

## ANALYSIS OF THE “POWER DISTANCE” AND “AVOIDANCE OF RISK AND UNCERTAINTY” DIMENSIONS ON RELATIONS BETWEEN EMPLOYEES IN ORGANIZATIONS IN THE REPUBLIC OF SERBIA

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### Abstract:

The aim of the research was to examine and analyze the relationship between social and demographic variables and respondents' opinions on the relationship of managers to the organization and other employees. Also the aim was exploring the relationship employees have with their superiors, as well as respondents' opinions on the possible impact of the “power distance” and “risk and uncertainty avoidance” dimensions on the processes of creating and developing mutual relations. The research was conducted on the territory of the Republic of Serbia in the last quarter of 2020 on a sample of a total of 140 respondents. The methods used for the statistical data processing were descriptive statistics methods and single and multi-factor analysis using the ANOVA. The results of the research indicate that managers in the organizations in which the respondents are employed are more task-oriented than people-oriented and that they do not have a daily exchange with employees. Also, of the total number of respondents in this survey, more than half of respondents believe that it is difficult to develop independent entrepreneurship in the Republic of Serbia, two thirds of respondents worry about safety and duration of employment, and the same percentage believe that most employees in Serbia do not resign from work for the fear of not finding the same or similar job in their profession. Furthermore, the results of this research indicate that the labor market in the Republic of Serbia has qualified human resources that are able to respond to the demands of the modern digital environment.

**Keywords:** power distance dimension; risk and uncertainty avoidance dimension; Hofstede 6-D model; 6-D model of national culture

**JEL Classification:** J50; J81; Z13.

### Introduction

In today's global business environment, and especially under the influence of the COVID-19 pandemic, managers, business people and employees in general are instructed to achieve significant interactive relationships to maintain business relationships and processes at projected levels. Although in the pandemic period mutual business interactions between managers and employees are largely based on digital tools and platforms, they are still significantly determined by cultural norms and values. This is especially important when emphasizing the fact that it often happens that work motivation proven successful in one culture can be inadequate and even

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counterproductive in another culture. As a result, modern organizations should be ready to adapt their own strategies, processes, activities and methods for achieving goals to the socio-cultural environment in which they operate (Francesco and Gold 2005; Perčić and Mamula 2020).

## 1. Literature review

Although different authors such identified different dimensions of national cultures (Schwart 1992; Trompenaars, 1994; Javidan, Dorfman, De Luque & House 2006), the authors of this paper used the dimensions set by the Dutch psychologist and professor – Geert Hofstede, who initially set the following four basic dimensions while the last two are the latest, i.e. they were added to the model later, so at this point Hofstede's 6-D model (The 6-D model of national culture), based on which it is possible to determine and distinguish national cultures, encompasses the following six dimensions (Hofstede 1980):

- Power Distance – PDI;
- Uncertainty Avoidance – UAI;
- Individualism/Collectivism – IDV/COL;
- Masculine/Feminine – MAS/FEM;
- Long Term Orientation – LTO;
- Indulgence.

The focus within this research was to point out that different variables of organizational behaviour are exposed to strong influences of national cultures. According to the author Hofstede, the differences between the basic determinants of national cultures and their influence on the successful management of organizations became increasingly important in modern economy (Hofstede 2021). Numerous authors point out that national culture is a significant factor determining the profile of individual values, but that it also significantly affects organizational values, i.e. organizational culture (Hofstede 1980; Trompenaars and Hampden-Turner 1997; House, Hanges, Javidan, Dorfman and Gupta 2004; Vukonjanski 2013).

In support of the above, Hofstede further emphasizes that the national culture is similar to mental programming, i.e. that it actually represents a pattern for the way of thinking, developing feelings and behaviour, i.e. that it represents a pattern of action that each person acquires in childhood and applies throughout life (Hostede 2021; Janićijević 2013). However, in the function of discussion and presentation of the obtained results and conclusions, the authors used two dimensions of Hofstede's six-dimensional cultural model (Power Distance – PDI and Uncertainty Avoidance – UAI), which according to his claims, but also according to the authors', are the dimensions with the greatest influence on the issues that are primarily examined within this research. Also, the authors' choice was to focus on these two dimensions caused by high estimated values according to Hofstede's six-dimensional cultural model for the Republic of Serbia. The tendency of the authors is, to use all six dimensions of the mentioned model in some future research, but in this case due to the focus of the research, as well as research limitations, Power Distance – PDI and Uncertainty Avoidance - UAI dimensions were taken as a basis.

