

Cultural value influences in reforming the political, economic and social institutions in former communist nations

Thomas L Bradley
Reforming Economies Research Institute

Paul B Eberle
Florida Southern College

ABSTRACT

This empirical study used the widely accepted Hofstede VSM 94 Cultural Dimension survey in an exhaustive examination of the cultural dimensions and characteristics of factory workers from similar factories in Russia, Ukraine, Latvia, Lithuania, Poland, Romania, Bulgaria, and the Czech Republic. Studies by other researchers provided additional cultural values for Hungary, Estonia, Slovenia, Croatia and Serbia. This research establishes the underlying cultural characteristics of these nations and provides the first cross-cultural comparison between the reforming economies and the other nations of the world. This study indicates that these countries exhibit a combination of low Individualism and high Uncertainty Avoidance and would seem to indicate that over time, the various governmental and economic structures will not be oriented toward an entrepreneurial society but rather a risk averse society. The results allow governments, universities researchers, management experts, and cross cultural studies to better understand the impact of reforms upon the population, various institutions, agricultural operations, manufacturing entities and the various theories of management and organization which have been coming from the United States, Europe and Asia.

Keywords: cultural values, cultural dimensions, reforming economies, emerging economies, former communist nations.

Copyright statement: Authors retain the copyright to the manuscripts published in AABRI journals. Please see the AABRI Copyright Policy at <http://www.aabri.com/copyright.html>

INTRODUCTION

The continued difficulties experienced by the reforming economies of the former communist nations (FCN) is filled with explanations as to why the reforms are not working. Various foreign companies experienced extreme difficulty in establishing successful ventures in the FCN reforming economies. Underlying the inability of foreign companies to adapt and adjust to the business practices, worker needs, and management practices is the absence of a scientific study as to the characteristics of the people in the former communist nations. While all nations of the world have been studied and a cultural matrix of the characteristics of each nation has been extensively researched, published and examined by a host of researchers, little has been done to establish these same characteristics inside the FCN. Researchers have usually used estimates of the cultural values in FCN which in effect perpetuates the myths associated with these countries.

Over the last 25 years of reform, there has been a mixed result for changing the economies, the social institutions and the political methods in the former communist nations. With so much change and with mixed results this research indicates that it is now time to examine in more detail the underlying cultural elements that are driving much of the attempted reforms. The integration of several of these nations into the European Union has provided the stimulus toward continued reforms while other nations have continued in their struggle toward obtaining a working economic, social and political model. This mixed result provides the basis for understanding the cultural influences that are affecting the transformation and is an important motivation for this research.

LITERATURE REVIEW

Because organizational theory is assumed to be universal (Hofstede & Bond, 1988) and is based upon American norms that are unique (Morey & Luthans, 1984) and culturally biased toward the American model; understanding the differences between these cultural values and those of the studied nations is imperative. Boyacigiller and Adler (1991) indicated that, "theories apply irrespective of context, that is, that they apply under any political, economic, cultural, legal or historical situation." Thus even with different cultural models, management theory should be able to be inserted into the unique cultures of the former communist nations. If this is true then the transition of social, economic and political systems, while tied to unique cultural models, would succeed given a true understanding of the cultural values.

This study seeks to establish a set of cultural characteristics from a typical factory environment in each studied nation with the purpose to understand their unique values. The need for cross-cultural comparisons in newly emerging economies can be the basis for understanding the transformation processes over time. The need for adequate sampling for cross-cultural studies cannot be overstated (van de Vijver & Leung, 1997) thus the size, uniform job descriptions and methodology is critical to the successful research study of this kind. It can create a template for the successful and not so successful transformations. Previous studies (Furnham, Kirkcaldy, and Lynn, 1994; Schwartz, 1999) have shown that nations do cluster in regards to cultural aspects of the unique societies. The communist template is thus able to be created from the research results.

