

---

## A CONTEXTUAL APPROACH OF THE GREEK MANAGEMENT

**Charalampos Giousmpasoglou**

Strathclyde Business School – Dept. of HRM

### ABSTRACT

The devastating effects of globalisation during the 1990s have had a great impact in the way academics and practitioners viewed management all over the world. The emergence of culture and national context as critical factors in the exercise of management, signposted a new dynamic movement that challenged the ‘good old fashioned western’ (mostly American) management practices and their ‘universal’ applicability. Researchers have shifted their focus from the predictable Anglo-Saxon corporate managerial environment to more ‘exotic’ and unknown destinations such as the Asian and Middle East contexts. In addition a great effort is conducted within the limits of the E.U. to understand the different national management contexts, despite the fact that most of them are based in the U.S. model. Arguably one of the most difficult and challenging cases under examination is Greece. The country was heavily exposed to western management practices during the post-WWII years and until the late 1970s there was no indication that management practices were differentiated than those imposed by American multinational companies. Since the early 1980s though, something has radically changed; the entry of Greece in the E.U. and the enormous efforts of both the public and the private sector to catch up with the rest of Europe’s ‘developed’ countries have surfaced some unique socio-cultural characteristics that seem to affect the exercise of management in this country. Some of these characteristics include the values of ‘filotimo’, trust and humanism; the high context and polychronic culture; high uncertainty avoidance; and in-group collectivism. This paper aims to explore the existing literature on the Greek cultural context in relation to management practices, and identify if there is convergence or divergence with the rest E.U. countries.

**Keywords:** Management, National Culture, Greece

## INTRODUCTION

It is arguable that the notion of culture constitutes the most elusive and yet tantalising concept for both management theorists and practitioners. The complexity of the concept and the ongoing debate on what is culture and how it affects management in different contexts is not yet clarified by researchers. Especially when research focuses in the Greek context it becomes extremely difficult to conclude the role of culture in relation to managerial work because there are only a very limited number of studies in this field. The discussion below is an effort to provide the reader with a general overview of the socio-cultural context that Greek managers operate in. It is thus necessary,

---

to highlight some important national characteristics, norms and behaviours which will provide a better understanding of the Greek management context.

### 1. CULTURE IN NATIONAL AND ORGANISATIONAL CONTEXT

The concept of national culture has figured as an explanation for management differences across nations (Hofstede, 1983; Mwaura *et al.*, 1998). Literature reveals between one hundred fifty to two hundred identifiably distinct definitions of culture. Hofstede (1980) defines culture as *'collective mental programming'*, and Trompenaars (1993) as the *'way in which peoples solve the fundamental life problems'* that face all societies. In addition, national culture is defined by Fukuyama (1995) as *'inherited habit'*. The vast majority of definitions on culture (i.e. Schwartz & Davis, 1981; Lawrence & Lorsch, 1986; Deal & Kennedy, 1982) lead to the conclusion that culture is a set of beliefs and values shared by the people in an organisation/society/country that exerts a powerful influence on people's behaviour, because it operates without being talked about. Thomas (2008, p.35) argues that the various definitions of national culture can be misleading; that is multiple cultures

can exist within national borders (i.e. U.S.A.), and the same national group can span many nations (i.e. Greeks).

Furthermore literature suggests (Hofstede, 1980, 1991; Hampden-Turner & Trompenaars, 1994) that national culture interpretation and adaptation are a prerequisite to the comparative understanding of national management practice. They also suggest that where a nation has a strong and distinctive culture this carries over into the nation's organisations – the most cited examples being *Japanese, German and United States'* organisations - such organisations benefiting from prevailing characteristics within the national culture supportive of enterprise. On the other hand, attempts to establish a common corporate culture in an international or multi-national firm can be undermined by the strength of national cultures and research points to the fact that the cultures of individual countries are both more stable and more powerful than those of individual organisations (Newman & Nollen, 1996).

Hofstede (1980, 1991) suggests that not only organisations are culture bound but also theories about organisations are equally culture bound. This practically means that what works well in one country may be entirely inappropriate in another. Hampden-Turner and Trompenaars (1994, p.17) emphasise the need to view international management from multiple perspectives, in the face of cultural diversity. Morden (1995) suggests that international managers and multinational companies may need to take a '*best fit*' or '*contingency*' approach to any issues related with the management function. The style of management must be appropriate to the prevailing local contingencies. It can be argued that this model has influenced multinational companies operating in Greece which have adopted a mix of their best practices and standard procedures with local management practices (Myloni *et al*, 2004).

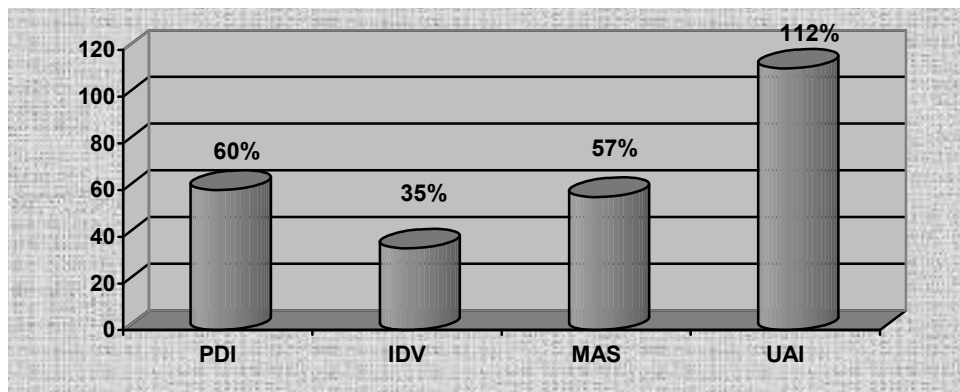
## **2. A CONTEXTUAL ANALYSIS OF THE GREEK MANAGEMENT**

Early research concerning the management of Greek organisations has suggested that management during the 1980s was underdeveloped in relation to other national E.U. partners (EEDA, 1986). From the few empirical studies that refer to the Greek management culture, it is not easy to classify Greece as a member of any one of the clusters of countries suggested by Hofstede (1980, 1991). The literature provides however some interesting data relating to the management function in Greek context.

