

Leadership Attitudes in Lithuanian Business Organizations: Evidence and Perspectives

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This paper presents an analysis of management transformations in Lithuania, resulting in a response to global challenges and their influence on leadership attitudes. The emphasis is on the results of a survey that reveals the orientation of the mindset of leaders who expressed their principles and attitudes to leadership practice. The level of importance Lithuanian managers' place on leadership function and their managerial competency in implementing this function was analyzed, demonstrating the dominant leadership attitudes in business organizations. The concept of this paper is based on the integration of leadership theory and actual practices.

Problems associated with management transformations, prompted by global issues, have escalated across the whole world, and now it is clearly understood that the traditional, industrial management system that developed within economic-geographical boundaries no longer applies. An intensive search for new managerial attitudes, methods, and technologies is underway, and new management paradigms are being formulated, which are bound to have an impact on the managerial attitudes of Lithuanian business managers.

The managing authority figures of the last era are losing their influence and certain success factors no longer give companies the edge they once had. The management system is also becoming evermore dynamic and flexible: organizational structures are being transformed, the orientation toward team-work is growing, attitudes toward human resource management are becoming more liberal, and there is less stress placed on monitoring the personal work of subordinates and the negotiation of different forms of bureaucratic decision-making (Chapman, 2001). The role of high-ranking managers is becoming increasingly related to organizational culture that values showing initiative, autonomy, and creativity in the decision-making process, as well as knowledgeability, as knowledge and information are now valued more than other resources, such as capital and assets. The significance of cultural differences and their influence on an organization's managerial orientation is duly recognised (as discovered in the results of

empirical research conducted by Hofstede (2001), Trompenaars and Hampden-Turner (1997), and others). The necessity of understanding and tolerating partners' cultural peculiarities has also been acknowledged—that is, managers must exhibit intercultural competency.

The paper begins with an overview of social, political, and cultural factors in describing managerial behavior and research on leadership issues in Lithuania. This is followed by an analysis of an empirical study of leadership attitudes in Lithuanian business organizations.

The Influence of Cultural Values Orientations on Managerial Behaviour in Lithuania

In order to have a clearer image of current Lithuanian leadership, it is important to acknowledge the influences of political, societal, and cultural factors on the management process. Changes in post-Soviet organizations have been deeper than those typical of a market economy because the new economic order is based on different attitudes and values, and attempts to shift the management and organizational culture toward new values or beliefs—something which has been considered one of the greatest challenges (Bluedon, 2000). During the decades of transition, the Baltic States (including Lithuania) changed from a hierarchical, centralized system of state-ownership and command planning, to a decentralized, market-driven economy founded on private property and on new, different values. This transformation could be described as social transience, in which a complex set of normative and operating principles, embodied in historical structures, systems, and practices, becomes replaced by another unknown set, making this period very ambiguous and uncertain for those involved (Tuulik & Alas, 2008).

In the case of Lithuania, it should be remembered that local traditions of sound economic management existed in the pre-Second World War era, but the reign of the command economy was long and strong enough to eradicate most of them. Basic managerial and entrepreneurial skills have been neglected during recent decades, and it has demanded considerable time and effort to reintroduce them into the new generation of Lithuanian companies and business managers (Diskienė, 1997).

The group most heavily affected by the consequences of this system were managers and the upper echelons of the government bureaucracy. It strongly rewarded conformist attitudes and discouraged independence and initiative. What became the cultural norms are as follows: aversion to change, endeavouring after the preservation of the status quo, maximization of security, and compliance with the directives and demands of power centres outside the enterprise.

The creation of a market economy in Lithuania required a radical transformation of the values moulded and firmly entrenched under the socialist economy, such as a sense of security, conformism, obedience, and self-effacement, and deference to the decisions of higher-level authorities. These values, which in the past determined the behaviour of managers, grew into norms and evolved into an organizational culture that can be identified as bureaucratic. Some qualities that were not required from managers in this Soviet period that are now of great importance are as follows: innovativeness, entrepreneurship, and strategic thinking about the future of the organization.

Now, people in the Baltic States are more attuned to the politics of self-determination. Compared with other former Soviet Republics, the level of education is remarkably high and notable stress is put on Western skills. According to Manning and Poljeva (1999) and Manrai et al. (2001), a strong working ethos is helping re-establish historic economical relations with

Western Europe and revive the old Hanseatic trade routes (as cited in Huettinger, 2008, p. 360). Furthermore, Lithuanians share a cultural and political heritage with Poland and have strong historical links with Germans. They are said to be emotional and grandiloquent (Lewis, 2000).

Culture has a tremendous impact on many factors, including leadership, within the international business field has become a focal issue (Nasierowski & Mikula, 1998). According to Ardichvili and Kuchinke (2002), little research has been conducted on cultural values and their influence on aspects of management in the CEE countries. More recent studies, which have included Eastern Europe, are those of Nasierowski and Mikula (a replication of Hofstede's 1984 study in Poland) and Suutari's (1998) comparison of Estonian, Russian, and Finnish leadership behaviors (as cited in Mockaitis, 2005, p. 45). As little is known about the Baltic countries even now, Mockaitis (2002) and Huettinger (2008) have contributed to filling this gap; applying Hofstede's methodology, they have applied the cultural dimensions he identified to the Baltic States (power distance, uncertainty avoidance, masculinity/femininity, individualism/collectivism, and long-term/short-term orientation) (see Table 1), thereby revealing their influence on management activities, among them, leadership.