The Power Distance – PDI dimension of the Hofstede's six-dimensional cultural model, in fact, initially originates from the concept set by Mulder. Observing certain phenomena, he concluded that the potential lies in directing the behaviour of another person directly, and power distance represents the level of inequality between members of society (Mulder 1977). This dimension was further elaborated by Hofstede, who pointed out that it is actually based on the existence of inequality in society, while in the organizational context it actually represents a measure of interpersonal influence of "superiors" on "subordinates", i.e. managers on employees in the organization. According to the Hofstede, in cultures where the power distance is high, in the organizational context, managers are mostly focused on tasks and not on employees, decisions are largely made centrally, i.e. there is an autocratic way of management. According to Kirkman et al., in national cultures, and to a large extent in organizations that are under the influence of national cultures in which there is a high power distance, "power", "prestige" and "status" are highly valued. When the standard of living is included in the consideration of this dimension, it can be further concluded that a high power distance index does not actually favors the growth of this category, and is even often counterproductive in terms of many forms of social progress because in many cases individuals are forced to respect the norms that have been surpassed in order to maintain a certain "status quo"

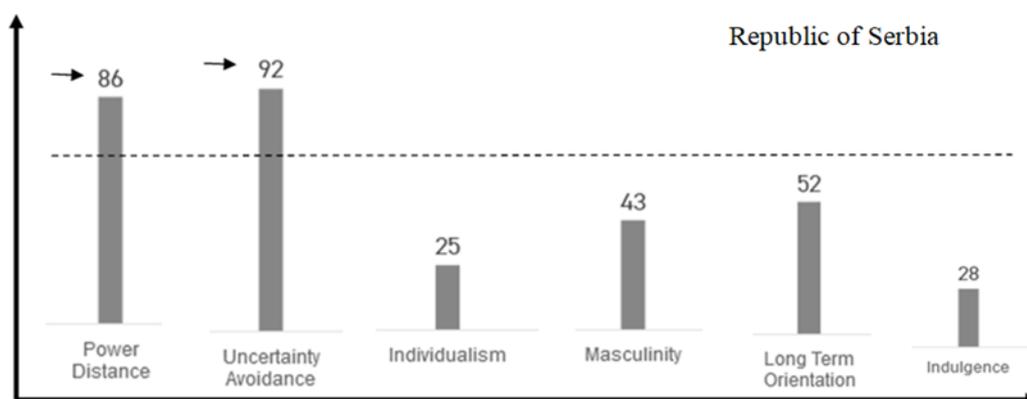
(Kirkman, Chen, Farh, Chen and Lowe 2009). This corresponds to the fact that a high power distance, together with the dominant collectivism, is never the basis for the development of creativity, entrepreneurial spirit and entrepreneurship in general (Khatri 2009). Also, the high power distance is by no means a positive basis and progressive climate for the development of innovations, which are actually one of the main driving forces of development of organizations and economic development in general.

The second dimension on which this research is in principle based, refers to the dimension of risk and uncertainty avoidance (Uncertainty Avoidance) in the organizational context. Just like with the first dimension, this dimension has a significant impact on the degree of innovativeness in society and on organizational and individual level. In support of the above, the results obtained by Shane (Shane 1993). Cultural influences on national rates of innovation. *Journal of Business Venturing*, 8(1), pp. 59-73., within one of the first comprehensive studies in this area, which was conducted on a sample of 33 countries, are highlighted. Shane came to the conclusion that the high level of risk and uncertainty avoidance hinders, inhibits and adversely affects the development of innovation, not only at the individual and organizational level, but also adversely affects the development of innovations in whole societies. In this context, it is important to point out that in addition to the significant connection of this dimension and its impact on the development of innovation, it also has strong links and a significant impact on the development of entrepreneurship. There is a strong and direct connection between the cultural segment of the risk and uncertainty avoidance dimension and the development of entrepreneurship and economic development of the society (Wennekers, Wennekers, Thurik and Reynolds 2005). According to Pendiuc and Lis, in countries where the value of risk and avoidance uncertainty index is low, there is generally a positive attitude among people about the need to develop entrepreneurial spirit, search for new opportunities, new market niches and of course a positive attitude about the necessity of risk management (Pendiuc and Lis 2013).

From the organizational aspect, this dimension significantly affects the formation of managerial management style, while in employees it affects work performance, but also the level of stress caused by business activities. According to Debus et al., employees who live and work in cultures where the value of this dimension is high, very often form and express negative attitudes towards business activities and about their job where they are constantly exposed to the risk of losing it because such a situation results in their constant exposure to high levels of stress (Debus, König, Probst, Kleinmann 2012). Hofstede and Rodriguez-Calcano found a link between the high value of this dimension and the phenomenon of nervousness and stress in employees. In these cultures employees feel uncomfortable in situations that are "new" and "insufficiently known" because these situations cause them a feeling of concern and discomfort (Hofstede 2001; Rodriguez-Calcano 2005).

Regarding the value of the dimensions of power distance and avoidance of risk and uncertainty, specifically observed in the Republic of Serbia, the situation is as follows. According to the site [hofstede-insights.com](https://www.hofstede-insights.com/country/serbia/) (<https://www.hofstede-insights.com/country/serbia/>), in the Republic of Serbia, two dimensions that are in the focus of this research, Power Distance and Uncertainty Avoidance, record very high values. According to the source, the estimated values of all six dimensions, according to the Hofstede 6-D model of national culture, for the Republic of Serbia are shown in the following chart.