### **2.1. Hofstede and Greece**

A major research programme was established by Hofstede in the 1970s (reported in *Culture's Consequences*, 1980) to scientifically and systematically study cultural differences. In Hofstede's study data was collected from all employees of the IBM Corporation across thirty eight countries (the sample size being *circa* one hundred twenty thousand). The aim of Hofstede's (1980) work was to provide an analytical framework for enabling people management professionals to understand and explain the behaviour of managers and employees from different cultural backgrounds.

**Figure 1:** Greece scores in Hofstede's Cultural Dimensions



Source: <http://www.geert-hofstede.com>

Hofstede (1980) found that, of the fifty-three countries included in his sample, Greece (Figure 1) is characterised by the highest 'uncertainty avoidance' index (UAI), as well as by a moderate to high masculine culture (MAS). On the basis of these two characteristics, he suggested that the need for security and status as a result of wealth is especially important to Greeks. Regarding the leadership styles by which people would like to be managed, Hofstede (*ibid.*) showed that the consultative style is greatly preferred over other styles in Greece (i.e., 70% of respondents preferred the consultative style, 18% the participative, 12% the persuasive, and 0% the autocratic). This survey reflected the will of people for change in a time that management was perceived as authoritative and autocratic function in a rather conservative and depressed society (democracy was

restored in 1974 after a seven-year military junta). Compared with the other thirty seven countries in Hofstede's sample, Greece gave the highest preference percentage to the consultative style (the average was 49%), while the participative style accounted for a considerably lower percentage than the average (28%).

Since Hofstede's research in the late 1970s, Greek managers have significantly adapted their autocratic and paternalistic national management style, conditioned by their national culture, to the international corporate culture studied abroad (Makridakis *et al.*, 1997). In addition, the societal values and the way that companies are structured and operate have made many steps towards convergence with the rest of the E.U. despite the significant cultural differences (Myloni *et al.*, 2004).

Hofstede's cultural model has risen significant criticisms by a number of scholars over the years: his work has been criticised for being vague, contradictory and for lacking basic theory (Cray & Mallory, 1998; Baskerville, 2003); the national culture model being far too static and homogenous (Tayeb, 2001; Kwek, 2003); its lack of relevance for discussing intercultural interactions (Bartholomew and Adler, 1996; Holden, 2002); its functionalist ambition of measuring largely unquantifiable phenomena (Baskerville, 2003); its inappropriate and time-worn data which were collected in only one organisation worldwide (Baskerville, 2003); or the failure to mitigate ethnocentrism and parochialism (Adler, 1997). Indeed, we can argue that it is not possible to come to safe conclusions about the national management style characteristics, only from the responses of a few employees working for an American multinational company (IBM), in a country with deeply rooted anti-Americanism (Christou, 2006).

## **2.2. The notion of national identity and patriotism**

A distinctive characteristic of the Greek culture is the strong national identity. As a social phenomenon it involves feeling proud to be the national of a particular country, appreciating the nation's problems and participating in problem solving, believing the country is fulfilling its goals, taking personal pride and joy in achievements, introducing oneself openly as a national, and encouraging friends and close acquaintances to see one's country in a positive light (Karkatsoulis & Michalopoulos, 2005). Any individual might not embrace all attributes of national identity because of social dynamics and personality elements. How strong or weak one is in terms of national consciousness and identity depends on influence systems (positive or negative) projected and propagated by the nation and its people. Metaphorically speaking, a shared national identity can be seen as

providing the social '*glue that holds a nation together*' (Smith & Jarkko, 1998); in these terms nationality can become a basis of mutual obligation and social solidarity. The notion of national identity has serious implications in managerial behaviour in Greece; managers may link the prosperity and competitiveness of their company with the country's image and position in global competition. On the other hand, negative implications such as the emergence of ethnocentrism are likely to occur; this is a universal tendency resulting from social categorisation that has broad implications (Thomas, 2008). The most dangerous effects of ethnocentrism are in-group bias and prejudice, meaning that managers will consistently discriminate in favour of the (ethnic) group they belong (Triandis, 1994).

### 2.3. The Value of '*Filotimo*', Trust and Humanism

Greek people believe that the organisation they belong to has a great influence on their well-being and expect the organisation to look after them as a family (Kessapidou & Varsakelis, 2002). Most employees expect that when they enter into an organisation they are likely to spend the rest of their working lives there. This is a common characteristic in collectivist societies as China and Japan. The working culture of Greeks is based on a sense of honour, dignity, loyalty and a sense of duty what is referred in the modern Greek language as the value of '*filotimo*', for which there is no corresponding word in English.

As early as in the late 1960s Triandis *et al.* (1968) suggested that two central attributes of the Greek national character are extreme competitiveness and an unusual response to people in authority. Within the '*in-group*' there is warm acceptance of people with authority, and behaviour is cooperative and given to self-sacrifice (the value of *philotimo*). By contrast, there is a cold rejection of out-group authorities, and behaviour toward out-group people is suspicious, hostile, and extremely competitive (Georgas, 1993). Thus, Greek '*anti-authoritarianism*' is a by-product of the distinction between in-group and out-group (Tajfel & Turner, 1986).

Moreover, the value of '*filotimo*' appears similar to the concept of '*face*' as appeared in the Chinese and other Asian cultures. Face is a person's dignity, self respect, status and prestige. According to Ho (1976), an organisation member tries '*not to loose face*'; face is lost when the individual, either through his/her action or that of people closely related to him/her, fails to meet essential requirements associated with his/her position. This characteristic benefits the organisations by having a high committed workforce without the need to create employee loyalty and retention schemes. In addition, following Triandis *et al.* (1968) argument which later verified by Earley (1993), Greek employees perform better while working in an in-group rather than in an out-group context or working alone.

