

The socio-anthropological genesis of the innovative behaviour in the Bulgarian reality

Adelina Milanova, Pavlinka Naydenova

Abstract. The authors analyse theoretically the conceptualization regarding the role of organizational culture dynamics for the deployment of innovation potential and, respectively, its impact on the manifestation of the innovation capacity of business units in Bulgaria. This dynamic is predetermined on the one hand by the economic and cultural-historical development of the Bulgarian nation, and on the other hand, it reflects the changes and the significance of the defined national cultural dimensions and their specific indicators forming the cultural profile of the country. In the discourse of socio-economic anthropology, the category of innovation potential is positioned in the context of innovation behaviour or the attitudes to perceive the novelty, precisely in view of the specifics of our economic and social development.

Keywords: socio-economic anthropology, innovation, innovative behaviour, national cultural dimensions, organizational cultural dimensions

Introduction

Concepts such as “innovation” and “innovation activity” have been established and theorized in various aspects since the late 19th century, and especially throughout the following 20th century, which has bequeathed us various concepts and visions of innovation. Nowadays, focusing on the innovative potential at both macro- and micro-levels affirms it as an existing but still unrealized possibility within the organization for pursuing innovative transformations that aim to sustain and increase its competitiveness. As pointed out by the authors (Milanova, Naydenova 2024), the specificities of the two concepts, “culture” and “innovations” create a particular kind of contradiction: while culture tends to be conservative, expressing some understandings and perceptions accumulated as layers over the years, innovations come as an expression of a change, i.e., they are drivers of transformations via innovations. The complicated cultural profile

of any nation, or, if taken at a micro-level, any institutional unit, is predetermined by that nation/institutional unit's economic and historical development. In this case, it refers to the Bulgarian nation, including its nation's intrinsic cultural development.

Binding culture and innovations with categories picked from the scientific tool-box of socio-economic anthropology reflects the authors' vision that it is the human being, along with their value system, who enables the above binding and their mutual influence.

Literature review

For a long time, the prevailing finding has been that in the evolving economy of the past few decades, national cultural dimensions tend to prevail over organizational ones. This often hinders the generation of a new organizational cultural profile for economic units.

In Bulgarian history, even before the imposition of the Ottoman rule, there was a variety of movements of religious or secular nature, but these movements would never demonstrate a definite detachment from the village - for example, the Bogomils movement. Centuries later, particularly in the period following the Crimean War (1853-1856), the typical profile of our economic culture began to form. It appears that negative feelings and attitudes became encapsulated in the national mentality, persisting to this day. These include the desire for private savings; the pseudo-individualism of the Bulgarians, which is rather a specific form of collectivist attitude; the desire to oppose everything that would disrupt even the relative calm of the small (kinship-based) community (Kolev 2017).

Identifying the business-building parameters and transmitting them across the decades has also transformed into a cultural issue. The observed trend points toward civilizational distortion and subsequent marginalization of new economic structures striving for self-establishment.

The evolution of Bulgaria's economic and historical development has been reproducing some established attitudes rather than radically modifying them and adapting them to the modern world. A specific "solidarity" against uncertainty and ambiguousness of life emerges, forming a basis for further deviations in the adoption of different cultural models.

Subsequent periods in our development, including the modern era, are characterized by the fact that many of the value encapsulations become even more categorically expressed, with other interesting value-cultural traits added to them. During the socialist period, "primitive quantitative hedonism" greatly distorted the rational entrepreneurial thinking of Bulgarians (Kolev 2017). The excessive ideologization of the economy corresponded with an imposed egalitarian consciousness and the formed fear of the uncertain and the different, which effectively confirmed the traditional characteristics of our defensive economic-cultural model.

During the long process of the formation of economic culture, an essential role was played not only by the national genotype (national cultural matrix) - as a complex construct and an abstract category, determined to a certain extent by

the economic and historical development of the country - but also by the consequences and effects of its imposition and sustainability over time. Ultimately, in order to conceptualize the existing national economic genotype, we could go back several centuries to trace how and why this particular profile was formed, as well as how and why we made the corresponding civilizational choices for our modern history.

The state of the national cultural genotype to date is presented in Figure 1.

