



IMPACT OF NATIONAL CULTURE ON ORGANISATION CULTURE

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Abstract:

Although it is true the world has become a village because of the growth of technology and globalization but this cannot be the generalizing factor that the cultures of the world are converging. This is proved by the dimensions of GEERT HOFSTEDE, which are Power distance, Masculinity and femininity, Individualism and collectivism, Uncertainty avoidance, Long term orientation. The above dimensions are used to determine the culture of countries by using indices. Every country has got a different index from other country. These dimensions determine the cultures in the companies of the countries. It is not that always the national culture determines the organization's culture. As a company can possess its own culture different from the national culture. This can be in case of a multinational company having subsidiaries in other countries. They can apply the home country's culture which is different from the one in the host country. Although there can be divergence in the country's culture and organization's culture but the impact of country's culture will surely be seen on the organization in any one of the dimensions of culture. The companies chosen are big multinational companies from six countries which have subsidiaries in different countries in the world. The culture of the country is determined through GEERT HOFSTEDE dimensions. According to the dimensions obtained on the country, the organization's culture is determined. This is to check whether the national culture has impact on the organization's culture. There can be a match of organization's culture and national culture but there can be seen a disparity in some of the dimensions. The research data used is secondary data. In the end it is observed that although there are disparity in some of dimensions but still the national culture has an impact on the organization culture. The impact is more widely seen in the case of multinational organization. The organization can use these differences effectively to achieve the organization goals. If the organization does not take this difference into consideration especially in policy formulation it may lead to the downfall of the organization.

Index Terms: National Culture, Organizational Culture & Geert Hostede National Dimensions

1. Introduction:

Since the Industrial Revolution, employers have faced a dilemma. On the one hand, they have to have tight control over what their staff does and how they do it- to ensure that time, resources and, materials are not wasted. On the other hand, they also needed varying degrees of employee goodwill, creative good sense, and commitment. Controlling invariably brings in rules, regulations and reporting. No factory can be run by rules and no set of rules can ensure all that is required of employees. Efforts to achieve control through rules will not succeed because they are oppressive, intrusive, unpleasant, demanding and risk workers' commitment, on which their goodwill and common sense are dependent.

It is possible to argue that all management philosophies and approaches are nothing but a step in the direction of solving this dilemma- to achieve both control and

commitment. Ultimately all solutions fail because the two ends are opposite. The only way to solve this problem is to develop a strong corporate culture, which will generate a high level of commitment and enthusiasm and bring in control through team work [1]. This is no doubt a high claim. But a number of studies have established that organization culture is the key to performance, and that it can be changed to ensure that employees are committed and compliant to respond to organizational change.

2. Types of Organisation Culture (Roger Harrison):

2.1 Power Culture:

This type of culture provides excitement and drives for some people but seems threatening to others. It depends on strong leadership from a central power source controlling and manipulating all activities within the organization. This culture functions mainly through subordinates looking to the boss for all decisions and clearances. In practices, those at the middle and lower levels react quickly to rumors and use grapevine as the main source of information [2]. Although regulations exist to control and direct behavior they are not adhered to in practice. Decisions are made largely as result of political strength rather than logical deductions.

Money and status are more highly valued than technical expertise. This has implications for the employees, who are likely to prosper in such organizations. People strive to get the attention for the boss as all authority flows from him. Members who wish to progress form a network of influential people to increase the information and connection they hold. This culture is usually found in small entrepreneurial organizations and in companies with autocratic bosses.

2.2 Role Culture:

This type of culture places great value on functions, job specialization, procedures and rules. Job descriptions, authority relationships, and communication procedures are formal and the role of the manager is to coordinate activities between the different functions. Anyone who performs beyond what is expected of a particular role is seen to be threatening, and new ideas and creativity are discouraged [3]. Everyone sticks to his job description and role and any unforeseen event is referred higher up. This culture is followed in bureaucratic, mechanistic organizations where the environment is simple and stable. All government and public sector organizations have this type of culture.

2.3 Task Culture:

This type of culture is job oriented; the onus is on getting the job done rather than prescribing how it should be done. Task of culture attracts people who prefer to solve new problems. The style of this culture is for people to work in teams and work on problems or tasks. Great emphasis is placed on the value of group working and individual preferences are sacrificed to ensure the continued life of a team. This culture is adaptable.

Unlike role culture, formal roles and procedures have little meaning and influence, because success is based on expertise, control over an individual's work, easy working relationships and mutual respect for personal competence. Task culture is sensitive to change and adapts quickly to new situations. Control is highly decentralized and exercised by means of allocating projects to group leaders to manage people and resources accordingly. This culture is appropriate for organically structured organizations where flexibility and team working are encouraged, where the environment is dynamic and jobs are complex and need high customization or where speedy action and quick response to customer or environment are needed.

2.4 Person Culture:

The primary objective of this culture is to serve the individuals in a group; structure, rules, procedures, and roles are only to serve the needs of individual members. Change occurs only to meet their needs and control is exercised by mutual consent of the members. The wishes of professionals are the central focus of this culture. An example of person culture would be a group of professionals like doctors or members of a voluntary organization [4]. Such a culture will not exist in large organizations except as a sub-culture.

It is clear that according to Harrison’s definition of different cultures, people will show commitment in terms of the extent to which they feel comfortable in a specific culture. People are attached to the culture which reflects the values they hold and the ways in which they wish to work. Sometimes even if comfortable with the role, people may not feel comfortable if the culture does not match their value system [5].

