Manifestations of organizational culture based on the example of Estonian organizations

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The public defence of the dissertation took place at the Faculty of Economics and Business Administration of the University of Tartu on November 6th, 2009 in Narva Rd 4, Oeconomicum, Tartu.

The dissertation is available at the University of Tartu Library in Tartu, Str. W.Struve 1, 50091.

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Organizational culture facilitates explanation of the essence and meaning of the organization and has been considered a powerful force influencing organizational behaviour and the overall performance of organizations. The relevance of organizational culture as a topic is important in unpredictable and rapidly changing economic conditions, where the human side of organizations may be critical for their survival.

The aim of this dissertation was to outline regularities and patterns in manifestations of organizational culture using the example of Estonian organizations. In the scope of the dissertation the notion of an organizational culture pattern was defined as a cultural profile which characterizes organizational culture from two perspectives: firstly, it demonstrates the relative importance of organizational cultural types in a particular organization and secondly, it denotes the relationships between different organizational cultural types. The author of the dissertation analyzed what kinds of connection exist between types of organizational culture in Estonian organizations and how contextual factors such as national culture and industry influence organizational culture. The dissertation also analyzed the impact of organizational characteristics - age and size - on patterns of organizational culture.

The dissertation aimed to broaden the scope of research into organizational culture in terms of factors influencing manifestations of organizational culture. It could be argued that a gap exists between theoretical discussions about the formation of organizational culture and influential forces in that process, and empirical research on the topic. Although in theory several contextual and organizational factors are seen as important determinants that influence manifestations of organizational culture, empirical research seldom focuses on those particular factors (national culture could be seen as an exception here). Moreover, research into organizational culture has long traditions in Western countries, but no systematic overview and analysis of the topic has been carried out in transition countries like Estonia. Research conducted on organizational culture in Estonia has been quite fragmented, both in terms of samples and methods. Therefore, extensive research covering variables not yet investigated
and also considering the peculiarities of the local context is crucial to explore regularities in manifestations of organizational culture.

In order to analyze the impact of contextual and organizational factors on patterns of organizational culture in Estonian organizations, a new tool for analyzing organizational culture – an Organizational Values Questionnaire - was developed by the author. The general framework of the questionnaire was based on the ideas of the Competing Values Framework. Empirical research brought out several regularities in the manifestation of organizational culture. Those regularities were discussed in the context of Estonia.

Analysis of organizational culture showed a positive relationship between types of organizational culture. This finding demonstrates that although certain types of organizational culture encompass antagonistic values on theoretical grounds, those values tend to coexist in organizations. Therefore, organizational culture should be approached as a continuum, where changes in some aspects involve changes in other aspects of organizational culture. The relationships that exist between types of organizational culture may demonstrate basic assumptions held by people in and around the organization. For example, the current study indicated a moderate connection between the Rational Goal and Internal Processes types of organizational culture, a finding that differs from previous studies conducted in different cultural areas. This finding may be interpreted as a reflection of cultural values in Estonian society, where it is believed that competitiveness requires internal integration and formalization. Moreover this result is quite similar to findings from research conducted in Estonia supporting the idea that Estonian organizations tend to follow the principles of a well-oiled machine. But emphasis on results and relying on formalization may also be connected to the transitional era in society. First of all, the period of transition forced organizations to become more results-oriented, but it also put pressure on people’s attitudes and behavioural patterns, where significant changes were expected. New ways of operating expected from employees often also necessitated new standards and procedures, so that organizations going through important change processes became more formalized and bureaucratic.

The analysis demonstrated similarities in patterns of organizational culture in Estonian organizations – it became evident that those types of organizational culture that value stability and control were dominant in patterns of organizational culture. Findings showed that the impact of the industry where the organization operated was a significant factor influencing the culture of the particular organization; moreover, the impact of the industry may be even more important compared to the influence of national culture. The research could not confirm the effect of organizational age on patterns of organizational culture. The results of the current research indicated that organizational age did not predict patterns of organizational culture. This finding may be related to the context of transitional countries because the distinction between old and new organizations is blurred due to radical changes in society and considering the impact of those changes on organizations. Unlike organizational age, the research revealed the impact of organizational size on organizational culture.

The contribution of the dissertation is twofold: several implications of the dissertation appeared from the perspective of analysis of organizational culture, as well as from the viewpoint of management practices. Findings from the study could be taken into account when planning management action in organizations.