

# International OB

## Managing Across Organizational Boundaries

Another manifestation of culture is as a feature of a nation or group of nations. An obvious question for multinational corporations then is whether it is better to establish a single strong organizational culture across different nations or to adopt different cultural practices in each country. Research suggests the best management practice is to develop a strong unifying mission, while allowing teams to accomplish their work in ways that suit each nation's culture.

In a study of 230 organizations in different industries from regions including North America, Asia, Europe, the Middle East, and Africa, having a strong and positive organizational culture was associated with increased organizational effectiveness. Across countries, practices such as empowerment, team orientation, establishing a clear strategic direction, and providing a recognized vision were related to greater success in all countries. However, the practices were not equally important. Empowerment appeared more important in individualistic than in collectivistic countries.

Another study of 115 teams in five different multinational corporations found that when companies emphasized a unified global integration of business operations, teams shared less information. The reason might be that home office culture was dictating policies, leading teams to be less proactive about making changes. On the other hand, encouraging local teams to find their own solutions for their own cultural context resulted in greater learning and performance.

Overall, these studies show a productive organizational culture is associated with increased sales growth, profitability, employee satisfaction, and overall organizational performance. Part of this effective management strategy means empowering managers to take local context into account.

Sources: Based on D. R. Denison, S. Haaland, and P. Goelzer, "Corporate Culture and Organizational Effectiveness: Is Asia Different from the Rest of the World?" *Organizational Dynamics*, February 2004, pp. 98–109; and M. Zellmer-Bruhn and C. Gibson, "Multinational Organizational Context: Implications for Team Learning and Performance," *Academy of Management Journal* 49, no. 3 (2006), pp. 501–518.

### Class Exercise

1. Ask students to read the white paper at <http://www.expresspharmaonline.com/pharmabiocareerguide2009/pharmabiocareerguide02.shtml>
2. Divide the class into groups of three to five.
3. Assign half the groups the position to standardize operations in international context and the other half to localize operations.
4. Have each team prepare support for its position.
5. Have the teams present their positions and support.
6. Take a class vote on which position is perceived to be the most advantageous.

## Myth or Science? People Socialize Themselves

This statement is true to a significant degree. Although we generally think of socialization as the process by which a person is shaped by his or her environment—and indeed that influence is the major focus of socialization research—more evidence is accumulating that many people socialize themselves or at least substantially mold their socialization experiences.

People with a proactive personality are much better at learning the ropes than newcomers. As we noted in Chapter 5, they identify opportunities, show initiative by asking questions and seeking help, and take action—and they learn more because they seek out more information and feedback.

Proactive personality types are also better at networking and achieve a closer fit with the culture of their organization—they build their own “social capital.” More effectively socialized into the organization, they like their jobs more, perform them better, and show less propensity to quit. Proactive people, it seems, do a lot to socialize themselves into the culture of an organization.

This doesn't mean socialization doesn't matter, but only that people are not passive actors in the process. How well someone is socialized into a new culture may depend more on his or her personality than anything else.

### Class Exercise

1. Have students research Fortune Magazine's “100 Best Companies to Work For in 2009.” Students can access this information by going to:  
[http://money.cnn.com/magazines/fortune/bestcompanies/2009/full\\_list/](http://money.cnn.com/magazines/fortune/bestcompanies/2009/full_list/)
2. Have students identify the key factors associated with these companies.
3. Have students attempt to identify the core values that are common to each of these companies.
4. Students may want to compare the 2009 list with that of 2000 (or a time of your choosing). What are the differences and/or similarities?
5. Discuss these companies' core values in the context of organizational culture.

## An Ethical Choice

### Working in a Spiritual Culture

The vast majority of U.S. adults describe themselves as religious— in a 2008 poll 78 percent describe themselves as Christian, and 92 percent describe themselves as spiritual. It is not surprising, therefore, that spirituality often blends into organizational cultures. As we have noted in describing a spiritual culture, it usually accommodates most beliefs. However, some organizational leaders go further. Coca-Cola Bottling Consolidated, the second largest Coca-Cola bottler with 5,800 employees in 11 states, has a company mission and values statement that places faith front and center. The statement begins with “Our Values Honor God.” Austaco Ltd., a Texas-based company with 1,800 employees, calls itself “a Christian company—Christ- or God-centered.”