Therefore, their *'moral'* involvement expressed as the value of *'filotimo'* provides reasons for the members to comply with the organisation's requirements and meet the expectation of their colleagues or in a broader sense any member who belongs to the in-group.

Fukuyama's (1995) analysis of Trust identifies and compares low and high trust societies. He suggests that in family oriented societies like in Greece, there are strong families with weak bonds of trust among people unrelated to one another. These societies are dominated from family owned and family managed business - in the case of Greece more than 97% (ICAP, 2007). In this type of business it is observed a strong preference for authority that is centralised, hierarchical and formally or legally defined. Disputes between individuals of the same status are difficult to resolve without reference to a higher and centralised form of authority. In general, Fukuyama (*ibid.*) suggests a correlation between hierarchy and the absence of trust that characterises low-trust societies. Hierarchies are necessary because not all people within a community can be relied upon to live by tacit ethical rules alone. They must ultimately be coerced by explicit rules and sanctions in the event that they do not comfort / comply with these rules.

In the same context but from a different perspective, Lessem & Neubauer (1994) studied the impact of national culture in European management systems. They categorise this impact under four inter-related criteria. The first two refer to the tension between pragmatism and idealism/ wholism that characterises European approaches to the theory and practice of management. The Anglo-Saxons and the Dutch tend to take a more pragmatic line towards management issues than their more idealistic or wholistic German counter-parts. Then follows the tension between a rationalist approach to dealing with management issues, as for instance taken by the French; and the humanist (or people-oriented) approach that characterises the family companies in southern Europe (Portugal, Spain, Italy and Greece).

Humanism is defined by Webster's Dictionary as *'pertaining to the social life or collective relations of man kind; devoted to realising the fullness of human being; a philosophy that asserts the essential dignity and worth of man'*. Humanism is associated in particular with Italy. It is also a feature of Spain, Greece, and Ireland. Humanism puts a strong emphasis on the family group and the community which creates a sense of personal obligation and duty (see also the value of *'filotimo'*). The society overall is characterised by opportunism, change, flexibility and adaptability. Entrepreneurship and business are based on family, community, or socio-economic networks. The management style in this case is personalised and *'convivial'*. Humanism in business is developed by the family patriarch or matriarch; or by the *impanatore*, defined by Lessem and Neubauer as *'designer,*

*responsible for shaping and responding to fashion, as well as for organising production, also urging firms to experiment with materials and processes'* (1994, pp.214-215).

According to Hampden-Turner and Trompenaars (1994) a humanistic approach to management is characterised by:

- The management of communities of individuals (being both individualistic and communitarian).
- A tendency to personal equality within the hierarchy of the family, the community, or the socio-economic network. Each person has his or her place, duties, obligations, and rights within that context. Some people may also believe that what ever *Fate* has decreed the individual must accept.
- Particularism: it is the manager's job to deal with exceptions and individual cases as they arise. The universalistic application of rules may be perceived as being synonymous with bureaucratic control by the state, and with corruption by officials.
- Outer-directedness and opportunism.
- The perception of time as short term sequence within longer term historical patterns or synchrony.

The above three values (*Filotimo*, *Trust* and *Humanism*) that are met in the Greek management context, provide a strong indication for the existence of a different work context between Greek managers' and their European counter-parts.

#### **2.4. The Greek High Context and Polychronic culture**

Greek managers are also influenced from the country's high context culture (Figure 2). Context is defined here in terms of how individuals and their society seek information (Hall & Hall, 1990). People from high context cultures obtain information from personal information networks. Before such people make a decision, or arrange a deal they have become well informed about the facts associated with it. They have discussed the matter with friends, colleagues or even family members. They will have asked questions and listen to rumours or gossip. On the other hand, people from low context cultures seek information about decisions and deals from a research database whilst they would also listen to the views of colleagues or relatives (Morden, 1999).

In relation with time, Greek managers tend to do many things at once, often in an unplanned or opportunistic sequence. They may not be interested in time schedules or



concepts of punctuality. They consider that the reality of events and opportunities is more important than adherence to what they perceive to be artificial constructs of planning, schedules and appointments. Time is neither seen as a resource nor as an opportunity cost that equates to money – behaviour synonymous to *western management* practices. For most Greeks, matters can always be settled tomorrow; Lewis (1992) calls this a *Polychronic* culture.

It seems that the long history of instability in the external political and economic environment have made Greeks reluctant to plan ahead. Greek culture, on all levels, has always been characterised by its *'here and now'* attitude, mainly due to the environmental instability, wars and the resulting insecurity (Papalexandris *et al.*, 2002). What is missing is the sense of belief in the future and the systematic approach to a long-term program that will look ahead and prepare action plans to meet future needs. To this, should be added the frequent changes in legislation, practiced over the years by the state, and the general mistrust about what lies ahead, due mainly to the country's geopolitical position. According to Broome (1996), the Greek approach to time is considerably different from that found in the U.S. or Western Europe. There is little advance planning unless it is imposed from the outside.

**Figure 2:** High and low context cultures affecting management practices

LOW CONTEXT	HIGH CONTEXT
Business first	Relationships first
Value performance	Value goodwill
Legal contract	Trust
Fast and efficient	Slow and ritualistic

Source: Adapted from Hodgets and Luthans (2003)

There are indications that the above described situation is slowly (but steadily) reversing. Today, the fact that Greece is a member of the E.U., where detailed planning ahead of time is necessary, in order to participate in projects and get access to available funds, has forced state administration to adjust their practice and become more future-oriented. Especially after joining the European Monetary Union (EMU), Greece inevitably follows rules and procedures common in other European countries. It is worth noting that Greeks

are among the most pro-European of all E.U. country nationals (Eurostat, 2007) – a clear indication that despite their unwillingness to engage in routine planning, they look to the future with hope (Papalexandris and Chalikias, 2002).