With the continuation of various economic theories that are not tied to any cultural basis, the need for the study of the cultural influences upon economic development is imperative (Hezel 2009). Various nations have found that smaller ethnic groups have controlled vast portions of the economy (Banfield, 1958; Putnam, 1993; Landes, 1998). The study of their cultural values will help us to understand why this is true. While many studies have focused upon the various conditions present within the economy, the lack of a uniform

success toward modernization throughout the world points to culture being an important component. Perhaps as Weber stated, social attitudes and values certainly will have an important say concerning which economies will be successful and which will fail. (Weber, 1978)

Lastly, the current state of European unity and development is fraught with disagreement and cultural issues. As stated by journalist Bryan Macdonald, "Eurocrats are discovering that a sort of ideological 'Iron Curtain' still separates many of the former Warsaw Pact states from their new allies. Because, let's be clear, despite the EU's many successes in encouraging European unity, there are different historical memories and varying degrees of religious observance across the continent. And this lack of a common narrative or belief system makes consensus hard to manufacture." (Macdonald; Jan 15, 2015)

CULTURAL VALUES

Hofstede identified four unique cultural dimensions during his massive IBM research study of the 1970s. Later Hoppe (1990) replicated Hofstede's original study in 19 countries using a different study sample group which established very strong support for the original findings of Hofstede. Since this time more than 61 replications including four full replications and 15 partial replications have been recorded with the differences predicted by Hofstede were "largely confirmed" (Sondergaard, 1994).

Bond discovered a fifth cultural dimension that he labeled Confucian dynamism (later called short and long term orientation) while conducting the Chinese Value Survey.

Hofstede's five cultural dimensions used in this study are as follows:

1. Power distance (PD): "Measuring the degree of inequality in society" as viewed by the worker.
2. Individualism/collectivism (IND): "Individualism pertains to societies in which ties between individuals are loose," while collectivism pertains to "societies in which people from birth onwards are integrated into strong, cohesive in-groups."
3. Masculinity (MAS): Pertains to "societies in which social gender roles are clearly distinct," while femininity pertains to "societies in which social gender roles overlap."
4. Uncertainty avoidance (UA): "The (in)tolerance of ambiguity in society."
5. Long-term orientation (LTO): "Fostering of virtues oriented towards future rewards, in particular perseverance and thrift."

The three reforms

There are three ways to reform a society. The first is the political model that is designed to create the form of power and influence in the society. The second reform is the economic system that is put into place. The third reform are the social changes and institutions that establish the interaction between government and the citizens. How these three structures are shaped and the associated institutions that are formed determine the success or failure of the ability of the society to achieve reform. The stability or instability within the society is created by the combination of how these three reforms interact with success or failure.

The communist world

The communist world had as its pillar the people and their needs. All in the economic and social area were centered upon the equality of the people. Of course the methods and evolving institutions that were present had many imperfections. However, everyone within the society understood completely how to create and organize their life.

They understood what to expect from the governmental institutions in achieving this goal. They understood how everything worked in regard to their life. This certainty of life and the society established a total “cradle to grave” methodology of living.

When the new revolutions began, it was decided by virtually every political entity that all previous institutions be thrown out regardless if the institutions were working or not. It was not considered what implications this would have for the society. This reform effort did not take into consideration the basic values of the people, the reliance of the people upon the government and the inability to adapt and adjust quickly within the nation. The underlying opinion was for what was called, shock therapy. By completely eliminating the old institutions, it would be easier to establish the new institutions. Inherent in this philosophy for reform was a complete lack of understanding of the cultural characteristics of the society and the institutions that were created over time by these characteristics.

The total destruction of the institutions within the nations that the people relied upon, placed the people not only at economic and social risk, but the new systems put into place often were at odds with their very core values. The result was that often the political support for reform never gained the support by the populace. In order for a government to have the necessary time to institute the needed reforms, it has to have the support of the people or it will have to become authoritarian. One only has to look at several of the studied countries and see that this has in actuality happened.