Chart 1. Estimation of the value of all six dimensions for the Republic of Serbia, observed according to the Hofstede 6-D model of national culture. Source: author's presentation based on the source [hofstede-insights.com](https://www.hofstede-insights.com)



Source: <https://www.hofstede-insights.com/country/serbia/>

As can be seen in the Republic of Serbia, the values of the Power Distance and Uncertainty Avoidance dimensions are extremely high: Power Distance has index 86, while the dimension Uncertainty Avoidance has index 92. Given that the dimension of Power Distance is determined by the relationship between national culture and the degree of inequality of individuals in society, its high index for the Republic of Serbia indicates the problem of inequality, but also indicates a high degree of acceptance of an uneven distribution of power, which certainly has a significant impact on the style of management in organizations, as well as on relations between employees and managers. According to the site [www.hofstede-insights.com](http://www.hofstede-insights.com), a high index of this dimension for the Republic of Serbia means that "people accept a hierarchical order in which everyone has a place and does not require additional explanation, then that the hierarchy in the organization reflects innate inequalities, and that there is pronounced centralization, i.e. that the autocratic style of leadership is widespread and pronounced".

As for the Uncertainty Avoidance dimension, it is based on the way society copes with the fact that future events are difficult to predict with great accuracy. The high index of this dimension indicates that in the Republic of Serbia there is an attitude that represents significant attempts to maintain the status quo, i.e. an attitude based on "avoiding insecurity, maintaining rigid hierarchies, respecting codes of belief and behaviour with intolerance of unorthodox behaviour and ideas". A high index of this dimension, according to the same source, also represents a strong emotional need for rules (even if the rules never seem to work), but also represents a "high degree of resistance to change and innovation", although entrepreneurship and innovation are the backbone of the development of modern societies and organizations.

In order to draw certain conclusions and recommendations for further transformation of organizations and improvement of their competitiveness through the improvement of human resources, primarily organizations operating in the Republic of Serbia, but also organizations exposed to similar national cultural and organizational values, the authors of this paper conducted this research.

## **2. Methodology**

### **2.1. Goal of the research**

The aim of this research was to examine and analyse the relationship between sociodemographic variables (gender, age, monthly personal income of the respondent and monthly personal income of the respondent's household) and respondents' opinions on the attitude of managers towards the organization and other employees, but also of employees towards superiors, as well as the opinions of the respondents on the possible influence of the "power distance" and "avoidance of risk and uncertainty" dimensions on the processes of creating and developing mutual relations in the organizations in which the respondents are employed.

#### **Hypotheses**

Hypothesis H01. There is a statically significant difference between respondents of different gender about the claim that managers in an organization they work for are more task-oriented than people-oriented.

Hypothesis H02. There is a statically significant difference between respondents of different age about the claim that managers in an organization they work for are more task-oriented than people-oriented.

Hypothesis H03. There is a statically significant difference between respondents of different age about the claim that there is a strict hierarchical organization in the organization in which they are employed.

Hypothesis H04. The linear combination of predictors proves to be important for predicting all dependent variables by which we examined the respondents' opinion about the attitude towards superiors and the organization in which they work.

Hypothesis H05. There is a positive correlation between the two dependent variables which represent the respondents' claims that most employees in Serbia worry about the safety and duration of employment, and that there are many qualified people in the Serbian labour market who are able to meet the demands of the modern digital environment.

### **2.2. Data collection and sample description**

The mentioned research was conducted on the territory of the Republic of Serbia in the last quarter of 2020 on a sample of a total of 140 respondents. Out of the total number of respondents, 84 male respondents participated in the research, while 56 respondents were female. Of the total number of respondents, observed by age groups, 8.6% of respondents were younger than 20, 14.3% of respondents were aged between 20 and 30, 11.4% of

respondents belonged to the age category between 31 and 40, 31.4% of respondents fell into the age category between 41 and 50, 25.7% of respondents fell between 51 and 65, while 8.6% of respondents were at that time over 65 years of age. Of the total number of respondents, observed by age groups, the sample structure included 62.9% employed, 17.1% unemployed, 5.7% pupils, 5.7% students and 8.6% are retired.

According to the number of household members, out of the total number of respondents, 5.7% of respondents stated that they live independently, 20% of respondents stated that they live in a two-member household, 25.7% live in a three-member household, 34.3% in a four-member household, 8.6% live in a five-member household, while 5.7% of respondents stated that they currently live in a household with over five members. Regarding the division of respondents according to how many members of their households earn income, the survey obtained the following results: in 20% of respondents only one member earns income, in 62.9% two members earn income, in 14.3% three members generate income, while in only 2.9% four members earn income. Of the total number of respondents, observed according to the answers received and according to the amount of personal monthly income, respondents are divided into the following categories: 11.4% do not earn personal income, 11.4% earn personal income below the average for the Republic of Serbia, 40% earn personal income in the amount of average income of the Republic of Serbia, 37.1% earn income above the average income of the Republic of Serbia. Of the total number of respondents, observed according to the amount of monthly household income, based on the answers received, respondents were divided into the following categories: 11.4% of respondents stated that they live in a household whose total income is below average, 57.1% stated that the household has an average income, 31.4% stated that they live in a household that has an income above the average in relation to the average income of the average household in the Republic of Serbia.

