

# National and Organizational Culture

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# Abstract

The purpose of this paper is to show the importance of a culture which should be nurtured every day in all companies. Here, is also explained the meaning of organizational culture and national culture. As well as the connection between these two inseparable parts when it comes to different companies especially if talking about different countries and nations.

Keywords: organizational culture, national culture, countries, nations

# 1. Introduction

According to Feather (1986) the cultural values of different nations have been the subject of



comparison in numerous studies. Considering the importance of the concept of national culture, most of the research so far related to this problem is based on the model of Hofstede and Globe (Doering, et.al., 2019). In that direction, Brewer & Penaik (2014) emphasize that the results of research on which the cultural dimensions of Hofstede and GLOBE are based, are obtained through individual analyzes at the national level.

In addition to this, Doering et.al., (2019) state that the geographical aspect does not have a great influence on the various peculiarities shown through the archetypes of subnational cultures. An excellent example of this is the study by Serradell-López, et.al., (2014), whose focus is on universities. It is in this study that the authors suggest that intangible factors, such as the quality of educational services, the image and prestige of universities, are much more important, as opposed to traditional aspects, such as geographic location.

According to a study by Ollier-Malaterre, et.al., (2019) humanely oriented respondents experienced a lower degree of job burnout during a period of increasing family support when it comes to achieving organizational goals. When it comes to organizational culture, a very important role is played by the team spirit, which in its bloodstream should nurture and contain collective action in order to achieve the set organizational goals. According to Galanaki, et.al., (2019) the organizational commitment of team members in a company is not necessarily conditioned by the degree of collectivism. Leadership styles also play a major role in employee engagement and national culture. Their reactions to leadership styles depend on the values possessed by the members of an organization, which are also their national cultural origin (Karacay, et. al., 2019). On the other hand, Lang & Rybnikova (2019) emphasize the values of top management and the importance of their compliance with the values of managerial positions as a reflection of a high degree of corporate social responsibility, and not only for the sake of satisfying the formal organizational structure. It is for this reason that Ouchi & Wilkins (1985) pose the question and debate whether organizational culture can be managed based on any intentions or causal actions.

# 2. Literature Review

# 2.1 Organizational Culture

In order to develop a strong organizational culture, it is necessary to connect the four clusters (clan, adhocracy, hierarchy and market) and the six dimensions of national culture set by Hofstede (Khripunov, 2023). Acceptance of the organizational culture is a driving factor, especially when it comes to a complicated organizational structure in multinational companies, where each member of the team represents an individual national culture, in order to achieve organizational goals efficiently and effectively (Lepeyko & Jianping, 2022). Organizational culture according to Power, et.al., (2015) should have a supportive tendency, in order to improve performance, and such tendencies and aspirations should come from higher levels of management. It is necessary for harmony to exist between people who work together in an organization, and precisely for this reason, the growth and development of that



harmony is the main goal of the study of organizational culture (Ouchi & Wilkins, 1985). The effectiveness that should be part of the achieved results of every organization should be based on research on the connection between organizational and national culture (Irawanto, 2011). We can conclude that the model of the national culture is firmly based on the organizational culture which, as indicated by Pavlova (2022), develops through the organizational structure of the companies, as well as the values and beliefs of the employees who share them collectively daily.

# 2.2 National Culture

There is an increasing interest in studying national culture and understanding intercultural management, as a result of the processes of cooperation between nations and globalization (Nedeljkovic, et.al., 2018). Recent research connect trust as an inseparable part of any relationship in an organizational sense with the process of globalization, while this connection is based on the trends imposed daily by the national culture (Doney, et.al., 1998). An excellent example of this type of research is the study by Feather (1986) where Australia is presented, i.e. the values of the ethnic groups living in Australia are considered in the direction of assimilation of migrants, as well as a comparative analysis of the priorities that dominate this country from the point of view of values, in relation to other countries. People who are part of a sovereign nation despite their individual differences have common mental aspects that are part of the national culture they share together (Rode, et.al., 2016). Similar to this, Gelfand et. al., (2017) state that the study of the connection of different cultures has been quite expanded thanks to the methodological growth and development of recent times. Based on the research conducted within the framework of the GLOBE project, it has been concluded that there is a strong correlation between theories of leadership styles, cultural values, and perceived cultural practices (Lang, et. al., 2019). Raza, et.al., (2018) point out that cultural dimensions that are specific to a particular culture can directly influence people's behavioral practices, which are most easily measured through their reactions. Dickson, et.al., (2012) point out that one cultural context cannot be the basis for specifying leadership. Leadership behavior represents a tendency of certain expectations, while those who follow the leader have certain attitudes related to him based on the cultural values that arise from the nation, for the representation in the direction of an ideal leadership style (Muralidharan & Pathak, 2019). Relationships with all social individuals are the result of whether an individual or collective concept is cultivated in organizations as a reflection of the power distance resulting from leadership (Lewellyn & Bao, 2017). It is important to note the significance of the orientation of the national culture, where it is necessary to overcome the traditional way of perceiving the culture and the negative implications of the lack of the harmony of the cultural values (Minbaeva, et.al., 2018). Contrary to this, according to research done by Brodbeck et. al., (2017), the diversity between cultures is what makes research on national cultures attractive, so they state the positive aspects of cultural differences. An important aspect that must be respected especially in multinational companies where employees from different nations and cultures work is the implementation of programs that will promote

