by coincidence that a large part of the respondents have declared that they intend to try expanding their formal business contacts. 60.4 % (51.7 % for 2006) has evaluated it as business significant. The increase in the relative portion of those who evaluate political power as “important” and “very important” is also an indicator for the “sliding” of business toward a rationalization of business practice.

Against the background of 61.7 % business subjects who have no foreign partnerships, the large relative portion – 85.8 % in 2007 and 86.8 % for 2006 – of respondents who evaluate useful contacts as “important” and “very important” for business development, look like a good perspective for the development of mutually beneficial business relations. There are, however, barriers to be overcome. Such as the lack of sufficient knowledge of foreign languages of the representatives of Bulgarian business, on the one hand, as well as the poor self-esteem related to the feeling of non-equivalence, and, last but not least, cultural gaps, which have still not been

truly acknowledged by a significant number of representatives of Bulgarian business⁴.

Bulgarian business entities function within the limitation of traditional business practices. They evaluate more highly traditional skills (practical reason, flexibility, concentration, patience) for doing business, than the qualities needed for doing innovative business (desire to help others, imagination and creative insight). This also explains why when it comes to the evaluation of company hierarchy, such an insignificant number of respondents fall into the corporate cultural model of the “Incubator”, which is associated precisely with the innovative business practices (Table 5).

Bulgarian business entities do not consider the desire to help people a prerequisite for entrepreneurship and innovativeness of their activity.

The evaluation of the characteristics “desire to take personal advantage by helping people” and “desire to help people and thus take personal advantage” are indicative for the individualistic and collectivistic parameters of the cultural models that our business entities follow. Interestingly,

⁴ For more details about the cultural differences between the Western and Bulgarian model of business conduct, please see Chavdarova 2004.

Table 6. Measures of indicators for “individualism – communarians

	Percentage 2007	Percentage 2006
Desire to take advantage for self by helping others	38.5	47.4
Desire to help others and thus take advantage for self	43.7	45.7

Bulgarian socialist literature devoted to those problems there is no unanimity as regards the question, toward which type of cultural models Bulgarian national culture belongs – collectivistic or individualistic. This divergence of opinion expressed by different researches has its objective reasons. Our survey also shows a divergence and polarization of the respondents' opinions. Considering the fact that those indicators have evaluated relatively low, we will have to note the equal “grades” received for both indicators, as well as the equal “grades” received during the two stages of the survey. Consequently, we can hardly avoid the conclusion that the cultural dimensions of the business conduct models of Bulgarian business entities have been affected both by the cultural axis of collectivism, and by the process of overcoming of collectivism and development of a tendency of a clear orientation toward individualism (Table 6).

4. Main Results from the Conducted Factor Analysis of the Empirical Data

The conducted factor analysis of the following cultural variables affecting business development:

1. High education level (HE);
2. High position (HP);
3. Initial capital (IC);
4. Political authority (PA);
5. Economic authority (EA);
6. Access to information (AI);
7. Access to those who make decisions (AMD);
8. Access to useful contacts (AC);

9. Informal influence (II);
10. Desire to help (DH);
11. Creative insight (CI);
12. Practical reason (PF);
13. Imagination (I);
14. Flexibility (F);
15. Concentration (C);
16. Patience (P);
17. Desire to take personal advantage (DPA);
18. Desire to help people and thus take personal advantage (DHP).

Isolated five factors accounting for 68.591 % of cases, with diagonal values of the covariance matrix equal to 1.000. *The first factor* includes the variables associated with characteristics related to personal skills, *the second factor* includes the variables associated with different communication options, *the third factor* – variables associated with characteristics of the objective prerequisites for business activity, *and the fourth factor* includes the cultural attitudes for individuality or collectivity, while the *fifth factor* includes the importance of the social status.

$$F_1 = 0.071f_1 + 0.58f_6 + 0.160f_{11} + 0.210f_{12} + 0.236f_{13} + 0.262f_{14} + 0.204f_{15} + 0.206f_{16}$$

$$F_2 = 0.269f_7 + 0.404f_8 + 0.425f_9 + 0.321f_{10}$$

$$F_3 = 0.371f_3 + 0.415f_4 + 0.478f_5$$

$$F_4 = 0.538f_{17} + 0.537f_{18}$$

$$F_5 = 0.537f_2$$

The first factor, of the “personal skills” bears the most of the weight – 24.215 %. The

second – 13.623 %; the third – 12.504 %, and the fourth – 10.562 % have almost equal significance for business development. The fifth factor, associated with the importance of social status, bears significance for 7.688 % of the cases of variation. This shows the crucial influence of the cultural characteristics of business entities on their activities.