### 2.3. Methods

This quantitative research was conducted through a questionnaire in which the first part of the questions referred to respondents' socio-demographic data, while in the second part a group of dependent variables was operationalized through statements, which were evaluated on the Likert scale. With the mentioned statements, we examined the opinions of the respondents about the attitude towards their superiors and the organization in which they work. For data analysis we used descriptive analysis (percentages, arithmetic mean), Chi-squared test, t-test, one-factor analysis of variance, multiple linear regression and Pearson's correlation coefficient. The level of statistical significance was set at  $p < 0.05$ , and all obtained data were processed in the SPSS, version 23.

The independent variables in this study were gender, age, monthly personal income, monthly income of the household, number of members living in the household and number of household members earning income.

Dependent variables were used to examine respondents' attitudes toward superiors and the organization in which they work. It examined more than 10 claims where respondents, on a five-point Likert-type scale, assessed the extent to which they agreed with them.

### 3. Results of the research

**Table 1.** Research results

	1	2	3	4	5	NR
1. Managers in my company are more task-oriented than people-oriented	22.9%	11.4%	11.4%	34.3%	14.3%	5.7%
2. I have daily communication with my managers	20.0%	28.6%	8.6%	28.6%	5.7%	8.6%
3. There is a strict hierarchical organization in my company	8.6%	34.3%	17.1%	25.7%	5.7%	8.6%
4. Managers in my organization do not behave ethically on all occasions	11.4%	25.7%	22.9%	28.6%	2.9%	8.6%
5. I usually do not show emotions at work, especially when in contact with managers	5.7%	17.1%	34.3%	25.7%	8.6%	8.6%
6. When I do not have clear rules I am supposed to follow, I feel insecure and upset	11.4%	14.3%	28.6%	28.6%	8.6%	8.6%
7. It is easy to develop independent entrepreneurial business in Serbia	25.7%	34.3%	14.3%	8.6%	5.7%	11.4%
8. The majority of employees in Serbia worry about the safety and duration of their employment	0.0%	11.4%	11.4%	51.4%	17.1%	8.6%

9. The majority of employees in Serbia do not resign for the fear on not finding the same or similar job in their profession	0.0%	2.9%	20.0%	28.6%	40.0%	8.6%
10. There are enough qualified people capable of responding to the demands of modern and digital business environment on the labour market in Serbia	5.7%	11.4%	40.0%	17.1%	17.1%	8.6%

\*1 – Do not completely agree; 2 – I do not agree; 3 – I am not sure; 4 – I agree; 5 – I agree completely; NR – no response

Source: Authors

Almost every other respondent, 48.6%, thinks that managers in their organization are more task-oriented than people-oriented. Almost half of the respondents, 48.6%, do not feel that they have a daily communication with managers, and 42.9% do not think that there is a strict hierarchical organization in their company. 37.1% disagree with the statement that managers in their organization do not behave ethically on all occasions, while 31.5% of respondents agree. Emotions at work, especially in contact with managers, are not shown by 34.3% of respondents, and 37.2% of them feel insecure and upset when there are no clear rules in the workplace that should be followed. More than half of the surveyed - 60% do not think that it is easy to develop an independent entrepreneurial business in the Republic of Serbia. Slightly more than two thirds of respondents, 68.5%, believe that the majority of employees in Serbia worry about the safety and duration of employment, and the same percentage, 68.6%, believe that most employees in Serbia do not resign for the fear of not finding the same or similar job in their profession. 34.2% of respondents believe that there are many qualified people on the labour market in Serbia who are able to respond to the demands of doing business in the modern digital environment, 17.1% do not agree with the above, while 40% of them are undecided.

Most respondents agree with the statement that most employees in the Republic of Serbia do not resign for the fear of not finding the same or similar job in their profession (4.16), while only few respondents agree with the statement that in the Republic of Serbia it is easy to develop an independent entrepreneurial business (2.26).

#### 4. Discussion

##### T-test

The test examined whether there are differences between respondents of different sexes in the responses to the dependent variables, within which the respondents' opinion on the attitude towards superiors and the organization in which they work was assessed.

T-test shows that respondents differ significantly in terms of agreement with the statement Managers in my organization are more task-oriented than people-oriented –  $t(130) = 2.95, p < 0.01$ . The results show that men agree with the above to a greater extent (3.35) than women (2.62). This actually indicates that the Hypothesis H01 (There is a statically significant difference between respondents of different gender about the claim that managers in an organization they work for are more task-oriented than people-oriented) has been confirmed.

Also, the T-test shows that the respondents differ in terms of opinion about the daily communication with managers –  $t(119,152) = 2.91, p < 0.01$ . The data show that women (2.31) consider to a lesser extent than men (2.95) that they have a daily connection with managers.