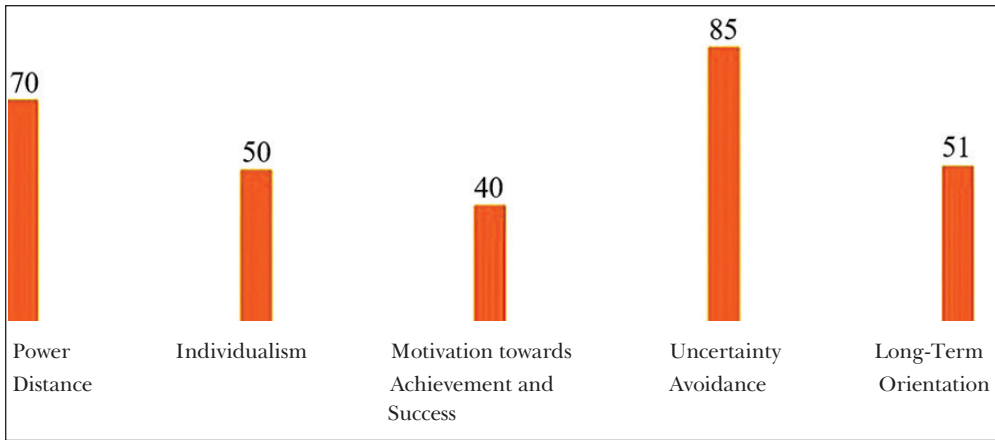


Fig. 1. Current values of the indices of the national cultural dimensions for Bulgaria

Source: Hofstede Insights

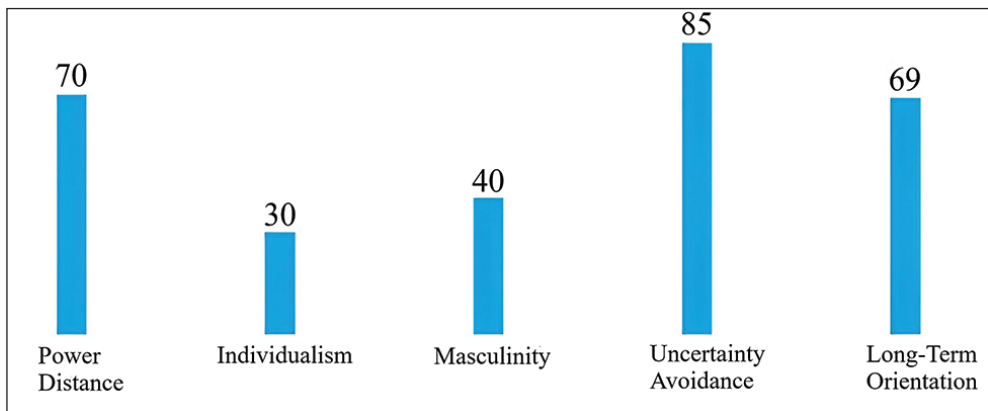


Fig. 2. Values of the indices of the national cultural dimensions for Bulgaria over a precedent period

Source: Hofstede Insights

While Figure 1 reflects the present indices, Figure 2 illustrates the indices for a significantly longer previous period, including data up to 2022. The Power Distance Index (PDI), which is 70 for Bulgaria, defines the Bulgarian national culture as non-isocratic or non-equally powerful (with high power distance). Such non-equally powerful cultures tend to establish authoritarianism and reject consultative style of administration. Essentially, the middle class values exert significant influence in most institutions of a given country. They are much more powerful, and at the same time it is often assumed that acquiring higher education degrees would lead to entry into the middle class, which may be interpreted as a sign of improved social stratification in modern societies and opportunities for real mobility across different types of groups.

Over the period following 2022, the Individualism Distance Index (IDV) for Bulgarian culture as a whole changed from $I_{ind} = 30$ to $I_{ind} = 50$, which is a significant and radical change in the national cultural profile. What is essential in this case is that while Power Distance Index is not changing, an inverse relationship is usually observed between the Individualism Distance Index and the Power Distance Index.

Innovation attitudes are viewed through the lens of the values of the inner group. The very potential for innovation is seen through the lens of the moral and sometimes ideological notions, values and imperatives of this group.

In terms of the next dimension - Masculinity vs. Femininity (MAS), when the index for measuring masculinity of a culture (I_m) = 40, it becomes clear that our general cultural pattern is a soft or feminine culture. In recent years, there has been talk of the dimension *Motivation towards Achievement and Success*, which reflects the ambition, assertiveness, and even aggressiveness in the pursuit of goals typical of tough or masculine cultures. Focusing precisely on this cultural dimension, the main questions that arise in its analysis are focused either on demonstrating ambition and assertiveness or on declaring a social commitment, though this is not always interpreted correctly and/or unambiguously.

