17. 'Cultures consequences' in organizations

Abstract

In this paper a discussion of the possible effects of cultural factors on organizations is presented. More specifically, the question of the direction of possible causal chains is discussed. Can cultural factors explain differences in organizational characteristics, which, in turn, influence work behaviour and performance of members of the organization, or can cultural factors explain the variation in attitudes and behaviour of people in organizations, which, then, may influence organizational characteristics? The available evidence seems to support the second route. Cultural factors exert influence on organizations primarily through values, attitudes, needs and expectations of members of the organizations.

Introduction

At the present symposium, in which the long time and substantial contribution of Frank Heller to both the theoretical developments and the societal application of the social sciences is honoured, it is certainly appropriate to pay attention to the cross-national or cross-cultural dimension of Heller's Work. In many of the international comparative studies, in which Heller participated (IDE, 1982, 1993; MOW, 1987, Decisions in Organizations, 1987 and many others) he always emphasized the importance of the cross national or cross cultural variance in the observed phenomena.

It was not only his personal experience which determined this preference. Of course, being born and raised in a middle-European culture, having enjoyed his advanced education and having developed a professional career in the UK, having married an Australian wife, having lived for years in the USA and various Latin American countries, and having included almost every continent and an impressive number of countries in his professional and leisure time travelling make him pre-eminently apt to look at the social reality from a cosmopolitical point of view, and to notice in its appearance and effects an interesting variety over countries.

Also from a theoretical point of view the cultural dimension has always intrigued Heller. A social scientist is a scientist *par excellence* to look at the object of study in its social context. Social processes and data almost always have a cultural or contextual dimension which cannot be left out without straining our insights and understanding. Whether speaking about industrial relations, educational systems or juridical processes the inclusion of the cultural perspective is a prerequisite for a proper comprehension. This goes even as far as the need to implicate the language used in the social world under study. In social sciences the language is not 'empty', not a pure means to communicate facts and data. At least to a certain extent the medium is also the message. In fact, at this point we touch upon one of the major impediments in cross cultural research, which can only partly be overcome through techniques like back-translation, testing the functional and metrical equivalence of scales and questionnaires, etc.

One of the areas in which this view on the importance of the cultural dimension of social phenomena is notably exemplified is organizational behaviour theory.

It is clear that great differences occur in the way in which organizations exercise influence on the attitudes and behaviour of their employees. Many of these differences seem to be connected to national or cultural differences; Think of, for instance, the differences between the American or West European production worker on the one hand and his Japanese counterpart on the other (see for example Dore, 1973; Cole, 1979). It is obvious that the interactions between work organizations and the be-

haviour of employees, being placed against the background of intercultural differences, represent an interesting field of study in this respect.

A number of questions present themselves to the social scientist who looks at organizations from a cross cultural perspective.
For example:

–   Are there systematic differences between organizations in different cultures?
–   Is culture (one of) the determinant(s) of these differences?
–   How do organizations differ: is it with respect to their formal characteristics or only with respect to the behaviour and attitudes of the employees?
–   How does culture affect organizational differences; via which processes or causal chains?
–   Do organization principles which have contributed to a more effectively or a more pleasantly functioning company have the same results in different countries, as Negandhi (1979) suggests? Or are organizations in different countries effective or satisfying in different ways, as Cole (1973, 1979) has shown in a comparative study of Japanese and American organizations?

Model

The interactions between organization and human behaviour have been the main object of analysis in *work and organizational psychology*.

Two main questions emerge in this analysis:

–   *First*, the question of direct relationships: what are the connections between organizational characteristics on the one hand and attitudes, work behaviour and performance of employees on the other? In this respect one may think of the effects of organizational variables on the behaviour and attitudes of organization members as well as the effects of behaviour and attitudes on (certain characteristics of) the organization.
–   *Second*, the question of the role of (possible) contingent factors: under which conditions are certain organizational charac-

teristics related to attitudes (for example commitment to the organization, satisfaction) or to work behaviour (for example productivity, effort, absenteeism, personnel turnover)?

Many of the possible contingent factors are characteristics of the organization itself. Technology, nature of the work and product, size, and organizational variables such as centralization, formalization and specialization come to mind. Other contingent factors may be related to the individual, such as age, sex, socialeconomic level, rank in the organization and education. Again others are the broader physical or social environment, such as geographical conditions, political structure of the country, level of the country's development, unemployment level, and the dominating value system.

Brought into a *cross-cultural* perspective, the two general questions formulated above could be transformed into the following (see figure 1, in which the numbers refer to sub-questions to be mentioned below):

1.   Can cultural factors explain the differences in:
     1.a.   organizational characteristics, which, then, might influence the work behaviour and performance of people in organizations?
     1.b.   attitudes and behaviour of people in organizations, which, then, might influence various aspects of the organization?
2.   Is culture a *contingent* factor in the relationship between organization and human behaviour?