Differences with regards to gender were also found in the statement Most employees in Serbia do not resign for the fear of not finding the same or similar job in their profession –  $t(126) = 3.46, p < 0.01$ . The results show that men (4.37) agree with the mentioned statement to a significantly greater extent than women (3.85).

##### Anova

One-factor analysis of variance (ANOVA) investigated the influence of age on the respondents' opinion about the attitude towards superiors and the organization in which they work. Subjects were divided into six groups according to age (up to 20 years, 20 to 30 years, 31 to 40 years, 41 to 50 years, 51 to 65 years and over 65 years).

The results show that there are differences between respondents in agreeing with the statement Managers in my organization are more task-oriented than people-oriented –  $F(5,126) = 5.13, p < 0.01$ , and it is shown that respondents aged between 41 and 50 agree more with this statement than other categories (3.73).

The obtained results actually indicate that Hypothesis H02 (There is a statically significant difference between respondents of different age about the claim that managers in an organization they work for are more task-oriented than people-oriented) has been confirmed.

Differences between the respondents were also found when it comes to their agreement with the statement There is a strict hierarchical organization in mu company –  $F(5,122) = 6.2$ ,  $p < 0.01$ , and the results show that respondents between 41 and 50 years of age agree with the above the most (3.36). The obtained results actually indicate that Hypothesis H03 (There is a statically significant difference between respondents of different age about the claim that there is a strict hierarchical organization in the organization in which they are employed) has been confirmed.

The same analysis found a statistically significant difference between respondents in agreeing with the statement Managers in my organization do not behave ethically on all occasions –  $F(5,122) = 3.03$ ,  $p < 0.05$ , and it is shown that respondents aged between 20 and 30 (3.40) agree the most.

The results show that the difference between the respondents also exists when it comes to agreeing with the statement I usually do not show emotions at work, especially in contact with managers –  $F(5,122) = 4.22$ ,  $p < 0.01$ , and the results show that respondents in the fourth decade of life (2.25) agree to a lesser extent with the mentioned statement in comparison with other age categories.

Statistically significant differences between respondents are also obtained when it comes to their agreement with the statement When I do not have clear rules at work that I should follow, I feel insecure and upset –  $F(5,122) = 12.2$ ,  $p < 0.01$ , and the results show that insecurity and anxiety about the above are felt to a much lesser extent by respondents between the ages of 51 and 65 (2.22) than by any other age groups.

Differences between the respondents were also found when it comes to their opinion that it is easy to develop an independent entrepreneurial business in Serbia –  $F(5,118) = 7.73$ ,  $p < 0.01$ , and the results show that respondents over 65 agree with this to a much greater extent (5.00), compared to other age groups.

The same analysis found a statistically significant difference between respondents in agreeing with the statement Most employees in Serbia do not resign for the fear of not finding the same or similar job in their profession –  $F(5,122) = 6.09$ ,  $p < 0.01$ , and it is shown that the youngest respondents (4.50) agree significantly more with the mentioned in comparison with other age categories.

The results show that there is a difference between the respondents when it comes to agreeing with the statement In the labour market in Serbia there are many qualified people who are able to respond to the demands of modern digital environment –  $F(5,122) = 9.9$ ,  $p < 0.01$ , and the results show that respondents under the age of 20 agree the most with the mentioned statement (5.00).

One-factor analysis of variance (ANOVA) also investigated the influence of work status on the opinion of respondents about the attitude towards superiors and the organization in which they work. Subjects are divided into five groups according to their work status (employed, unemployed, pupils, students and pensioners).

The results show that there are differences between respondents in agreeing with the statement Managers in my organization are more task-oriented than people-oriented –  $F(4,127) = 2.76$ ,  $p < 0.05$ , and it is shown that unemployed respondents agree with this statement to a much greater extent (3, 50), than other categories.

Significant differences between respondents are obtained when it comes to their agreement with the statement I have a daily communication with managers –  $F(4,123) = 5.97$ ,  $p < 0.01$ , and the results show that pupils agree with the statement to a greater extent than other categories (5, 00).

Differences between respondents were also found when it comes to their agreement with the statement At work I usually do not show emotions, especially in contact with managers –  $F(4,123) = 3.90$ ,  $p < 0.01$ , and the results show that pupils (4.00) are significantly more in agreement with the above compared to other groups.

The results show that there is a difference between the respondents when it comes to agreeing with the statement When I do not have clear rules in the workplace that I should follow, I feel insecure and upset –  $F(4,123) = 5.65$ ,  $p < 0.01$ , and the results show that pupils agree with the mentioned statement to a greater extent than others (5.00).

Statistically significant differences between respondents are obtained when it comes to their opinion that in Serbia it is easy to develop an independent entrepreneurial business –  $F(4,119) = 12.78$ ,  $p < 0.01$ , and the results show that pensioners agree with the above to a much greater extent (5.00).

