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National Cultural Differences as Related to Organizations

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Abstract

A review of the literature on cross-cultural studies related to national cultural differences and organizations was conducted. After arriving at a working definition of the word "culture" in a broad context, focus was turned to the identification of the dimensions of national cultural differences, with the contributions made by Hofstede, Laurent, and Trompenaars proving to be most significant. After noting the effect of national culture on organizational culture at the macro level, a survey was done of the literature representative of the effort to describe how cultural differences affect key aspects of organizations, particularly those of leadership, management, and communication. Finally, six suggestions for further research are offered which would add to the comprehensiveness of the literature on the subject.

National Cultural Differences as Related to Organizations

What follows is a non-exhaustive review of some of the key academic literature that is available concerning the dimensions of national cultural differences and their effects upon organizations. The writer is of the belief that this is an increasingly relevant topic in an era of globalization and multicultural interaction and that familiarization with scholarly works on the subject may serve as an aid to those involved in organizational leadership roles.

After first determining a working definition of the critical term "culture," attention will then be focused upon the major studies concerning the dimen-

sions of national cultural differences, particularly in regard to work-related values. This will be followed by a look at the relationship between national and organizational cultures, succeeded by an overview of literature concerned with how national culture affects key aspects of organizations such as leadership, management, and communication. Finally, a number of suggestions will be offered concerning areas in which further research on the topic is required.

Toward a Working Definition of “Culture”

Intercultural communication specialist Edward T. Hall once wrote,

Deep cultural undercurrents structure life in subtle but highly consistent ways that are not consciously formulated. Like invisible jet streams in the skies that determine the course of a storm, these hidden currents shape our lives; yet their influence is only beginning to be identified. (Hall, 1976, p. 12)

One of the primary purposes of this paper is to identify research that has been done relatively recently to determine what some of these cultural influences are on an international scale. Thirty-one years ago Roberts (1970) performed a review of cross-cultural research related to organizations in which 526 publications were uncovered, concluding that 1) defining “culture” remained problematic, and that, up to that time, 2) research had been focused primarily on individual behavior in organizations with very little being done on organizational-environmental [national cultural] interactions (pp. 327, 347). Regarding the latter conclusion, Morrison and Inkpen (1991) found in an exhaustive review of business literature a decade ago that the mainstream functional journals were still lacking as outlets for international research.

Fortunately, this has changed somewhat, as will be seen, but first the problem of defining “culture” must be briefly addressed. Even fifty years ago Kroeber and Kluckhohn had already identified over 160 definitions of culture, finally settling on the following:

Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other, as conditioning elements of future action. (cited in Adler, 1997, pp. 14-15)

Taylor (1871/1994) offered a somewhat simpler definition much earlier, and there has been a plethora of attempts to update both his and the Kroeber-Kluckhohn definition since, perhaps one of the most widely accepted contemporary ones being offered by Schein (1991, 1992), his original definition being referred to by Hatch (1997). Hofstede (1984a) proposed in his seminal work on international cultural differences that culture may be defined as “the collective programming of the mind which distinguishes the members of one human group from another” and which includes systems of values, culture being to “a human collectivity what personality is to an individual” (p. 21). In his most recent work, Hofstede (1997, pp. 7-9) pointed out that culture is learned from one’s social environment and that its differences are manifested in symbols, heroes, rituals, and values, which are likened to the layers of an onion, with symbols being on the outer edge, moving inward through to values, which are at the core. Symbols, heroes, and rituals fall under the rubric of practices, what one does, whereas values are what one believes and serve as the basis for those actions.