Table 1
Results of Work-related Values of Baltic States

Country	PDI	UAI	IDV	MAS	LTO
Northern group	28	40	69	14	41
Baltic group	42	63	63	19	-
Estonia	40	60	60	30	-
Latvia	44	63	70	9	25
Lithuania	42	65	60	19	30
Poland	68	93	60	64	32

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In order to have a better understanding of the attitudes of Lithuania's enterprise leaders in terms of their managerial activities, the dominant cultural value orientations should also be discussed (Diskienė, 1997; Diskienė & Marčinskas, 2007) as distinguished by authors in the field of cross-cultural management (Kluckhohn & Strodtbeck, 1961; Hofstede, 1984; Hall, 1989; Trompenaars, 1993).

Environment

The dominant environment existing in Lithuania is one of control and constraint, which is determined by a combination of the instability of the surrounding conditions (work and business) and orientations. As Lithuanian culture can partly be associated with fatalism, people often tie their fate to God's will, government decisions, and other external forces. In other words, a

¹ Adapted from Huettinger, 2008

control orientation toward the surrounding environment is being formed quite rapidly, even though Lithuanians are less likely to take risks and look rather suspiciously on change due to a dominant feature of the national character—conservatism. This assumption is confirmed by research on how the uncertainty avoidance dimension influences management (Mockaitis, 2002; Huettinger, 2008). However, a greater inclination among the younger generation to make risky decisions and innovation intake has already been noticed. In the business sector, the idea that “life is what you make of it” has become commonplace (an effect of the influence of Western culture). The environment is and should be adapted to satisfy people’s needs.

Time

A very restrained monochronic orientation to time prevails in Lithuania even though the understanding of time is not as precise as in the west (i.e., the “time is money” approach does not have many followers). Lithuania is more orientated to the past and the present, and these attitudes are organically inter-twined. Change in the name of progress is unpopular as people are rather conservative and do not accept change very easily (uncertainty avoidance is quite high; see Table 1). However, in an organization environment, orientation toward the present is noteworthy, meaning planning is more short-term in nature, and resource allocation and coordination is based on present need.

Activity

Lithuania’s culture is more orientated toward business-like objectivity rather than interpersonal relations, even though the importance of forming good relations in business is widely acknowledged. When faced with difficult situations, managers—especially those who are convinced of the activity’s purposefulness—try to achieve the best results, sometimes ignoring the difficulty of the task. Younger managers place special importance on work-styles orientated toward business-like objectivity and seek independence and autonomy, agonizing over the restrictions they face in these areas.

Communication

Lithuanian culture is more orientated toward a narrow context of communication. The dominant communication style is direct, formal, and rather reserved. Strong traditions, adherence to social customs, and respect for rules and procedures are all highly regarded in Lithuania, as is status both in society and in an organization environment. This is evidenced by the sustained use of titles (professional and academic).

Power

A strong orientation toward hierarchy can be felt in Lithuania. Attention is given to social status, authority, duties, and one’s name. Status symbols are strictly defined in organizations. Governance has remained autocratic and paternalistic in some cases, although in recent years there has been a strong move toward democracy (the power distance dimension is rather moderate; see Table 1).

Individualism

Lithuania is a combination of individualist and collectivist orientations. The latter is rather strong, as in other East European countries. Broadly speaking, Lithuanians' national consciousness is more collective than individualistic; however, people's work-groups are not prioritised as much as their primary social groups (family and friends). In recent years, there has been a growing trend toward individualism.

The set of societal and cultural orientations presented above do not involve all the values that are shared by Lithuanians. These orientations, however, seem to be significant in understanding the specifics of managerial activities and behavior in Lithuania. Table 2 presents the link between cultural values, behavior, and attitudes preferred by Lithuanian managers.

Table 2

*Cultural Orientations in Lithuania and their Influence on Managerial Behavior*²

Cultural value orientations	Expression in managerial behavior
Combination of control and constraint in the making	Fate, luck, and other external forces (such as management) control people's lives. Rather low flexibility in the organization's activities Avoidance of risky decision-making The new generation of managers highlight their dominance in the organizational environment
Reservedly monochronic and strict understanding of the past-present	A weak involvement in formal work time planning is demonstrated (difficulties are linked to acting precisely according to time schedules) As traditions are very highly regarded, change is not prioritised A dominance of short-term planning; resource allocation is orientated toward current needs
Stronger orientation toward business-like objectivity	A style orientated toward taking action, especially among the younger generation of managers Demonstration of reserved optimism and caution in the organizational activity Career-seeking attitude Motivation is mainly tied to material stimuli and career opportunities
Communication that is moderate, narrow in context, direct, reserved and formal	Good relations often become a provision for task accomplishment Informal contacts are associated with performing a certain activity Respect for rules and procedures Conflict avoidance Importance of informal groups

² Diskienė, 1997; 2007

Cultural value orientations	Expression in managerial behavior
Reservedly private space	Space is an important status symbol Managers prioritize having individual work rooms Distance is maintained in conversations
Hierarchical orientation toward governance	A reserved distance is maintained by higher level managers Organizational structure is usually vertical and bureaucratic Formal power-seeking Importance of formal degrees and ranking Minimal inclination toward teamwork
Combination of collectivism and individualism	Special particularisation of performing a certain activity Anti-cooperative attitudes Insufficient inclination toward cooperation Inadequate loyalty to the organization or branch
Exhibited tendency toward competitiveness	Managers are inclined to maximise their results to the detriment of others Avoidance of obligations to be carried out in sacrifice of one's personal life
Orientation toward order	Large degree of uncertainty avoidance A need for rules, procedures, and regulation
Holistic thinking	Priority is given to symbolic thinking rather than dry facts Insufficient rationality in decisions Ability to solve irregular problems

To summarize, it can be said that although every Lithuanian business organization forms its own specific cultural characteristics, there is still a link between common cultural values and managers' attitudes and priorities.