The implications for Greek managers operating in a high context and polychronic environment are profound – especially when dealing with ‘Westerners’ people from low context and polychronic cultures. American and European multinational companies were the first that experienced these difficulties back in the early 1960s. The problem was – and to a large extent is – that western managers value most performance and business whilst Greeks value relationships and goodwill. In addition the mix of monochronic with polychronic cultures may result to unpredictable situations; it can either give rise to constant culture clash and disagreement or may yield synergies as features of each complements the other (Morden, 1996).

Part of the problem was solved as many Greek and multinational companies’ executives received Anglo-Saxon education and training where management is seen as a general and transferable skill. The creation of this new cohort of managers has made a step towards harmonisation with the rest of the E.U. regarding managerial behaviour. It is however questionable if Greek managers will ever fully comply with the established western management values and best practices (Myloni *et al.*, 2004).

## **2.5. Studies related to the Greek management culture**

The majority of the empirical studies that were carried out in Greece almost three decades ago, sketch a period where the level of industrialisation, the growth rate, and the level of disposable income were very low (Bourantas and Papadakis, 1996). During the 1950s and 1960s there was a high level of unemployment and a significant amount of immigration to industrialised countries like Germany and the United States. The level of education among employees, managers, and entrepreneurs was low. The civil war, which broke out just after World War Two, had only just been resolved, and for several years the political situation was unstable and lacking in the basic elements of democracy.

A study by Bourantas *et al.* (1987) addressed whether there have been significant changes since the early 1950s, in the needs of Greeks. Indeed, their empirical data suggest a process of evolution: the Greeks' physiological and security needs are relatively well satisfied, while new, higher-order needs now appear to be important (Maslow, 1970). The ‘ego needs’ of self-esteem and status through wealth, which largely coincide with the national character of the Greek people, remain important, as would be logically expected.

It can be argued that Greek management has hardly existed until the early 1980s; all management practices and methods were largely adoption and/or adaptation of multinational companies' practices. Kanelpoulos (1991) has documented a lack of wide diffusion of modern management methods and systems such as formal structures, planning and control systems, human resource management systems, incentive systems, and management information systems. Bourantas and Papadakis (1996) argue that the salient characteristics of Greek management (in the 1980s and early 1990s) were the concentration of power and control in the hands of top management, and the lack of modern systems to support strategic decisions.

A question that raises here is whether management in Greece possesses any unique characteristics that distinguish it from other European management styles (e.g., the institutionalised participation of employees in Germany or Sweden and the informal network relationships among small and medium-sized enterprises in Italy). Bourantas and Papadakis (*ibid*, p.17) argue that:

*"...we are so far unable to single out one important dimension distinguishing Greek management from the management style of other European countries. We would rather characterize Greek management as a Western-type management style that has not yet reached a high level of modernization and adoption of scientific and analytical methods and techniques."*

They also suggest (*ibid.*) that Greek management differs in the degree of modernisation and professionalism of management functions, management systems, and professional knowledge and skills. Thus, the differentiation of Greek management relative to that of other European countries is a matter of degree of development and does not constitute a different model. Although this view is correct and accepted by Greek academics and practitioners, it does not emphasise the role of culture in managerial work. This is normal because researchers at that time (early 1990s) in Greece have focused their attention to the improvement of management practices, financial performance and technological advancements (Papalexandris & Nikandrou, 2000). Culture is a concept appeared in the second half of this decade.

A driving force for the transformation of the Greek management and its convergence with the European one is the young generation (Koufidou & Michail, 1999): those that founded the post second world war Greek businesses in the last thirty to forty years are now retiring, and a new cohort of managers (the majority of whom received their formal graduate or postgraduate education outside Greece) has taken over. Therefore, it can be argued that as the *generation Xers* (those who were born between 1965 and 1974) are

taking over, Greek management makes significant steps towards convergence with the European and/or American management style.

Bourantas & Papalexandris (1992) empirical study of five hundred eighty eight Greek managers found that 74% of respondents perceived that their organisations reflected either the characteristics of an Eiffel Tower culture (38%) or a Family culture (36%), providing support for the classification of Greek organisations as either of these two organisational culture types. Consistent with Trompenaars' (1993) work, it is probable that the size of the Greek organisation differentiated between the implementation of a Family or Eiffel Tower organisational cultural form. The two dimensions of Trompenaars' model, hierarchy/equity and person/task, can be operationalised by considering the degree of centralisation and the degree of formalisation, respectively. Thus, Greek organisations are likely to adopt an Eiffel Tower culture, characterised by centralisation of decisions-making authority (hierarchy focus) and high reliance on formalisation (task focus).

The hierarchy focus of the Eiffel Tower organisational culture seems congruent with Greek managers' high-power distance societal values (Joiner, 2001). Indeed, it is likely that encouraging Greek managers to increase their involvement in decision making may generate anxiety and lead to lower levels of performance. Such managers tend to prefer and respect a more non-consultative, decisive approach from their superior. Similarly, upper management inculcated with the values of a high-power distance culture, are likely to be reluctant to give up decision-making authority (perceived to be rightly bestowed upon them) to promote a relationship of greater equality in decision making (Veiga & Yanouzas, 1991).

