Cross-cultural psychology of organizational behavior

NATIONAL CULTURES AND ORGANISATIONAL CULTURES

Lecture 3

Levels of cultures in a business context

Culture is also present on different levels:

- National culture
- Corporate culture (Organizational culture)
- Professional culture

Levels of cultures in a business context

Culture is also present on different levels:

- National culture
- Corporate culture (Organizational culture)
- Professional culture

What is corporate culture?

- Corporate culture is an ideology shared by members in an organization

(Ouchi 1981; Pascale & Athos 1981; Deal & Kennedy 1982).

The Nature of Corporate culture

- **Corporate culture**: shared values and beliefs enabling members to understand their roles and the norms of the organization, including:
  - Observed behavioral regularities, typified by common language, terminology, rituals
  - Norms, reflected by things such as amount of work to do and degree of cooperation between management and employees
  - Dominant values organization advocates and expected participants to share.

What Organizational Culture Does?

FUNCTIONS

- Provides of identity
- Creates a sense of commitment
- Acts as source of high reliability
- Acts as a social control mechanism
- Organizational culture provides standard code of conduct.

DYSFUNCTIONS

- Can create barriers to change
- Can create conflict within the organization
- Subcultures can change at different rates than other units

Dimensions of Corporate Culture

Motivation

Activities	Outputs
To be consistent and precise. To strive for accuracy and attention to detail. To refine and perfect. Get it right.	To be pioneers. To pursue clear aims and objectives. To innovate and progress. Go for it.

Relationship

Job	Person
To put the demands of the job before the needs of the individual.	To put the needs of the individual before the needs of the job.

Identity

Corporate	Professional
To identify with and uphold the expectations of the employing organizations.	To pursue the aims and ideals of each professional practice.

Communication

Open	Closed
To stimulate and encourage a full and free exchange of information and opinion.	To monitor and control the exchange and accessibility of information and opinion.

Control

Tight	Loose
To comply with clear and definite systems and procedures.	To work flexibly and adaptively according to the needs of the situation.

Conduct

Conventional	Pragmatic
To put the expertise and standards of the employing organization first. To do what we know is right.	To put the demands and expectations of customers first. To do what they ask.

12 Dimensions of Organizational Culture

1. **External versus internal emphasis:** the degree to which the organization focuses on customer/client satisfaction versus internal activities, such as reports and committee meetings.

2. **Task versus "worker" or "human resource" focus:** whether the organizational emphasizes task accomplishment versus the social needs of the employees.

3. **Risk averse versus risk seeking:** a tendency to be cautious in adopting innovations versus being willing to take risks especially when confronted with new challenges and opportunities is tolerated.

(Reynolds,1986)

12 Dimensions of Organizational Culture

4. **Conformity versus individuality:** the degree to which distinctive and idiosyncratic behavior is tolerated.

5. **Individual versus collective decision making:** the degree to which decisions are made in a collegial manner with broad input from those affected.

6. **Centralized versus decentralized decision making:** relating to the degree to which decision making is centralized in the organization.

(Reynolds,1986)

12 Dimensions of Organizational Culture

7. **Stability versus innovation:** the tendency of the organization to innovate and change versus emphasizing stability and well-established procedures.

8. **Cooperation versus competition:** the degree to which cooperative behavior is emphasized and rewarded.

9. **Simple versus complex organization:** relating to the complexity of the formal and informal structures and the political processes within an organization.

(Reynolds,1986)

12 Dimensions of Organizational Culture

10. **Informal versus formalized procedures:** the degree of emphasis on detailed rules and procedures versus informal discussions and flexible work rules.

11. **High versus low loyalty:** the degree of loyalty to the work organization versus other relevant groups.

12. **Ignorance versus knowledge of organizational expectations:** focusing on the degree to which organizations communicate performance expectations to employees and gain their commitment to organizational goals. (Reynolds,1986)

Interaction between National and Organizational Culture

- National cultural values of employees may significantly impact their organizational performance

- Cultural values employees bring to workplace are not easily changed by organization

Organizational Cultures and Country Preferences

- Trompenaars and Hampden-Turner attempted to identify national patterns of corporate culture. They surveyed 13,000 respondents across 42 countries.