Significant differences between respondents are also obtained when it comes to their agreement with the statement Most employees in Serbia do not resign for the fear of not finding the same or similar job in their profession –  $F(4,123) = 8.04$ ,  $p < 0.01$ . The results show that pupils (5.00) agree with the mentioned statement to a significantly greater extent than other categories.

The same analysis found a statistically significant difference between respondents in the agreement with the statement In the labour market in Serbia there are many qualified people who are able to meet the business requirements of the modern digital environment –  $F(4,123) = 5.36$ ,  $p < 0.01$ , and it is shown that pupils agree with the mentioned to a greater extent than other groups (5.00).

One-factor analysis of variance (ANOVA) also investigated the influence of the number of household members on the respondents' opinion about the attitude towards superiors and the organization in which they work. Subjects are divided into six groups according to the number of household members (one, two, three, four, five and more than five household members).

Significant differences between respondents are also obtained when it comes to their agreement with the statement Managers in my organization are more task-oriented than people-oriented –  $F(5,126) = 2.9$ ,  $p < 0.05$  and it is shown that respondents living in two-member households (3.80) agree with the statement more than other groups.

Differences between respondents were also found when it comes to agreeing with the statement There is a strict hierarchical arrangement in my organization –  $F(5,122) = 3.97$ ,  $p < 0.01$ , and it is shown that respondents living in two-member households (3.40) agree more with this statement compared to other groups.

The results show that there is a difference between the respondents when it comes to their opinion that managers in their organization do not behave ethically in all circumstances –  $F(5,122) = 6.24$ ,  $p < 0.01$ , and the results show that the respondents who agree the most with the above live alone (4.50).

Statistically significant differences between respondents are obtained when it comes to agreeing with the statement I usually do not show emotions at work, especially in contact with managers –  $F(5,122) = 5.83$ ,  $p < 0.01$ , and the data show that respondents living alone (4.00) agree with the mentioned statement to a greater extent than other categories of respondents.

Significant differences between the respondents are obtained when it comes to their agreement with the statement It is easy to develop an independent entrepreneurial business in Serbia –  $F(5,118) = 6.22$ ,  $p < 0.01$ , and it is shown that respondents living alone (1.00) agree with the above statement to a much lesser extent than others.

Differences between respondents were also found when it comes to agreeing with the statement Most employees in Serbia do not resign for the fear of not finding the same or similar job in their profession –  $F(5,122) = 26.41$ ,  $p < 0.01$ , and it is shown that respondents living in four-member households agree the most with the mentioned statement (4.91).

The results show that there is a difference between the respondents when it comes to their agreement with the statement There are many qualified people in the labour market in Serbia who are able to respond to the demands of the modern digital environment –  $F(5,122) = 2.63$ ,  $p < 0.05$ , and the results show that respondents living alone agree the most with the above (4.00).

One-factor analysis of variance (ANOVA) also investigated the influence of the number of household members earning a salary on the respondents' opinion about the attitude towards superiors and the organization in which they work. Entities were divided into six groups according to the number of household members earning income (none, one, two, three, four and more than four household members). There were no respondents living in a household in which more than four members of the household earn income, nor in a household in which no member earns income.

Statistically significant differences between respondents are obtained when it comes to their agreement with the statement Managers in my organization are more task-oriented than people-oriented –  $F(3,128) = 3.41$ ,  $p$

<0.05, and the results show that respondents living in households where four members earn income (1.00) agree with the mentioned to a lesser extent than others.

The same analysis found a statistically significant difference between respondents in agreeing with the statement I have a daily communication with managers –  $F(3,124) = 5.56$ ,  $p < 0.01$ , and it is shown that respondents living in a household with four members earning income agree with this statement to a lesser extent than other respondents (1.00).

The results show that there is a difference between the respondents when it comes to the statement In my organization there is a strict hierarchical arrangement –  $F(3,124) = 7.13$ ,  $p < 0.01$ , and the results show that the respondents who live in a household in which two members earn income agree with this statement more than others (3.11).

Statistically significant differences between respondents are also obtained in their opinion on if it is easy to develop an independent entrepreneurial business in Serbia –  $F(3,120) = 5.91$ ,  $p < 0.01$ . The results show that respondents living in households where two members earn income (2.00) believe to a much lesser extent than other groups that it is easy to develop an independent entrepreneurial business in Serbia.

Significant differences between the respondents are obtained when it comes to their agreement with the statement Most employees in Serbia are concerned about the safety and duration of employment –  $F(3,124) = 4.62$ ,  $p < 0.01$ , and the results show that households where one member earns income agree with the mentioned to a lesser extent than others (3.29).

The same analysis found a statistically significant difference between respondents in agreeing with the statement Most employees in Serbia do not resign for fear of not finding the same or similar job in their profession  $F(3,124) = 7.87$ ,  $p < 0.01$ , and it is shown that respondents who live in a household in which two members earn income agree the most with the above (4.42).

One-factor analysis of variance (ANOVA) also investigated the impact of personal income on the respondents' opinion about the attitude towards superiors and the organization in which they work. According to the amount of monthly personal income, the subjects are divided into four groups: without personal income, income below the average, average income and income above the average.

