

The Impact of Communism and the Transition on the Culture of Bulgarian Organizations

Ellen Greenberg American University in Bulgaria Sofia, Bulgaria

Introduction

The enormous brontosaurus was a vegetarian and the prey of the much smaller Tyrannosaurus Rex. When the T. Rex would bite the tail of the Brontosaurus, it took] 5 minutes for the nerve impulse to travel from the tail to its peanut-sized brain to register pain, and another 15 minutes for the brain to signal the tail to wag. These animals died out, and so has the great Soviet Empire, whose cumbersome bureaucracy and pervasive corruption took a long time to "wag the tail."

It is said that no one can ever fully understand another culture other than one's own (Trompenaars & Hampden-Turner 1997). And many people within a culture are unaware of its components that exist subconsciously, and individuals "are rarely aware of them; they are taken for granted, and yet they shape and regulate human conduct and thinking" (Gracel1 j 1995 :238). Culture is a very complex concept, and I am quite bold in proposing to examine a culture in a foreign country and having pretensions of being able to explain it in terms of a past to which I was at best but a distant witness. . . . With these caveats in mind, I will make such suppositions, and am open to contradiction and correction. This is, in fact, a very personal paper, comprising personal observations that I cannot pretend to be the result of a rigorous research investigation. It is based on over even years of experience, five of which were spent full-time, living and working in Bulgaria. In my field, in researching new areas, case research is an acceptable methodology. This paper, in fact, is something like a case of my experiences here.

Although there are great similarities among the former Soviet bloc countries, each country has its specific modes of interaction, artifacts, norms and values, and underlying assumptions—the components of culture. While much of this paper is generalizable to the former Soviet bloc, it will focus primarily on the cultural issues in Bulgaria, examining the ways in which individuals communicate with each other, the impact of culture on its organizations, and components of the country as a whole. These have to be examined in the context of the country's history, both ancient and recent, which have had a major impact on the development of the national culture.

The Components of Culture . . .

As with any complex concept, there exist a multitude of definitions Trompenaars and Hampden-Turner (1997) write that "culture is the way in which a group of people solves problems and reconciles dilemmas (p. 4). Deal

and Kennedy (1982) define culture as "the integrated pattern of human behavior that includes thought, speech, action, and artifacts and depends on man's capacity for learning and transmitting knowledge to succeeding generations (p. 4)." My favorite definition of culture comes from a businessman, not a scholar, and is widely quoted if not properly cited: "The way we do things around here." Perhaps the most simple and widely held view of culture is the analogy of the onion as it is peeled layer by layer (Trompenaars and Hampden-Turner 1997). The outermost layer comprises the concrete, observable products of cultures—language, dress, architecture, food, and overt behavior. The middle layers comprise the deeper values and norms of the society, of which the cultural members are aware and which the observer can identify upon study and discussion with members. The innermost level is the hardest to see and understand, even for the members of a culture. These are the most deeply held beliefs and taken-for-granted assumptions, the unquestioned realities of a society.

Clearly, culture involves many levels and concepts, and helps to explain how people think and act. It can be viewed from many perspectives as well. Frost et al. (1991) describe three approaches to studying culture: the integration, differentiation, and fragmentation approaches. The first of these assumes that culture is unanimously perceived and agreed upon by all members of an organization or even a country; the integration perspective describes a clear and consistent culture in which members are in complete agreement about what they do and what they value. The second perspective, differentiation, highlights the differences and inconsistencies among cultural phenomena, and describes any culture as a set of subcultures that co-exist in relative harmony, conflict, and/or indifference. The fragmentation approach sees ambiguity as a way of life, and culture is viewed as sets of consistencies and inconsistencies, which create an ever-changing pattern; culture is not viewed as unified or stable. These authors (Frost et al.) prescribe any cultural study incomplete without the use of all three competing perspectives; it is wise to remember that in any complex and so-called "soft" field, the wider the net is cast, the greater the potential for capturing the most information.

Trompenaars and Hampden-Turner's 1997 book is aimed at helping members of one culture understand the ways in which behavior differs in other cultures. They describe at length the ways in which people and cultures differ in terms of the ways people relate to each other, to time, and to the environment. As this is a key component of understanding some of the most complex components of culture, I will present their typology in summary form. The authors describe five ways in which people have relationships with other people. These are interactive, of course, and not mutually exclusive. They are also the extremes of continua, and as such most individuals fall somewhere within the continua and not on the extremes. The first perspective is termed universalism vs. particularism. Universalists are rule-bound—they believe that what is right and appropriate can be defined and always apply, and behavior is abstract. Particularists give attention to

relationships and the situations and circumstances as mediating or exceptional variables in determining appropriate behavior. Cultures can also be described as valuing individualism vs. communitarianism—whether members see themselves as individuals or as

