

# *Are National and Organizational Cultures Isomorphic? Evidence from a Four Country Comparative Study*

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This pilot study investigates whether organizational practices as observed through differing organizational cultures systematically replicate or reject national values. It is among the first to project delineated, narrow national cultural portrayals of Germany, Austria, Slovenia and Denmark against pattern-specific organizational cultures. Through country cluster analysis and correlation tests, the results achieve significance along all three dimensions. Trust allocations, authority perceptions and independence assertions were significant predictors for organizational traits of knowledge sharing practices, structure and control utilization, respectively. This demonstrates the value of assessing national values in conjunction with organizational culture in order to further understand the origins of corporate behaviour and the mechanisms that can help promote organizational effectiveness.

*Key Words:* national culture, organizational culture, multinational corporations, Europe

*JEL Classification:* Z10, F23

## **Introduction**

The European business environment is marked by great differences in national culture. These differences have been the focus of many studies, mostly relating to the works of culture authorities (e. g. Hofstede 2001; Hall 1981; Inglehart 1997; Schwartz 1992) and their respective cultural dimensions that, in many ways, set the standard for successfully categorizing cultures in a scientific manner, also termed ‘sophisticated stereotyping’ (Osland and Allan 2000). Attempts at understanding the impact of national culture on various aspects of society, businesses, latent behaviours of individuals, etc. have subsequently followed in their wake.

The current paper contributes to this ongoing discourse by examining how the values of the environment in which an organization is nested impacts its organizational culture. Both national and organizational cultures have been the focus of much academic scrutiny, yet, despite the in-

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*Managing Global Transitions* 7 (3): 259–279

tuitive relationship between the two, their intertwinement remains ambiguous perhaps as a result of previous research agendas relying too heavily on established multi paradigmatic dimensions, such as those of Hofstede (2001), which are argued to be invalid because of the broadness with which they can be interpreted (Blodget et al. 2005), and hence failing at achieving significance.

In this paper I thus digress away from common and broad cultural classifications that may have limited previous research agendas and reduce the study to encompass minimalist narrow national- and organizational-cultural depictions that only embody certain cultural and organizational elements. If isomorphic behaviour between national- and organizational-culture can be significantly detected at this level it will strengthen the ideology that national management and organizational models do persist in Europe as a result of national cultural variances.

The study takes a unique research outset in that it explores avenues of organizational culture that are not commonly projected against national cultural variations. Three bands of national culture, – interpersonal and institutional trust, authority endowment levels and independence perceptions – are linked with three equally narrow bands of organizational cultures impacting communication practices, structural determinants and control mechanisms.

To actualize this pilot study, the national cultures of Germany, Austria, Slovenia and Denmark are analyzed in conjunction with organizations from each of those countries and their emergent organizational cultures.

### **The Theoretical Backdrop**

The organizational culture perspective is representative of a synthesis of managerial and company methodologies that are reliant on human behaviour. As such, it would be a logical anticipation to expect organizations to be isomorphic with their national cultural environments and to maintain management techniques that achieve the highest level of alignment with the cultural values of the local environment. This thought line is not new.

The notion that organizations must correspond with their environment in which they are embedded is a theme that has been increasingly probed by academics over the last 20 years (for a thorough account of this collusive relationship see Koen 2005). Worth mentioning, Goelzer (2003) significantly linked several popular cultural indices to organizational traits and attributed their correlativeness to corporate compliance

that naturally occurs within successful organizations. Similarly, Bussey (1999) found that a collaborative relationship between corporate and national culture could greatly reduce the friction observed in many companies when implementing team-based work strategies; aligning to national cultural values pre-empted a work manner that was counterintuitive for the organization. Ogbor (1998) and Neelankavil et al. (2000) ascertain that the assumptions and values of the indigenous, home-grown population result in managerial dogmas that are particularly meaningful, relevant and compatible with their domestic environment.

The concept is even touched upon by the most noted authors on culture. Hofstede (2001) suggests that organizational value systems exhibit a national component congruent with the nationality of the organization's founders and other top-tier management elite. In particular, he advocates a potentially very strong connection between power distance and uncertainty avoidance to affect certain hierarchical structures and decision making habits, respectively. Trompenaars and Hampden-Turner (1998) hint at the congruency between national cultural variations within equality and task reliability to spawn fulfilment-, project-, person- and role-oriented organizational cultures. Schein (1999) brings forth several layers of organizational culture that harbour specific and particular ways of manifesting themselves relating to the origin and values of the organizational leadership.

Despite the mantra of consensus, it is clear that a unilateral outcome seldom exists. In fact, organizational cultures can develop that offset national biases and reject isomorphic relationships with the societal context. Short of saying that organizations must develop organizational cultures that counter national values, several authors ascertain that certain organizational advantages can be drawn from defying some aspects of commonly accepted norms. This form of differentiation can be termed reciprocated opposition (Reed and Suresh 2003) and can provide an organization with specific advantages by challenging societal norms that can lead to innovativeness and a disconnect from cultural values with which the entire populace may not agree. Indian telecommunications companies operating in Bangalore might illustrate such reciprocated opposition; a disconnect from relaxed attitudes towards punctuality, normally apparent in Indian organizations and national culture, to a very strict time schedule is observed, and accordingly, is considered leading edge and innovative (Singh and Parashar 2005).