Leadership Research in Lithuania

The issue of management and leadership in organizations has been receiving special attention for several decades. Ever since the middle of last century, this topic has been widely discussed by academics, researchers, and business people in developed Western countries, and now management specialists from the new, up-and-coming economies are joining in the discussion. A review of available leadership literature quickly reveals a myriad of definitions. Awareness of the complexity of the relationships in a leader-follower situation is critical. The leader is a person who occupies a position of responsibility in coordinating the activities of the group, which has the task of attaining a common goal. Leaders must mobilize their constituents to do something and induce their willingness to do it. Leaders are those who give credibility to their words by their actions. An adequate analysis of leadership involves situations and conditions under which leader behaviors are effective (Aioanei, 2006).

It is no wonder that there are a number of competing theories of leadership. According to Burke (2006), over a rather extended period of researching management issues, more than 15,000 articles and books devoted to this complex problem appeared. Nevertheless, leadership remains one of the most vexed areas of management research, with many unresolved problems (James, 2001). Indeed, Cole (1999) has argued that, despite decades of empirical research that

has produced a mass of findings we still do not have an integrated understanding of leadership (Soutar & Ridley, 2008, p. 462).

Lithuania's academics only started researching the leadership phenomenon in the 1990s; thus, it is a rather new research subject in this country. The first academic studies were by Razauskas (1988, 1996), Zakarevičius (1996), Butkus (1990), Jucevičienė (1996), Jucevičius (1996), and Žvirdauskas (2006). Management terminology became an object of discussion; the concepts of management, administration, and leadership and their differences were analyzed and compared with the corresponding terminology presented in English language sources of literature on this topic. Seilius' studies (1997) raised the issue of effective leadership, underlining that an organization's success is determined by the personal characteristics of its highest-level leader, that is, their theoretical-practical experience and intuition. Šilingienė (2004) interpreted the relationship between management and leadership in a theoretical way, presenting a general concept of leadership based on research of Lithuanian enterprise managers. Skaržauskienė and Barvydienė (2005) analyzed the leadership phenomenon on an existential psychological plane, highlighting the concept of modern leadership, the similarities between leaders' philosophical worldviews, and their distinctions and trends, which impact activity results. In summarizing several theoretical sources, Skaržauskienė (2008) presented a new leadership concept based on new systemic-thinking principles that was linked to the integration of four dimensions (vision, values, knowledge, and power). Šimanskienė (2006) raised the issue of gender difference in the management process, and her research results refuted the hypothesis that men and women apply different management tactics, thereby confirming the importance of social acquisition issues over innate behavioral tendencies in this process. Marčinskas and Diskienė (2007, 2008) researched public and private sector leaders' attitudes to the implementation of management functions, focusing on their managerial competency and approaches. Staniulienė (2008) analyzed managers' use of power in Lithuanian enterprises in terms of how it was exerted on their subordinates. Butkevičienė, Vaidelytė, and Žvaliauskas (2009) researched the expression of leadership in Lithuania's governmental services, focusing on the results of leadership competency research. Other individual authors have also given significant attention to separate aspects of leadership: motivation (Mockaitis & Šalčiuvienė, 2003; Marcinkevičiūtė, 2005; Bakanauskienė, Staniulienė, & Maziliauskienė, 2008; Genevičiūtė-Janonienė & Andriulaitienė, 2008; Bakanauskienė & Ubartas, 2009), the manager's role in the conflict resolution process (Kulvinskienė & Stancikas, 2003), and stress management (Kulvinskienė & A. Bandzienė, 2008), among others.

In summarizing Lithuanian authors' research on the concept of leadership, it was noticed that a majority of authors are orientated toward theoretical leadership interpretations, while empirical research is mostly directed at separate aspects of leadership (gender difference in the leadership process, conflict resolution, motivation, managers' use of power in terms of their subordinates, leadership in separate sectors, etc.). There is a noticeable lack of integral research on the concept of leadership itself.

Managers' Attitudes Toward Leadership in Business Organizations in Lithuania

The definitive role in resolving crucially important management transformations tasks, as much on a social as on an organizational level, belongs to managers because managerial activity and its effectiveness has a marked influence on a country's political, economic, and social

processes. A manager is a leader of opinions, and the bearer of value system standards. This is why, when analyzing the leadership attitudes of managers of Lithuania's business organizations, the authors had to look at the importance managers placed on leadership function and their level of managerial competency in implementing this function.

Research Methodological Explanation

This empirical research is a part of broader research, which was conducted by the authors in 2005-2006. It revealed the prevailing managerial attitudes in Lithuanian public and business sectors in the context of management functions (planning, organizing, leading, motivating, and control), and evaluated their compliance with modern management standards. Data was collected from different Lithuanian business companies and public sector organizations, which encompassed all geographical aspects and business activity (production and service) types. This research encompassed the wide scope of the population researched—1154 leaders (515 in the public sector and 639 in business organizations) from different management levels (top, middle and first-line). Since the article discusses the attitudes of leadership in the business sector, the study results concerning the public sector are excluded.

The whole research was based on a quantitative method of data collection: survey. The non-probability, convenient sample was used. The chosen method of data collection was the self-completion questionnaire. The anonymity of respondents was respected at all times, as some questions may have appeared sensitive to the respondents.

The questions represented leadership function measured on a five-point Likert scale. The used questionnaire consists of three parts:

- 1) Open-end questions, which provided us with possibility to evaluate and describe the personal opinion of the respondents;
- 2) Closed-end questions, meant to determine the characteristics, attitudes, and skills of the respondents; these questions reflect the attitudes and leadings toward used and wanted leadership styles, featured power sources in organizations, the leaders' positions from the perspective of the subordinates, and motivational leverages used;
- 3) Personal factual questions regarding age, gender, education, number of working years, and the managerial position of the respondent in the company (see table 3).