In general, masculine or tough cultures embrace the view that unsuccessful people and/or poor people are insufficiently ambitious and competitive, as well as insufficiently adaptive and assertive. In contrast, feminine or soft cultures - due to a different emotional perception of social roles - tend to see unsuccessful and/or poor individuals more as unfortunate and victims of particular circumstances. These differing models of perceiving the environment lead to contrasting attitudes toward the necessity of imposing a certain innovation at all costs - that is, they can even leave existing innovation potential in a latent state.

The dimension *Uncertainty avoidance*, characterized by the Uncertainty Avoidance Index (UAI), categorizes cultures as either anxious (high-stress) or calm (with strong uncertainty avoidance or with weak uncertainty avoidance). In cultures with high levels of UAI, there is a need for rules even when these are not particularly necessary or are not applicable by all means. There is also an emotional need for intense job satisfaction, which is often experienced negatively, but this differs significantly between employees and top management.

In this context, there is a specific explanation for the relationship between entrepreneurship and uncertainty avoidance in different cultures. This conclusion can be found as early as in Hofstede's first major international study,

which started in the last two decades of the 20th century (Hofstede 2001). This study states that most entrepreneurs with businesses of their own can be found in southeast European countries, and the fewest - in Scandinavian countries. Evidence suggests that greater security as it relates to job type is preferred in more high-stress countries, but this often leads to some tension in interpersonal relationships. As a result, a significant number of individuals prefer to work independently, without cooperating with or being subordinate to anyone.

Uncertainty avoidance, which holds a relatively high score of 85 in Bulgarian culture, is a dimension that, to a large extent, challenges certain ambiguities and misconceptions in the socio-anthropological understanding of individualism and collectivism. The mere fact that most Bulgarians would rather work either as self-employed or in smaller companies, family businesses or organizations whose structure and hierarchy resemble family businesses - and often feel uncomfortable joining larger teams composed mainly of unfamiliar individuals - is often misinterpreted as a sign of individualism. However, the more accurate explanation lies in the high stress levels characteristic of Bulgarian culture. When these stress levels are combined with a strong collective orientation, which prevailed in Bulgaria until recently, individuals tend to favour autonomous work, even if it is less efficient, over more effective yet riskier team-based activities. This is especially true when teamwork involves collaborating with people who are unfamiliar, different, or outside one's familiar in-group.

In the case of high-stress cultures, the unknown, the novel, and the risky tend to trouble and push individuals out of their comfort zones. These cultures demonstrate propensity for regulation. Any form of creativity or the adoption of something new and not particularly familiar will naturally lead to additional stress - something that is generally avoided. Anything that might generate stress is put under suspicion, including any opportunities for flexible solutions or adopting good practices addressing specifically the very team form of activity, *inter alia*. Therefore, innovation attitudes are fulfilled up to the threshold of tolerable stress in different cultures.

In the dimension *Long-term orientation vs. short-term orientation*, which is not coincidentally also referred to as Confucian dynamism, Bulgarian culture shows an index of 51. This is associated with philosophical and existential differences in value systems among Western and Eastern peoples, which is why it goes beyond the methodological framework of our study. Confucian dynamism is explained through the ideas and philosophy of religion in society, namely the discrepancies in the interpretations of the world. In the Eastern world, the pursuit of Virtue is typical, whereas in the Western world, it is the search for Truth. Rationality and rational behaviour, as well as goal-setting related to organizational behaviour and entrepreneurial activity, are perceived differently.

Recently, a sixth dimension has also been gaining prominence - measuring the degree of positive attitudes and expectations. In this format, we refer to a degree of cultural restraint. This dimension features a persisting and constant low index (16) and is not a specific target of our analysis.

Innovation potential, the implementation of innovations, and innovation-related attitudes are largely dependent on the prevailing national cultural dimensions, whose specific expression is determined by the respective indices.

Attitudes toward risk-taking and innovating are most strongly influenced by the level of uncertainty avoidance, but they are also closely linked to the degree of individualism, which inherently implies an explicit delineation of the scope of responsibility. The role of teamwork should not be overlooked either, as it clearly relates to both individualism and uncertainty avoidance. Additional factors that may serve as motivational drivers include ambition and social engagement - both directly related to the masculinity or femininity of a given culture. A particular challenge lies in identifying the interplay and/or subordination between these factors within their relational context.