Revolutions within industrial capitalism have equally presented a

break from societal norms. Organizations that initially opposed national cultural values and successfully introduced Western education styles and factory labour methods clearly benefited through a non-isomorphic cultural approach (Chandler 1994, 597). Furthermore, when first introduced, the concept of open office spaces was in direct confrontation with many western societies' appreciation of individualism and privacy. At least some of these organizations in even the most individualistic societies managed to draw benefits from a non-isomorphic collectivist organizational culture.

Accordingly, it is apparent that there exists ambiguity and uncertainty surrounding how influential, if at all, national cultures prompt organizational cultures to develop in an isomorphic manner. The studies mentioned above contribute to the topic, yet most suffer from a common limitation; the national cultural outset is not limited to specific measurable dimensions but relies heavily on broad cultural groupings as those suggested by Hofstede (2001), Hall (1981) and others. I believe that these cultural indices have great merit, but on a different level that does not lend itself well to specific organizational comparisons. Rather, much more narrow cultural classifications that pinpoint certain cultural values are sought for which greatly reduce the ambiguity that taints the broader more common cultural depictions.

To work towards this goal, I propose singular classifications of national culture that depict how our focus countries differ from each other along socio-economic tendencies. By no means is the following national cultural country portrayal complete; it serves only to elucidate some specific national cultural traits that are inherent to each of the countries and that may bear latent repercussions on organizational culture. This limited scope reduces the elusiveness of the term and thus arrives at a workable representation of national culture along a few specific dimensions.

### **An Organizational Culture Typology**

Organizational culture comes in many forms and has been variously defined. Because organizational culture cannot be seen, touched nor easily observed, this makes it a complex phenomenon to define; its elusiveness makes the term organizational culture difficult to label and handle. It reflects the organizational atmosphere and leadership which influence the participation and attitude of the personnel (Deal and Kennedy 2000, 4). As such it is a set of elusive, soft variables that are usually regarded as im-

portant but often taken for granted. Organizational culture refers to the underlying values, beliefs and principles that serve as a foundation for a company's social system as well as the set of practices and behaviors that both exemplify and reinforce that organization (Fairfield-Sonn 2001, 12).

In an effort to arrive at a particular and workable definition of organizational culture, the current paper proposes a specific organizational culture typology that taps into the above themes through measurable dimensions. It has its outset in Rosenfeld and Wilson's (1999) delimitation of corporate culture as 'the established patterns of relationships between component parts of an organization, outlining communication, control and authority patterns' (Rosenfeld and Wilson 1999, 136) and builds on several authors' work within the field of organizational culture thus arriving at a definition that absorbs the 'best-of' from these noted authors and that delivers a typology that is of particular relevance to modern organizations. From Trompenaars and Hampden-Turner (1998) structural determinants of organizational culture are considered that depict the verticality, or hierarchical-ness, of authority defining superiors and subordinates (Trompenaars and Hampden-Turner 1998, 157). Finlay's (2000) centrality of decision making power complements this dimension. Phatak et al. (2005) contribute with a system of defining organizational control methodologies through input, behaviour and output control mechanisms that relate to training and supervision, informal coordination mechanisms commonly associated with input and behaviour control, and targets and set goals, formal coordination mechanisms commonly connected with output control. These help visualize how organizational cultures monitor and evaluate employees. Finally, Dowling and Welsch (2004) supply insight into organizational methods of fostering an environment of openness and support for cross-fertilization of ideas and best practices through organizational knowledge sharing. This final facet of organizational culture gives specific insight into the readiness of employees to overcome cognitive and motivational challenges to disseminate important knowledge to other organizational members.

Albeit not all encompassing of everything organizational culture could include, this limited definition of the term helps deliver a workable concept that can be rationally measured. Accordingly, a conceptual framework emerges that allows for organizational cultures to be typified and ultimately correlated to variances in national culture. The three bearing pillars of the current organisational culture model thus elucidate (1)

organisational structure patterns, (2) control and coordination mechanisms, and (3) knowledge sharing practices.