3. Methodology:

The companies chosen are all multinational companies. This is to remove the obstacle in the case of comparing and the analysis. Countries are collected from four continents Europe, Africa, United States of America and Asia

The objectives of this study are:

Primary Objective:

- ✓ To analyze similarities and dissimilarities of each organization based on culture

Secondary Objectives:

- ✓ To identify cultural indices of various countries using GEERT HOFSTEDE dimensions
- ✓ To identify the organization culture and HR practices in the identified countries and companies

The sample number for the study is 10 companies from six countries. The chosen companies are all multinational performing their operations in different countries in the world. Hence the companies have people of different cultures working under them The study uses secondary source of data from the books, magazines, journals and through the internet.

4. Discussion on Selected Companies:

Table 1: On Power Distance

Companies	LEAN	FLAT	TALL
Sonatrach		✓	
Imperial Holdings			✓
Toyota	✓		
Sony			✓
Google		✓	
Johnson & Johnson	✓		
Volkswagen		✓	
Continental Ag		✓	
Norvatis	✓		
Rolex	✓		

Table 2: On Masculinity and Femininity

COMPANIES	MASCULINITY	FEMININITY
Sonatrach	✓	
Imperial holdings	✓	
Toyota		✓
Sony		✓

Google		✓
Johnson & Johnson		✓
Volkswagen	✓	
Continental AG		✓
Novartis	✓	
Rolex	✓	

Table 3: On Individualism and Collectivism

Companies	INDIVIDUALISM	COLLECTIVISM
Sonatrach		✓
Imperial Holdings		✓
Toyota		✓
Sony		✓
Google	❖	
Johnson & Johnson	✓	
Volkswagen	✓	
Continental Ag	✓	
Norvatis	❖	
Rolex	✓	

Table 4: Uncertainty Avoidance

Companies	HIGH	LOW
Sonatrach	✓	
Imperial Holdings	✓	
Toyota	✓	
Sony	✓	
Google		✓
Johnson & Johnson		✓
Volkswagen	✓	
Continental Ag	✓	
Norvatis	✓	
Rolex	✓	

Table 5: Long Term Vs Short Term Orientation

Companies	HIGH	LOW
Sony	✓	
Totota	✓	
Volkswagen	✓	
Continental Ag	✓	
Google		✓
Johnson & Johnson		✓

[Websites References 1, 2, 3, 4,]

According to the dimensions it represents every country's type of the organization culture. It can be that they really determine the culture of the organization but there can divergence in some areas. The findings are based on the chosen countries and companies.

Power Distance Index:

- ✓ On power distance index Japan is seen to have the highest, it is also seen in its companies but there is divergence Toyota possess a low power distance in the

company. Which shows that the country's culture did not have impact on the company

- ✓ It is also seen that South Africa possess an average power distance index but its company Imperial holdings has a high power distance in the company
- ✓ Switzerland has a low power distance index and so it is in its companies.

Masculinity and Femininity:

- ✓ On masculinity it is observed that Japan has the highest index.
- ✓ From the analysis it is seen that one the German company Volkswagen, South African company Imperial holdings, Algerian company Sonatrach and Switzerland companies Rolex and Novartis also have a high rate of masculinity in their companies.

Individualism and Collectivism:

- ✓ The United States is seen to possess a high index on individualism.
- ✓ A unique feature is seen from the analysis a United States company Google and a Switzerland company Novartis have both individualism and collectivism in their companies.
- ✓ German companies Volkswagen and Continental AG and a Switzerland company also seem to have a high rate of individualism.

Uncertainty Avoidance:

- ✓ On uncertainty avoidance Japan seems to have the highest index.
- ✓ Although this is seen high on Japanese companies but it is also seen high in other countries companies.
- ✓ An Algerian company Sonatrach, a South African company Imperial holding, German companies Volkswagen and Continental AG and Switzerland companies Rolex and Novartis also have high uncertainty in the companies.

Long-Term Orientation:

- ✓ On the long term, Japan is seen to have the highest index and it is so seen in its companies.
- ✓ But it is also observed that German companies Volkswagen and Continental AG also have long-term orientations in their companies.

5. Conclusion:

Culture is the total way of life of a society. The way that people conduct their day to day life. Culture is a unique identity of a certain place and differs from that of another place. It is very rare to see the same culture in different places. It is visible that globalization is making the world a village. As when it comes to culture, the world can not possess a single culture. Culture comprises of many dimensions such as values, norms, customs and behaviors of people, which differ from one place to another. It is also observed that a country can possess a certain culture but it is not a must for its impact to be seen on its companies

The growth in technology has made the world become a small village and it is seen that the converging. In a real situation, this is not seen to have been effective. The cultures of the world are different. The culture is dependent on the place where the people are located. The GEERT HOFSTEDÉ'S dimensions make it clear that the cultures of the world are different. Every country possesses its own culture which is different from the other country. Each country has a different index on the dimensions of culture. The indices of a country determine the type of culture that is in the companies of such country. Although the indices determine the national culture, in which the culture has its impacts on organizational culture. Most of the organizations will follow the national

culture as per the cultural dimensions. There are also a few who may divert from the national culture.

All in all, the national culture has an impact on the organization's culture even there are few companies which do not follow the national culture in some of the dimensions.

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