The assumptions, values, beliefs, and symbols in Hatch’s (1993) “cultural dynamics model” may be included in the Hofstede definition, and are very similar to what was proposed by Fine (1995). Pettigrew (1979, p. 2) included symbol, language, ideology, belief, ritual, and myth in the concept of culture. Doney, Cannon and Mullon (1998, paragraph 30) accepted a somewhat broader updated definition of culture as “a system of values and norms that are shared by a group of people and that when taken together constitute a design for living.” Trompenaars and Hampden-Turner (1998), rejecting the more recent definitions, chose to accept that offered by Clifford

Geertz in 1973, viz., culture is the means by which people “communicate, perpetuate, and develop their knowledge about attitudes towards life. Culture is the fabric of meaning in terms of which human beings interpret their experience and guide their action” (cited in Trompenaars & Hampden-Turner, 1998, p. 24).

One may determine from this brief account of some of the many definitions of culture that there simply is no agreement among scholars as to which one is to be adopted. However, the definition which this writer found to be referred to most often in the recent literature is that proposed by Hofstede. His most current working definition of culture is that “it is the collective programming of the mind which distinguishes the members of one group or category of people from another,” the “software of the mind,” so to speak (Hofstede, 1997, p. 5). From this point forward, this will be the working definition accepted herein.

This being said, it may also be useful to note that national cultures are developed as a means of coping with the basic problems which all mankind faces. These were identified in 1954 by the sociologist Alex Inkeles and the psychologist Daniel Levinson as follows:

- 1) Relation to authority
- 2) Conception of self, in particular:
 - a) the relationship between the individual and society, and
 - b) the individual’s concept of masculinity and femininity
- 3) Ways of dealing with conflicts, including the control of aggression and the expression of feelings. (cited in Hofstede, 1997, p. 13)

Of course, the manner in which people in different areas of the world have throughout history chosen to deal with these problems has varied considerably, giving rise to quite particularized cultures. It is to the differences between these cultures that attention is now focused.

The Dimensions of National Cultural Differences

There are those who would argue that national culture is directly

related to success, economically and otherwise (cf. Singapore's Senior Minister Lee Kuan Yew in Zakaria, 1994). Though this is beyond the scope of the present study, there is abundant evidence that national cultural differences do exist and that these must be understood if successful intercultural interaction is to take place (Slate, 1993; Hofstede, 1994). Though one acquires one's own culture simply by experiencing it, learning another culture requires a more conscious effort that involves discovering 1) the target culture's basic assumptions, and 2) the correlation between those assumptions and the culture's modes of individual behavior and patterns of social organization (Walsh cited in Anand, 1980, p. 10).

In order to facilitate this process, scholars, particularly in the past two decades, have begun to work towards identifying the dimensions of cultural differences between nations. Hall (cited in Gannon, 2001, p. 9) emphasizes four dimensions through which societies may be compared: 1) Context, or the amount of information that stated in order to communicate effectively; 2) Space, or the ways of handling personal space when communicating; 3) Time, which is either monochronic (scheduling one thing at a time) or polychronic (scheduling multiple activities at the same time); and 4) Information flow, or the structure and speed at which messages are communicated.

Useful as Hall's model may be, however, the work of three scholars in particular has been most influential in identifying the dimensions of national cultural differences. Their contributions to the literature will now be considered.

Geert Hofstede's Contribution

An eminent Dutch management researcher and social psychologist, in 1968 and 1972 Hofstede conducted a survey of managers and employees at a multinational corporation, IBM, in 40 countries, producing a total of over 116,000 questionnaires. Focusing on values, which he describes as "broad tendencies to prefer certain states of affairs over others" (Hofstede, 1984a, p. 18), he discovered that a four-dimensional model could best account for the international differences in work-related values encountered. These are as follows:

- 1) Power Distance (PDI)— the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally.
- 2) Uncertainty Avoidance (UAI)— the extent to which the members of the culture feel threatened by uncertain or unknown situations.
- 3) Individualism/Collectivism (IDV)— societies in which ties between individuals are loose as opposed to those in which people from birth onwards are integrated into strong, cohesive groups, which offer lifetime protection in return for unquestioning loyalty.
- 4) Masculinity/Femininity (MAS)— the desirability of assertive behavior against that of modest behavior. (updated definitions from Hofstede, 1997, pp. 28, 113, 51-52, & 80, respectively)