~ components of a group, whose importance outweighs that of the individual members. Differences in human interactions can be neutral or emotional, the former referring to objective and detached behavior as opposed to the appropriateness of displaying emotion in, for example, business relationships. A fourth dimension in which individuals relate is the dimension defined as specific vs. diffuse, which are also called "low-and high-context" cultures. "Context has to do with how much you have to know before effective communication can occur; how much shared knowledge is taken for granted by those in conversation with each other; how much reference there is to tacit common ground" (Trompenaars and Hampden-Turner 1997:89-90). In specific or low-context cultures, relationships are limited only to those aspects of a person directly relating to the matter at hand. In diffuse or high-context cultures, the whole person is involved in a relationship; there is real and personal contact. In such cultures, business deals will not succeed unless both parties develop a diffuse relationship with each other.

The final dimension of human interaction describes how status is attributed to individuals. This dimension is described as achievement vs. ascription, or whether status is given based on the achievements, and especially recent achievements, of an individual or conferred or attributed by virtue of characteristics like birth, kinship, gender, age, connections, and/or education.

Individual and cultural attitudes towards time are very complex, yet critical to understanding another culture. Many cultures, particularly American and most of northern and western Europe, see time as a straight line, unfolding before you in a linear fashion, where minutes, hours, days, months, and years pass "in a never ending succession" (Trompenaars and Hampden-Turner 1997: 120). Other cultures view time as a circle, "revolving so that the minutes of the hour repeat, as do the hours of the day, the days of the week and so on" (ibid, p. 120). Cultures can be present-oriented, which is relatively timeless and traditionalist; past-oriented, mainly concerned with its historical identity and traditions; and future-oriented, envisaging a more desirable future and setting out to realize it. It is chiefly people that fall into the latter category who experience economic or social development. ... Uniquely in the animal kingdom, man is aware of time and tries to control it. Man thinks almost universally in categories of past, present, and future, but does not give the same importance to each. Our conception of time is strongly affected by culture because time is an idea rather than an object. How we think of time is interwoven with how we plan, strategize and co-ordinate our activities with others (ibid, p. 121)

Time can be viewed as sequential, unfolding in a linear fashion described above, or synchronous. The latter refers to the idea that time is cyclical and repetitive, seeing the past, present, and future in terms of rhythms. Synchronic or polychronic cultures allow people to perform a number of activities in parallel. Polychronic individuals and cultures may have a final goal, as do sequentials, but allow for multiple and nonlinear paths to that goal. Trompenaar and Hampden-Turners's final dimension of cultural diversity is in the individual or cultural attitudes to the environment. Inner-directed individuals believe they can control nature by their will and mechanisms, while outer-directeds believe that people are parts of nature and must comply with nature's laws. These individuals can also be considered as having internal vs. external loci of control.

A Very Brief History of Bulgaria

Bulgarians are very proud of their long history, customs, and traditions. The first Bulgarian state was founded in 681 A.D., predating much of the rest of Europe. Saints Kiril and Methodi created the Cyrillic alphabet, and educational institutions and manuscripts can be dated to these early centuries. Bulgaria was a kingdom for most of the following centuries, and at various times its territory included the current Republic of Macedonia, parts of Northern Greece, parts of southeastern Rumania, and parts of current-day Turkey. Like many small, relatively powerless countries, Bulgaria takes pride in its history and accomplishments, and views as a sort of "Golden Age" the times in which it was at its largest and most powerful.

The defining event in Bulgarian history was its occupation by the Ottoman Empire in the fourteenth century. This occupation, referred to as the "Turkish Yoke," lasted until 1878, when Turkey was defeated in the Russo-Turkish war. The period of liberation passed relatively calmly, with Bulgaria again as a kingdom, until World War II. Bulgaria was forced to align itself with Nazi Germany, but distinguished itself uniquely among Eastern European countries by defying Hitler and refusing to send Bulgarian Jews to the camps. It was the King himself who announced that no Bulgarian citizens would be sent from the country .

. In 1944, with the defeat of Germany, the Western allies and Russia divided Europe into spheres of influence. Bulgaria, along with much of Central and Eastern Europe, became part of the Soviet bloc. Its Communist Party leaders eagerly aligned the party with the USSR, and Bulgaria offered the least organized resistance to Soviet domination of all the Warsaw Pact nations, and as a consequence had fewer Russian troops occupying the country.