The reality of what has occurred in virtually all the countries that were studied has been the opposite. With the support of the West, with the encouragement of so-called experts, the societies have been re-shaped using first the establishment of the new political model, democracy, while at the same time destroying the factories and work of millions of people. The social safety net was destroyed as well due to lack of tax revenue which was due to the closing of the factories. It was a vicious circle with the people in the middle. They lost their means to live. They lost their understanding of how to survive. They had nothing to replace it with for them or their children. A generation was totally lost to the nation. The pundits would proclaim it was for the overall good of the country, but good for whom? With no social institutions established, with no economic models that worked, with little real democracy in place to hinder the oligarchy; chaos has reigned. The result has been the entrenchment of a power elite in politics, the establishment of a monopoly society in economics, and the total lack of social safety nets.

Uzbekistan, Belarus, Russia and Ukraine have all established a democratic dictatorship based upon virtual control by one party. Virtually every other former communist nation has had a series of new governments that usually were from one spectrum of ideology to the opposite seeking to find a successful governing model. The many reform efforts in each country have died a slow death as the people have become tired of constant change. This has fostered an environment that can easily result in a leader who is authoritarian in nature. Putin is evidence of this as his strong leadership was seen by the people as a way to eliminate the constant changes while establishing a form of stability. As Putin entrenches his rule into a quasi-dictatorship and others do the same, the evidence of the strong core values of these nations require a better understanding. Do they actually support and create the environment for such a ruling methodology or is this type of rule against the cultural norms of the society? In other nations is this also true? The desire for stability and its associated institutions that people can rely upon and organize their individual lives around, is the trait that is most prevalent. Thus, foremost is the need for social stability first.

From the social stability can come economic reforms aimed at providing the average person with certain outcomes from their work and their life efforts. This stability is the core value for the political arena. After a certain level of stability of the society is obtained, the political reforms can be created that will institutionalize the new society using the core

values of that society. Once the political area is stable, then economic reforms can occur that again take into consideration the core values of the society, in the case of the FCN, a low IND nature among the people. To try to use a model that has a high IND value as its core value will only create instability among the three pillars of the society.

The long term possibilities are fraught with danger as the core values have not been used as the basis for any of the three pillars of society. One has only to look at the individual nations to realize that those who have used the core values the most, have been most successful at reform. Czech, Hungary, Poland, Lithuania, even Kyrgyzstan and Bulgaria have done so the best. Those that have done the least, virtually all other countries have a society that has a few rich, and the rest of society lives in total poverty with little hope of ever changing their lives. No longer is a road map present as to how to succeed, rather to leave the country is the best way to success. Within the societies the entrepreneurial members of the society are not given a means to develop their talents but rather hindered from doing so by either criminal elements or the government bureaucracy itself.

THE RESEARCH PROJECT

The authors' research undertook an exhaustive examination of the cultural dimensions and characteristics of eight countries. The groups studied were factory workers from similar factories in the countries of Russia, Ukraine, Latvia, Lithuania, Poland, Romania, Bulgaria, and the Czech Republic. Additional available research studies provide cultural values for Hungary, Estonia, Slovenia, Croatia and Serbia that establishes the underlying cultural characteristics of these nations. The results of this research allows governments, universities researchers, management experts, and cross cultural studies to understand better the impact of reforms upon the population, various institutions, agricultural operations, manufacturing entities and the various theories of management and organization which have been coming from the United States, Europe and Asia.

The research instrument used in this study is the widely accepted Hofstede VSM 94 Cultural Dimension survey. This VSM 94 survey has been utilized by over 300 research efforts in over 100 nations to establish a comparison data bank of cultural characteristics. The addition of these results will provide the first cross-cultural comparison between the reforming economies and the other nations of the world. The results of the authors' research are shown in Table 1 (see Table 1 in the Appendix).

Additionally, as shown in Table 2, Hofstede's has created a summary of other studies that have provided the cultural values of countries that the current authors have not personally collected the data for but have studied and researched these results (see Table 2 in the Appendix).

Because of the difficulty of conducting social research in the former communist nations, the scores show in Table 3 were estimated by various scholars and summarized by Hofstede in 2001 (see Table 3 in the Appendix). They provide insight into how the viewpoint of these nations has varied from the reality which has influenced the social economic and political changes over time.