Expanding his research to include 50 countries and three regions (East Africa, West Africa, and Arab-speaking countries) on six continents, the scholar discovered that the same dimensions remained valid, with certain countries aggregated into one culture cluster, while others congregated into quite different clusters (Hofstede, 1983a). For example, America and Japan, two countries in which this writer is keenly interested, may be found at opposite ends of the power distance and individualism scales, Americans having a low sense of power distance and high individualism, while Japanese tend to have a high sense of power distance and low individualism. The same may be said for uncertainty avoidance, with Americans having weak uncertainty avoidance as opposed to the Japanese tendency towards a strong avoidance of things uncertain. Though both cultures are characterized as masculine, Japanese culture is characterized as considerably more so, with the predominant socialization pattern being for men to be assertive (dominant) and women to be much more nurturing (submissive).

Regarding Hofstede's category of Masculinity/Femininity, Adler (1997) has felt compelled to change the title to that of "Career Success and Quality of Life," arguing that "the original dimension does not correspond with contemporary understandings of masculinity and femininity," the new title more accurately reflecting the underlying meaning of what Hofstede originally intended (pp. 55, 64). Upon inspection of Hofstede's description of the Masculine/Feminine dimension, this writer is of the opinion that Adler's

change does indeed more adequately represent what he had intended.

In 1988 Hofstede and Bond (original *Organizational Dynamics* article reprinted in Gannon, 2001) added a fifth dimension as a result of a 22-country Chinese Value Survey conducted in East Asia. This category, dubbed “Confucian Dynamism,” reflects the tendency of the peoples of East Asia to place importance on the Confucian values of persistence, hierarchical ordering of relationships, thrift, and the engendering of a sense of shame. In practical terms, Hofstede (1997, pp. 164-166) categorizes this dimension as a “Long-term vs. a Short-term Orientation” in life, with long-term oriented cultures being dynamic and more focused on the future and short-term oriented nations tending to be more static and concentrated on the past and present.

Concerning the original four dimensions identified, Hofstede and Bond (1984b) conducted a validation study based upon Rokeach’s Value Survey and concluded that, “because of the basic nature of large number of countries covered, it [Hofstede’s model] can serve as a useful anchoring framework for showing synergy among cross-cultural studies” (p. 420). In 1990 Hoppe, a management educator, likewise performed a validation study of Hofstede’s work, replicating the IBM study on political and institutional elites from 19 primarily European countries (18 of which were included in Hofstede’s original survey) and discovering a strong correlation between Hofstede’s results and his own (cf. Hofstede, 1997, pp. 97, 256-257).

However, Fernandez, Carlson, Stepina, and Nicholson (1997) point out that nearly three decades have now passed since Hofstede’s original data was last collected and that there may well have been major worldwide environmental changes resulting in shifts in his national cultural classifications. In their study of nine countries on four continents, they concluded that their findings “suggest there have been significant shifts in value classifications in some countries since Hofstede conducted his first comprehensive study,” with some of the countries examined showing shifts in ranking when compared with his data (Fernandez et al., 1997, paragraph 31).

Furthermore, Yeh and Lawrence (1995, paragraphs 6, 8, 34) contend that research has shown that Confucian dynamism and individualism are highly related, being two sides of the same coin, and should very well not be considered to be separate categories. In addition, the concept of Confucian

dynamism appears to have been an attempt to explain the economic growth of some of the East Asian countries in the late 1980's, yet it has been forcefully argued that "stable political environments and market-oriented policies were more important conditions in explaining growth in these countries" and that "factors other than culture clearly matter," Hofstede himself realizing the danger of the bias of cultural determinism (Yeh and Lawrence, 1995, paragraphs 26, 28).