The open-end questions, as expected, created more difficulties in processing the survey results; it was time consuming. Nevertheless, it was very useful in respect to leadership competences and orientation identification.

Table 3
Background Information on the Respondents (percentages)

Characteristics (percentage)	
Gender	
Male	49
Female	51
Age	
< 30	35.8
31-40	36.8

41-50	18.6
51-60	8.0
> 60	0.8
Education level	
Professional education	8.6
Higher education (5 years)	31.1
Bachelor degree	27.4
Master degree	32.3
Doctor degree	0.6
Management level	
Top	23.5
Middle	49.3
First-line	27.2
Number of working years	
<1	12.8
1-5	40.7
6-10	27.6
>10	18.9
Activity sphere	
Production	23.3
Service	76.7

The questionnaires were evaluated using the MC Excel program. The research results allowed the evaluation of the compliance of managerial attitudes in implementing leadership function.

Characteristics and Abilities of Lithuanian Business Organization Managers

The possession of special skills has a direct impact on the effectiveness of managers' activities. The standardized application of the skill groupings identified by Katz (1955) (i.e., conceptual, technical, and working with people) to separate management levels does not guarantee that their possession will ensure effective leadership. It is noteworthy that the relative importance of these skill groupings changes significantly depending on the situation, while the optimal blend of technical and specific skills is linked to the type of organization in question (Boyatzis, 1982; Kotter, 1982). Even within the same organization, according to Szilagyj and Schweiger (1984) the combination of skills will depend on the activity's strategy. Nevertheless, specific skills such as analytical abilities, persuasiveness, oratorical abilities, tact, and empathy are important in any management position.

Evaluating managerial competency and attitudes toward leadership, it can be pointed out that characteristics typical among business organization managers differ little from the selection which was formed to describe the range of various results of this research on managers (see Figure 1).

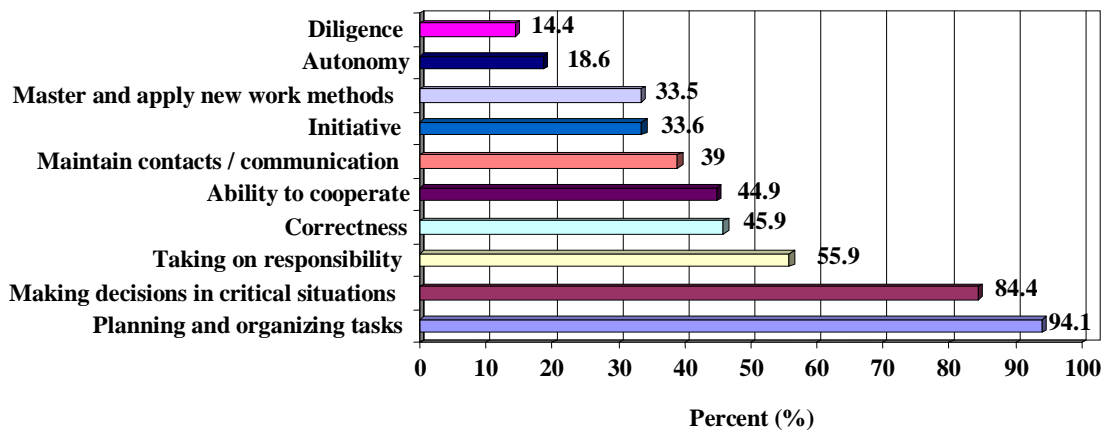


Figure 1: The Most Important Characteristics and Abilities of Managers in Lithuanian Business Organizations

It should be noted that task planning and organization skills, as well as decision-making, especially in critical situations, are very highly regarded. This demonstrates that there is a clear understanding of these key management system factors, such as the importance of planning and decision-making, and it is understood that decision-making is one of the essential elements of managerial activity. Managers also underline the importance of maintaining relations and contacts, which is determined by business activities in themselves as they are strongly consumer-orientated, where the ability to establish contacts, show attention, and foster good relations facilitates sustaining consumer numbers, which is ultimately related to the final activity results.

Over half of the surveyed managers identified responsibility as an especially important managerial characteristic. One either accepts responsibility or not, and even when responsibility is handed down, the individual must accept it internally; otherwise, it remains a mere formality. The insufficient evaluation of initiative should be highlighted as well: it was identified as one of the most necessary characteristics by more than one third of managers from the business sector. Yet, all managers need to understand that initiative is one of the most important managerial leadership characteristics that allow them not to overlook new opportunities and implement them.

Managers' Attitudes Toward the Implementation of Leadership Styles in Organizations

Managers' attitudes are clearly reflected in their leadership styles. Irrespective of how leadership style is described, management specialists unanimously admit that it consists of a combination of a manager's personal characteristics, the conditions under which they carry out their activities, and the behavior of their subordinates—which is influenced by the nature of the professional activity and the existing organizational culture. In other words, that which we see when observing the work of a leader at any level is an expression of their personal abilities and experience accumulated in situations that have had an impact on his or her attitude, especially related to how one should and should not display leadership skills. In addition, there is a significant influence not only from the type of organization that is being managed, but also from objective factors which determine contemporary management styles:

- Reorientation of the economy in relation to the market;
- Volatility in social, political, and legislative conditions;

- Internationalisation, arising from integrated structures and most of all, the increase in the appearance of international information systems, competitiveness, and interdependence in the global economy.