Research project findings

The research project results indicate that there are large differences in the cultural characteristics of the nations studied yet the results provide a basis for a Communist Cultural Model. This Communist Cultural Model has the following characteristics:

1. Low Individualism score
2. Low-Moderate Power Distance score

3. High Uncertainty Avoidance score
4. Low Masculinity score
5. Low Long Term Orientation score

The various research papers from the past had prognosticated a very different cultural model than these results provide. Previous studies indicate that the nations that were studied were viewed as having a high Masculinity value, a high Power Distance Value and with mixed reviews a Low Uncertainty Avoidance value (Hofstede 2010). Since these results do not fit what was thought to be the Communist values the results indicate that the outside view of these nations was flawed at best and perhaps even totally distorted.

Perhaps the most significant tendency indicated from this survey is that an understanding of communism was filled more with propaganda than fact. In reality, the tenants of communism is based upon worker participation. All of the countries scored very high on Uncertainty Avoidance while scoring low on Masculinity, certainly an indication of this point.

Analyzing the Communist Cultural Model characteristics

This study shows Low Individualism score in the countries of Russia, Ukraine, Latvia, Lithuania, and Poland are among the lowest measured scores in the world while Poland, Romania, Czech and Bulgaria are in the lower moderate range. One of the perceived characteristics of the former communist nations is that they are very collectivist due to the very definition of communism being the society works for the state (Allen, Bartlett and Colegrove 1967). After such a long period of communist rule it is not surprising that most of the countries have a low IND value.

These results showing a Low-Moderate Power Distance score is surprising in that most researchers viewed the communist world as being highly oriented to top down form of management. But when the presence of 100% unionization is realized, there was democracy in the workplace. Thus the workers have the ability to participate in the decisions and find the distance between management and workers to be much lower than anticipated.

High Uncertainty Avoidance scores everywhere except Poland are indicative of a society that requires a path in life that is consistent and predictable. Each country was organized so that every citizen knew exactly what the process was to achieve what they desired. The state controlled all facets of life (Allen, Bartlett and Colegrove pg. 128, 1967).

Low Masculinity score provides evidence that the societies under communism were organized so as to provide for the family as a part of society more than the individual separating themselves from the society. A collective mentality is a part of the Feminine side of this value.

Low Long Term Orientation score is not as definitive due to the lack of research however those countries that were studied are very low on this dimension. This indicates a propensity toward short term results. Much more research must be conducted before any coherent conclusion can be reached.

Analysis of perceived vs measured results

Measuring culture is inherently biased from the viewpoint of the research instrument creator (Dumitz 2012) which establishes the need to compare the perceived cultural values from those actually measured. This research provides a rich insight into the many misperceptions of the communist world nations and the reality of their culture. Table 4 shows the differences in perceived values and measured values (see Table 4 in the Appendix).

The estimation of the cultural values compared to the results of this study is dramatic in scope but mostly agrees in direction. Bulgaria and Poland appears to be the most misunderstood of the five nations but each country had one or more dramatic differences. Bulgaria has a much higher IND score while a much lower PD score as did all nations in the perceived estimates. Poland also was vastly different in reality from the perception in IND, PD, UA and MAS. Romania also had a higher IND score while having a much lower PD score, UA score and MAS score. Russia had a much lower PD score and a lower MAS score as well. This supports the impression that the communist world was not well understood in the past and why reliable, accurate, and detailed research is so valuable to understanding the underlying cultural values inherent to each nation and overall viewpoint of the communist world in Europe.

What does it mean to foreign companies?

The results of this study indicate that foreign interference at any level would not be very acceptable, especially in the micro arena of the factory. Perhaps the decline of the manufacturing segment during the Communist years can be attributed to this trait making changes within the manufacturing environment difficult if not impossible. Changes during the 1980-2000 periods were world-wide and provided a host of new methods that to be competitive, forced companies to change. The total lack of desire for this type of change, as these values indicate, would have impeded any attempt at new concepts and ideas being adapted readily into the manufacturing environment. Perhaps the decline of the communist model can be attributed to this inability to adapt and adjust as much as the basic values of the communist system itself.