Nevertheless, these potential drawbacks notwithstanding, the impact of Hofstede's work must be acknowledged, the four original dimensions being referred to by a number of scholars (cf. Adler, 1997; Bigoness & Blakely, 1996; Francis, 1991; Furnham et al., 1993; Hatch, 1997; Jackson & Schuler, 1995; Jaeger, 1986; Shane, 1992). Hofstede found highly significant differences in the attitudes and behavior of managers and employees in different countries, and these differences do not appear to change over time (Hofstede, 1983a, p. 71). National culture was found to explain more of the differences in work-related values and attitudes than did position, profession, age or gender, in fact accounting for 50 percent of the differences in employees' attitudes and behavior overall (cf. Adler, 1997, pp. 47, 61).

Of course, Hofstede was not performing his analyses of national cultures in a vacuum, other researchers also being involved in identifying the values of various peoples. Though he postulates that "it is unlikely that a dimensional structure with more than six or seven elements will be very helpful" (Hofstede, 1998, p. 28), there have been other attempts at establishing alternative and/or additional dimensions.

André Laurent's Contribution

While a professor of organizational behavior at a leading international management school in Fontainebleau, France in the late 1970's, Laurent studied the behaviors and philosophies of managers in nine Western European countries, the United States, and three Asian countries (the People's Republic of China, Japan, and Indonesia), asking them in a 56-item questionnaire to describe their approach to a number of common work situations. Data tabulated in indices correlated to questions grouped according to the themes of organizations as political, authority, role-familiarization, and hierarchical-relationship systems led to the conclusion that the management

process in the Occidental countries studied was very much culture bound (Laurent, 1983, p. 95).

A summary of Laurent's work indicates that there are significant differences between task-oriented (e.g., American) and relationship-oriented (e.g., Latin American) cultures regarding managerial styles, with little actual agreement across national borders on the very nature of the managerial role. Adler (1997) observes that one of the most significant characteristics of Laurent's work is that it shows that "cultural differences are more pronounced among employees from around the world working within the same organization than among employees working for native organizations in their native lands" (p. 61).

Together, Hofstede's five dimensions of variance and Laurent's research documents that there are, in fact, a broad range of national cultural differences in work-related behavior and beliefs. This was further borne out in research conducted in the 1980's and 1990's by Trompenaars, another researcher from the Netherlands.

Fons Trompenaars' Contribution

Trompenaars (1996, paragraph 2) produced a model of culture consisting of three layers. The outer layer, labeled explicit culture, consists of artifacts and products; the middle layer is comprised of norms and values; and the inner layer, called implicit culture, is the group of basic assumptions that a particular group has. Just how implicit and explicit culture is formed is seen to be in direct correlation with how a particular nation or organization has chosen to resolve the basic dilemmas emerging from the universal problems confronted by mankind. Hampden-Turner postulates that every country or organization faces a) dilemmas in relationships with people; b) dilemmas in relationship to time; and c) dilemmas in relations between people and the natural environment (Trompenaars, 1996, paragraphs 4-5).

These three sources of challenge confront all people everywhere, and the means in which different groups of people have chosen to deal with them naturally vary, thereby giving rise to unique cultures on a national level. In regard to how the dilemma of relating with other people is solved, Trompenaars and Hampden-Turner (1998) have identified five basic dimensions, which are as follows:

- 1) Universalism versus particularism (rules versus relationships)
- 2) Communitarianism versus individualism (the group versus the individual)
- 3) Neutral versus emotional (the range of feelings expressed)
- 4) Diffuse versus specific (the range of involvement)
- 5) Achievement versus ascription (how status is accorded) (p. 29)

These bipolar value orientations and where on the spectrum a given culture falls in relation to them strongly influence how the said culture will conduct and manage its business. In academic and field research conducted over a fifteen-year period and involving participants (75% in management and 25% administrative staff) from 30 companies with departments in 55 countries, 30,000 valid cases were accumulated (cf. Trompenaars & Hampden-Turner, 1998, pp. 1-2, 252). Trompenaars found that there were indeed significant differences between both national and corporate cultures, as “every nation seeks a different and winding path to its own ideals of integrity” (Trompenaars, 1996, paragraph 91).