The Communist period in Bulgaria was similar in character to the other Comecom countries. Travel was restricted, education was constrained, children joined the Pioneers and later the Komsomol. People who did travel were pre-briefed and then de-briefed by the nomen klatura, and many were Interred In gulag-type camps based on often erroneous accusations of spying

or displaying American sympathies. But Bulgaria was often called the "Sixteenth Republic of the USSR," or "Bulgarian." The transition from Communism to democracy came with an even softer Velvet Revolution than its neighbors. Bulgarians went to sleep on the evening of November 9, 1989 and woke up to find that overnight Parliament had abolished the Communist Party, declared itself a democracy, and announced its intention to become a market economy. The transition period has been particularly difficult for Bulgaria, leaving it the poorest country in Eastern Europe save Albania, perhaps Macedonia, and of course Russia. Almost ten years after the changes, privatization has barely begun, salaries do not cover utilities, let alone nourishing food. Pensions are as low as \$30 monthly.

Bulgaria experienced a severe crisis in December of 1996, which has resulted in new levels of confusion, and which has impacted every inhabitant of the country. Under the then-existing and democratically elected Socialist government—which was really the revamped Bulgarian Communist party—inflation had increased by 300 percent in the six-month period beginning June 1996. By the beginning of December, the leva/dollar exchange rate was 500: 1, there was a shortage of flour and bread, and the Union of Democratic Forces began a series of demonstrations against the Socialist government. Violence was limited to a few hours, in the form of breaking into the Parliament and threatening the government officials within, with a few injuries but no serious damage to individuals or buildings. The Socialist government attempted to resign so their party could field a renovated Council of Ministers. This ploy was rejected by the UDF President. The serious inflation became what I called hyperinflation—by the end of January the exchange rate went from 500: 1 to 3,000: 1. My salary as a Professor was \$7.00 for the month of January—and this was higher than the national average. (Bread at this point cost about 35 cents per loaf, the size of which had shrunk along with purchasing power.) Demonstrations occurred daily for weeks. As a symbol of the severity of distress, Christiane Amanpour, CNN's troubleshooting ace reporter for wars and other disasters arrived in Sofia. Bulgarians were very proud of her arrival. As usual, many students took part in the demonstrations, and the top university in Sofia closed down for a period. And perhaps also as usual, business and management students at the university where I teach, the Economics University, participated to a significantly lower extent. Eventually, with the advent of multiple strikes, closing of border crossings and main roads into the city center, and the beginning of a general strike, the Socialist government resigned in the first week of February. A Currency Board, pegging the leva to the German Mark, was mandated by the World Bank, was implemented in June 1997, leaving the situation stable in terms of suppressing hyperinflation. The UDF party, which took control in the spring of 1997, has proved to be somewhat less corrupt than their predecessors, but it is corrupt and has been basically ineffective and incompetent. The economy continues

to shrink and shows little real economic growth; most years its economic growth is negative.

Recent Studies on the Transition in Central and Eastern Europe and Russia . Management theorists have attempted to discover whether the basic U.S.IV.K.-centered management concepts are generalizable in other parts of the world. Among these are Mueller and Clark (1998), who investigated whether Western reward systems, which emphasize merit- or performance-based compensation, might improve low productivity in the former socialistic economies. Assuming that "culture shapes beliefs, values, and perceptions...and that people of different cultures cannot be expected to exhibit similar behavior patters or react to stimuli similarly in an organizational context" (p. 320), they conducted a study comparing business students in the U.S. and those in Poland, Romania,' Croatia, Slovenia, and the Czech Republic. Using the concepts of equity theory, they looked for behavior suggesting that an attitude of entitlement-the belief that rewards should be given expecting little in return, rather'than that of benevolence, the belief that people are altruistic-they hypothesized that the members of the former Soviet bloc would be more sensitive to social needs and have more feelings of obligations to the states than in the U.S. They expected that the national cultures of collectivism would result in higher benevolent propensities in these countries. However, their results did not support their hypotheses. "The collectivist cultures ... actually fostered a lower propensity for benevolent behavior... [and there were] abiding preferences for entitlements over performance incentives among future enterprise managers" (p. 325) in the former Communist countries studied.

Luthans and Riolli (1997), in a case study in Albania, found that managers, who had been indoctrinated by a totalitarian system run by nomen klatura, were having great difficulties making individual decisions, having a participative style, encouraging creativity, and taking initiatives. The results, they say, in all these Central and Eastern European countries, in becoming market economies, are mixed results, with varied reasons for success and failure involving "historical, cultural, political, and even geographical issues"

(p.71). A study comparing personal initiative in the former East and West Germanys (Frese et al. 1996) showed significantly lower persona] initiative in East Germany, which they assume is the result of over forty years of bureaucratic socialism, which discouraged people from displaying initiative at all in the workplace.

Because there was no feedback via the market, there was little pressure to change things [at work]. As there was no competition with other companies, there was little incentive to develop high-level goals. The company goal was not to reach a high productivity level but to not make mistakes.