- They suggests that MNCs should adjust their local organizational cultures to fit the cultures of the countries where they have operations.

- **Three aspects of organisational structure are especially important in determining corporate culture.**

1. The general relationship between employees and their organisation.

2. The vertical or hierarchical system of authority defining superiors and subordinates.

3. The general views of employees about the organisation's destiny, purpose and goals and their places in this.

- In looking at organisations we need to think in two dimensions, generating four quadrants. The dimensions we use to distinguish different corporate cultures are

- **equality-hierarchy**

 and

- **orientation to the person – orientation to the task.**

Family culture

- We use the metaphor of family for the culture which is at the same time **personal**, with close face-to-face relationships, but also **hierarchical, in the** sense that the "father" of a family has experience and authority greatly exceeding those of his "children", especially where these are young.

Family culture

- The result is a **power-oriented corporate culture in which the leader is** regarded as a caring father who knows better than his subordinates what should be done and what is good for them.

Family culture

- Relationships tend to be **diffuse. The "father" or "elder** brother" is influential in **all situations, whether they have knowledge of** the problem or not, whether an event occurs at work, in the canteen or on the way home, and even if someone else present is better qualified.

- Trompenaars tested to what extent managers from different cultures saw their leaders **"as a kind of father"** or to what extent they thought the leader **"got the job done".**

- The results are shown in Figure 1, where we see one of the widest ranges of national variances of response, and a marked grouping of Asian countries towards the top of the chart.
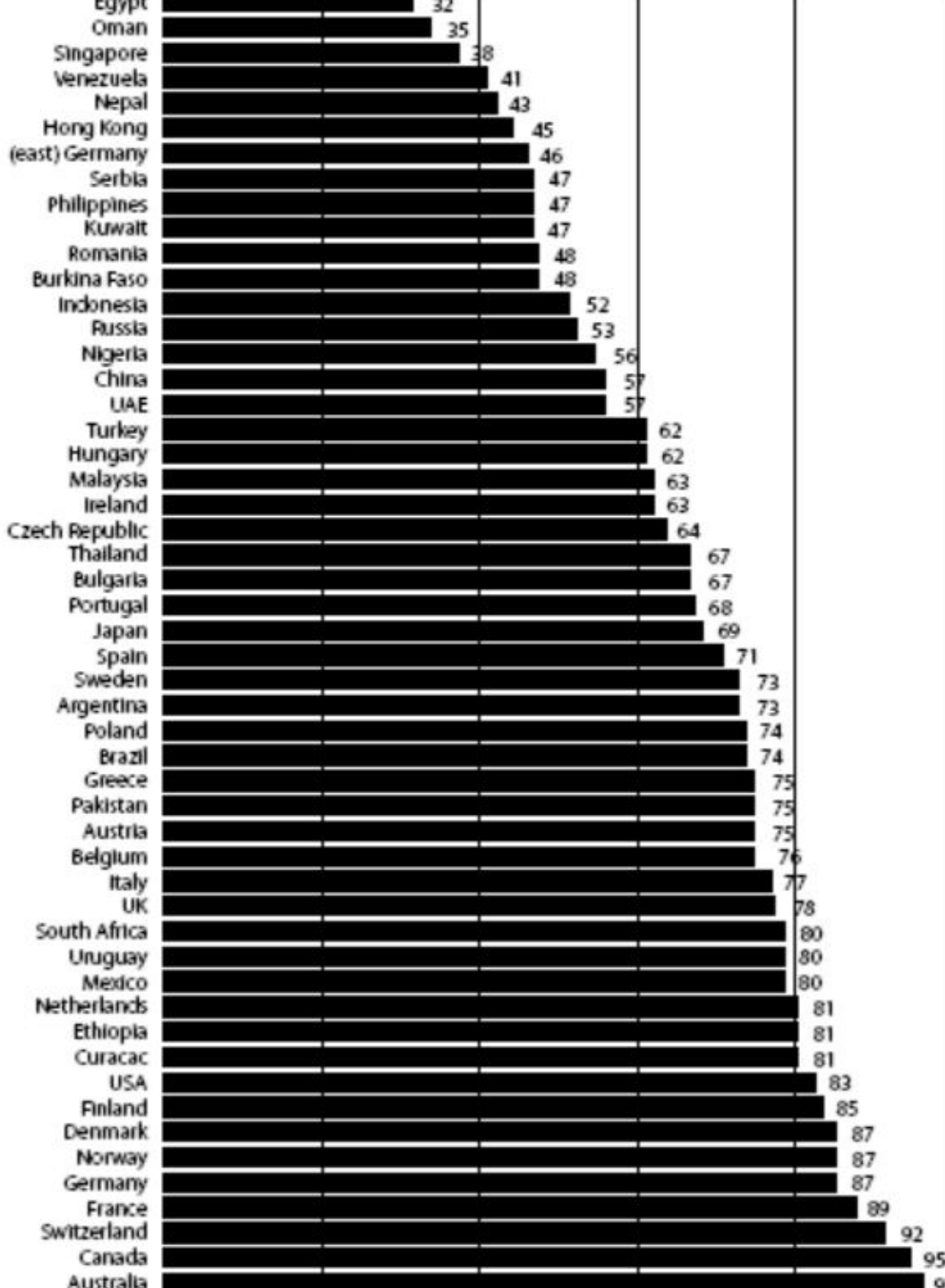
Figure 1