For example, a universalist, rule-based approach tends to be more common in Protestant cultures, with strongly universalist cultures using the courts to mediate conflicts. However, more particularist cultures that focus on the exceptional nature of the immediate circumstances take a much more pragmatic, relativistic approach, so that a country like Japan perceives that it has much less need for lawyers and courts to protect the truth (Trompenaars & Hampden-Turner, 1998, pp. 31, 36).

In addition to the five dimensions in which cultures operate and in which there are numerous differences across national cultures, Trompenaars also emphasizes the cultural discrepancies in 1) how time is managed, and 2) how nature is related to. Concerning the former, sequentially-oriented cultures tend to view time as a series of passing events and as a factor that organizations must manage. On the other hand, synchronically-focused cultures view the past, present, and future as interrelated and are more flexible regarding punctuality and getting things done “on time” (Trompenaars & Hampden-Turner, 1998, pp. 123-128).

In relating to nature, cultures like that found in the United States are

inner-directed and seek to control nature by imposing their will upon it, with organizations viewed as machines that obey the will of their operators. In contrast to this, outer-directed cultures believe that man is part of nature and must, therefore, cooperate with it. Such cultures perceive of organizations as the product of nature themselves (Trompenaars & Hampden-Turner, 1998, p. 145).

The significance of Trompenaars' work is that it documented additional dimensions of national cultural differences and highlighted some of the ethical issues faced by managers working cross-culturally, in that sense going beyond Hofstede and Laurent (cf. Adler, 1997, p. 58). Of course, others have continued to work towards the end of identifying cultural dimensions previously undiscovered, and their work will now be focused upon.

Other Contributions

Jackson and Schuler (1995) note that the most widely known framework for the comparison of national cultures is that of Hofstede, his original four dimensions of power distance, uncertainty avoidance, individualism/collectivism, and masculinity/femininity being considered as valid by most available research. They go on to point out that the dimensions of informality, materialism, and change orientation have also been identified within the past decade.

In addition to these, Triandis highlighted the tightness versus the looseness of rules as a means of distinguishing between cultures, allowing for a novel manner of comparison. For instance, individualistic Germany may be viewed as comparable to collectivistic Japan in the sense that both observe a high degree of tightness in regard to rules and regulations (noted in Gannon, 2001, p. 16).

While not characterizing them as dimensions of national cultural differences, Brislin, Cushner, Cherrie, and Yong (1986, p. 52) have created a guide on intercultural interaction that is organized around 18 categories of cross-cultural "incidents," such as views on ambiguity, work, roles, ritual and superstition, hierarchies among people, and learning styles. Perusal of all eighteen "incidents" reveals considerable overlap between the differences in work-related values identified by Hofstede and others, indicating that the work of Brislin, et al., may be considered as a legitimate contribution to the

field, although not actually recognized in the literature as such.

Osland and Bird (2000, paragraph 8) note that a total of 22 dimensions have in fact been utilized by researchers up to this point to compare cultures, but acknowledge that Hofstede's work represented a major step forward in the field of cross-cultural research, commenting that "hundreds of studies have used one or more of Hofstede's dimensions to explore similarities and differences across cultures regarding numerous aspects of business and management" (paragraph 27). They have made a unique contribution to the field in their own right, however, by having introduced the concepts of cultural paradox and value trumping, noting that, in specific contexts, certain cultural values have a tendency to take precedence over others, implying that culture is, in reality, embedded in context and cannot be fully comprehended without taking said context under careful consideration (Osland & Bird, 2000, paragraph 1).

