



## Top and Middle-Level Managers' Value in Slovenian Enterprises

### KEYWORDS

Behaviour, Enterprises, Managers, Slovenia, Transition Values

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**ABSTRACT** *Background: Personal value system of top and middle-level managers is utmost important, because it influences to behaviour to other people, groups of individuals, perception of individual and organizational success and ethical behaviour. Objectives: The study is focused on the personal values as this factor influences the way how the managers will decide and act in enterprises. In the study are particularly emphasised the question of evaluation of the values in the lives of the Slovene top and middle-level managers. Methods/Approach: In the study we included 150 participants from different small and middle-size Slovene enterprises. The obtained data was processed with SPSS 16.0 and the descriptive statistics and variances analysis methods were used to analyse them. Results: We have established that the managers from all kinds of enterprises highly valued the family and partnership values, as well as the following values: equality (equal opportunities for all), inner harmony (self-consciousness), freedom (to think and act as one wishes), the feeling of belonging (the feeling that we mean something to other people), and peace. Conclusions: According to the results of this study and obtained differences among various enterprises, as well as according to the sphere of activity, the number of managers, and size of enterprise, we can conclude, that the participants from the studied enterprises are most open to innovation and co-operation.*

### Introduction

According to Rokeach (1986) the value has been described as »an enduring belief that a specific mode of conduct or end state of existence is personally and socially preferable to alternative modes of conduct or end states of existence«. In Schwartz's view values are "responses to three universal requirements with which all individuals and societies must cope: needs of individual biological organisms, requisites of coordinated social interaction and requirements for smooth functioning and survival of groups" (Schwartz, 1994).

Values are the fundamental ingredients of organisational culture. When we talk about culture we are usually referring to the pattern of development reflected in a society's system of knowledge, ideology, values, laws, and day-to-day ritual. The word is also frequently used to refer to the degree of refinement evident in such systems of belief and practice, as in the notion of 'being cultured' (Morgan, 1996). Culture establishes a mindset and frames of references, which are defined as one of a number of important hidden processes. Culture means for the group what constitute the personality or character of the individual. In practice, perceived behaviour, which leads to certain results, but often do not detect the forces that cause certain forms of behaviour. This can be illustrated by the example of management culture and limiting behaviour of group members through sharing the same norms. One should not forget that each group consists of members coming from different social background, ethnic group, country, etc... All this affects the culture of the organization (Schein, 2010).

Studying the personal value systems of managers is important because personal value systems influence "the way in which a manager looks at other individuals and groups of individuals, the perception of individual and organizational success as well as their achievement; the limits for the determination of what is and what is not ethical behaviour by a manager and the extent to which a manager will accept or will resist organizational pressures and goals" (England & Koike, 1970).

### Literature review

After the collapse of the Eastern bloc after 1990, the coun-

tries of Eastern and Central Europe, including Slovenia find themselves in transition. For this period is characterized by numerous social, political and economic changes. Blanchard and Kremer (1997) termed this period of time disorganization and re-organization.

Slovenia had until 1990, an economic system characterized by self-government, which is seen as more decentralized than the Russian type of socialism. Self-management socialism advocated the idea of self-sufficiency and independence of the socialist economies.

Reform the economic system in Central Europe and the former Soviet Union brought about changes in institutions, ownership, laws and attitudes towards work (Gomolka, 2000).

Research studies of the Slovene culture have been broad in scope and include studies about organisational culture, human resources, group decision-making, and access to information. However, there has been limited empirical research about the personal values of Slovene managers. Two empirical studies are important in our analysis of the issue. First study was focused on establishing differences in identifying organisational values among managers and entrepreneurs. Fifty-nine leaders and 565 of their managers were included in the study. The results showed that the two groups' studies were most similar when assessing the values of consumer satisfaction and impacts on the organization's long-term competitiveness and there was no statistically significant difference between entrepreneurs and managers in the assessments of values (Boštjančič, 2009). Second study was focused on comparison of Slovene enterprises to enterprises in other Eastern and Western European countries. Konrad (1999) found out that gender equality and inclination towards risk are more strongly emphasized in Slovenia, whereas orientation towards achievements and the future are weaker.