Managers in the East were by and large more conventional and risk-avoidant than managers in the West ... Employees in East Germany had little control over their work] , (pp. 40-41)

... and Frese et al. (1996) to conclude that the result was the low personal

initiative found in East Germany as compared to its Western neighbor.

Lankova (1998) examined the development of corporate organizations in Eastern Europe, and found "a contradictory cooperative-conflictual form that builds on individual and group interests and bridges politics and economics, hierarchies and markets in an indivisible, interest-driven systematic whole" (p. 226). Her findings suggest that for all the countries of the Soviet bloc, despite a myriad of individual differences, the forms of institution and practices of integration and coordination have been remarkably similar.

Puffer's (1996) study of Russian leaders agrees with the general consensus that the two countries are more alike than different. She found that the Communist times stifled management development and frustrated those managers who had drive and initiative but were unable to use it. In fact, initiative was not only not rewarded, but was also punished in some instances. She found in the transition era a "blind, burning envy of a neighbor's success ... has become virtually at all levels a most powerful brake on the ideas and practice of restructuring [the economy]" (p. 308). She also found that since "Corruption and unethical behavior are rampant in both business and government, [the pervasiveness] of corruption ... makes it extremely difficult for ethically-minded business people to function. To run their businesses, people are forced to grease the palms of government officials to obtain permits" (p. 312), as well as those of threatening gangsters.

The theme of similarity in the business practices among the countries in Eastern Europe was also echoed by Schneider and Barsoux (1997), who found a backlash against the imposition of Western or Japanese management practices to be very strong. "Given the history of foreign occupation and of forced ideology, there is a heightened sensitivity, if not ambivalence, towards the invasion of foreign companies and their [business practices]. In addition, national pride and the desire to develop their own style of management, one that is more congruent with cultural values, are a natural outcome of knowledge transfer and an increasing sense of self confidence and efficacy"

(p. 6) in Eastern Europe. These countries are also uncomfortable with the concepts of risk and uncertainty, which had been reduced and sometimes almost nonexistent under the Soviet system. Managers still rely on hierarchical organizational structures with reduced flexibility in order to reduce uncertainty, and cultural values seem to overtake the values of strategic management.

Gracelli (1995) covers similar themes. "... Central-Eastern Europe lacks a private sector to propel the public sector towards efficiency and that, consequently, the range of action of the visible hand, should be defined in terms other than those which obtain in the West-that is, not solely in terms of

opportunity costs" (p. 35), and further, that the problem is how to construct new organization forms out of a melange of various cultures and historical origins. On the origin of cultures, Gracelli states (p. 238) that:

In twentieth-century Europe we encounter another peculiar culture-generating setting of vast breadth; the communist bloc (perhaps the closest historical analogy would be the culture of the empire). The imposition of similar institutional and organizational forms, similar life-ways, similar ideologies on a number of nation-states in Eastern and Central Europe, and their enforcement for several generations, enabled the communist system to create a common cultural framework over and above distinct national cultures and relatively insulated against wider global culture: the unique set of values, rules, norms, codes, standards that typify the bloc as a whole, namely the bloc culture. Even though there were obvious national variants in the manner in which these cultural precepts were implemented ...fundamental, underlying commonalities could be discerned. Life under communism produced a unique legacy, a peculiar cultural ... syndrome.

Unexpectedly and unintentionally, this legacy came to play a twofold historical role. First, it had a "boomerang effect" on the project of "real socialism" by blocking its opportunities, undermining its efficiency, viability and legitimacy from within, and eventually engendering its collapse. It was a kind of hidden time-bomb placed under the communist project from its inception. And second, outlasting the conditions that bred it, and even enhancing to some extent by the immediate effects of prolonged oppositional struggle and revolutionary experience... , it has persisted since the demise of communism and stands in the way of democratic reform. Strangely enough, it has proved to be a subversive force against both totalitarianism and democracy. (Gracelli 1995:238)

Gracelli (1995) also examines the historical context of the countries of Eastern Europe, which ...has been historically a periphery of two more remote civilizations, that of imperial Moscow and that of the Ottoman empireOne result of this situation of structural dependency has been that Eastern Europe, for the most part of the modern period, has lacked autonomy in the economic as well as in the political sphere. Yet when the first wave of nationalism in the nineteenth century that [made] the political

development of Western countries into modern nation-states, Eastern Europe also felt itself to be an area of "submerged nations". Cultural nationalism and even armed struggles for emancipation (as in the case of Poland, Hungary, and the Balkan Ottoman dependent territories) were significant features of the Eastern European landscape.