What makes a good manager?

Percentage of respondents opting to be left alone to get the job done

- Another question asked of managers was to think of the company they work for in terms of a triangle, and to pick the one on the diagram (Figure 2) which best represents it. The steepest triangle scores five points and so on down to one.

Figure 2

Company triangles

Turkey
Pakistan
Venezuela
China
Hong Kong
Singapore
India
Austria
Ethiopia
Malaysia
Mexico
Brazil
Nigeria
Spain
Bulgaria
Belgium
Thailand
France
Greece
Argentina
Indonesia
Philippines
Japan
Portugal
Italy
Finland
Ireland
UK
South Korea
Germany
Switzerland
Netherlands
Australia
Sweden
Norway
Denmark
Canada
USA

Motivating, rewarding and resolving conflict

- Because family members enjoy their relationships they may be motivated more by praise and appreciation than by money.

- Their major weakness occurs when intra-family conflicts block necessary change. Resolving conflict often depends on the skill of a leader.

- Criticisms are seldom voiced publicly (if they are the family is in turmoil). Negative feedback is indirect.

Family culture

- Strong emphasis on hierarchy and orientation to the person
- Family-type environment that is power oriented and headed by a leader who is regarded as a caring parent
- Management looks after employees, and tries to ensure that they are treated well and have continued employment
- May catalyze and multiply the energies of the personnel or end up supporting a leader who is ineffective.

Eiffel Tower type

- Authors have chosen the Eiffel Tower in Paris to symbolise this cultural type **because it is steep, symmetrical, narrow at the top and broad at the base, stable, rigid and robust.**