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activities that will increase trust between members of organizations (Doney, et.al., 1998). Hofstede's concept based on individualism/collectivism and power distance can be better explained through the results of a survey by Smith, et.al., (1996) where the values of 8,841 managers and employees from 43 countries were examined, whose orientation refers to continuity of membership in a group and orientation to social relations. According to Bojadjiev, et.al., (2023) it is crucial for a country to reach the level where there will be a clear distinction between the different cultures that dominate it, while Hofstede's dimensions are too simple to measure such differences. In organizations that have a collectivist approach, there should be a participation of cultural values that promote the development of communication (Abu Bakar & Su Mustaffa, 2013). In addition to the existing dimensions developed by Hofstede, in the direction of national culture, Bojadjiev, et.al., (2023) propose a new dimension that they believe, through its two-way connection, enables easier transmission of information through the exchange of symbols and semiotic rules, which is the communication. They classify communication as verbal and non-verbal. The only way researchers can develop cultural dimensions is to include as many nations and national cultures as possible in their research (Smith, et. al., 1996). Globalization is an increasingly common phenomenon in modern times. As a process, it encourages cross-cultural challenges faced by companies that decide to enter a foreign market (Gjuraj (Tukaj), 2013). In the context of the expansion of organizations beyond national borders, it is necessary to develop models of intercultural learning as a result of globalization processes (Khan & Panarina, 2017).

# 2.3 National Culture and Entrepreneurship

According to Peretz et.al., (2017) national cultural differences are a key link that should be considered in all organizational activities. In addition to the existence of cultural differences, Shin, et.al., (2017) discuss that it is necessary to set firm cultural rules and norms that would balance the implications caused by different values.

Modern and open economies daily acquire many organizations that want to feel the taste of economic growth and development, and all this would be impossible without implementing an appropriate entrepreneurial model (Pavlova, 2023).

Entrepreneurship that occurs as part of any successful company followed by high motivation is necessary to nurture when it comes to national cultures (Bojadjiev, et.al., 2023). In terms of building entrepreneurship, cultural differences that permeate national economies make it impossible for opportunity recognition studies to be universally implemented (Ozgen, 2012). Entrepreneurship is an excellent base for successful career development, but it is very important that it is valued by the environment in which organizations and teams work (Bojadjiev, et.al., 2023). Because of that, cross-national entrepreneurial effects are largely conditioned by expectations that may arise from cultural leadership (Stephan & Pathak, 2016).



# 3. Method

The methodology in this paper is of a secondary nature, based on existing research related to organizational and national culture. The authors' main goal is to show the role of organizational and national culture regarding nurturing success and team spirit in companies where dominate values and traditions from different nations.

# 4. Discussion

Table 1. Mexico, Pakistan, USA, Russia and their different national cultures

Variables	Mexico	Pakistan	USA	Russia	
Religion	Catholics	Muslims	Protestants	Christian Orthodox	
Social organization	Extended family centered	Extended family centered	Nuclear family centered	Extended family centered	
Language	Mid-high context	High context	Low	Mid context	
Time concept	Relative	Relative	Absolute	Relative	
High/Low power distance	High power distance	High power distance	Low power distance	High power distance	
Individualism vs. collectivism	Collectivist	Collectivist	Individualistic	Collectivist	
Masculinity vs. femininity	Masculine	Masculine	Masculine	Femininity	
Uncertain avoidance	High uncertainty avoidance	High uncertainty avoidance	Low uncertainty avoidance	High uncertainty avoidance	

Source: Khan & Panarina (2017)

Table 1 offers a comparative view of the specifics of 4 countries in terms of their national cultures. If the religion of the respondents is considered, we can conclude that it is a question of different religions, that is, Catholics in Mexico, Muslims in Pakistan, Protestants in the