During the course of our research it was noticed that in business organizations, there has been a distinct push from an autocratic leadership style toward a more democratic one (Česynienė et al., 2002; Diskienė & Marčinskas, 2007). Previously (from 1999-2001), leadership styles in organizations were set out in the following order: autocratic, liberal, mixed, and democratic. In organizations, the mixed style was mainly expressed as autocratic-liberal or liberal-autocratic. When analyzing the established situation, it was noted that managers' work styles were in line with the realities of that period, and that the outcomes of autocratic leadership in organizations were rather high, as proven by their activity results. However, the managers gained awareness that these managerial attitudes were starting to have a negative impact on inter-relations and cooperation within the collective, and that which appeared completely acceptable and was effective unwittingly became an obstacle. All of this was encouraged by the change in managers' orientation. At present, a majority of managers (as stated by over half of those surveyed) place priority on a democratic work style based on cooperation, mutual respect, and the manager's authority.

To establish managerial attitudes to management, the following typology of leadership styles was selected (Figure 2).

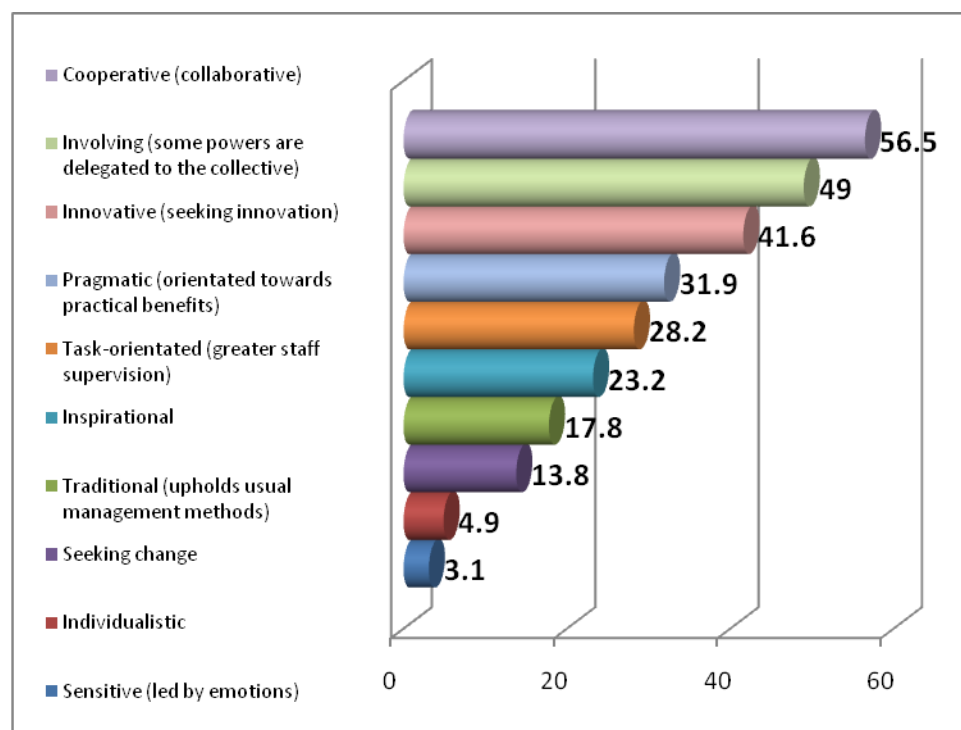


Figure 2: Preferences of Leadership Styles in Lithuanian Business Organizations

As the research data shows, more than half of the managerial staff upheld a democratic position (56.5%), which is completely in line with the afore-mentioned conclusions (Diskienė & Marčinskas, 2007). The selection of a democratic style is obvious as its implementation is seen

by many to produce greater results. It is, without a doubt, effective when internal stability must be maintained within an organization. Appreciating this choice made by managers, it should be noted that a managerial mindset stereotype still prevails – the democratic style is one of the best.

An attitude orientated toward participation is second in priority (49.0%). As is widely accepted, management based on participation is effective when the maturity levels of the subordinates are rather high. When selecting this attitude, managers simply state the required level of staff competence and their ability to independently perform a task, resulting in the manager having to be less prescriptive and more supportive by discussing tasks and making decisions together.

Many managers highlight the innovative approach as one of the most dominant. Managers seeking innovation usually want changes to take place. In this approach, it is the changes in management systems that allow the hidden reserves of staff characteristics to be revealed. According to such managers, the introduction of various changes makes it possible to avoid activity stereotypes and a certain kind of professional deformation among the staff. Innovation-orientated managers make up 41.6% of all managers in business organizations, which is clearly related to fewer restrictions on the organization's system and structure, the type of business sector, and today's challenges. However, one important disadvantage of this attitude cannot go unmentioned, one which commonly arises when managers (possibly due to a lack of experience or managerial ambition) ignore the real limitations of their environment. The negative effects of this attitude are related to an over-abundance of innovations. An organization undergoes a radical "shake-up" as usual activity stereotypes are too drastically eroded.

The sensitive approach is practiced by the fewest number of managers (3.1%). Incidentally, it is more popular among women (it was chosen by just over 2% of men and almost 5% of women). This approach to management places great importance on social and psychological matters. However, emotional and warm relations within a collective can have a downside. It is most important not to forget that a certain distinction should remain between the manager as a leader and the manager as a friend.

The traditional approach to management still maintains its position in the mindset of certain managers and was selected by about 18% of respondents. This traditional management style seeks to preserve the situation that is most familiar. Even if the effects of this type of management are slight but nevertheless bring results, there is no inclination to make any elementary changes. In addition, managers exhibiting this traditional attitude are inclined to uphold the same, usually inadequate, work principles and misguided priority system or strategy. They are prepared to defend their right to work "as they always have" and are likely to base this on the type of work they do, as well as on limited resources and opportunities.