The manager significantly affects, and is affected by, the value culture of the society, through the organisations and other social institutions. The more an organisation experiences crisis, growth or change the greater the influence of managers and their values on the outcome of organisational performance (Gillen & Car-

roll, 1985; Weiner & Mahoney, 1991). For that reason our main aim of this study is to establish the personal values of Slovene top and middle-level managers. The identification of managers' personal values is especially relevant for Slovene organisations in the transformational change. Knowledge regarding values can help organisations to enhance the development of effective work relationships and organisational effectiveness (Jurkiewicz & Brown, 1998; Kupperschmidt, 2000).

## Methodology

### Data collection

The research involved 150 Slovenian managers, who have in a given moment occupied the upper or middle level in the companies. We included in the research respondents from all regions of Slovenia.

Stratified research sample encompasses 80 of the aforementioned companies located in different regions and engaged in various activities. Technique of probability sampling of stratification as described in Kalton and Vehovar (2001) was applied. A group of middle-size enterprises and large enterprises was stratified pursuant to five most developed regions in the Republic of Slovenia as per number of companies and net revenues from sales for which a publicly available AJPES database (the Agency of the Republic of Slovenia for Public Legal Records and Related Services 2009) was used.

### Measures

The empirical study verified the values that are accepted in an enterprise by managers. We based our research on the theory of the organisation as an open system, in which the mastering of values is one of the key processes that managers in enterprises have to manage in order to survive. For the purpose of our study we used a self-constructed questionnaire with the thirty-two values referring to different spheres of life were listed and a grading scale of 1-5 Likert type included in. These values are defined as the most common values which are consistent with the work of Muek (1993) and Schwartz and Blinsky (1987; 1990). Personal values were assessed by asking managers "There are many things in life which we value. Below are listed some common Slovene values. How important are these for you?" Response category was categorized from 1 (opposed to my values) to 5 (supreme importance).

### Procedure

The respondents were willing to co-operate anonymously. After the consent and arrangements with the senior executives in the studied enterprises, we started to administer the questionnaires. The respondents filled in the questionnaires with no limitation of time.

The obtained data was processed with SPSS computer programme and the following data processing statistic methods were used to analyse them:

- Descriptive statistics and
- ANOVA analysis.

All our statistically relevant conclusions were drawn at a 95% confidence interval.

### Results and discussion

This section first summarises the average ratings of Values of managers in the enterprises in different field of activity, which respondents evaluated on a scale from 1 (opposed to my values) to 5 (supreme importance). Table 2 shows that: respondents that come from manufacturing enterprises rated highest for power (4.06), exciting life style (3.79) and purpose in life (3.61); respondents that come from service enterprises rated highest for feeling of belonging (4.07), privacy (3.78) and close friendship (3.96); respondents that come from retailing and trading enterprises rated highest for spiritual life (4.21).

### Based on the theory it is formed the following hypothesis: Hypothesis 1:

There are differences in values of managers regarding the

activities of the enterprises.

**Table 1: ANOVA of values of managers in the enterprises in different field of activity (statistically significant).**

Value	d.f.	Sum of Squares	Mean Square	F (value)	Sig.
Power					
Stage	3	84,544	28,181	7,655	0
Error	138	508,05	3,682		
	141	592,59			
Spiritual life					
Stage	3	27,491	9,164	3,239	0,024
Error	138	390,48	2,83		
	141	417,97			
Feeling of belonging					
Stage	3	28,501	9,5	3,754	0,012
Error	138	349,22	2,531		
	141	377,72			
Exciting the life style					
Stage	3	16,035	16,035	4,869	0,003
Error	138	3,293	3,293		
	141				
Purpose in life					
Stage	3	19,958	6,653	2,72	0,047
Error	138	337,49	2,446		
	141	357,44			
Wealth					
Stage	3	26,402	8,801	2,799	0,042
Error	138	430,7	3,144		
	141	457,11			
Privacy					
Stage	3	33,97	11,323	3,617	0,015
Error	138	428,85	3,13		
	141	462,82			
Close friendship					
Stage	3	43,427	14,476	4,367	0,006
Error	138	457,4	3,314		
	141	500,82			

With regard to the number of the managers workers the participants statistically significantly (ANOVA  $P < .05$  risk interval) differ regarding the following values: inner harmony (self-consciousness), feeling of belonging (feeling that we mean something to other people), returning favours (not wanting to owe something to other people), creativity (originality, imagination), and privacy (the claim to private life, individuality) (see Table 1).