The moderate to low individualism scores in this study show a tendency toward low entrepreneurial efforts. Within every society there are entrepreneurial workers (Bradley 2003) that exhibit the traits associated with being an entrepreneur, however, if the society has values which are institutionalized to impede such entrepreneurial efforts, the society as a whole will find itself unable to grow into a modern capitalistic type system. The combination of low Individualism and high Uncertainty Avoidance would seem to establish that over time, the various governmental and economic structures will not be oriented toward an entrepreneurial society but rather a risk averse society, i.e. socialism in some form. A further indication of this is contained in the complex combination of low IND, high UA, very low MAS and a moderate to long LTO value. While making conclusions using this complex combination of values is fraught with danger, the similarity in this combination among all studied countries certainly can point towards a society that is highly risk averse. In the socialist nations of Europe this combination is offset by high IND values that provide an entrepreneurial society that is also social in nature. The former communist nations do not show any such tendency from the scores of this study.

Most previous literature pointed toward a high PD value for the former communist nations. However, this study has found the values to be moderate to low in nature. A previous study by one of the authors also found that the PD values were moderate in Russia and Ukraine. The basis for this finding can be examined in two areas, the power of the Trade Unions within all former communist nations and the responsibilities of the manager within the factory environment.

Each trade within the former Soviet Union had its own Union. This Union was responsible for taking care of the worker. The power of the Union was large especially within the context of the individual factory. The power was shared with management but was almost a co-equal sharing.

The factory manager was not in the Western mode of overall responsibility for the running of the factory, rather their task was to take care of the needs of the worker. Each

factory was organized much like a small city in the west. The needs of the workers were totally centered upon the factory. This meant that schools, transport, medical centers, apartments, stores and vacation hotels were all owned by the factory. The manager was responsible for making certain that these needs were taken care of for the workers within the factory. The logistics of the factory was a shared task within the factory and shared with the Union heads. Thus, a very different power structure was created that was virtually the same across all of the communist nations. This was less in Eastern Europe that was not in the control of the central authorities in the same fashion as those regions of the former Soviet Union.

The actual structure of the factory lends itself to being a low Power Distance model. The nature of a low PD value is an equal distribution of power and the communist model at the micro level was a shared power model. The west has always viewed communism from the perspective of the macro level rather than the micro level. When considering the size and differences among the Soviet peoples, the ability to institute a macro model was a challenge that was never overcome and partly responsible for the collapse of the economic system. But the viewpoint that the society and the institutions are the same as the mandated central authority that was the communist model is flawed. The proper viewpoint is within the society and how it functions. The Hofstede values are based upon the institutionalization of the combination of values held by the society. This micro viewpoint at the factory and society level within the former communist nations was in direct conflict with the macro version of central authority. That was the fatal flaw of the communist model that is reflected by the finding of a low PD value across all countries.

The low masculine trait shows an orientation toward the needs of the family, the society and social function rather than an emphasis upon work. These values are among the lowest in the world. This score can perhaps provide the basis for understanding the ability of the communist revolution to succeed as the society held many of the values that are associated with communism. Because the model was flawed economically does not mean that the society did not have similar values to the goals of communism. This trait more than any other is an indication of this commonly held desire for a social orientation within the state rather than an individual orientation. When taken in the context of the Scandinavian nations that are very socialist in nature, the much lower IND score and the extremely low MAS score can provide some future prognostications that many of these nations will revert to a very socialist orientation. It is in their nature to have a society that is not individualist but rather is perhaps the most in the world at believing that everyone should be at a common level. A reversion to some form of communist ideology is certainly within the realm of possibilities from these findings.