The correlational analysis of the data also indicates that cultural dimensions, in their quality of variables, have significant relation to such variables as business size, business position of the respondent in the company, company localization, but are not affected by such factors as the business experience of the interviewees (Table 7).

Table 7. Importance and strength of variables' correlation: measures of various parameters of business culture with objective business characteristics (2007)

	X ²	Asimp.Sig.	Cramer's V
How important is the willingness to help others to business growth			
Size of the business	42.231	0.003	0.108
Company location	35.298	0.002	0.113
How important are creative insight			
Size of the business	34.871	0.021	0.098
Company location	29.941	0.012	0.104
How important is patience			
Company location	31.676	0.007	0.107
How important it is to take a personal advantage...			
Size of the business	38.019	0.009	0.102
Company location	34.868	0.003	0.112
How important it is to help others and thus take personal advantage			
Size of the business	62.487	0.001	0.131
Company location	57.533	0.000	0.145
How important is the higher educational level			
Size of the business	55.026	0.000	0.122
Company location	49.359	0.000	0.133
How important is the higher position			
Company location	63.89	0.000	0.152
How important is initial capital			
Size of the business	49.750	0.000	0.117
Business experience	105.779	0.000	0.151
How important is political power			
Business experience	79.387	0.000	0.131
Company location	59.802	0.000	0.147
How important is economic power			
Business experience	86.008	0.000	0.136
How important is access to decision-makers			

Size of the business	96.231	0.000	0.162
Company location	35.108	0.009	0.112
How important is access to useful contacts			
Size of the business	59.645	0.000	0.128
How important is informal influence			
Size of the business	69.498	0.000	0.138
Company location	72.611	0.000	0.162
How important is willingness to help people			
Size of the business	42.231	0.003	0.108
Company location	35.298	0.002	0.113
How important is imagination			
Company location	29.599	0.013	0.103
How important is focus			
Company location	26.711	0.031	0.098

Taking into consideration that we analyse qualitative characteristics, it must be noted that the relations between the different variables are basically not ensured against coincidental influences. Although they have their significance, they show lower values of the Cramer's coefficient, precisely because they are not direct.

Table 8. Importance and strength variables' correlation: ability to secure needed capital with some cultural characteristics (2007)

	X ²	Asimp.Sig.	Cramer's V
Belief in the importance of higher education	67.794	0.000	0.120
... of higher position	65.066	0.002	0.108
...practical skills	57.697	0.012	0.101
...imagination	53.370	0.005	0.107
...focus	67.073	0.000	0.120
...flexibility	61.233	0.005	0.105
...patience	60.728	0.001	0.114
...willingness to help others	78.885	0.000	0.130
...creative insight	53.836	0.005	0.107
...access to information	49.526	0.014	0.103
...access to decision-makers	60.796	0.006	0.104
...individualistic focus	63.385	0.000	0.117
...informal influence	68.846	0.006	0.111
...political power	69.024	0.000	0.122
...economic power	121.734	0.000	0.162
...initial capital	124.855	0.000	0.164

Table 9. Importance and strength of variables' correlation: ability to ensure competitiveness of products (services) with some cultural characteristics (2007)

	X ²	Asimp.Sig.	Cramer's V
Belief in the importance of higher education	48.205	0.000	0.131
... of higher position	38.402	0.003	0.118
...imagination	54.652	0.000	0.140
...focus	53.062	0.000	0.138
...flexibility	39.327	0.003	0.119
...willingness to help others	47.195	0.000	0.130
...creative insight	31.284	0.008	0.106
...access to decision-makers	47.039	0.000	0.130
...informal influence	37.765	0.014	0.116
...political power	41.235	0.000	0.121
...economic power	25.365	0.045	0.095
...initial capital	58.914	0.000	0.145
...collectivist focus	54.488	0.000	0.140
...individualistic focus	67.437	0.000	0.156