Discussions, assumptions and trends

In the study on the innovation potential in education carried out by the authors' team in 2022 (Milanova, Naydenova 2022), the authors identified a predominance of national cultural dimensions in the realization of innovation potential. When examining business structures within our economy, the situation is considerably more complex, as individual entities often exhibit a more specific relationship between the national economic genotype and their particular organizational cultural profiles, which are based on organizational cultural dimensions.

The diagnosis of the significance of the link between the two types of cultural dimensions, which is currently in its first stage, would prove its fundamental role in the operationalization of corporate strategies and ensuring competitiveness and image capacity.

Studying the interactions described above offers a way to assess the extent to which the behaviour and culture of Bulgarian managers meet the requirements for effective innovation activity, particularly in terms of generating and realizing innovation potential. Such research would contribute to the development of various business practices that form the basis of a distinct business culture. It would also support the creation of policy mechanisms designed to foster comparative competitive advantages, tailored to the specific features of cultural identity, its innovation potential, and the corresponding capacity.

There are a number of formats that represent models of organizational culture, but these are not specific subject of the research initiated by the authorial team, nor of the present article. In this vein, a relevant framework to which the authors adhere to and which gives an idea of the different types of organizational culture is based on the following generalizations (Hofstede 2001; Hofstede Insights; Hofstede, Hofstede, Minkov 2010).

1. Focus on the means or on the results

Process and means orientation or results orientation

This dimension is closely related to the effectiveness of the organization. A means- or process-oriented approach reflects a preference for risk avoidance, familiar, repetitive and predictable work situations. In contrast, result(s) orientation implies comfort in unknown situations, along with a tendency to take risks and embrace challenges.

2. Attitude towards employees

Orientation to the employees or to the work

This dimension primarily reflects the current context and the extent to which it embodies the philosophy of the firm's founders. It also highlights whether an organization is more focused on the work and is interested in itself, or it is committed to the wellbeing of its employees based on the idea that business ethics and integrity are top priorities.

In the business structures where employee-oriented practices tend to prevail, there is a significantly more pronounced tendency toward creativity and tolerance of new ideas, even when they are associated with taking on certain, unknown risks.

3. Identification with the company or with the work

Communal/Parochial type versus professional type

In the communal type, also referred to as parochial or associated with a more limited narrow perspective and scope in terms of attitudes, the organization shows interest in the family and the social origin of its members, while also taking into account their competences and knowledge.

Alternatively, within the professionally oriented type, confidentiality is considered sacred, and the only thing that truly matters is professional competence.

In this case, the dimension related to the individualistic or collectivist nature of society and anxiety is particularly influential.

In cultures with a professional organizational type, employees tend to experience a sense of freedom, independence, and lack of constraints - conditions that generally foster self-expression and creativity.

4. Access and information for outsiders

The organization is perceived to some extent either as a closed or an open structure

In an open organizational culture, new employees are easily accepted without the need for prolonged adaptation, and they are provided with accurate and relevant information. This type of culture assumes openness toward both insiders and outsiders, operating on the assumption that anyone is inherently capable of fitting into the organization. Such an orientation tends to be tolerant of innovative activity, although it does not always necessarily imply it. Alternatively, in a closed organizational culture, the opposite dynamics are observed.

5. Informality or strictness

Weak versus strong control

Typically, strong control is associated with high anxiety and great power distance as national cultural dimensions transferred to organizational culture. However, interpretations vary depending on the specifics. It is also important to

take into account the fact that in certain situations and contexts, a very liberal culture might be a symptom of a lack of predictability, weak control and poor discipline, or that too much improvisation and too many surprises would be expected. Conversely, very strict control and discipline could be indicators that employees are extremely conscientious and serious in their work.

With this dimension, it is not possible to define clear expectations regarding the development of innovation potential. Rather, it should be interpreted in relation to the other organizational dimensions and specific situations.

6. Normativity or practicability

In this orientation, organizations of a practical type place primary importance on the market and its imperatives. In contrast, organizations with a “legalistic” or normative orientation prioritize rules and their application regardless of the situation. This creates a situational optionality regarding the big question of whether we should adapt ourselves to the client, or the client should adhere to the company’s rules and norms.

In this dimension, quite similarly to the above one, the relationship between organizational culture and innovation potential must be interpreted in the context of the specific circumstances and in relation to the expression of the other dimensions.