Inner harmony is especially valued in the enterprises with over 30 managers, the feeling of belonging in the enterprises with up to 10 managers, as well as returning the favours; creativity is most highly valued in the enterprises with over 30 managers; and privacy in the enterprises with up to 10

managers.

The average ratings of managers' values depending on the number of managers in the enterprise, which respondents evaluated on a scale from 1 (opposed to my values) to 5 (supreme importance). Table 4 shows that: respondents that come from enterprises where number of managers is lower than 10 rated highest for feeling of belonging (4.01), privacy (4.12) and returning the favours (3.82); respondents that come from enterprises where is the number of managers over 30 rated highest for inner harmony(3.96) and creativity (3.87).

**Hypothesis 2:**

There are differences in the values of the managers, depending on the number of managers in these enterprises.

**Table 2 ANOVA of values of managers depending on the number of managers in these enterprises (statistically significant).**

Value	d.f.	Sum of Squares	Mean Square	F (value)	Sig.
Inner harmony					
Stage	3	21,418	7,139	5,004	0,003
Error	127	181,21	1,427		
	130	202,63			
Feeling of belonging					
Stage	3	20,174	6,725	2,737	0,046
Error	127	312,07	2,457		
	130	332,24			
Returning favours					
Stage	3	40,366	13,455	5,592	0,001
Error	126	303,2	2,406		
	129	343,57			
Creativity					
Stage	3	17,081	5,694	4,86	0,003
Error	127	148,8	1,172		
	130	165,88			
Privacy					
Stage	3	27,052	9,017	2,98	0,034
Error	126	381,33	3,026		
	129	408,38			

With regard to the number of the managers workers the participants statistically significantly (ANOVA P< .05 risk interval) differ regarding the following values: inner harmony (self-consciousness), feeling of belonging (feeling that we mean something to other people), returning favours (not wanting to owe something to other people), creativity (originality, imagination), and privacy (the claim to private life, individuality) (see Table 2).

The average ratings of values of differences in the manager's values, regarding to the size of the enterprises, which respondents evaluated on a scale from 1 (opposed to my values) to 5 (supreme importance). Respondents that come from middle size enterprises rated highest for feeling of belonging (4.12), returning favours (4.03), creativity (3.97), peace on earth (3.84) and privacy (3.87); respondents that come from large enterprises rated highest for exciting life style(4.08).

**Hypothesis 3:**

There are differences in the manager's values, regarding to the size of the enterprises.

**Table 3: ANOVA of values of managers regarding to the size of the enterprises (statistically significant).**

Value	d.f.	Sum of Squares	Mean Square	F (value)	Sig.
Feeling of belonging					
Stage	3	27,805	9,268	3,645	0,014
Error	131	333,05			
	134	360,86			
Exciting life style					
Stage	3	28,796	2,542	2,866	0,039
Error	131	438,73			
	134	467,53			
Returning favours					
Stage	3	29,833	9,599	2,866	0,039
Error	130	349,72	3,349		
	133	379,55			
Creativity					
Stage	3	21,77	7,257	5,057	0,002
Error	131	187,96	1,435		
	134	209,73			
Peace on Earth					
Stage	3	25,473	8,491	5,521	0,001
Error	131	201,46	1,538		
	134	226,93			
Privacy					
Stage	3	31,294	10,431	3,45	0,019
Error	130	393,1	3,024		
	133	424,4			

According to the size of the enterprise, the participants statistically significantly (ANOVA P< .05 risk interval) differ as we can infer from the following listed values: the feeling of belonging (the feeling that we mean something to other people), exciting lifestyle (exciting experiences, adventures), returning the favor's (not wanting to owe something to other people), creativity (originality, imagination), peace on Earth (Earth without wars and conflicts), and privacy (they claim to private life, individuality) (see Table 3).

All three hypotheses are partly confirmed, as there are differences in some statements in different groups.

**Conclusions**

In a modern working world we have witnessed a stronger focus on ethical issues in organisations, such as administrative ethics and professional integrity, an increasing sympathy toward values-based management, as well as a growing concern for the prevention of scandals and corruption. Personal values are associated individually and jointly with specific attitudes and behaviour in organisation (Fishbein&Ajzen, 1975; Andrews &Kandler, 1979; Ajzen&Fishbein, 1980; Musek. 1995).