Table 10. Importance and strength of variables' correlation: the status of the business for the past 5 years with some cultural characteristics (2007)

	X ²	Asimp.Sig.	Cramer's V
Belief in the importance of higher education	172.965	0.000	0.192
...practical skills	115.898	0.000	0.144
...imagination	86.914	0.000	0.137
...focus	113.247	0.000	0.156
...flexibility	113.308	0.000	0.142
...patience	87.085	0.000	0.137
...willingness to help others	98.703	0.000	0.146
...creative insight	96.635	0.000	0.144
...access to information	108.919	0.000	0.153
...access to useful contacts	87.834	0.000	0.125
...access to decision-makers	95.260	0.000	0.130
...individualistic focus	74.656	0.000	0.127
...collectivist focus	76.547	0.005	0.118
...informal influence	74.892	0.001	0.116
...political power	74.191	0.000	0.126
...economic power	66.199	0.000	0.119

Table 11. Importance and strength of variables' correlation: forecast on the status of the business in the following 5 years and some cultural characteristics (2007)

	X ²	Asimp.Sig.	Cramer's V
Belief in the importance of higher education	94.028	0.000	0.142
...higher position	74.967	0.000	0.127
...practical skills	159.109	0.001	0.112
...imagination	51.546	0.001	0.105
...focus	44.3187	0.010	0.098
...flexibility	51.614	0.008	0.105
...patience	62.051	0.000	0.116
...willingness to help others	88.949	0.000	0.138
...creative insight	68.320	0.000	0.121
...access to information	52.868	0.001	0.106
...access to useful contacts	70.892	0.000	0.123
...access to decision-makers	89.446	0.000	0.138
...individualistic focus	48.194	0.004	0.102
...collectivist focus	68.591	0.003	0.122
...informal influence	57.349	0.010	0.111
...political power	42.842	0.015	0.096

The examination of the correlation relationships of such factors for business development, like the supply of the requisite capital, the provision of competitiveness of the offered goods and services, assessment of the state of the business during the past five years and a blueprint for the development of the business during the next five years showed the following results (Tables 8, 9, 10).

The great optimism of Bulgarian business entities in relation to the future development of their business practices surprised the researchers – 38.1 % (35.8 % for 2006) expect their business to significantly improve; 42.7 % (44.6 %) – expect their business to improve to an extent; 6.7 % (6.3 %) – expect their business to remain in the same state; 3.8 % (5.5 %) – expect their business to get worse to a small

degree, while only 1.2 % (3.9 %) expect their business practice to grow considerably worse, with 7.6 %, (3.7 %) who claim that they cannot decide⁵. We are inclined to attribute this tendency to the poor economic and management culture, rather than to an actual perspective. Nevertheless, we consider that it is precisely this optimism that could belie the explanation about the significance of certain relations with cultural characteristics (Table 11).

The comparison of the correlation relationship between the conviction in the significance of political authority as per the state of the business during the past five years and the expectations for the next five years shows that this significance is decreasing, which give us reason to present our hypothesis that in the years to follow the role of political power

⁵ Such an optimism, existing under the conditions of the present global financial and economic crisis, could be interpreted as an evidence as per the poor globality and the strong local focus of Bulgarian business, i.e. again we have the theory about the inadequacy of economic, management, and financial, culture of Bulgarian business entities confirmed.

when it comes to business functions will grow gradually weaker. The same tendency is observed as regards the evaluation of the access to information. This time, however, the reason is not because information will be less important for the functioning of business, but rather due to the conviction of respondents that this access will not be an issue any more, i.e. that information will become even more publicly accessible. At the same time, the significance of the correlation relationship for the access to decision makers and useful contacts remains unchanged in both cases. There is also a marked decline in the significance of the relationship with the need for informal influence.