The inspirational attitude of management is closely tied to charismatic management. Only 23.2% of managers in the business sector prioritize this style. This is indicated by the insufficient preparation of managers to take on the burden of leadership as it requires taking action, showing initiative, thinking creatively, and bearing additional responsibility. Incidentally, the inspirational approach is more common among higher-level managers, among whom there are undoubtedly quite a few true leaders. Based on the research conducted by Barvydienė and Skaržauskienė (2005), it is this level of managers who see being a leader as being responsible, and this is their own free choice.

On the above scale, the staff and task-orientated attitude of business organization managers is rather telling and strict. Different combinations of these dimensions can have

ambiguous effects. Irrespective of the greater attention to subordinates and levels of structurization, which should ensure greater activity efficiency and thus have a positive impact on staff satisfaction, it cannot be guaranteed since situational factors can have a major and unexpected influence (Mullins, 2005, p. 290). In addition, research conducted in other countries (Misumi, 1985) underlines that effective management demands both orientations toward task and staff relationships. In the opinion of almost one third of Lithuania's managers (27.4%), task-orientation is one of the attitudes that bring the most results. This is clearly a short-sighted position that can bring only short-term benefits. A manager seeking long-term success needs to find a sensible balance between the two orientations: if all attention is diverted toward carrying out a task and the staff's needs are left completely ignored, sooner or later the staff will react negatively, which will impact work quality; meanwhile, if too much attention is given to a friendly work atmosphere and the creation of good staff inter-relations, task implementation may suffer. Realistically, only a quarter of the managers surveyed expressed a more or less substantiated opinion concerning the rationality of combining both orientations. Such an understanding of this particular management orientation happens to reflect one of the more prevalent contemporary management trends—the strengthening of the social face of management and its orientation toward the individual. Under present conditions, more managers must understand that the desired goals can only be achieved by the whole collective working together as one effective team. For this reason, it is important to suitably combine both orientations; that is, to improve activity results and to form and maintain good relations within all the organization's groups.

Managerial Attitudes in the Formation of an Organization's Internal Environment

Management quality is closely related to an organization's internal environment, which is formed by managers themselves and whose optimal level and rationality is very dependent on the management competency of managers. An organization's internal environment can be described by the following features: goals distribution, attitudes toward control, decision making, managerial position, dominant management sources, trust in the manager, and conflict tolerance.

The Direct Manager's Position in an Organization

Whether the selection of one or another prioritized management style actually reflects the existing work styles of managers in organizations is partly indicated by the immediately superior manager's position description. In an organization, several positions are possible depending on the dominant management style: the dictator who demands obedience—managers who insist that their orders are carried out immediately; the problem-solver who requests cooperation—such managers who aim to involve all staff in the work process and seek to establish uniform attitudes; or the strategist who requests partnership—the type of manager who tries, among other things, to create a friendly, conflict-free atmosphere.



Figure 3: Managerial Roles in Lithuanian Business Organizations

Managers, for the most part, uphold the positions of the strategist requesting partnership and the problem-solver requesting cooperation. This is congruent with managers' orientations toward a more democratic and involvement style of management. The position of a dictator demanding obedience, according to the respondents, is taken by a smaller number of managers—about 15%. This position is congruent with the autocratic management style. However, in this case, a discord between these managers' orientation and the position they have been ascribed can be noted. The managers themselves state that a strict, authoritarian style is demonstrated very rarely, while their behavior is understood differently (i.e., all the characteristics typical of a manager-autocrat are demonstrated).

Potentials for Using Authority in an Organization

In the opinion of most specialists, one of the most important elements of leadership is the effective use of authority in an organization. Authority is understood as the power to influence staff behavior in a way that is beneficial to the organization. Authority transfuses the entire organization, maintaining its structure and uniting all the various organizational constituent parts into a whole. Success in using authority or reactions to authority depend on how it is understood, knowing when and how it should be used, and the ability to foresee the outcomes of its use.

For an organization's activities to be successful there must be a cohesive distribution of authoritative powers; imbalance would jeopardize disrupting the organization's systems and may lead to staff passivity. According to Kanter (1979), managers' hopelessness transforms into ineffectiveness, non-harmonious leadership, and a petty, dictatorial management style.

In influencing an organization's staff, a manager is guided by different power sources. These are plainly referred to in management literature, with no indication of their order or priority dependent on the stage of the manager's area of activity or career. However, usually there is some kind of order in place; despite the existence of several governing power sources, one can still be identified as being most prevalent.

If the manager is an established professional within his or her field, then the power of knowledge can have much importance as a power source. Subordinates rarely oppose a competent, professional decision, and they willingly carry out orders handed down. However, when crossing over to a higher hierarchical level, there is danger in continuing to play the same role of a specialist in one's earlier field of activity in order to utilize the professional's power

potential to the full extent, thus either forgetting to apply or inadequately applying one's time and efforts to carry out new duties. An especially significant power source is the power of personality, or charisma. Yet, we should not overlook that simply being charismatic (in particular when there is little knowledge or other resources to back it up) does not guarantee authority for long among one's subordinates, nor is it possible to ensure that they will adequately complete a certain task.

Regarding the use of authoritative potential, it is important to state the dominant power sources of organizations in the business sector (Figure 4). When analyzing power sources, a definite asymmetry was noticed. According to the respondents, knowledge dominated as the main power source in organizations. In their opinion, formal rights and personal characteristics were less related to power.

Knowledge and experience (i.e., competency) matches the expert authority typology, which is understood as using ability, experience, and knowledge to exert influence. Knowledge, identified as the main power source, gives a positive description of respondents' understanding of today's realities, meaning that they understand that by developing the knowledge and information societies, professional and managerial competency requirements in the public sector will grow. Competency, or knowledge in a particular field of activity, is an effective organizational balancing power; competency can be achieved through formal education, independent work, and work experience (Whetten & Cameron, 2004). Knowledge, as a distinguished resource, increases the possibility of gaining more authority. Possessing special knowledge, even the lowest-ranked management representative can earn the authority normally reserved for a higher-level staff member. In addition, in those organizations where decision-making depends on substantiated, objective information, a person possessing more knowledge will have more authority. Therefore, it is no wonder that leaders at all levels prioritize knowledge as the dominant power source.