## **2.6. Greece and the GLOBE project**

GLOBE (Global Leadership and Organisational Behaviour Effectiveness) is a research programme initiated in the late 1990s, focusing on the culture and leadership in sixty two nations – including Greece. One of the outcomes of the GLOBE research was the construction of nine dimensions of cultural variation: performance orientation; future orientation; assertiveness; power distance; humane orientation; institutional collectivism; in-group collectivism; uncertainty avoidance; and gender egalitarianism. The subjects / participants of this survey were eighteen thousand middle managers in food processing (including luxury hotels), finance and telecommunications. The project used a multi-method approach by employing both qualitative and quantitative data. These data were collected from one hundred fifty Country Co-Investigators (CCIs) who are social scientists

or management scholars. CCIs ensured the accuracy of questionnaire translations and are responsible for the writing of each country’s culture specific descriptions that derive from the interpretation of the qualitative data collected from the questionnaires. The central theoretical proposition of the model that guides the GLOBE research programme, is that *“the attributes and entities that distinguish a given culture from other cultures are predictive of the practices of organisations and leader attributes and behaviours that are most that are most frequently enacted, acceptable and effective in that culture”* (House et al., 2002). The theoretical background of this model is an integration of implicit leadership theory (Lord & Maher, 1991), value/belief theory of culture (Hofstede, 1980), implicit motivation theory (McClelland, 1985), and structural contingency theory of organisational form and effectiveness (Donaldson, 1993).

This process provided useful insights for each participative country cultural perspectives in relation to management and leadership (Javidan & House, 2001). One of the most interesting aspects of this project according to Thomas (2008) is that the cultural dimensions were measured both as *practices* (the way things are) and *values* (the way things should be). Although it is not the scope of this paper to discuss leadership related issues, the GLOBE project concludes to some interesting findings, regarding the Greek managerial behaviour related to the country’s cultural and societal context. Thus, the most important Greek management attributes revealed by the Globe Project, follow below.

**Assertiveness:** It is the extent to which a society encourages people to be tough, confrontational, assertive and competitive versus modest and tender. This dimension is part of Hofstede’s (1980) Masculinity dimension. Highly assertive societies such as Greece and the U.S.A. tend to have a *‘can-do’* attitude and value competition. They have sympathy for these who are strong and the winners. Less assertive societies such as Sweden and Japan tend to prefer warm and cooperative relations and harmony.

**Table 1:** Country Rankings on Assertiveness

Least Assertive Countries in GLOBE		Medium Assertive Countries in GLOBE		Most Assertive Countries in GLOBE	
Sweden	3.38	Egypt	3.91	Spain	4.42

New Zealand	3.42	Ireland	3.92	U.S.A.	4.55
Switzerland	3.47	Philippines	4.01	<b>Greece</b>	<b>4.58</b>
Japan	3.59	Ecuador	4.09	Austria	4.62
Kuwait	3.63	France	4.13	Germany (Former East)	4.73

Source: Javidan & House, 2001, p.294

**Uncertainty Avoidance:** This dimension refers to the extent to which its members seek orderliness, consistency, structure, formalised procedures and laws to cover situations in their daily lives. Societies that scored low in uncertainty avoidance such as Greece and Russia, there is a strong tolerance of ambiguity and uncertainty. People are used to less structure and order in their lives and are not as concerned about following rules and procedures. In low uncertainty avoidance countries people are not used to structured or organised communication. Meetings are not planned in advance, they have not set time and there is a tendency to have open-agenda or no agenda at all. This dimension is linked directly with the Greek high context polychronic culture discussed above.

**Table 2:** Country Rankings on Uncertainty Avoidance

Lowest Uncertainty Avoidance Countries in GLOBE		Medium Uncertainty Avoidance Countries in GLOBE		Highest Uncertainty Avoidance Countries in GLOBE	
Russia	2.88	Israel	4.01	Austria	5.16
Hungary	3.12	U.S.A.	4.15	Denmark	5.22
Bolivia	3.35	Mexico	4.18	Germany	
<b>Greece</b>	<b>3.39</b>	Kuwait	4.21	(Former West)	5.22
Venezuela	3.44	Ireland	4.30	Sweden	5.32
				Switzerland	5.37

Source: Javidan & House, 2001, p.297

**Institutional emphasis on collectivism versus individualism:** This dimension reflects the degree to which individuals are encouraged by societal institutions to be integrated into groups within organisations and the society.

**Table 3:** Country Rankings on Individualism / Collectivism

Most Individualistic Countries in GLOBE		Medium Individualistic Countries in GLOBE		Least Individualistic Countries in GLOBE	
Greece	3.25	Hong Kong	4.13	Denmark	4.80
Hungary	3.53	U.S.A.	4.20	Singapore	4.90
Germany		Egypt	4.50	Japan	5.19
(Former East)	3.56	Poland	4.53	South Korea	5.20
Argentina	3.66	Indonesia	4.54	Sweden	5.22
Italy	3.68				

Source: Javidan and House, 2001, p.299

Opposing to that, the Greek society emphasises strongly on individualism and tend to value autonomy and individual freedom. Rewards are based on individual performance because self interest is more strongly valued than the collective group. This dimension indicates the societal transformation that occurred since the early 1980s when Hofstede (1980) has found Greece to score very low in the individualism-collectivism index.

**In-Group collectivism (also referred as family collectivism):** This is quite different than the above dimension; it reflects the extent to which a society’s institutions favour autonomy versus collectivism. It refers to the extent to which members of a society take pride in membership in small groups such as their family and circle of close friends, and the organisations in which they are employed (Tajfel, 1981; Tajfel & Turner, 1986). In Greece

being a member of a family and of a close group of friends, an in-group is very important to people. Papalexandris *et al.* (2002) indicate that one of the main characteristics of the Greek culture is strong family bonds, even though in big cities there might have been a recent change in this respect. The father is the centre of the family, he is responsible for all its members and the one who makes the final decision. There is a strict hierarchy and younger members are expected to show respect to the older. Power is concentrated in a few hands, which is usually accepted although it does not go unquestioned. Family members and close friends tend to have strong expectations from each other. Taking care of their needs and satisfying their expectations is critical to each individual. It is not unusual to forego due diligence, or equal employment opportunity, and to favour a close friend or family member in recruiting or in allocating rewards and promotions. Making regular references to one’s family and especially one’s father is quite acceptable and can go a long way in opening doors.