USA, while Russians are Orthodox. If the social organization of these countries is analyzed, the role of the family is dominant in all countries except the USA. As for the language, Russia, Spain and Pakistan are countries that have a high context when it comes to the national language, that is, their national languages are indirect, implicit, and non-verbal communication is largely used. Regarding the time concept, Mexico, Pakistan and Russia have a relative view of time, but this does not mean that they consider it a less important aspect of organizational culture, while the USA is characterized by an absolute time concept. Mexico, Russia and Pakistan are tolerant of inequality as the norm through their high degree of power. Again, we encounter identical specifics in Mexico, Pakistan and Russia whose cultures are collectivistic, and the USA notes individualistic approaches. In Mexico, Pakistan and the USA, which for the first time has similarities with other countries, the emphasis is placed on men, while in Russia women are also given importance. The USA has a low level of uncertainty avoidance, which is not the case for the other three countries.

Table 2. Results of structural analysis of multinational manufacturing companies in Accra, Tema, Takoradi and Kumasi in Ghana

MA> OC	H1	0.117	0.501	Rejected
PD> OC	H2	0.252	0.010**	Supported
UN> OC	Н3	0.513	0.000***	Supported
C> OC	H4	0.180	0.320	Rejected

# Study's hypothesis Hypothesis Path coefficients p- Values Supported/ Rejected

Note: Masculinity = MA; Uncertainty avoidance = UN; Power distance = PD; Collective culture or Collectivism = C, while p < 0.05 \*\*\*.

Source: Owusu Ansah, et. al., (2019).

Table 2 from the research of Owusu Ansah, et. al., (2019) confirms two of their set hypotheses, while the other two are rejected. That is, it is confirmed that the coefficient between high uncertainty avoidance and organizational culture has the highest coefficient of 0.51, which is positive and significant at (0.000, p < 0.05). In addition, a high power distance and organizational culture can be observed here with a coefficient of 0.252, which are also in the previous case positive and significant at (0.010, p < 0.05). Collective and masculine culture are distinguished by coefficients of (0.180) and (0.117) which are aligned with positive values of (0.320, p > 0.05) and (0.501, p > 0.05), but are not significant.



		Estimate	S.E	C.R	р
H1 Power Distance>	Organizational Culture	0.362	0.097	3.732	***
H2 Individualism/Collectivism>	Organizational Culture	0.511	0.189	2.700	0.007
H3 Uncertainty avoidance>	Organizational Culture	0.778	0.131	5.936	***
H4 Masculinity/Femininity>	Organizational Culture	-0.122	0.075	-1.638	0.101
H5 Organizational Culture>	Organizational Culture	0.140	0.050	2.773	0.006

Table 3. Results of hypothesis testing on hotel employees and managers from London, UK.

Source: Nazarian, et. al., (2017)

In Table 3, an analysis of the relationship between the elements of national culture (power distance, individualism/collectivism, uncertainty avoidance, masculinity/femininity and organizational performative) and organizational culture is made through the research done by Nazarian, et. al., (2017). It can be concluded that out of a total of 5 hypotheses, four of them were confirmed. That is, there is a significant relationship between power distance and organizational culture, between individualism/collectivism and organizational culture, as well as between uncertainty avoidance and organizational culture, and also organizational performance is positively correlated with organizational culture. Whereas, the masculinity/femininity of London hotel managers and employees did not show a significant correlation with their organizational culture, and hence the authors conclude that this hypothesis is not confirmed.

# **5.** Conclusion

Through this paper, the authors explain the importance of organizational and national culture. Without a firmly established organizational culture that should nurture the values, attitudes, and ideas of the organizational members, it is not possible to develop the national culture. Hence, we can conclude that organizational and national culture are closely related and could not function without each other. Companies that aspire to work internationally must first establish organizational alignment at the internal level, and then understand the culture of the peoples and countries in which they are expanding. This whole process can be complex and



long, given the modern and dynamic times where leaders must keep up with trends and adapt management styles in a way that will enable the success of the company, both nationally and internationally level. According to a large number of research, it can be summarized that the connection between organizational culture and national culture is huge and that the functioning of companies would be almost impossible without the alignment of these two segments.

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#### **Authors contributions**

Professor Marjan Bojadjiev, PhD gave the idea of publishing this paper, proposing the problem of national and organizational culture as a particularly important aspect of organizations that have employees of different nationalities in their structure, as well as organizations that want to work in foreign markets. All authors participated equally in the preparation of this paper, selflessly sharing their knowledge and expertise in this field. Through the contribution of each of the authors, this paper provides a clearer picture of the topic it analyzes and initiates opportunities for further research.

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# Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.



# **Data sharing statement**

No additional data are available.

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