As important as spirituality is to most in the United States, a rising number (though still a small minority) describe themselves as atheists or agnostics, and that is much more the case for Europeans. It’s obvious, too, that while most U.S. adults are Christians, millions have other religious beliefs. What happens if you find yourself working in a company whose prevailing religious culture is at odds with your own? According to Victoria Leyva, then a human resources manager at the University of Chicago Hospital, Joan Shaw, the human resources director, became verbally aggressive when she learned about Leyva’s religious views. “I remember being very sad,” Leyva said. In Britain, Caroline Petrie, a nurse, was suspended for offering to pray for a patient; Naphtali Chondol, a social worker, was fired for giving a Bible to a client; and Nadia Eweida, a British Airways ticket agent, was prohibited from wearing a cross at work. Here is some advice if you must navigate an uncomfortable situation due to a mismatch between the culture and your beliefs:

1. Resist creating oppression in your own mind where it doesn’t exist. Just because your religious views are at odds with the culture doesn’t mean your career is necessarily doomed there. We do business with people of different faiths all the time. Working with a company with a different idea of spirituality works for many.
2. Religious discrimination claims to the Equal Employment Opportunity Commission (EEOC) have grown by 54 percent since 2002. If you think you have been treated negatively because of your religious beliefs, look into the matter further. Also recognize that the EEOC finds in most cases that the person bringing the charge has no standing or merit for his or her claim. To see whether your claim might be meritorious, go to [eoc.gov/policy/docs/qanda\\_religion.html](http://eoc.gov/policy/docs/qanda_religion.html).
3. Talk with your supervisor or the human resources manager because they are often in the best position to stop religious harassment or accommodate your views.

Sources: Based on C. S. Stewart, “Office Politics and God,” Salon (June 24, 2009), [dir.salon.com](http://dir.salon.com); R. J. Grossman, “Religion at Work,” HR Magazine (December 2008), pp. 27–33; M. Rice-Oxley, “Some British Christians Feel Oppressed in the Public Square,” Christian Science Monitor (February 26, 2009), [www.csmonitor.com](http://www.csmonitor.com).

**Class Exercise**

1. Ask students to read the articles at <http://www.northernway.org/workplace.html>.
2. When they have reviewed the concepts, ask them to prepare a short presentation evaluating the role of spiritual organizational cultures in today's environment of increasing influence of spiritually neutral government and non-profit organizations.
3. One focus could be the effects of overly interpreting separation of religion and state as a foundation of business operations.

# Point/CounterPoint

## Organizational Cultures Can't Be Changed

### Point

An organization's culture is made up of relatively stable characteristics. It develops over many years and is rooted in deeply held values to which employees are strongly committed. In addition, a number of forces continually operate to maintain a given culture. These include written statements about the organization's mission and philosophy, the design of physical spaces and buildings, the dominant leadership style, hiring criteria, past promotion practices, entrenched rituals, popular stories about key people and events, the organization's historic performance evaluation criteria, and the organization's formal structure.

Selection and promotion policies are particularly important devices that work against cultural change. Employees choose an organization in part because they perceive their values to be a good fit with it. They become comfortable with that fit and will strongly resist efforts to disturb the equilibrium. Top executives also select senior managers who will sustain the current culture. Organizations such as Ford, VW, and the U.S. Postal Service, all of which historically attracted people looking for stable and highly structured environments, can attest to the difficulty of trying to reshape the culture. Even attempts to change by going outside the organization to hire a new chief executive are unlikely to be effective. The culture is more likely to change the executive than the other way around.

We're not saying culture can never be changed. Usually when an organization confronts a crisis that threatens its survival, members do respond to efforts to change the culture. However, anything less than that is unlikely to be effective.

### CounterPoint

Changing an organization's culture is extremely difficult, but it can be done. The evidence suggests that cultural change is most likely to take place when most or all of the following conditions exist:

- **A dramatic crisis.** This is a shock that undermines the status quo and calls into question the relevance of the current culture. Examples are a surprising financial setback, the loss of a major customer, and a dramatic technological breakthrough by a competitor.
- **Turnover in leadership.** New top leadership, which can provide an alternative set of key values, may be perceived as more capable of responding to the crisis (as when Mark Hurd replaced Carly Fiorina at HP).
- **Young and small organizations.** The younger the organization, the less entrenched its culture will be. It's also easier for management to communicate new values when the organization is small.
- **Weak culture.** The more widely held a culture is and the higher the agreement among members on its values, the more difficult it will be to change. Weak cultures are more amenable to change than strong ones.

If all or most of these conditions exist, the following management actions may lead to change: initiating new stories and rituals, selecting and promoting employees who espouse the new values, changing the reward system to support the new values, and undermining current subcultures through transfers, job rotation, and terminations.

Under the best conditions, these actions won't result in an immediate or dramatic shift in the culture. In the final analysis, cultural change is a lengthy process—measured in years rather than in months. But it can happen, as the success of new leadership in turning around the cultures at companies such as IBM, 3M, and GE attests.

### **Class Exercise**

1. As a class, discuss and decide what the culture is of your college or university. Students may have a very different perspective than you do as faculty, so choose which “organization” you are assessing—the one visible to students or to faculty.
2. Once the culture is identified, discuss with students what would be involved in changing the culture of your college or university. Explain to students, for the sake of the exercise, that they should consider that the culture is in need of change in order to deal with the new dynamics facing institutions of higher education. You should choose a contrasting culture to the one identified in the students' earlier discussion.
3. This discussion should consider:
  - a. The current culture and target culture
  - b. What change techniques could be used
  - c. What elements of culture maintenance need to be addressed in the change effort
  - d. Who would resist this change and why
4. The discussion should help students realize the effort involved in changing organization culture and help them decide which side of this debate they most identify with.