The least studied of the Hofstede values is Long Term Orientation. A very limited number of countries have been studied so that it is difficult to know what a low or moderate value is. However, it would seem that most nations studied are with a low to moderate LTO value. This indicates a tendency toward lack of patience and a desire for change quickly. But one must also remember the extremely high scores for UA. The societies appear to have a duality that is in conflict. While not liking change, they also wish to have results now rather than in the future. Put in the context of political and economic changes that are forced upon the people, it would be easy to see a lack of patience for the results of the forced changes creating societies that will undergo many adjustments perhaps even several revolutions until a symmetry is found between the lack of patience with results and the need for a certain expectation model. One can see how many times the elections have changed the leadership for almost every country from former communists to reformers and back again. This duality of values of LTO and UA would support this result.

Conflicts are inevitable within societies that have undergone the incredible changes that the collapse of the former communist nations has established. The combination of

values within these nations, almost universally can prognosticate the continuing evolution toward a more socialist society. The basic values of the people are socialist perhaps even communist in nature. Imposing western values on top of such a society will only create more rather than less conflict. The need for reform that takes into account the basic values rather than imposed value structures is more likely to succeed. The findings of this research can provide the beginnings of an understanding as to where the society's institutions can best be organized and valued. The institutionalizing within the new countries must consider their basic values or forever be subject to conflict and change. These constant changes will do more damage to the society's ability to finally establish a free and open nation built on laws and institutions. The western model must not be used but rather a model that is oriented to the communal nature of the people. The USA model of total individualism is perhaps the least needed rather than the most needed. The Scandinavian model would seem to be the most efficient if the society can allow the entrepreneur to flourish rather than stymie their development.

Over the last ten years, a host of foreign experts have gone to virtually all of these nations to give advice, conduct training sessions, and revamp factories with very poor results. The lack of ability to understand these characteristics is the underlying cause of poor communication as well as the attempt to implement new practices which are at disagreement with the underlying values of the workers and society. The authors have heard the words over and over again from both the work sector and the academic researchers that "no one understands our methods and work culture". What they are saying is simply, the unique values of each country are not what others understand them to be and the methods that foreign companies use in management are in conflict with the values and institutions of the host nation. The result has been an inability to adapt and adjust to the local values and methods.

CONCLUSIONS AND IMPLICATIONS FOR THE FUTURE

By finally establishing the framework for a cross-cultural examination of the management theories and practices of foreign companies, of local reformers and of the many scientific researchers in these countries, a real workable model can be developed that can be used to create successful practices of foreign investors within the local culture. Because estimates of the cultural values have not been proven to be accurate, accurate measures "could be vitally important should future joint-venture efforts seek to become successful and long lasting" (Bradley, 2014). In addition, the communication methods can consider the unique cultural values of the nations. This allows for an ability to conduct training which will facilitate two way communications between the local and foreign managers, workers and investors. This would include industry, agricultural and governmental institutions.

A picture of the values and characteristics of all the former communist nations can now provide the framework for a comprehensive effort to understand how and why the institutions function and how they can adjust and adapt to the changing needs of a reforming market economy.

Implications for management techniques

Almost by definition, the management techniques of the west are not applicable to any of these nations. The values of the society are very dissimilar to the west in Individualism, Uncertainty Avoidance and Masculinity. To use the Scandinavian model is also fraught with danger as the IND is much too low in the former communist nations. The

Asian models might have much more to offer as they are collective in nature while having a high UA and MAS value as the FCN also have as their core values.

The recent integration of many nations in the European Union has provided stability and markets but is also fraught with danger if these nations (Czech, Poland, Hungary, Lithuania, Latvia and Estonia) try to adopt western value systems. Rather they must evolve their own techniques using Asian models and perhaps Scandinavian techniques of management.

Implications for social reform

All societies undergo constant reform as new laws and ideas become the legal structures of the society. Over time these new laws may or may not become institutionalized within the society. It is the conflict between the values of the society and the legal structures of the society that all reforms are based upon. When the reforms are making the legal structures more similar to the national values, the society become more secure, stronger and in general terms, more satisfied with who it is. When the reforms take the country away from the basic values, then the conflicts often become rebellion or the underlying institutions circumvent the legal system. It is vital that the ability to “adapt local customs rather than imposing ethnocentric systems and values” will make it inherently easier for citizens and societies to establish a workable institution (Bradley, 1999).