**Table 4:** Country Rankings on In-Group Collectivism

Least In-Group Collective Countries in GLOBE		Medium In-Group Collective Countries in GLOBE		Most In-Group Collective Countries in GLOBE	
Denmark	3.53	Japan	4.63	<b>Greece</b>	5.27
Sweden	3.66	Israel	4.70	Egypt	5.64
New Zealand	3.67	Qatar	4.71	China	5.80
Netherlands	3.70	Austria	4.85	India	5.92
Finland	4.07	Italy	4.94	Iran	6.03

Source: Adapted from Javidan and House, 2001, p.299

**Performance orientation:** This dimension refers to the degree to which a society encourages and rewards group members for performance improvement and excellence. Greece has scored low in this dimension; the society in this case tends to emphasise



loyalty and belonging, view feedback as discomfoting, emphasise tradition, and pay attention to one’s family and background rather than performance. In addition, competition is associated with defeat and sympathy is valued. These characteristics express the widespread feeling of disappointment, over the general tendency towards mistrusting those achieving individual goals and reaching high levels of success. Here, a situation similar to the ‘*tall poppy syndrome*’ is observed in Australia (Ashkanasy & Falkus, 1999): this refers to dislike of those who excel and are above others, especially when success leads to arrogance. Thus, although Greeks strive for achievements, they often refuse recognition to those performing well, while on the contrary they very often think of themselves as victims of this lack of recognition, having a feeling of being betrayed by their organisation and by society in general (Papalexandris *et al.*, 2002). This explains the low productivity tradition – especially until the mid1990s – in the private and mostly the public sector. In addition, managers from low-performance oriented cultures tend to prefer indirect and vague language. They are not too comfortable with strong results-driven and explicit communication. Hard facts and figures are hard to come by and not taken as seriously even when they are available. To a typical Greek manager, effective communication does not necessarily mean a clear agreement on facts and expectations. It may mean a discussion and exploration of issues without any commitments and explicit results.

**Table 5:** Country Rankings on Performance Orientation

Least Performance Oriented Countries in GLOBE		Medium Performance Oriented Countries in GLOBE		Most Performance Oriented Countries in GLOBE	
Russia	2.88	Sweden	3.72	U.S.A.	4.49
Argentina	3.08	Israel	3.85	Taiwan	4.56
<b>Greece</b>	<b>3.20</b>	Spain	4.01	New Zealand	4.72
Venezuela	3.32	England	4.08	Hong Kong	4.80
Italy	3.58	Japan	4.22	Singapore	4.90

Source: Javidan and House, 2001, p.301

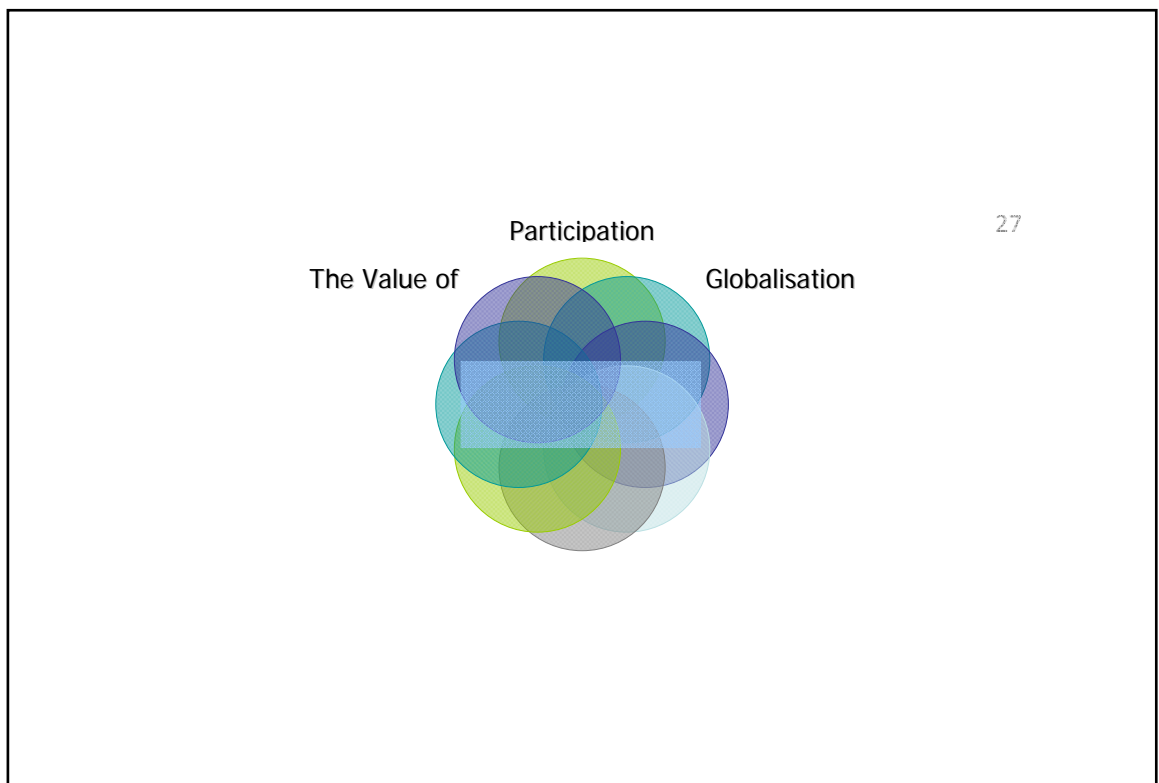
**3. CONCLUSIONS FOR THE GREEK MANAGEMENT CONTEXT**

This paper has explored the factors that shape and influence the management context in Greece. The latest research findings (Javidan & House, 2001; Papalexandris & Chalikias, 2002; Myloni *et al.*, 2004) suggest that both convergence and divergence with the rest of the E.U. seem to occur simultaneously (Figure 3).