When studying traditional economic structures, it is important to track how the discussed interactions influence the encouragement of relevant organizational practices. In some of our previous studies, we have emphasized that in newly established organizational structures, the focus should be placed on the use of either traditional or modern organizational practices, as well as on how these practices are coordinated, or come into conflict, with national specificities (Milanova, Naydenova 2013; Milanova, Naydenova 2022).

Conclusion

Identifying and analysing the complex interrelationship between innovation potential and a specific organizational culture, which is specifically determined by the economic development of our country, is a complex process requiring in-depth knowledge and an objective interpretation of the role and impact of three main components, namely: the institutional environment, the market environment, and the culture of the human factor. In general, determinism is defined as “a theory or doctrine that acts of the will, occurrences in nature, or social or psychological phenomena are causally determined by preceding events or natural laws”, or simply as “a belief in predestination” in the philosophical sense of the word (Merriam-Webster Dictionary). The big question faced by socio-economic anthropology is precisely to what extent it would be reasonable to speak of economic-and-historical determinism, especially when interpreting the interactions between national and organizational cultural dimensions and their correlatability.

The key message the authors aim to convey is that there always needs to be a thorough and detailed diagnosis of each individual business structure, with an emphasis on its specific organizational culture, i.e., in the discourse of socio-eco-

conomic anthropology. When such diagnosis can illustrate deep causality, by uncovering conditions, potential problems and ways to address them, regardless of whether the findings are particularly pleasant or not, it enables the development of strategies and specific company policies that are much more relevant, efficient and effective. Achieving this, however, requires both specialized knowledge and its thoughtful application within the specific context of each business practice.

References

- Hofstede 2001:** X. Хофстеде. Култури и организации (Софтуер на ума). София: Класика и стил, 2001. (H. Hofstede. Kulturi i organizatsii (Softuer na uma). Sofia: Klasika i stil, 2001.)
- Hofstede Insights:** Hofstede Insights. Country Comparison Tool. - In: The Culture Factor Group. Available at: <https://www.hofstede-insights.com/country-comparison> [Accessed: 3 September 2024].
- Hofstede, Hofstede, Minkov 2010:** G. Hofstede, G. I. Hofstede, M. Minkov. Cultures and Organizations. Software of the Mind. 3rd edition. McGraw Hill Professional, 2010.
- Kolev 2017:** Б. Колев. Икономическа култура. София: ИК - УНСС, 2017. (B. Kolev. Ikonomicheska kultura. Sofia: IK - UNSS, 2017.)
- Merriam-Webster Dictionary:** Determinism. - In: Merriam-Webster Dictionary. Available at: <https://www.merriam-webster.com/dictionary/determinism> [Accessed: 3 September 2024].
- Milanova, Naydenova 2013:** А. Миланова, П. Найденова. Управление на човешкия капитал във фирмена среда. Социоантропологична и мотивационна детерминираност. София: АИ „Проф. Марин Дринов“, 2013. (A. Milanova, P. Naydenova. Upravlenie na choveshkiya kapital vav firmena sreda. Sotsioantropologichna i motivatsionna determiniranost. Sofia: AI “Prof. Marin Drinov”, 2013.)
- Milanova, Naydenova 2022:** А. Миланова, П. Найденова. Корпоративният социален капитал като управленско предизвикателство. София: Издателство на БАН „Проф. Марин Дринов“, 2022. (A. Milanova, P. Naydenova. Korporativniyat sotsialen kapital kato upravlensko predizvikatelstvo. Sofia: Izdatelstvo na BAN “Prof. Marin Drinov”, 2022.)
- Milanova, Naydenova 2024:** А. Миланова, П. Найденова. Иновационен потенциал и организационна култура в образованието. В дискурса на социоикономическата антропология. София: Издателство на БАН „Проф. Марин Дринов“, 2024. (A. Milanova, P. Naydenova. Inovatsionen potentsial i organizatsionna kultura v obrazovaniето. V diskursa na sotsioikonomiceskata antropologiya. Sofia: Izdatelstvo na BAN “Prof. Marin Drinov”, 2024.)

Assoc. Prof. Adelina Milanova, PhD
Economic Research Institute
Bulgarian Academy of Sciences
3 Aksakov Str.
1000 Sofia, Bulgaria
Email: nalidea@yahoo.com

Assoc. Prof. Pavlinka Naydenova, PhD
Economic Research Institute
Bulgarian Academy of Sciences
3 Aksakov Str.
1000 Sofia, Bulgaria
Email: p.ileva@iki.bas.bg