The high UA of every one of the former communist nations means quite simply that the societies must evolve more in their transformation rather than just having a total revolution. Unfortunately, the model used in the early days of changes was, “do it all at one time.” This was in total conflict with the values of the society. When this is done in a short time frame, often a counter-revolution can and will occur. Values are what the people are and believe and cannot be ignored during reforms. Only now are the results of these reforms that did not consider the values of the society being seen as elections overturn the ruling parties. The continuing change to the societies due to reforms that don’t work has created instability rather than stability.

Underlying all other reform efforts, the success or failure of the political reforms is necessary to establish the continuity and time that is needed to allow the countries to become stable growth economies and nations. The low to moderate LTO, the high UA, and the very low MAS all are indications that the society would prefer a “GO SLOW” mentality with fast results. Certainly not an easy way to reform the entire society in the economic, political and social areas.

Influences upon the cultural values

There are many interesting influences upon the values that this study has seen. The Islamic influence can be seen in Uzbekistan with a very low Power Distance value, high MAS value and high IND value. Perhaps among all nations of the FCN, Uzbekistan has the most prevalent western values for economic success. However, it also has a dictator who is not in favor of strong reforms to utilize the core values of the nation effectively in the economic area.

Among the FCN Bulgaria, Poland, Hungary and Czech have the most successful economies. It can be seen that the core values are present for the continued expansion within these countries for economic reforms. It is very interesting that Poland has the most Union influence as evidenced by the election of the Union president as the first elected President in the country. One can see the extremely low Power distance value, 1, as evidence of this. This is also further evidence that the unexpected low PD values for all nations were influenced by power of the Trade Unions.

Another interesting result is the similarity of Russia and Ukraine. They have virtually the same core values. The recent election turmoil in Ukraine is perhaps based on perception more than reality of different values. It would seem that the people are much the same in what they desire in their institutions. Perhaps the future will show an integration of the two societies as they realize that they share much more in common than with other nations in Europe.

Implications for political democratic maturity

The ability to establish a historical record of reform leading to the entrenchment of democratic methods within the former communist nations will become the cornerstone for future development. This evolution of democracy will certainly be at a different speed for each nation, perhaps based upon the cultural characteristics. The methods of evolution and the ultimate resolution will certainly be based upon the cultural characteristics. The examination of each country with emphasis upon the degree of success and reform is in order.

REFERENCES

- Allen, R. V., Bartlett, H., & Colegrove, K. W. (1967). *Democracy and communism: theory and action*. Publ. and distributed for the Institute of Fiscal and Political Education by Van Nostrand.
- Bradley, T. L. (1999). Cultural Dimensions of Russia: Implications for international companies in a changing economy. *Thunderbird International Business Review*, 41(1), 49-68.
- Bradley, T. L. (2014). *Scholars Press, Publisher: Verlag. An inquiry into the cultural differences of entrepreneurs and nonentrepreneurs in the former communist nations of Russia, Ukraine, Latvia, Lithuania, Romania, the Czech Republic, Poland, Armenia, Uzbekistan, Bulgaria, and Kyrgyzstan*. Pg. 204.
- Dumetz, J. (ed.) (2012), *Cross-cultural Management Textbook: Lessons from the world leading experts*, Create Space Independent Publishing Platform.
- Edward, B. (1958). *The Moral Basis of a Backward Society*. Glencoe, 111, 85.
- Boyacigiller, N. A., & Adler, N. J. (1991). The parochial dinosaur: Organizational science in a global context. *Academy of management Review*, 16(2), 262-290.
- Hezel, F. X. (2009). *The role of culture in economic development*. Micronesian Seminar.
- Hofstede, G. (1984). *Culture's consequences: International differences in work-related values* (Vol. 5). London, Sage.
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across cultures*. London, Sage.
- Hofstede, G. (2010). The GLOBE debate: Back to relevance. *Journal of International Business Studies*, 41(8), 1339-1346.
- Hofstede, G., & Bond, M. H. (1988). The Confucius connection: From cultural roots to economic growth. *Organizational dynamics*, 16(4), 5-21.
- Hoppe, M. H. (1990). *A comparative study of country elites*. UMI dissertation services.
- Landes, David S, *The Wealth and Poverty of Nations*. W.W. Norton and Company, London, 1998.
- Morey, N. C., & Luthans, F. (1984). An emic perspective and ethnoscience methods for organizational research. *Academy of Management Review*, 9(1), 27-36.
- Putnam, R. D. (1993). The prosperous community. *The American Prospect*, 4(13), 35-42.
- Søndergaard, M. (1994). Research note: Hofstede's consequences: a study of reviews, citations and replications. *Organization studies*, 15(3), 447-456.