More specifically, Osland and Bird caution that the paradoxes in cultural behaviors often observed even within one country may be explained by 1) the tendency for observers to confuse individual with group values; 2) unresolved cultural issues; 3) bipolar (either-or) patterns; 4) role behaviors; 5) real versus espoused values; and 6) the value trumping mentioned above (paragraph 32). In order to reach a holistic understanding of any culture, Osland and Bird suggest that scholars adopt their "model of culture sense-making," which involves a five-step cyclical process, as follows:

- 1) Indexing the context of a behavior
- 2) Making attributions, viz., analyzing contextual clues and matching the context with appropriate schema
- 3) Selecting schema, or cultural scripts, defined as "a pattern of social interaction that is characteristic of a particular cultural group"
- 4) Noting the influence of the hierarchy of values in the culture
- 5) Noting the influence of history and tradition on the culture (paragraphs 38-43)

Thus, while themselves not adding any new dimensions of national cultural differences per se, Osland and Bird's contribution to the literature

on the subject is deemed to be considerable by this writer, not for the summary of previously discovered dimensions provided, however useful, but for raising the consciousness level of researchers. Further work done in the field must take into account cultural sensemaking in order to correctly ascertain the true values of the target cultures being considered.

It may be ascertained from the brief summary of the identification of national cultural differences above that it may be concluded that Hofstede, Laurent, Trompenaars and Hampden-Turner, and Osland and Bird have made the most significant contributions to the literature up to the present. This may be further borne out by reviewing their studies in view of the relationship between national and organizational cultures.

The Effect of National Culture on Organizational Culture

Morgan (1998, p. 114) comments, "Many of the major cultural similarities and differences in the world today are occupational rather than national. . . . However, . . . it would be a mistake to dismiss cross-national differences in culture as being of little significance." Smircich (1983, p. 355) implies the need for doing cultural analysis in relation to organizations, and Gregory (1983) acknowledges the importance of understanding cultural problems within organizational units. Regarding the relationship between organizational and national cultures, Adler (1997, p. 63) states unambiguously, "Far from reducing national differences, organizational culture maintains and enhances them."

Hofstede (1997) defines organizational culture as "the collective programming of the mind which distinguishes the members of one organization from another" and posits that the six dimensions of organizational culture are that it is 1) holistic; 2) historically determined; 3) related to things anthropologists study; 4) socially constructed; 5) soft (as opposed to Peters and Waterman, 1982); and 6) difficult to change (pp. 179-180).

Trompenaars and Hampden-Turner (1998) assert that there are four types of corporate cultures that are distinguished by the national cultural dimensions of equality versus hierarchy and orientation to the person versus orientation to the task. The metaphors used for the corporate cultures

identified illustrate the employees' notion of their relationship to the organization. The metaphors for the corporate types and national cultural orientation for each are listed below.

- The family — hierarchical, person-oriented culture (e.g., South Korea, Spain)
- The Eiffel Tower — hierarchical, role-oriented culture (e.g., Australia, France)
- The guided missile — egalitarian, project-oriented culture (e.g., Norway, U.S.A.)
- The incubator — egalitarian, fulfillment-oriented culture (e.g., Canada, Switzerland)(adapted from Trompenaars & Hampden-Turner, 1998, pp. 162, 184)

Characterizations of the four corporate types are made according to organizational members' relationships to each other, attitudes toward authority, ways of thinking and learning, attitudes towards people, ways of changing, ways of motivating and rewarding, manner of dealing with criticism, and methods of conflict resolution, all of which are closely related to national cultural characteristics, leading these researchers to conclude that the dimensions of national cultural preferences "help determine the type of corporate culture 'chosen'"(Trompenaars & Hampden-Turner, 1998, pp. 161, 183).

This being acknowledged, however, it must at the same time be noted that corporate culture and national culture are separate entities and that many actual organizational culture differences are composed of different elements than national culture differences, the former residing primarily at the level of practices (symbols, heroes, and rituals). Hofstede, Neuijen, Ohayv, and Sanders (1990, paragraph 106) conducted an organizational culture study across ten separate organizations in Denmark and the Netherlands and found that, while there are considerable differences in values among national cultures, for organizations the opposite was the case: there were "considerable differences in practices for people who held about the same values."