The second question refers to the fact that the relationship between certain organizational characteristics (climate, size, formal characteristics etc.) an the one hand and work behaviour of the employees (job satisfaction, participative style, performance etc.) on the other may differ from one culture to another. This question has been investigated only sporadically. An example is the study of Sekaran and Mowday (1981), which was concerned with the relationship between work characteristics and 'job involve-

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  ┌─────────────┐      1a      ┌─────────────┐
  │  ORGANIZ.   │ ──────────→  │   INDIV.    │
  │ CHARACT.'s  │     1b        │ ATT., BEH. PERF. │
  │             │ ←──────────  │             │
  └─────────────┘              └─────────────┘
      1a              2              1b
        └────────┐ ┌──────────┐ ┌────────┘
                 │ │ CULTURE  │ │
                 └─┤          ├─┘
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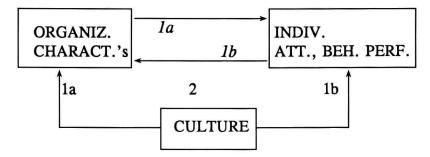
Fig. 1. Work model

ment' in India and in the United States. This relationship is found to be weaker in India than in the United States. As yet it still has to be demonstrated to what extent cultural factors are responsible for this finding.

More attention has been given to question 1, including the sub-questions 1.a. and 1.b. To what extent does empirical evidence support either of the two hypothetical lines, or possibly both?

In other to be able to answer questions 1a and 1b it is not enough to investigate whether organizations or individuals differ cross *nationally*. The problem is that not all national differences can be considered cultural differences, in spite of the fact that in many publications the words 'cross-cultural' and 'cross-national' are used synonymously. Nations differ in language, legislation, religion, education, geographical and climate variables, economic and technological factors and may other aspects. Many of these aspects are influenced by or have influence on cultural factors, but this still does not mean that they can be simply equated with culture.

In a quite different approach 'culture' is defined as everything which cannot be explained through other identified factors; culture as a rest factor, a mystical residu-factor, which remains in the black box after we have identified as many determinants as possible. This approach does not have much explanatory power either.

A specific definition and reasoned choice of what is meant by 'culture' as Jahoda (1980) demands is a prerequisite for a scientific discus-sion. In our view 'culture' should be conceptualized as the pattern of attitudes, values and norms in a given society which exercise an influence on the behaviour of population groups. This pattern exhibits a certain stability over generations, although it does adapt itself to changing social and physical conditions. This description is in agreement with the much quoted definition of Kluckhohn (1951), who defines the concept as 'patterns of behaviour of human groups acquired and transmitted by symbols; the essential core of culture consists of traditional ideas, and especially their attached values'. Lammers and Hickson (1979) define this concept following Kroeber and Parsons (1958) a bit more sharply as 'patterns of roles and norms embedded in certain paramount values'.

Attitudes

By far the largest part of cross cultural studies in organizational psychology is concerned with attitudes values needs and expectations of members of organizations. Studies of Haire et al. (1966), Ronen and Shenkar (1985), MOW (1981) and Hofstede (1980) are good examples. Barrett and Bass (1976), Tannenbaum (1980), Bhagat and McQuaid (1982), Ronen (1986), Smith and Peterson (1988), Bhagat et al. (1990) and Poortinga (Berry et al., 1992) and Drenth and Groenendijk (1993) have presented elaborate reviews of these studies.

This type of research, however, has a number

of limitations which make it difficult to answer our questions 1a and 1b.

In the first place, many of these studies deal with attitudes of organization members, but do not include the organizations themselves in the research. It is obvious that such research cannot say much about our questions 1.a. and 1.b.

Secondly, the question arises whether the observed differences between the countries are due to differences in the variables under study or to differences in the *meaning* of the concepts used. For example, differences in attitudes towards participation could also result from the different meanings attached to the concept 'participation'. In this vein one may question the applicability of the Western concept of participation for the more cooperative decision-making which occur in Java (Martyn-Johns, 1977), or for the consensus oriented approach through bottom up procedures and lobby-consultations in the Japanese ringi-system (Heller and Misumi, 1987).

In the third place, it remains to be seen whether the differences found really reflect 'cultural' differences. Often this is even a tautological question. Culture, as a rule, is defined in terms of values, norms, opinions and attitudes. If, then, an attempt is made to explain the differences in values and the like by means of 'culture', the risk of circular reasoning is not imaginary.

There are two ways to avoid this problem:
a. Culture can be defined at a macro-level (e.g. religious preferences, political tradition, educational level, etc.) and can thus be distinguished from attitudes, opinions and values of individuals at the micro-level (Ajiferuke and Boddewijn, 1970).
b. Culture can be defined (and measured) at an individual, personal level, but at the same time a choice should be made which values, attitudes, norms and opinions are to be considered as 'culture' and which are not. In this approach a number of personal characteristics, aggregated for certain cultural groups, are defined as 'culture' and are distinguished from other personal variables which could hold as 'effects of culture'. For the former the rule holds that they (a) are relatively stable over time and

(b) provide a more comprehensive explanation and description of behaviour and attitudes in different situations. Attitudes which exclusively concern the work situation will not be categorized as such.

Organizations

As was pointed out in the foregoing many cross-cultural studies in organizational psychology have restricted themselves to attitudes, needs, norms and values of organization members. Therefore much greater attention has been paid to the relationship between culture and individual behaviour (1b in figure 1) than to the relationship between culture and organizational characteristics (1a in figure 1).