The Greek context seems to exert a quite prominent effect in management practices. The deeply rooted family collectivism and other cultural characteristics such as the values of *Filotimo*, *Trust* and *Humanism* seem to constantly feed the divergence forces. For example practices such as the use of personal recommendations and references in recruiting employees - for both Greek firms and foreign subsidiaries - are still common even in larger Greek companies according to the GLOBE project (Myloni *et al.*, 2004). In addition, the poor performance of the country in the *Global Corruption Index* (Transparency International, 2007) is a strong indication that change will come in extremely slow pace (Lambropoulou, 2007).

On the other hand, despite the paternalistic and family oriented management style there are indications for a strong will to change. Figures from the GLOBE project show that Greece has low mean scores in ‘*society as is*’ and higher scores in ‘*society should be*’. These results confirm the existence of a culture gap found in previous research studies on organisational culture. According to Bourantas & Papadakis (1996), there is a discrepancy between general organisational culture as perceived by managers and their personally preferred culture. This is considered to be an indication of the desire for change within organisations. The greatest pressures for convergence are coming from the obligations of Greece as a member of the E.U. and several other organisations which require planning ahead and efficient management of the various projects. While this affects mostly the public sector, globalisation put pressures for uniform management practices and policies in private sector organisations. Thus, a slow but steady movement towards harmonisation of management practices at least with the rest of the E.U. members is observed.

**Figure 3:** Factors affecting the Greek management



As a conclusion we argue that the level of the Greek management context deviation/differentiation from the developed E.U. countries, provides the basis for an argument that it is not only the adoption of best practices that makes management successful but also the interaction of management with the country's context. The greater the level of confidence and understanding of the context's requirement, the more likely for the management practices to be successful. Thus, a '*best fit*' approach would be appropriate for the Greek management context which receives pressures from both the international business environment and the local distinctive characteristics.

#### REFERENCES

Adler, N.J. (1997) *International Dimensions of Organizational Behavior*, London: International Thompson Business Press

Ashkanasy, N. and Falkus, S. (1998) The Australian Enigma, chapter submitted for the First GLOBE Anthology

- Bartholomew, S. and Adler, N.J. (1996) Building Networks and Crossing Borders: The Dynamics of Knowledge Generation in a Transnational World, in P. Joynt and M. Warner (Eds.) *Managing Across Cultures: Issues and Perspectives*, London: International Thompson Business Press
- Baskerville, R.F. (2003) Hofstede never studied culture, *Accounting, Organizations and Society*, 28, pp.1-14
- Bourantas, D., Anagnostelis, J., Mantes, Y. and Kefalas, G. (1987) The influence of the socio-cultural environment on Greek management, Unpublished report, Athens, (ΓΕΓΕΤ) General Secretariat for Research & Development (in Greek)
- Bourantas, D., and Papadakis, V. (1996) Greek Management: Diagnosis and prognosis, *International Studies of Management and Organization*, 26(3), pp.13-25
- Bourantas, D. and Papalexandris, N. (1992) Variables affecting organizational commitment: private- versus publicly-owned organizations in Greece, *Journal of Managerial Psychology*, 7(1), pp. 3-10
- Broome, B. (1996) *Exploring the Greek Mosaic: A Guide to Intercultural Communication in Greece*, Yarmouth: Intercultural Press, Inc.
- Christou, A. (2006) American dreams and european nightmares: experiences and polemics of second-generation greek-american returning migrants, *journal of ethnic and migration studies*, 32(5), pp. 831-845
- Cray, D. and Mallory, G.R. (1998) *Making Sense of Managing Culture*, London: International Thompson Business Press
- Deal, T.E. and Kennedy, A.A. (1982) *Corporate Cultures*, Massachusetts: Reading
- Donaldson, L. (1993) *Anti-management theories of organization: A critique of management proliferation*, Cambridge: Cambridge University Press
- Earley, P.C. (1993) East meets West meets Mideast: further explorations of collectivistic and individualistic work groups, *Academy of Management Journal*, 36(2), pp. 319-348
- EEDE (1986) The management practice in Greek enterprises, Athens: Greek Management Association (EEDE) (in Greek)
- Eurostat (2007) *Eurostat Yearbook*, Brussels: European Community
- Fukuyama, F. (1995) *Trust: the social virtues and the creation of prosperity*, London: Hamish Hamilton

- Georgas, J. (1993) Management in Greece, in D.J. Hickson (ed.) *Management in Western Europe: Society, Culture and Organisation in Twelve Nations*, Berlin: Walter de Gruyter, pp. 109-124
- Hall, E.T. and Hall M.R. (1990) *Understanding Cultural Differences*, Maine: Intercultural Press
- Hampden-Turner, C. and Trompenaars, F. (1994) *The Seven Cultures of Capitalism*, London: Piatkus
- Ho, D.Y.F. (1976) On the concept of Face, *American Journal of Sociology*, 81, pp.867-884
- Hodgets, R.M. and Luthans, F. (2003) *International Management*, 5<sup>th</sup> Edition, London: McGraw-Hill
- Hofstede, G. (1980) *Cultures' consequences: international differences in work-related values*, Beverly Hills: SAGE
- Hofstede, G. (1983) The Cultural Relativity of Organizational Practices and Theories, *Journal of International Business Studies*, Fall, pp.75-89
- Hofstede, G. (1991) *Cultures and organizations: software of the mind*, London: McGraw Hill
- Holden, N.J. (2002) *Cross-Cultural Management – A Knowledge Management Perspective*, London: FT Prentice Hall
- House, R., Javidan, M., Hanges, P. and Dorfman, P. (2002) Understanding Cultures and implicit leadership theories across the globe: an introduction to project GLOBE, *Journal of World Business*, 37, pp.3-10
- ICAP (2007) Greece in figures – Annual Report, Athens: ICAP - Greece
- Javidan M.J. and House R.J. (2001) Cultural Acumen for the Global Manager: Lessons from Globe Project, *Organizational Dynamics*, 29(4), pp.289-305
- Joiner, T.A. (2001) The influence of national culture and organizational culture alignment on job stress and performance: evidence from Greece, *Journal of Managerial Psychology*, 16(3), pp.229-242
- Kanellopoulos, Ch. (1990) *Personnel management and personnel managers in Greece*, Athens, Greek Productivity Centre (in Greek)
- Karkatsoulis, P., Michalopoulos, N. and Moustakatou V. (2005) The national identity as a motivational factor for better performance in the public sector: The case of the volunteers

of the Athens 2004 Olympic Games, *International Journal of Productivity and Performance Management*, 54(7), pp.579-594