Employees, especially managers, have huge impact on enterprise in which they operate through their values. Therefore it is

very important who these people are; in fact, in everyday life, what is their value system, what motivates them to work, and what relationship they have with the environment and society as a whole. Motivation and values of managers does influence their decisions whether to act responsibly and conscientiously or irresponsibly and unconscientiously (Šopar, 2008).

In our study we have focused our attention on the personal values of Slovene top and middle-level managers. We have particularly emphasised the question of evaluation of the values in their lives and of differences in personal values among managers working in enterprises in different sphere, with different number of managers and different size of enterprise.

We have established that the managers from all kinds of enterprises highly valued the family and partnership values, as well as the following values: equality (equal opportunities for all), inner harmony (self-consciousness), freedom (to think and act as one wishes), the feeling of belonging (the feeling that we mean something to other people), peace, etc. Value systems' emphasis on materialism and achievement motivation suggests that managers would attribute the highest importance to self-enhancement values (Inglehart, 1997). Although those generations learned industrialization's materialistic goals, Slovene top and middle-level managers emphasized values like equality, the feeling of belonging and peace. Even if we live in more societal insecure times due to global crisis, we found Slovene top and middle-level managers emphasis on self-transcendence values. In terms of Schwartz's values typology, societal insecurity would result in a generational emphasis on conservation and self-enhancement values, whereas societal security would result in a generational emphasis on openness to change and self-transcendence values. Further, socio-economic development and democratization have been found to be positively related to the importance of openness to change and self-transcendence values and negatively related to the importance of conservation and self-enhancement values (Schwartz & Ros, 1995; Schwartz & Sagie, 2000).

The values as tradition (the maintenance of habits), authority (the right to lead and command the others), and the power over the others (the need to supervise the others, the power over the others) are valued less highly. This could point to the fact that people do not cling to the traditional ways of management in the enterprise which includes precisely these characteristics, and that it should be easier to persuade them to participate in the process of management and decision-making. In MancinČeplak (2006) article the values and life orientation of young people in Slovenia over a recent 10-year period are analysed. As is the case in the majority of other European countries, empirical research on large samples of various Slovenian youth populations in 1993, 1995, 1999 and 2000 has disclosed young people's marked preferential interest in the private and the personal spheres of life, whereas their interest in politics, authority and the power over the others

is slight.

According to the results of this study and obtained differences among various enterprises, as well as according to the sphere of activity, the number of managers, and size of enterprise, we can conclude, that the participants from the studied enterprises are most open to innovation and co-operation. We learn about the existence of numerous differences in matters of law, relationships, time and space management (Torres 2004). Starting from a comparative analysis of the USA and France, Fayolle (2000) considers that in France, cultural specificities come under the role of the State, the way money is considered, the desire of privileges and fear of failure: the French State is a centraliser and "Jacobin", behaving like the big decision maker of the economy and which has played a part in the development of a culture of large companies and civil service.

In the period of transition of the Slovene economy the small and the middle-size enterprises were the most successful. For some large enterprises that were successful before the transition, there are no such evidences; some of them have gone bankrupt, some still linger on, and some of them are still successful. The consequences of the transition depended to a high degree on the human factor (the ability to innovate, prevailing values, relationships, the way of communication), particularly on the acting of top managers as well as on all other managers.

The managers that were successful even before the transition of the Slovene economy into the European and other integrations are successful today as well. The structural points of view that shape the behaviour and conduct of the participants in the inner and outer socio – economic environment of the enterprise are needed. We have established that some aspects of conduct and behaviour (important for leading people) can be selected. Those are:

- the coordination of the activities of the members;
- the collective solving of the problems (decision-making);
- the strategy of the behaviour of the participants;
- the solving of the conflict situations.

As Slovenia proves to be between Croatia and developed countries in many aspects (according so Summary Innovation Index, geographical position, GDP, and both countries are former Yugoslav republics) we could summarise, that the results are relevant to other developing and developed countries as well.

We believe the results as a whole can be applicable in other countries, i.e. developed and developing countries. These results are particularly transferable for other European countries with minor limitations regarding economic, social and cultural specificities.

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