Nonetheless, except for a very brief interwar period when several countries achieved nominal independence in the wake of the dismembering of empires defeated in WWI, we can say that, in effect, the post-1989 period is the first time when Eastern Europe as a whole has been free to choose its own course of action. Or rather, for the first time Eastern European countries have been free to choose what each wishes to become, without this being defined or superimposed from above, by alien elites. (p. 256-257)

This literature review is not intended to be all-inclusive, as it cannot be given lack of access to publications, but to indicate the nature of some of the problems of transition in Eastern Europe and to demonstrate that to some extent these problems are generalizable across different countries.

Cultural Traits and Organizational Culture in Bulgaria

Trompenaars' Study: Fons Trompenaars (Trompenaars and Hampden-Turner (1997) included Bulgaria and several other Eastern European countries in his extensive study of cultural values reported in his book, and as summarized above. On the universalist (rule-bound) vs. particularist dimension, Bulgaria and the other Eastern European countries scored high on the particularist, or relationship scale. On the group vs. individualism scale, these countries scored slightly lower than the United States in desiring individual freedom, but Bulgaria and Poland scored higher than the United States in wishing to receive individual credit for their work. In terms of taking individual responsibility for work, Bulgaria scored higher than the U.S., at the center of the scale.

On the specific vs. diffuse cultural dimension, Bulgaria showed high scores in diffuse relationships, that is, having relationships extend throughout the life space. American scores were slightly lower on this dimension, except on an item concerning whether or not companies should provide housing for employees. A very high percentage of Eastern Europeans believe housing should be provided; a very low percentage of Americans said the opposite. American scores on achievement/ascription were high on the side of achievement, while Bulgaria was the opposite. However, both countries agreed that respect shouldn't necessarily depend on family background.

Bulgaria, in contrast to the United States, is more of a synchronic culture, with significant attention paid to its past history. And finally, on the internal/external locus of control dimension, Bulgaria's and Russian score.

were not significantly different than the American scores in believing it is worth trying to control nature—all scored in the mid-range, but in terms of being "captains of one's fate" the U.S. scored very high (820/0) while Bulgaria scored significantly lower (560/0) and Russia, at 49%, was the fourth lowest country in the sample. . Personal Observations. What follows here is a summary of over seven years of personal observations of Bulgaria during the post-1989 era. I take responsibility for my opinions, acknowledging that even with my extensive experience living and working in Bulgaria, I cannot claim to fully understand the culture of the country. However, I have discussed all of these observations with a wide variety of Bulgarians, including academics, physicians, workers, and students, and believe that most Bulgarians would acknowledge both the good and bad aspects of their culture as true. Of course, I make many generalizations, and like all generalizations, there are many exceptions to the contrary. I believe that many of the aspects of culture found in Bulgaria hold true for many of the other Soviet bloc countries, but will leave it to experts and natives from those areas to confirm this. Anecdotal evidence and my own travel experience suggest that this is so. The Outer Layer of the Onion. The newcomer usually enters Bulgaria via the Sofia Airport. Despite attempts to upgrade it, it makes a horrendous impression on the visitor. One descends the airplane, enters a bus with other passengers crowding around, and the bus arrives at passport control. Only one door is usually opened, so an entire planeload of people push their way through something like a funnel, to get 011 long lines for the passport officers, who do not greet visitors in any way, but demand documents and bark commands. Unfortunately, this first impression is verified in other situations—the passport office, post offices, all government agencies, and most state-owned businesses. Rules are never clearly specified~ queues are endless and the treatment by the officials is humiliating. And humorless. One rarely sees a smile. On public transportation, which is crowded, filthy, and usually emits

noxious black fumes, no one ever smiles or interacts with others. The city of Sofia, itself, is quite ugly and very dirty. There are many interesting buildings in the center, some quite beautiful, but very few have been maintained, cleaned, or painted in the past fifty years. The most modern and impressive buildings are renovated, usually belonging to banks and western businesses. As you walk the streets, people are sullen and alienated.

On the outskirts of the city are the housing developments, called "living complexes." Most of the buildings are run down and deteriorating. One is quite shocked to learn that some of these ugly prefabricated "panel" blocks of flats are only a few years old. Many of the complexes look as if they had been bombed recently. There is little pride in the appearance of the buildings and grounds. The roads are pockmarked with "dupkies"—holes, . some of which are larger than the tiny cars many people drive. Many of these cars would have been junked years before in the West, but people drive their cars for up to 20 years, knowing how difficult it would be to afford new cars. Cars are held together by wires and jerry-rigged devices until they literally fall

apart. Taxi , which range from recent Mercedes to the same twenty-year old Ladas, often cheat passengers, Bulgarians as well as tourists. Virtually all the other towns and cities in Bulgaria are more pleasant and attractive than Sofia, although the rundown character of the blocks,

potholes, and dirt are pervasive. Historical monuments and museums are not kept up adequately. The dreadful picture I've just painted does not tell you enough about the culture. These surly, unhappy individuals seen on streets and in offices are also among the warmest and friendliest of people when one gets to know them. Inside some of the wretched block of flats are some luxury apartments which would not be out of place in New York or London. This is only one of the many paradoxes that constitute Bulgarian culture.