Figure 4: Dominant Power Sources in Lithuanian Business Organizations

Formal rights, as a source of power, match the type of authority that represents power gained through occupying a particular position in an organization's official hierarchy. An interesting fact is that this source of power is considered most important by representatives of the most active career-seeking age group (31-40 year olds). If movement along the career ladder is

not as rapid as they expect, then this is perceived as a restriction of their opportunities and a lack of formal authoritative responsibilities. However, the view that authority is determined only by the position held within the hierarchical structure is misleading. Experienced staff members understand perfectly that representatives of different levels (not just the higher levels) can have influence in an organization based on informal relationships, and this aspect is the underlying cause of acquiring formal organizational influence, not its result (Whetten & Cameron, 2004).

Personal characteristics as a source of power are tied to the standard authority typology when one's resources and qualities help them earn authority among their subordinates. This encompasses charisma, likeable behavior, and physical characteristics. There is no doubt that a manager exhibiting these characteristics—which include broad scope of the existing situation, sacrificing personal well-being in the name of the vision, using novel methods, possessing a special sixth-sense, great enthusiasm, and self-confidence (Conger & Kanungo, 1987)—will draw a greater number of followers, and thus their influence will be significantly greater. However, respondents gave a rather punitive ranking to personal characteristics as a source of power. This is not a good sign as it shows an inadequate inclination among managers to actually lead when there is a lack of both personal attractiveness and demonstration of professional and moral values.

Managers' Attitudes Toward Conflicts in Organizations

One of the conditions for successful managerial activity is a manager's socio-psychological competency, an important aspect of which is their conflict resolution competency. This encompasses understanding the nature of the conflict, the formation of a constructive approach toward conflicts, possessing conflict-management and regulation skills and fostering them, the ability to foresee the consequences of a conflict, and the ability to eliminate the negative effects of conflicts.

Conflicts often arise over organizational or technological problems, and they later transfer to personal relations. Therefore, the higher the level of personal culture among managers and subordinates, the greater the number of objective and constructive conflicts that will arise. Conversely, the lower the personal culture, the more often conflicts take on a personal, destructive nature. It is thus the style of conflict management applied that determines whether its effects will be positive or negative (Thomas, 1976). The negative effect of conflicts can be very significant: staff dissatisfaction grows, staff don't feel well or happy, opportunities for cooperation fall; and if there is too much involvement in the conflict situation, the damage done to work activities grows, as does staff turnover. At the same time, conflicts can have a positive effect by minimizing tensions between the conflicting parties, helping gain new information about the opponent, and encouraging change and development.

Is the conflict competency of Lithuania's business organization managers adequate? The research results show a rather positive mindset exists among managers—i.e., the gradual change

from a traditional approach to conflict being seen as a threatening phenomenon (see Figure 5).



Figure 5: Orientations in Conflict Tolerance in Lithuanian Business Organizations

Conflict is not understood only as a great threat; it can be surmountable if there is sufficient preparation. More than one half of the surveyed managers reported this opinion, and approximately 19% represented a progressive, optimistic approach and valued conflict as an opportunity for innovation. Nevertheless, approximately one quarter of respondents' attitudes toward conflict were passive—they thought that conflicts were undesirable and tried to ignore them. However, ignoring a problem is one of the greatest mistakes made by leaders when managing conflicts.

Generally speaking, conflicts are unavoidable, and the modes of resolution can become valuable for the organization. Depending on the conflict resolution modes employed, the whole organization's activities can be either maintained or destroyed. Conflict resolution modes mentioned most often in management literature range from cooperation to coercion (Robbins & Judge, 2007; Daft, 2005). The conflict resolution modes of Lithuanian leaders, in order of priority, are:

1. cooperation – 86.5%
2. compromise – 74.6%
3. stimulation – 38.5%
4. conformation – 12.1%
5. avoidance – 9.4%
6. coercion – 9.4%

This ordering by managers confirms the growth of their conflict-management competency; i.e., their orientation toward seeking out the most effective modes of resolving conflict situations is being expressed—namely through cooperation, compromise, and stimulation. The formation of positive trends in managerial thinking highlights earlier research designated for analyzing management orientations in the business sector; most often, enterprises seek to avoid conflicts or ignore them (Česynienė et al., 2002).

There is no one right method to resolve conflictual situations. However, as important as constructive conflict resolution is conflict prevention. Prevention envisages interaction between people and the creation of suitable conditions for their activities in an organization in order to

decrease the origin of conflicts and the potential for the development of destructive disagreements.

Managers' Attitudes Toward Staff Motivation in an Organization

The effectiveness of managers' leadership is closely tied to the successfulness of staff motivation. This is influenced by factors that encourage work activities, such as remuneration and awards, self-consolidation, respect, career prospects, creative atmosphere, and confidence in the leadership. There is no doubt that motivating factors have varying impacts on different people.

Do the motivational measures applied by managers in practical activities match understanding of the priorities of staff motivation? The research results confirm that staff motivation priorities do not exactly meet the motivational leverages in place. Motivational leverages that are used by the surveyed managers (see Figure 6) undoubtedly depend on their managerial competency and on the actual situation (i.e., the realities of the labor market and standard of living in the country).