Consequently, it may be concluded from the above that national culture

is a significant factor in what broad type of organizational culture evolves in a specific country, while other factors are at work in the development of the practices within the culture of a particular organization. Thus, national culture differences affect organizational culture at the macro level, whereas organizational culture differences themselves are at the micro level. Since it is precisely in the area of work-related values that critical aspects of organizations are most likely to be affected by national culture differences, it becomes imperative to assess what the literature reveals along these lines.

National Culture Differences and Key Aspects of Organizations

A survey of the literature suggests that certain key elements of organizations are heavily influenced by national culture. On leadership, for example, Schein (1999, p. 98), makes the critical observation that leaders embed cultural elements in the organizations they represent. He asserts that “any definition of ‘good leadership’ usually reflects the historical, social, or cultural context in which the analysis is conducted,” noting that “leadership, then, is partly a cultural phenomenon and must be analyzed within a given cultural, political, and socio-economic context” (Schein, 1994, pp. 107, 110). Hofstede (1984a) lucidly states that leadership is necessarily related to “subordinateship,” the relationship between the leader and the subordinates, concluding, “If leadership is only a complement to subordinateship, a key to leadership is the type of subordinate expectations we are likely to find in a country” (p. 258). Therefore, he finds that the national cultural power distance relationship between leaders and the led is a critical factor in determining what will be perceived as effective leadership in a given setting (cf. Sadler & Hofstede, 1976).

Commenting on the relationship between transformational leadership and justice, for instance, Pillai, Scandura, and Williams (1999, paragraphs 45, 46) postulate that “specific leadership behaviors are associated with specific cultures, and the impact of specific leadership functions differs across cultures,” with one of the cultural differences being how leadership and organizational justice are manifested.

Regarding management, Hofstede (1983b, p. 88) notes that both

managing and organizing are culturally dependent simply because they “do not consist of making or moving tangible objects, but of manipulating symbols which have meaning to the people who are managed or organized.” He theorizes that nationality is important to management for political, sociological, and psychological reasons (cf. pp. 75-76). As an example, in a later assessment Hofstede (1993, paragraph 2) makes the assertion that U.S. management theories contain “a number of idiosyncrasies not necessarily shared by management elsewhere,” the three primary examples being “a stress on market processes, a stress on the individual, and a focus on managers rather than on workers.”

Grove and Hallowell (1994) note that there are seven cultural influences on managerial behavior, and Bakhtari (1995) finds that cultural factors do indeed effect which of the six styles of management (coercive, authoritative, affiliative, democratic, pace-setting, and coaching; cf. Schein, 1996) is most likely to be adopted in an organization. Bigoness and Blakely (1996) find that cross-national managerial values do differ, and Kanungo and Wright (1983) maintain that managerial job attitudes, such as the types of job outcomes being sought, vary significantly from one culture to another (cf. Jackson & Schuler, 1995).

Concerning the crucial element of communication, Condon has shown that language and behavior, nonverbal behavior, values, and patterns of thought (in order of ascending perplexity) are critical factors in cross-cultural communication problems between organizations (noted in Adler & Graham, 1989). Munter (1993) and Tixier (1997) also emphasize the importance of cultural factors in communication among international organizations (cf. Ihator, 2000; Eisenberg & Goodall, 2001).

A host of other important elements of organizations that are affected by national cultural differences has been noted in the literature, as may be ascertained below.