A Personal Anecdote. I made my first trip to Bulgaria more than thirty years ago, at the height of the cold war. I had just spent two months in the Soviet Union, which had seemed to me to be gray-colorless, with alienated and disaffected people who were fearful of every aspect of life controlled by the ubiquitous government. Entering Bulgaria through the port and resort city of Varna was a revelation. Buildings had red roofs, flowers proliferated everywhere, and people seemed more friendly and less fearful. Our first night in Bulgaria we set up a tent in a field of what turned out to be a collective

farm. One man approached us, and with many difficulties--my group spoke Russian but no Bulgarian, the farmers spoke only Bulgarian--we were made to understand that we should leave the field because the cows were coming soon. Far from being evicted, however, we were invited into people's homes--each one of us separately, where we were treated like visiting royalty, fed, and placed in the best beds with clean linens. I doubt these people had ever seen Americans before, had certainly never entertained any, and they were certainly taking a risk in terms of the politics of the day. The warmth of their greetings and hospitality convinced me that Bulgarians are a very special people, and my recent and extensive history has does nothing to dispel this feeling. Norms and Values--the middle layer. Looking beyond the surface, we see traits and characteristics of many Bulgarians, some of which are more flattering than others. Friendship is a very valued commodity. Bulgarians are relatively diffuse people--when you get to know them, you get to know all about them, and you are welcomed into their homes and families with almost no limits. With a wretchedly poor economy, goods and services of all kinds are too expensive for all but the upper class (there is virtually no middle class), and friendship and barter are the ways in which things happen. Five years ago the father-in-law of a friend (whom I had met only once) of a friend (who I knew for one month) traveled 250 kilometers from Russe to Sofia to repair a bed in the furnished apartment I had rented, bringing lumber and tools. This father-in-law refused to accept money, but was pleased to help. Along with friendship is hospitality. Many times I have been a guest in someone's home and know that they have spent a large part of their income in providing a lavish feast for their guests. Visiting in the home is the major form of entertainment for most people. Wine, beer, and local vodka are

inexpensive, and no one is allowed to go home hungry. Of course students and younger adults go to clubs and DISCOS, as everywhere, and somehow they manage to find money for some of the latest fashions-while their parents go years without new clothes or shoes. ...

Some of the less desirable traits of the Bulgarians are pessimism and passivity. They are reluctant to commit themselves to protest and change. Even the young-my students-responding to my exhortations (as a former sixties activist) that they protest the government's policies-say, "What difference would it make?" or "Why should we bother to worry about the future? The Communists might come back, the Mafia might take over." Some of the explanation for this lies in the Bulgarian relationship to time, as described by Trompenaars and Hampden-Turner (1997). Bulgaria is a place where the past seems to be a living part of people's psyches, and explanations of self-destructive behavior invariably begin with "500 years of the Turkish yoke, followed by 45 years of Soviet domination," which have left them without experience in self-government or optimism. In fact, the "Turkish yoke" ended in 1878 and of course Soviet domination ended ten years ago, but in a synchronous culture-where the past, present, and future all exist simultaneously, this may not be unusual. But it is difficult for an American to understand. We are generally future-oriented and sequential, and although we have pride in our history (meager as it is compared to Bulgaria), we are preoccupied by what will happen next, not what has happened before. Future-oriented people justify innovation and change in terms of future economic payoffs and have less regard for past social or organizational customs & traditions. In contrast with most North Americans, many Europeans are past-oriented. Many Europeans believe that preserving history and continuing past traditions are important. Along with this time orientation is the lack of punctuality. Since relationships and helping friends are critically important, others are expected to understand that being hours late for engagements are not cause for upset. People are admittedly passive, fatalistic, and pessimistic. As discussed above, during the Soviet years, this was evidenced by the simple fact that Bulgaria offered the least resistance to the USSR of the COMECON countries. Until the corruption and incompetence of the penultimate government, comprising former Communists, led to drastic hyperinflation, students and the population in general offered little resistance to the frequent indignities and outrageous price increases of the regime. The current Democratic government seems to be no less corrupt or incompetent, and only the institution of a Currency Board prevents further hyperinflation, yet there are still virtually no protests from any sector of society. In some ways Bulgaria, which is literally on the border between southeastern Europe and Asia, has incorporated some "Asian" norms and values. Bribery, or *baksheesh*, is a way of doing things; many government officials, businesspeople, Mafia, and professionals expect these. It is well-known that many professors expect handsome bribes-up to \$500-to give students good grades in their courses. Some medical clinics refuse to give routine services,

in the so-called free medical care-without some palm-greasing. And in this atmosphere, I learned that Bulgaria is a culture more group-than Individual-oriented, It should not be a surprise that cheating among students is pervasive. Whereas 65% of American college students acknowledge cheating in some form or other, including helping others, the figure for Bulgarians is 100%! An informal poll of my colleagues and friends showed the same response-everyone cheated in some form, at least once. One significant difference between the American and Bulgarian responses, aside from the numbers, is that the Bulgarians are not embarrassed to admit this behavior-it is a norm in their society, and not something shameful. This is in part because students may view their behavior as supporting the weaker members of their group, not as a component of competitive pressure.