The results show that there are differences between respondents when it comes to agreeing with the statement Managers in my organization are more task-oriented than people-oriented –  $F(3,128) = 24.73$ ,  $p < 0.01$ , and it is shown that respondents with above-average incomes agree with the statement to a greater extent (4.08) than other categories.

Differences between respondents were also found when it comes to their opinion on the daily connection with managers –  $F(3,124) = 3.57$ ,  $p < 0.05$ , and the results show that respondents with below-average income (2.00) have a significantly lower daily connection with managers compared to other groups.

The same analysis found a statistically significant difference between respondents and the agreement with the statement There is a strict hierarchical organization in my company –  $F(3,124) = 8.17$ ,  $p < 0.01$ , and it is shown that respondents with above-average incomes agree more with the above (3.42).

The results show that there is a difference between the respondents when it comes to agreeing with the statement Managers in my organization do not behave ethically on all occasions –  $F(3,124) = 3.69$ ,  $p < 0.05$ , and the results show that respondents with the above-average personal income agree with this statement to a greater extent than other categories (3.17).

Statistically significant differences between respondents are also obtained when it comes to their opinion that it is easy to develop an independent entrepreneurial business in Serbia –  $F(3,120) = 4.76$ ,  $p < 0.01$ . The results show that respondents without personal income (1.75) believe, to a much lesser extent than other groups, that it is easy to develop an independent entrepreneurial business in Serbia.

Significant differences between the respondents are obtained in their agreement with the statement Most employees in Serbia worry about safety and duration of employment –  $F(3,124) = 4.7$ ,  $p < 0.01$ , and the data show that respondents with an average personal income agree with the above to a greater extent (4.08).

The results show that there is a difference between the respondents when it comes to agreeing with the statement Most employees in Serbia do not resign for the fear of not finding the same or similar job in their

profession –  $F(3,124) = 10.22$ ,  $p < 0.01$  and the results show that respondents with above-average personal incomes agree with it to a greater extent than other categories (4.50).

One-factor analysis of variance also investigated the impact of household income on the opinion of respondents about the attitude towards superiors and the organization in which they work. Subjects were divided into four groups according to the amount of monthly household income: households without income, households with below average income, households with average income and households with above average income. There were no households without income in the sample.

The analysis found a difference between respondents in agreeing with the statement Managers in my organization are more task-oriented than people-oriented –  $F(2,129) = 25.2$ ,  $p < 0.01$ , and the results show that respondents with above-average household income agree more with this statement (4.10).

The results show that there is a difference between the respondents when it comes to their opinion on the daily connection with managers –  $F(2,125) = 3.59$ ,  $p < 0.05$ . The results show that respondents with below-average household income (2.00) agree less with the mentioned than other categories of respondents.

Statistically significant differences between respondents are obtained when it comes to the statement There is a strict hierarchical organization in my company –  $F(2,125) = 12.47$ ,  $p < 0.01$ , and the results show that respondents with above-average household income (3.50) agree more than others with this statement.

The same analysis found a difference between the respondents when it comes to the claim In Serbia, it is easy to develop an independent entrepreneurial business –  $F(2,121) = 3.95$ ,  $p < 0.05$  and it is shown that the respondents with the average household income agree the least with the above (2.12).

The results show that there is a difference between the respondents when it comes to their agreement with the statement The majority of employees in Serbia do not resign for the fear of not finding the same or similar job in their profession  $F(2,125) = 8.64$ ,  $p < 0.01$ . The results show that respondents with above-average household income (4.50) agree more with the above than other categories of respondents.

#### Multiple regression

Multiple regression examined the relationship between gender, age, employment status, monthly personal income, monthly household income, number of household members and the number of household members earning income, as a linear combination of predictors with a group of dependent variables. We investigated whether the opinion of the respondents on the attitude towards superiors and the organization in which they work can be predicted.

The results show that agreement with the statement Managers in my organization are more task-oriented than people-oriented can be predicted by this combination of predictors –  $R^2 = 0.361$ ,  $F(8,123) = 8,681$ ,  $p < 0.1$ , and the amount of household income was singled out as a significant individual predictor  $\beta = 0.652$ ,  $p < 0.01$ , which means that respondents with higher household incomes agree the most with the mentioned.

It is shown that the agreement of respondents when it comes to the statement There is a strict hierarchical organization in my company can also be predicted with statistical significance –  $R^2 = 0.371$ ,  $F(8,119) = 8,757$ ,  $p < 0.1$ ,  $p < 0.01$ , and the most significant individual predictors household income  $\beta = 0.427$ ,  $p < 0.01$ .

A statistically significant prediction was also obtained when it comes to the statement Managers in my organization do not behave ethically on all occasions –  $R^2 = 0.127$ ,  $F(8,119) = 2,157$ ,  $p < 0.05$ . The gender of the respondents  $\beta = -0.272$ ,  $p < 0.5$  and the number of household members  $\beta = -0.248$ ,  $p < 0.5$  stood out as individual significant predictors. The data show that men living in households with a smaller number of members agree the most with the above.