- Its structure, too, is more important than its function.
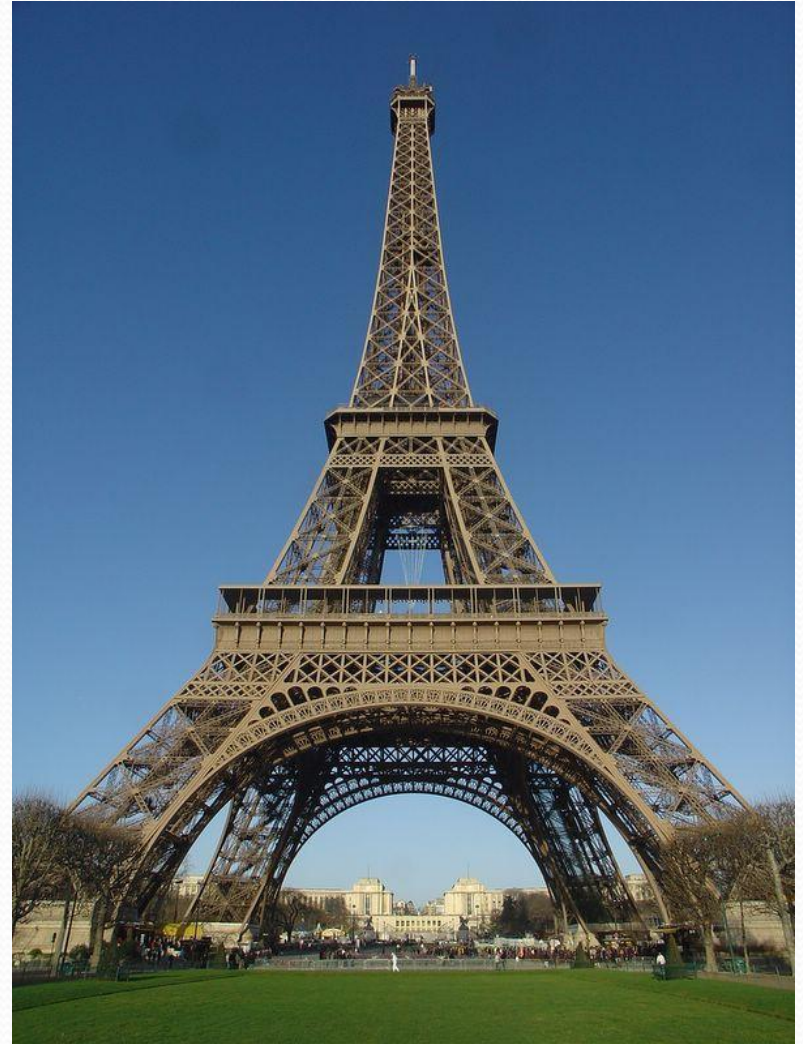
Eiffel Tower

- If you meet the boss on the golf course, you have no obligation to let him play through and he probably would not expect it.

- Relationships are **specific** and status is **ascribe and stays behind at the office.**
- This is not, however, a personal ascription of status as we see it in the family.

Eiffel Tower

- **Status in the Eiffel Tower is ascribed to the role**.
- Thus **bureaucracy** in the Eiffel Tower is a depersonalised, rational-legal system in which everyone is subordinate to local rules and those rules prescribe a hierarchy to uphold and enforce them.
- **The boss is powerful only because the rules sanction him or her to act.**

Eiffel Tower

● Careers in Eiffel Tower companies are much assisted by professional qualifications.

● At the top of German and Austrian companies, which are typically Eiffel Tower models, the titles of professor or doctor are common on office doors. This is extremely rare in the USA.

Eiffel Tower

● Each role at each level of the hierarchy is **described**, rated for its difficulty, complexity and **responsibility**, and has a **salary attached** to it.

● There **then follows** a search for a **person** to **fill** it.

- Two managers talk about their company's organisational structure.

A One says: "The main reason for having an organisational structure is so that everyone knows who has authority over whom."

B The other says: "The main reason for having an organisational structure is so that everyone knows how functions are allocated and co-ordinated."

- Which one of these two ways usually best represents an organisational structure?

Eiffel Tower

- Strong emphasis on hierarchy and orientation to the task
- Jobs are well defined, and everything is coordinated from the top
- This culture is narrow at the top, and broad at the base
- Relationships are specific, and status remains with the job.
- Managers seldom create off-the-job relationships with their people, because they believe this could affect their rational judgment
- This culture operates very much like a formal hierarchy—impersonal and efficient and loyalties
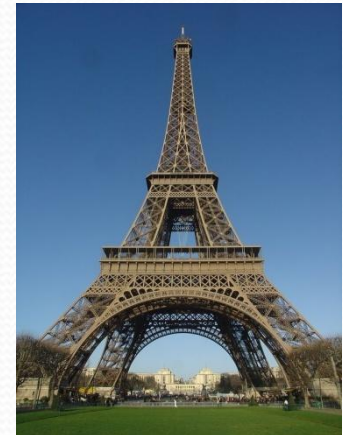
The guided missile culture

● The guided missile culture differs from both the Family and the Eiffel Tower by being **egalitarian, but differs also from the family and resembles the Eiffel Tower in being impersonal and task-oriented**.