Much has been written about the problems of motivation and work habits for people formerly under the socialist system where workers received pay for merely appearing at work, and service "with a smile" was an unknown concept. There is a vast difference between state-owned and government organizations, which are still the majority in this country (privatization being barely visible) and private organizations. The concept of providing service of any kind is virtually unknown. To some extent the culture of the government is a culture of humiliation, and the culture of private business one of inexperience and naivete. Employees in state-owned businesses still act this way. Salespeople are annoyed when asked for information. In the largest state Bank, one bank officer, who initially denied the existence of information regarding corresponding banks in New York, finally threw a list of banks at me, clearly unhappy at being asked to do her job.

In other aspect of the economy, for example in agriculture, suppliers were accustomed to having a monopoly in Bulgaria, and only thought about the short-term benefits of completing a sale. The consequence of this behavior is that the kind of long-term relationships critical to building an economy are not encouraged. In fact, there are documented examples of the government rejecting Western investment opportunities because they felt too much was asked from them. For instance, the World Bank was turned away in the early 1990's because they didn't want to supply an office, telephone, and secretary. The Open Society almost canceled its activities in Bulgaria in 1996 because the then-Socialist government (i.e. Communists) didn't want to fulfill their contractual obligations of matching funds by even the smallest percentage. Yet change is not something people here believe will come from themselves-they expect it to arrive. My somewhat blithe summary of the situation, when presented to Bulgarians, is greeted with approval "yes, it's true," and not with a protest. I say, sometime in the early hour between the ninth and tenth of November 1989, the Communist party was disbanded by Parliament, and democracy and a capitalistic economy were declared. (Note that the change came in Parliament, to the utter surprise of much of the population, and without the degree of activism found in Czechoslovakia, Poland, and other countries.) Then the Bulgarians sat back and waited for the arrival of democracy and capitalism. And they are still waiting. Once student ·

asked me when the U.S. was coming to rescue or take over the economy. I said, they aren't coming, but they sent me (then a Fulbright) to help.

Their interpretation of democracy and capitalism IS that they are things that magically appear. I say repeatedly that these are excellent systems, as political systems go, but they only work over the long term. (I used this same argument about the recent Clinton scandal. In a few years we would look back at this embarrassingly public event and realize that the system worked-the truth came out, and the world continued to revolve on its axis and the U.S. economy continued strong despite the dire prognostications of many.) In any case, one can't wait for the revolution, one has to work for it. I don't want to imply that all Bulgarians are passive and pessimistic. Many Bulgarians think freedom is worth any price, while there are those who say that the old regime wasn't so bad, we had enough food then and at least we could rely on pensions. Many Bulgarians are entrepreneurial, and I know and work with many of these. My academic involvement is with a program brokered by the Bulgarian Dean at the Economics University in Sofia, which produces students with joint Bulgarian and U.K. diplomas. My own business, which will be described below, is also the product of entrepreneurial boldness. However, the impact of Communism and Bulgaria's previous subservience to the Ottoman Empire has resulted in organizational cultures that are bewildering and often self-destructive.

Bulgarians freely admit to the following pervasive attitude: "I don't want to be better than my neighbor; I want him to be worse than I." There is jealousy and envy, as Puffer (1996) found in Russia. Doing or having something better than one's neighbors is cause for rejoicing, however mean or meager that may be. Bulgarians also acknowledge racism, against Moslems because of further Turkish occupation; against Romas, who are seen sometimes as subhumans; and inexplicably against Blacks, despite contact with that race. They are also homophobic, and do not discuss issues such as sexual and physical abuse or gender discrimination, which exist here as in almost every other society.

Other aspects of Bulgarian culture are the result of the culture of poverty. Multiple generations of family live in small apartments, newlyweds having little privacy, because economic survival for Bulgarians rests on the fact that they were allowed to own property throughout the Communist era, but salaries are seldom adequate for young people to pay rent, let alone purchase property.

The inner layer of the onion -subconscious, deeply held beliefs. This is the hardest section to write, since these are the factors least visible to an outsider. However, I will take a stab at this. The most taken-for-granted assumption seems to be the importance of family, first, and then friends. I have been told countless times the reasons for lateness was that "I had to do this for my ...father, cousin, old friend from my native village."