When describing their own characteristics, the representatives of Bulgarian business identify themselves with people possessing a practical reason and patience. Qualities like flexibility and concentration follow, while creative insight and imagination share the last two positions in the ranking. An interesting fact could be noted, that creative insight in company owners occupies the last place, while in directors and top management it climbs one position up. It is only in the surveyed associates at companies and private farms qualities shift their ranks. In associates' case the first place is occupied by flexibility and concentration, followed by patience, while creative insight and practical reason share fourth and fifth rank, followed by imagination which comes last. This indicates that Bulgarian business entities do not value highly self-improvement and flexibility and do not regard them as key cultural characteristics of economic development. In turn, private farmers indicated that they only possess practical reason, concentration, and patience. It turned out, however, that the possessed skills have particular significance only when it comes to the effortless supply of necessary capital. Those who indicated that they possess creative insight appear to cope with the task more easily.

5. Conclusion

The analysis of the cultural dimensions of behaviour is not subject to special attention on behalf of Bulgarian business entities. A change of the company culture has been planned by a very small portion of respondents. It has been indicated in 11.4 % of the choices made. The small portion of business representatives open to company culture changes can be accounted for by the still insufficient "openness" of Bulgarian business to the global market – about 62 % of our respondents claim that they have international partnerships. Nevertheless, the fact is that such a change in Bulgarian business culture is currently under way, as shown by the above published analysis. Yet this is a slow going process with mutual penetration of the cultural patterns and stereotypes of the various business cultures, and is carried into effect "where there is collaboration, where cultures can "reflect" each other, which results in the enrichment of each culture with new experience... From this point of view, new, hybrid, forms of economic culture can actually appear ..." (Chavdarova 2004: 134)

Why is economic and management culture and the attitude of Bulgarian business figures (actors) toward its change so important? Globally, there are a lot of societies possessing a number of valuable economic factors predicting beneficial economic development, yet those societies are ging behind in the accomplishment of their prosperity. There are countries, for example, in Africa, with liberal governments and market economies, yet with no remarkable development. In that context, Michail Minkov points out a few important cultural factors which are crucial for a country's economic development. The first one is the aptitude for self-improvement, especially in the era of the new consumer economy. The second one is the aptitude for flexibility – the open-minded adoption of innovations by the more developed

countries, versus the resistance against the possibility for a change of the stereotypical identity. The third important factor is view of life – monistic versus holistic. Monistic view is the view supporting the development of science and technology. One of the extremely important characteristic of economics, and respectively of management culture, which is conditioned by the purely national characteristics of culture, is the openness of a culture to other cultures.

There is no omni purpose recipe stipulating which cultural characteristics are crucial for the beneficial economic development. The same cultural characteristics could prove crucial for the prosperity of wealthy countries and restrictive for the economic development of the poor countries. The most important factors remain the environment and the combination of cultural characteristics⁶. Bulgarian economic culture is definitely unlike the Western culture of the wealthy countries. Bulgarian culture is diffuse, “feminine”, emotional, particularistic, still rather communitarian, a culture of a significant authoritative gap⁷. Bulgarian business entities are yet to begin their adoption to this new tendency of mutual absorption of equality and differences in global culture. It cannot be expected for this process can be fast and can complete within the next four or five years. What is important for Bulgarian business entities is that they are able to respond to the change by abandoning the maxim that has ruled in their minds until recently: “I don’t need your advice, because I know what to do – you’d better give me money!” (Rakadjiiska 1998) and exchange this maxim with a new one “Even if

they give you a bucket full of money, they will disappear into thin air if you do not know how to use them wisely”.

Anyone even remotely involved in the global interactive business practices is yet to begin recognizing which of the traditionally prevailing cultural axes could be used beneficially and which of them should be transformed in unison with the global and European standards. As it has already been pointed out above, this will be a slow and hard process of trial and error, success and disappointment.

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⁶ M. Minkov compares the USA and the countries from Latin America with their equal preference for competition and their aptitude for rewarding the best individuals by creating for them conditions under which they will be even more successful; consequently they put the stress on a priority investment in universities, rather than on funding high school education; yet, although this strategy brings exclusive economic development to the former (USA), the Latin American countries remain unaffected in terms of business development. In East Asia, the strategy applied is contrary to the American one – there the aim is to provide everyone with an equal opportunity, rather than stimulate only the champions; consequently the investments there concentrate mainly on public education. (Minkov 2007: 228).

⁷ This has been evidenced by the results of the research conducted by Bulgarian researchers, like the above M. Minkov, T. Chavdarova, T. Davidkov, and others. About the meaning of different indicators, please see Hofstede 2001.

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