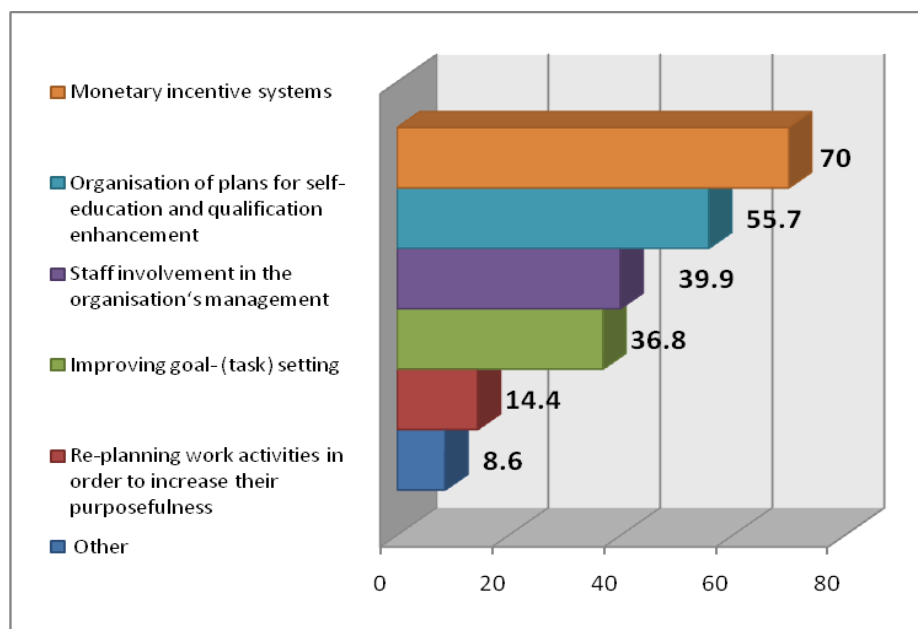


Figure 6: Motivational Leverages Used in Lithuanian Business Organizations

It was expected that the most importance would be given to monetary incentive systems, and this was confirmed by a majority of the business enterprise respondents (70%). Remuneration is a universal factor that motivates people to work. However, the infatuation with monetary incentives should not be exaggerated. As Herzberg stated, a salary in itself is not a motivator. It is merely a sanitary factor—i.e., it can keep someone in an organization, but it cannot motivate on its own. To be more precise, the monetary factor is not considered the stimulus that would motivate every staff member to perform a certain complex task. Irrespective

of this, many managers place special importance on money as a motivator, although money often becomes a tool for manipulation and loses its role as a motivating stimulus.

Monetary incentives partly correlate with the understanding of the importance of staff needs for security (managers are of the opinion that this requirement is most dominant). This became especially relevant to Lithuania and other Eastern European countries during the period of economic transformation when staff were concerned about keeping their jobs. Foreign managers working in this region found it difficult to understand this work-performance attribute, wherein maintaining one's position (i.e., job security) was more important than additional payoffs.

The evaluation of managers' attitudes toward the application of motivational levers would not be objective without considering their opinions on restrictions on the effectiveness of motivational technologies. Unfortunately, the sophistication of the survey participants, in terms of the macroeconomic situation and societal mentality, was not adequate (almost half of all respondents did not answer, or were not able to evaluate the situation; i.e., their competency score was very low, equal to 1 or 0). In summary, it can be said that one of the weaknesses of applying motivational technologies is the restriction on allocating financial resources, which does not facilitate fostering staff abilities to the fullest extent; encouragement is weakly linked to the invested effort, qualification, competency, and loyalty to the organization, which is why it does not motivate staff to show initiative and continually strive for improvement. There is no doubt that the country's economic situation has a major impact on staff motivation processes. This is linked to general economic development indicators, the labor market situation, existing salary levels in the market, and inactivity among staff; and all of these factors have a strong influence on the circumstances within organizations themselves. The evaluation of each organization's opportunities for providing motivation cannot be ignored either (such as existing resources and possibilities for their re-grouping, ineffectiveness of the incentives being applied, and opportunities to use immaterial levers).

Conclusion

When looking at Lithuania through the framework of value orientations, it should be pointed out that managerial behavior and attitudes prevalent in the country can be described as minimally flexible in action, formal, aversive to making risky decisions, and containing a reduced ability for teamwork. The particularity of action, predominant here, indicates a moderate power distance value, a high level of uncertainty avoidance, and a need for rules and regulations.

In summarizing the research of Lithuanian authors on management concepts, it was noticed that the majority focused on theoretical management interpretations, while practical research was aimed more at separate aspects of management (gender differences in the management process, conflict resolution, motivation, managers' use of power in respect to their subordinates, leadership in individual sectors, etc.). There is a lack of integral research on the concept of management itself.

At present, the majority of business organizations' managers' leadership attitudes represent a clear push toward a democratic style—one based on cooperation, mutual respect, and the authority of the manager, which is congruent with the modern management philosophy of coming to an agreement based on cooperation between managerial staff and not dominating relations.

Unfortunately, there is a more one-sided situation in regard to staff- or task-orientation; in essence, Lithuania's managers are more orientated toward the task at hand, which clearly goes against one of the spreading trends in modern management where there is a strengthening of social management and its greater orientation toward people. It is noteworthy that in organizations there is an asymmetry between motivational leverages and knowledge of the motivating priorities of the staff, resulting in managers' inadequate application of motivational leverages in practice. In addition, the objectivity of Lithuanian managers' application of motivational leverages is reduced due to their insufficient sophistication in evaluating the macro-economic situation and mentality, which realistically determines the limited effectiveness of motivational technologies.

To summarize, it is necessary to turn attention to the fact that Lithuania's managers are not always able to adequately and effectively react to market needs or evaluate newly arising issues in a globalization-affected environment. This may be identified as a problem of national importance, which clearly requires an adequate program.

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