- Advertising & sales (Dubinsky et al., 1991; Albers-Miller & Gelb, 1996)
- Building of trust (Doney, Cannon, & Mullen, 1998)
- Business transactions (Shane, 1992; Salter, 1995; Morosini, Shane, & Singh, 1998; Schuler & Rogovsky, 1998; Steensma et al.,

2000; Brouthers & Brouthers, 2001)

- Decision-making and control (Jaeger, 1983; Simonson, 2000)
- Ethical perceptions (Dubinsky et al., 1991; Markoczy, 2000)
- Organizational development (Hofstede, 1984a; Jaeger, 1986)
- Organizational structuring (Mintzberg, 1993)
- Personnel training (Hofstede, 1984a; Mintzberg & Quinn, 1991; Weech, 2000)
- Persuasion and negotiations (Francis, 1991; Aaker & Maheswaran, 1997)
- Role conflict (Peterson et al., 1995)
- Strategy innovation (Perlitz, 1994; Trompenaars, 1996)
- Work ethic (Weber, 1930/1985; Furnham et al., 1993)

In summary of this section, it is evident from the recent literature that national cultural differences have a profound effect on organizations at the macro level. From leadership, management, and communication to organizational development, personnel training and the very work ethic of its members, organizations are heavily influenced by the national cultures of which they are a part.

Issues for Further Research

In spite of the work that has been done in the area of national cultural differences and organizations, key elements of which have been cited above, there remain a number of issues which require further efforts on the part of cross-cultural researchers, identified as the following:

- 1) Studies on the dimensions of national cultural differences must be conducted from a non-Anglo perspective, preferably by a team of experts from a mix of countries, including the Third World (cf. Hofstede, 1984a). Such studies could be further validated by expanding the target sample beyond the relatively highly educated and affluent business world that has almost exclusively been the subject of studies to date (cf. Buell, 1994).

- 2) Research covering as large a number of countries as possible should be carried out, noting that the vast majority of cross-country analyses were done in the pre-Internet era. The speed with which technology has moved, particularly in the past decade of the Information Age, has led to globalization trends and the minimization of distance, which may have blurred cultural distinctions that existed only twenty years ago.
- 3) Analyses on national cultural differences may be further refined through similar studies on regional, ethnic, occupational, and organizational subcultures (Hofstede, 1984a).
- 4) The consequences of national cultural differences and how policies may be designed to best take them into account could be elaborated upon much more than has been done up to this point (Hofstede, 1984a).
- 5) Research on the relationship between culture and a nation's economic, legal, and political system could well contribute to a greater understanding in the area of intercultural management (Early and Singh, 1995). Situational factors should not be neglected when investigating the effect of national culture (Markoczy, 2000).
- 6) The literature has described to some degree the impact of national cultural differences on organizational behavior, but much remains to be done on determining how the process works and on how culture affects national performance (Redding in Nicholson, 1995).

Conclusion

Though there certainly remains much to be done in the area of cross-cultural research pertaining to national cultural differences, as outlined above, the literature reviewed herein indicates that demonstrable progress has been made, particularly in the past twenty years. Considerable effort has been devoted to simply defining what "culture" means, a small sampling of which was offered in the first section, though perhaps the most significant category of the literature perused is that concerning the dimensions of national cultural differences. Hofstede's five dimensions of variance in work-

related values and Laurent's emphasis on the differences between task-oriented and relationship-oriented cultures, in tandem with Trompenaar's five basic dimensions, are deemed by this writer to be the most significant contributions in this category to date, particularly if they are tempered by Osland and Birds' model of sensemaking.

The literature on the effect of national culture on organizational culture indicates that the latter is affected by the former on a macro level, the details of which are fairly extensively documented in the sense that there are a number of studies relating to the effects of national cultural differences on key aspects of organizations, such as leadership, management, and communication.

The present author suggests that more research be done, particularly in the area of worldwide field studies on national cultural differences, although it must be acknowledged that, by their very nature, such studies are extremely difficult to conduct. Nevertheless, the importance of the subject matter necessitates that such efforts be undertaken, being of immense value to leaders of organizations throughout the world who face a complex and rapidly-changing environment in the 21st century.

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