- Weber, M. (1978). The distribution of power within the political community: Class, status, party. *Economy and society*, 2, 926-940.
- Weber, M. (1978). *Economy and society: An outline of interpretive sociology* (G Roth & C. Wittich, Eds.; E. Fischoff et al., Trans., 2 Vols.). Berkeley: University of California Press. (Original work published 1921-1922).
- Furnham, A, Kirkcaldy, B.D., & Lynn, R. (1994). *Human relations*, 47, 1, 119-132.
- Landes, David S, W.W. Norton and Company, London (1998). *The Wealth and Poverty of Nations*.
- Schwartz, S.H. (1999) *Applied Psychology: An International Review*, 48(1), 23-47
- Weber, M. (1978). *Economy and society: An outline of interpretive sociology* (Ed: G Roth & C. Wittich). University of California Press, Berkely, Ca.
- Van de Vijver, F. & Leung, K, (1997). Thousand Oaks Ca. Sage. *Methods and data analysis for cross-cultural research*.
- Wittich, Eds.; E. Fischoff et al., Trans., 2 Vols.). Berkeley: University of California Press. (Original work published 1921-1922).

APPENDIX**Table 1**

Cultural Values of Eastern European Factory Workers; results from Study done by the authors

Country	n	IND	PD	UA	MAS	LTO
Russia	551	31	40	102	6	36
Ukraine	408	27	48	93	0	50
Romania	257	49	33	73	24	28
Latvia	271	23	25	99	26	16
Lithuania	339	8	30	94	8	23
Czech	299	41	47	64	50	34
Poland	319	23	1	55	27	22
Bulgaria	181	49	13	101	46	49
Mean		30	32	86	19	33

Note. Hofstede's cultural dimensional values calculation using VSM 94 survey

Table 2

Additional Measured Cultural Values from Hofstede 2001

Country	IND	PD	UA	MAS	LTO
Serbia	25	33	92	43	
Slovenia	27	71	88	19	
Estonia	60	40	60	30	
Croatia	33	73	80	40	
Slovakia	52	104	51	110	38
Mean	39	64	74	48	

Note: From Hofstede 2010

Table 3

Summary of Estimated scores Hofstede 2001

	IND	PD	UA	MAS	LTO
Bulgaria	30	70	85	40	
Czech	58	57	74	57	13
Estonia	60	40	60	30	
Poland	60	68	93	64	32
Romania	30	90	90	42	
Russia	39	93	95	36	
Slovakia	52	104	51	110	38

Scores compiled by Hofstede 2001 pg. 502 from a variety of source estimates

Table 4

Differences in perceived values and measured values

	IND	IND Perceived	PD	PD Perceived	UA	UA Perceived	MAS	MAS Perceived	LTO
Bulgaria	49	30	13	70	101	85	46	40	
Czech	41	58	47	57	64	74	50	57	
Poland	23	60	1	68	55	93	27	64	32
Romania	49	30	33	90	73	90	24	42	28
Russia	31	39	40	93	102	95	6	36	36

Compiled using authors research combined with Hofstede estimated values.