A second deeply-held belief seems to be the sense of victimization that many Bulgarians feel. They excuse their behavior and problems by

blaming others-the past, the Turks, the Russians, their enemies ancient and current, rather than taking responsibility for their own action .

. Can a better organizational culture be created in Bulgaria? Operating from the assumption that organizations with uncaring workers, poor service, and corruption is not ideal for the economic or social development of Bulgaria, the question remains, "Can things be improved, and how?" As a teacher, I have to believe improvement is possible, or else I have been wasting my time and that of my students. In the past two years I have also added a second role to my work in Bulgaria, that of entrepreneur. Our experience is still young, but it seems possible that a better kind of organization is possible; with a lot of explanation, training, and management by example, we have created an organization with some of the best attributes of American organizations.

Two years ago I formed a partnership with a Bulgarian physician, who had been a neurologist and expert in nuclear medicine in the Military Medical Academy. He was frustrated with his work there, the economic climate making it impossible to obtain isotopes, so he was a "state worker" with nothing to do. He resigned his commission, and we incorporated as a for-profit firm whose purpose was to create and operate a private medical diagnostic center. Our first activities were fundraising, receiving donations, and locating and preparing a space large enough for our proposed clinic. In October of 1998 we opened our offices. With ten consultation rooms, a large laboratory for almost every conceivable diagnostic test, a physical therapy center and psychotherapy, we are the largest private health care unit in the country . We have over 100 physicians on our schedule, working part-time a given number of hours per week, since physician salaries are lower than factory workers' in this country. We also employ approximately twenty full-time workers, including nurses, sanitary workers, physical therapists, and the medical director.

Since one of the owners is an American, the clinic gradually became known as "the American clinic." We are particularly proud in what we have done towards creating a corporate culture that is dissimilar to that of most Bulgarian organizations. Among our precepts are the following: We want all our patients to be satisfied with the services and care that they receive. We don't want to answer "no" to any reasonable request (if we don't have a particular piece of equipment needed, we will arrange transportation and payment to a location that does). We want every patient to be greeted with a smile and friendly behavior. We don't want our patients to have to wait any unduly long period. We want them to return. We want them to speak favorably of us. In short, we want to present an image consistent with the standards and expectations of private health care in the West.

While it is too early to make a final judgment on our success and with all the problems of any business start-up, we can say that we have created an organization with a friendly, optimistic, candid attitude. I can take only partial credit for all of this; my partner is responsible for all medical

issues and he has been consistent in imparting the values and standards described above. We do know that our client patients have been pleased with our services, and our staff are well aware of the atmosphere and the organizational culture we are creating.

Conclusion

This paper has perhaps raised more questions than it has answered. Are Bulgarians in their relationship to the environment and the external world passive and pessimistic because they feel they have no control over the environment? Is this typical for small countries with a history of occupation or for a country that calls itself a "crossroad," because it has never been an empire?

And how many of the cultural artifacts and norms and values can be attributed to the history of Bulgaria, ancient and recent? Did Communism do the greatest damage to these people and this land, or is it a convenient scapegoat? The future must answer these questions. We must hope for optimism and better times for this unhappy corner of the world.

References

- Deal, T. and A. Kennedy. 1982. *Corporate Cultures: The Rites and Rituals of Corporate Life*. London: Penguin Books.
- Frese, M., et al. 1996. Personal Initiative at Work: Differences between East and West Germany. *Academy of Management Journal* 39:37-83.
- Frost, P. J., et al. 1991. *Reframing Organizational Culture*. London: Sage Publications.
- Grancelli, B., ed. 1995. *Social Change and Modernization: Lessons from Eastern Europe*. New York: Walter de Gruyter.
- Iankova, E. 1998. The Transformative Corporatism of Eastern Europe. *East European Politics and Societies*. 12:222-258.
- Luthans, F. and L.T. Riolli. 1997. Albania and the Bora Company: Lessons Learned before the Recent Chaos. *Academy of Management Executive*. 11 :61-72.
- Mueller, S.L. and L.n. Clark. 1998. Political-economic Context and Sensitivity to Equity: Differences between the United States and the Transition Economies of Central and Eastern Europe. *Academy of Management Journal*. 4] :319-329.
- Puffer, S. j 996. *Management Across Cultures: Insights from Fiction and Practice*. Cambridge, MA: Blackwell Publishers, Inc.

Schneider, S. C. and J-L. Barsoux. 1997. *Managing Across Cultures*. London: Prentice Hall.

Trompenaars, F. and C. Hampden-Turner. 1997. *Riding the Waves of Culture*. 2nd ~ Edjtion. London: Nicholas Brearley Publishing.