The guided missile culture

- Indeed the guided missile culture is rather like the Eiffel Tower in flight.
- But while the rationale of the Eiffel Tower culture is means, the guided missile has a rationale of ends. Everything must be done to persevere in your strategic intent and reach your target.

The guided missile culture

- The National Aeronautics and Space Administration (NASA) pioneered the use of project groups working on space probes which resembled guided missiles. It takes roughly 140 different kinds of engineers to build a lunar landing module and whose contribution is crucial at exactly what time cannot be known in advance.

The guided missile culture

- Such groups **will have leaders or co-ordinators, who are responsible for sub and final assemblies**, but these generalists may know less than specialists in each **discipline** and must treat all experts with great respect.

- The group is egalitarian because it might need the help of any one expert in changing direction towards its target.

The guided missile culture

- The end is known but the possible trajectories are uncertain.

- Missile cultures frequently draw on professionals and are cross-disciplinary.

The guided missile culture

- Guided missile cultures are expensive because professionals are expensive.
- Groups tend to be temporary, relationships as fleeting as the project.

● Change comes quickly to the guided missile culture. The target moves. More targets appear, new groups are formed, old ones dissolve.

The guided missile culture

- Strong emphasis on equality in the workplace and orientation to the task and work.

- Work typically is undertaken by teams or project groups.

- In projects, formal hierarchical considerations are given low priority, and individual expertise is of greatest importance

- All team members are equal (or at least potentially equal)

- All teams treat each other with respect, because they may need the other for assistance

The incubator culture

- The incubator culture is based on the existential idea that organisations are secondary to the fulfillment of individuals.

- The purpose is to free individuals from routine to more creative activities and to minimise time spent on self-maintenance.

The incubator culture

- The incubator is **both personal and egalitarian. Indeed it has almost no structure** at all and what structure it does provide is merely for personal convenience: heat, light, word processing, coffee and so on.

The incubator culture

- Motivation is often wholehearted, intrinsic and intense with individuals working "70 hours a week and loving it" as the T-shirts at Apple Computer used to read in its earlier days. There is competition to contribute to the emerging shape of something new. Everyone wants to get his or her "hands on".

The incubator culture

- In contrast to the family culture, leadership in the incubator is achieved, not ascribed. You follow those whose progress most impresses you and whose ideas work.

- Conflict is resolved either by splitting up or by trying the proposed alternatives to see which works best.

- Incubator

  - Strong emphasis on equality and personal orientation

  - Based on the premise that organizations serve as incubators for the self-expression and self-fulfillment of their members

  - Little formal structure.

Summary Characteristics of the Four Corporate Culture

Corporate Culture

Characteristic	Family	Eiffel Tower	Guided Missile	Incubator
Relationships between employees	Diffuse relation-ships	Specific role	Specific tasks	Diffuse, spontaneous relationships growing out of shared creative process
Attitude toward authority	Status is ascribed to parent figures who are close and powerful	Status is ascribed to superior roles that are distant yet powerful	Status is achieved by project group members who contribute to targeted goal	Status is achieved by Individuals Exemplifying creativity and growth
Ways of thinking and learning	Intuitive, holistic	Logical, analytical, vertical, and rationally efficient	Problem centered, professional, practical, cross disciplinary	Process oriented, creative.