Kessapidou, S. and Varsakelis, N. (2002) The impact of national culture of international business performance: the case of foreign firms in Greece, *European Business Review*, 14(4), pp.268-275

Koufidou, S, and Michail, D. (1999) Decentralization and flexibility in Greek industrial relations, *Employee Relations*, 21(5), pp.21-31

Kwek, D. (2003) Decolonizing and Re-Presenting Culture's Consequences: A Postcolonial Critique of Cross-Cultural Studies in Management, in A. Prasad (Ed.) *Postcolonial Theory and Organizational Analysis: A Critical Engagement*, New York: Palgrave Macmillan

Lambropoulou E. (2007) The public discourse on corruption in Greece, *Internet Journal of Criminology* (accessed from: [www.internetjournalofcriminology.com](http://www.internetjournalofcriminology.com), on 10/1/2008).

Lawrence, P.R. and Lorsch, J.W. (1986) *Organization and Environment: Managing differentiation and integration*, Boston: Harvard Business School Press

Lessem, R. and Neubauer F. (1994) *European management systems: towards unity out of cultural diversity*, London: McGraw-Hill

Lewis, R.D. (1992) *Finland: Cultural Lone Wolf - Consequences in International Business*, Helsinki: Richard Lewis Communications

Lord, R. and Maher, K.J. (1991) *Leadership and Information processing: Linking perceptions and performance*, Boston: Unwin-Everyman

Makridakis, S., Kaloghirou, Y., Papagiannakis, L. and Trivellas, P. (1997) The Dualism of Greek Firms and Management: Present state and future implications, *European Management Journal*, 15(4), pp. 381-402

Maslow, A.H. (1970) *Motivation and Personality*, New York: Harper & Row

McClelland, D.C. (1985) *Human Motivation*, Glenview, Foresman

Morden, A.R. (1995) National Culture and the Culture of the Organisation, *Cross Cultural Management*, 2(2), pp.3-12

Morden, A.R. (1996) *Principles of Management*, London: McGraw-Hill

Morden, T. (1999) Models of National Culture: a Management Review, *Cross Cultural Management*, 6(1), pp.19-44

- Mwaura, G., Sutton, J. and Roberts, D. (1998) Corporate and national culture – an irreconcilable dilemma for the hospitality manager? *International Journal of Contemporary Hospitality Management*, 10(6), pp.212–220
- Myloni, B., Harzing, A.W. and Mirza, H. (2004) Human Resource Management in Greece: Have the colours of Culture faded away? *International Journal of Cross Cultural Management*, 4(1), pp.59-76
- Newman, K.L. and Nollen, S. (1996) Culture and Congruence: the fit between management practices and national culture, *Journal of International Business Studies*, 27(4), pp. 753-779
- Papalexandris, N. and Chalikias, J. (2002) Changes in training, performance management and communication issues among Greek firms in the 1990s: intercountry and intracountry comparisons, *Journal of European Industrial Training*, 26(7), pp. 342-352
- Papalexandris, N. and Nikandrou, I. (2000) Benchmarking employee skills: results from best practice companies in Greece, *Journal of European Industrial Training*, 24(7), pp.391-402
- Papalexandris, N., Chalikias, J. and Panayotopoulou, L. (2002) Societal Culture and Human Resource Management: Exploring the mutual interaction in Greece, paper presented at the 2<sup>nd</sup> *International Conference Human Resource Management in Europe: Trends and Challenges*, Athens, Greece, 17-19 October 2002
- Schwartz, H.M., and Davis S.M. (1981) Matching corporate culture and business strategy, *Organizational Dynamics*, Summer, pp. 30-48
- Smith, T.W. and Jarkko, L. (1998) National Pride: A Cross-National Analysis, *GSS Cross-national Report*, No.19, Chicago: NORC
- Tajfel, H. and Turner, J.C. (1986) The social identity theory of intergroup behaviour, in S. Worchel and W.G. Wood (Eds) *Psychology of Intergroup relations*, Chicago: Nelson-Hall, pp.7-24
- Tajfel, H. (1981) *Human Groups and Social Categories*, Cambridge: Cambridge University Press
- Tayeb, M. (2001) Conducting Research across Cultures: Overcoming Drawbacks and Obstacles, *International Journal of Cross Cultural Management*, 1(1), pp 91-108
- Thomas, D.C. (2008) *Cross-Cultural Management: Essential Concepts*, 2<sup>nd</sup> Edition, London: SAGE

Transparency International/TI (2007) Global Corruption Barometer Report, London: Pluto Press (accessed on line from <http://www.transparency.org/publications/gcr>, on 14/1/2008).

Triandis, H.C., Vassiliou, V., & Nassiakou, M. (1968) Three cross-cultural studies of subjective culture, *Journal of Personality and Social Psychology Monograph Supplement*, 8(4), pp.1-42

Triandis, H.C. (1994) *Culture and social behavior*, New York: McGraw-Hill

Trompenaars, F. (1993) *Riding the waves of culture*, London: Nicholas Brealy

Veiga, J.F. and Yanouzas, J.N. (1991) Differences between American and Greek Managers in Giving Up Control, *Organization Studies*, 12(1), pp. 95-108