When it comes to agreeing with the statement I usually do not show emotions at work, especially in contact with managers, the results show that it also can be predicted by this combination of predictors –  $R^2 = 0.163$ ,  $F(8,119) = 2,894$ ,  $p < 0.1$ , and the age of respondents  $\beta = -0.304$ ,  $p < 0.01$ , the amount of personal income  $\beta = 0.417$ ,  $p < 0.01$  and the amount of household income  $\beta = -0.430$ ,  $p < 0.01$  were singled out as individual significant predictors. It turns out that younger respondents with higher personal incomes and lower household incomes agree the most with the above.

Based on the obtained results, it can be concluded that this linear combination of predictors proves to be important for predicting a certain number but not all dependent variables by which we examined the respondents'

opinion on the attitude towards superiors and the organization in which they work, so it can be concluded that Hypothesis H04 (The linear combination of predictors proves to be significant for predicting all dependent variables by which we examined the respondents' opinion about the attitude towards superiors and the organization in which they work) has not been confirmed.

#### Correlation

The interrelationship between the dependent variables, which we used to examine the respondents' opinion about their attitude towards their superiors and the organization in which they work, was examined by using Pearson's linear correlation coefficient.

Table 2. Research results.

	1	2	3	4	5	6	7	8	9	10
1	1	.241**	.292**	.517**	.080	-.020	-.342**	.176*	.170	.347**
2		1	.422**	-.057	-.128	-.191*	.105	-.024	-.236**	-.063
3			1	.057	-.033	-.109	-.048	.034	-.135	-.138
4				1	.298*	.135	-.368**	.002	.223*	.144
5					1	.302**	-.161	.546**	.355**	.396**
6						1	-.097	.385**	.048	.443**
7							1	-.038	-.354**	-.285**
8								1	.242**	.671**
9									1	.308**
10										1

\* $p < .05$

\*\* $p < .01$

Source: Authors

The obtained results of the correlation matrix, listed in Table 2, show that the highest degree of dependence was found between the statements Most employees in Serbia worry about safety and duration of employment and There are a lot of qualified people on the labour market in Serbia who are able to respond to the demands of the modern digital environment ( $r = + 0.671$ ,  $p < 0.01$ ), which means that with the growth of agreement with one statement, the agreement with another and vice versa grows. These results indicate that Hypothesis H05 (There is a positive correlation between the two dependent variables which represent the respondents' claims that most employees in Serbia worry about security and the duration of employment, and there are many qualified people in the Serbian labour market who are able to meet the demands of the modern digital environment) has been confirmed.

## 5. Conclusion

Regarding the influence of the high index of the power distance dimension on business practice in the Republic of Serbia, i.e. on organizational behaviour, it can be said that it certainly promotes the development of an autocratic style of management. The high index of this dimension is in correlation with the history of war, transition process of the Republic of Serbia, high unemployment rate, low standard of living as well as the traditionalist and patriarchal culture. All of the above greatly affects the development of an autocratic management style and the relationship with employees. As mentioned earlier in the text, from the organizational aspect, this dimension significantly affects the formation of managerial style, while for employees it affects work performance, but also the level of stress caused by business activities. According to the results of this research, employees in the Republic of Serbia very often form and express negative attitudes towards business activities and generally their work at which they are constantly exposed to the risk of losing their jobs because such a situation results in their constant exposure to high levels of stress. Also, its high index indicates the problem of inequality in organizations, but also indicates a high degree of acceptance of an uneven distribution of power.

As for the dimension of Uncertainty Avoidance, as we have already pointed out, it is actually based on the way society copes with the fact that future events are difficult to predict with great accuracy. The high index of this dimension actually indicates there is an attitude in Serbia that represents significant attempts to maintain the status quo, i.e. an attitude based on "avoiding insecurity, maintaining rigid hierarchies, respecting codes of belief and

behaviour with intolerance of unorthodox behaviours and ideas". A high index of this dimension represents a high degree of resistance to change and innovation.

As for the results of the mentioned primary research, the basic limitations were primarily related to the focus on two dimensions of Hofstede's 6-D model, while the other dimensions of the 6-D model of national culture will be the subject of further research. Regarding the basic results obtained, the following conclusions can be drawn. The results of the research indicate that managers in their organizations in the Republic of Serbia are more focused on tasks than people, and this is considered by almost every other respondent, although managers are nowadays faced with the need to understand motives, expectations, and requirements of their employees (Mamula Nikolić, Perić, Nećak 2019).

Also, as a conclusion of the research, the following can be drawn: there is a statically significant difference between respondents of different genders, but also between different age groups, on the opinion that managers in the organization in which they are employed are more task-oriented than people-oriented. Also, the conclusion is that there is a statically significant difference in the agreement of the respondents, according to the age groups they belong, with the claim that in the organization in which they are employed there is a strict hierarchical organization.

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