Summary Characteristics of the Four Corporate Culture

Characteristic	Corporate Culture			
	Family	**Eiffel Tower**	**Guided Missile**	**Incubator**
Attitudes toward people	Family members	Human resources	Specialists and experts	Co-creators
Ways of changing	"Father" changes Course	Change rules and procedures	Shift aim as target moves	Improvise

National Patterns of Corporate Culture
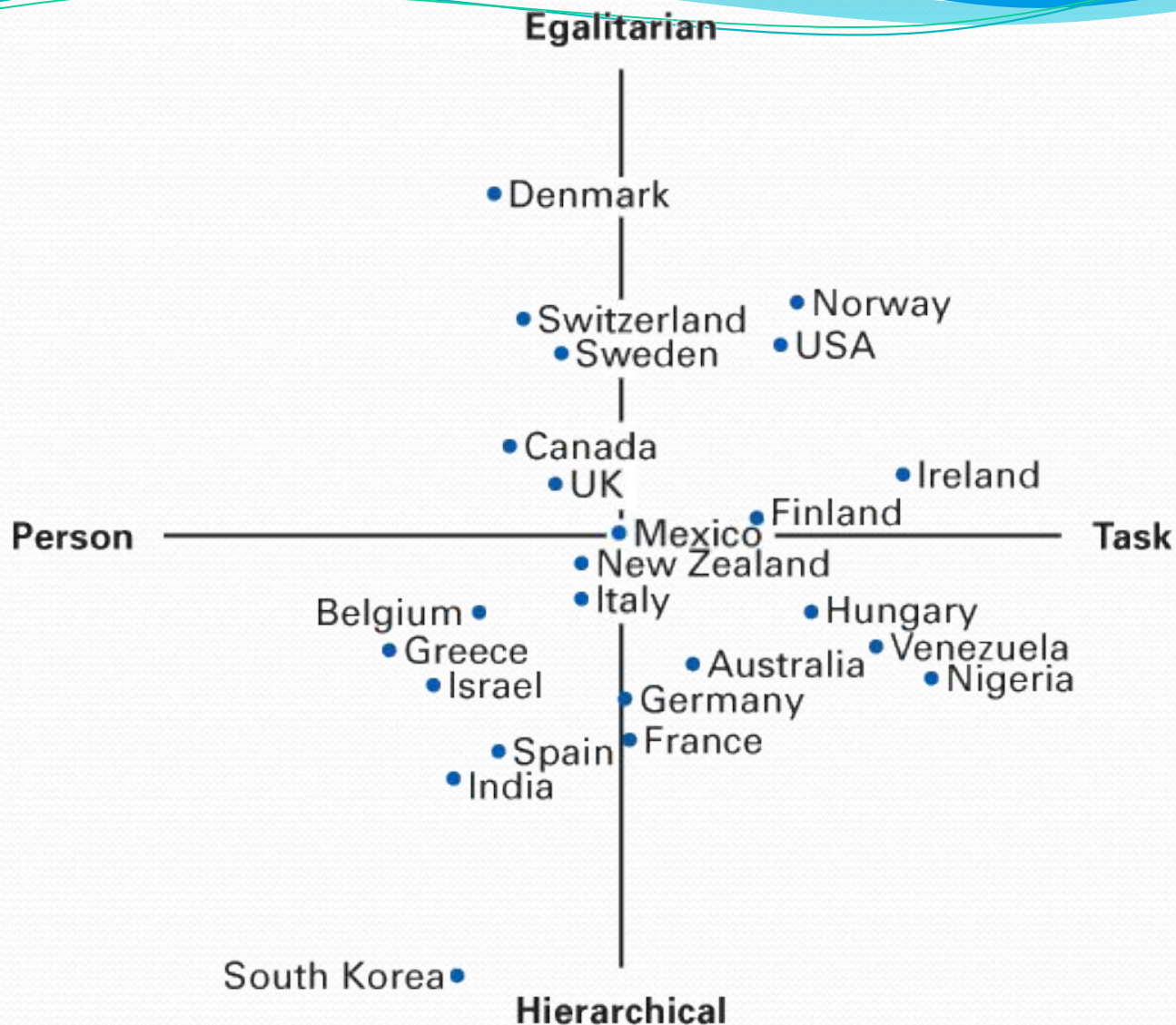
Source: Adapted from Fons Trompenaars and Charles Hampden-Turner, *Riding the Waves of Culture: Understanding Diversity in Global Business,* 2nd ed. (New York: McGraw-Hill, 1998), p. 184.