Nevertheless it is important to look for cross cultural research in which organizations are examined. This type of research is described in various books (e.g. Lammers and Hickson (1979), Hickson and McMillan, 1981) and review articles (Lincoln and McBride, 1987, Roberts and Boyacigiller, 1984).

From this literature a number of relevant characteristics emerge, including the following generally identified dimensions:

- Formal Relationships and Social Distance between various hierarchical layers in the organization (higher in Latin than in Anglosaxon cultures, Crozier, 1964; Clark, 1979),
- Power distance, centralization and distribution of influence (Tannenbaum et al., 1974; Hickson and McMillan, 1982; IDE, 1981),
- Participative consultative style of leadership (PDI, Hofstede, 1980),
- Formalized bureaucratic control (Hickson et al. 1974; UAI, Hofstede, 1980).

Again, the fact that differences exist between various (groups of) countries does not mean that culture is the determinant factor. One way to make a cultural explanation plausible is proposed by Ajiferuke and Boddewijn with respect to attitude-research (see above). They suggest to relate the differences between

organizations at the country level to macro-level variables such as the dominant religion or socio/political orientation. However, organization-studies are seldomly based upon large enough samples to follow this suggestion. So it is difficult to see how culture and organizations as such are related.

Therefore we could make an intermediate step. Organizations do not only have *formal* characteristics but they are also characterized by the way they are functioning. This facet is more related to the daily operations of the organization, which do not always have to be in agreement with formally prescribed rules. In order to distinguish these aspects from formal organizational characteristics, they may be called '*organizational processes*' (see for example Aiken and Bacharach, 1979; Smith and Tayeb, 1988). The distinction formal characteristics – organizational processes also resembles the distinction organizational form and organizational regime, as introduced by Lammers and Hickson (1976, p. 392–393). We may focus on this 'intermediate' concept as a typification of organizations rather than the more formal organizational characteristics.

Two examples to illustrate this distinction: 'Formalization' (i.e. the presence of written rules) is a formal organizational characteristic. The extent to which and the way organization members follow these rules could be designated as organizational processes. 'Centralization' (i.e. the extent to which formal authority for decision-making is localized at the top of the organization) is a formal organizational characteristic. The degree to which various groups within the organization exercise influence on what occurs in the organization and the way this takes place again are to be conceived as organizational processes.

Organizational processes cannot be demarcated too sharply from the behaviour of organization members. If members of a given organization behave themselves systematically differently from members of other organizations (for example in following the instituted rules), then this may be seen as differences in organizational processes. However, clear distinction can be made between organizational processes and employee's attitudes ('that which is going on in their heads').

There is evidence in the literature that some types of organizational processes, such as informal participation, rigidity of stratification and bureaucratic control are related to equivalent individual attitudes of workers, such as feelings of social distance and the need to avoid uncertainty (Hofstede, 1980). These attitudes are related to culturally connected variables at the country level. It can, therefore, be concluded that some of the cross national differences in organizations are determined by cultural factors.

This conclusion does not apply to all organizational characteristics. For instance, as Tannenbaum (1974) and IDE research team (1981) indicate, power differences and formal practices with respect to participation are primarily determined by formally or legally prescribed rules and regulations with respect to workers' participation, and not to cultural factors.

Conclusions

Let us see how the arguments in this discussion relate to our original model and to the question of culture's consequences in organizations.

Figure 2 presents an extended model with the hypothetical lines 1a. and 1b. A few new elements are added to the figure 1.

In the first place, the concept 'organizational processes' discussed above is incorporated as a central box in the model. The two part classification 'individual-organization' has been substituted by the given three part classification individual – organizational processes – organizational characteristics. In addition, the suggested distinction between macro-cultural variables, cultural personal variables and other attitudinal variables is integrated in the scheme.

Cultural factors seem to have little influence on formal organizational characteristics, such as the well known Aston – dimensions. It is not to say that countries do not differ on these dimensions, but it is difficult to observe a culturally meaningful pattern in these differences. There is, however, a rather strong relationship
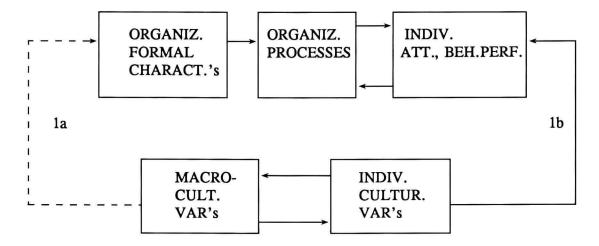
Fig. 2. Extended work model

between culture on the one hand and attitudes of organizational members in the other.

As far as organizational processes are concerned, it can be said that some (e.g. power distribution) are predominantly determined by formal organizational characteristics. Other organizational processes (e.g. rigid stratification or informal participation and bureaucratic control) do seem to be related to culture. Their relationship which attitude-indices support the hypothesis that the cultural influence on organizations takes place primarily through values, attitudes, needs and expectations of members of the organization.

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