### **Measuring National Cultural Differences**

A necessary precursor to proceed with the study is to delineate variances in the four focus countries and depict their respective national cultures along a selection of characteristics and preferences. Here a conscious step is made away from utilization of standardized cultural dimensions (e. g. typically those of Hofstede 2001; Hall 1981) used in mainstream culture studies and a deliberate move towards a more limited, and thus more precise, cultural depiction. Without implying insult to the previous culture authors and their groundbreaking work, it is the current author's conviction that the broadness with which their cultural dimensions can be applied limits their utility. Accordingly, the current research seeks to depict very limited aspects of national cultures through specific cultural values taken from the European Values Study (EVS 1999).<sup>1</sup>

Upon the enlargement of the EU with ten new members in 2004, the multitude of cultural variances within the union increased by roughly the same amount, with each new country bringing its own specific set of cultural and business intricacies that further extended the cultural variance spectrum within the common market. Zver et al. (2004) propose that there exists a significant culture gap between Central and Eastern European Countries that have recently joined the EU and longstanding EU members. In an effort to depict this gap and other variances that exists between the four countries' cultures, three sets of composite EVS data are calculated and made representative of values residing in each of the four countries. The rationale is to understand how these variances influence corporate behaviour along the three pillars of organizational culture.

The three sets of EVS data that illuminate variances in national cultures are chosen because of their suspected interlinked-ness with organizational culture; a foreseeable connection is predicted which sets the stage for our hypotheses formation. The first national cultural dimension addresses interpersonal and institutional trust (IIT). It seeks to measure the amount of confidence employees retain towards their fellow employees and the magnitude of confidence allocated to institutions or systems. Interpersonal trust is grounded in the experiences employees have with each other and the familiarity that has been built (Bachmann and Zaheer 2006; Hardin 2002, 51). However, employees high on interpersonal trust

TABLE 1 EVS IIT variables with cumulative calculations

Country	v1	v2	v3	v4	IIT
Slovenia	2.2	3.11	4.91	4.41	3.172
			4.143		
Denmark	6.7	5.18	7.30	9.00	6.930
			7.159		
Germany	3.5	3.87	4.83	6.33	4.255
			5.009		
Austria	3.4	4.41	7.19	7.41	4.869
			6.338		

NOTES IIT calculated as mean score of averaged institutional variables (v2, v3, v4) and singular interpersonal variable (v1). v1 – the extent to which people feel that other people can be trusted (interpersonal); v2 – the extent to which people trust parliamentary systems (institutional); v3 – the extent to which people trust the social security system (institutional); v4 – the extent to which people trust the justice system (institutional). Source: own calculations based on composite EVS (1999) data.

will extend this mindset to encompass trusting strangers as well because the belief that people in general can be trusted is strong. Institutional trust is based on the theory that institutions provide reliable sources of input that are less likely to be tainted by individual motivations or perceptions (Weick 2008) which therefore increase its credibility and allow for deeper allocated levels of trust.

Interpersonal trust driven characteristics include having assurance and conviction along with high levels of confidence and loyalty in fellow employees. Institutional trust characteristics also bear remnants of high levels of assurance and confidence but are directed towards institutional sources that are less likely to be biased. To quantify the extent to which the sample countries rank high or low on IIT, one EVS variable that directly measures the intensity of interpersonal confidence has been utilized and three EVS variables have been applied to measure the intensity of institutional confidence in three different systems.

From these results, it is noticeably evident that the countries span out on the IIT spectrum; Denmark and Slovenia appear to be located at high and low IIT levels, respectively, while Germany and Austria are nestled in between. Linking these results to our organizational culture model, in particular knowledge sharing practices, it is suspected that a latent link may be observed.

The knowledge sharing disposition of organizational members is fun-

damentally a property of the composition of individualistic employee traits as individuals embody the behavioural rudiments associated with knowledge sharing. I suspect that these inherent rudiments vary in accordance with IIT levels and influence the deployment of both tacit and explicit knowledge. Therefore, it is expected that high interpersonal trust will yield favourable tacit knowledge sharing organizational cultures, and high institutional trust will yield favourable explicit knowledge sharing conditions. This prediction is based on the former, involving higher levels of unconscious knowledge transfer that act as tacit knowledge breeding grounds and the latter being the result of repetitive and systematic knowledge transfers. Together, high IIT levels the vehicles conducive of both tacit and explicit knowledge sharing practices.

*HYPOTHESIS 1 National cultures that display high IIT levels will exhibit latent preferences towards organizational cultures high on knowledge sharing practices.*

The second national cultural depiction probes levels of authority entrustment (AE). AE considers the readiness to designate influential inputs to both subordinate and authoritative sources opposed to sole authoritative sources. As such it probes the natural flex that exists between authoritative and subordinate members of society within a national culture.

Viewed on a high – low spectrum, people with low AE levels tend to greatly revere authoritative positions and expect authoritative people to have a large impact on the actions of everyone in society. In comparison, people with high AE, revere authoritative and non-authoritative positions equally and do not give a special bias towards the inputs stemming from managerial sources and consequently do not automatically comply with managers' orders but retain the ability to question the logic or motives behind a particular action. In essence, this implies that national cultures with high AE levels delegate authority more readily to non-authoritative positions, whereas cultures with low AE levels retain authoritative powers to a select few.

On the company level, this national cultural dimension is marked by interdependency between managers and subordinates; if managers act in a particular way the subordinate will react accordingly. Consequently, the extent to which a national culture has a preordained bias towards high or low AE depends on the interactions between managerial and subordinate parties from the outset and the values brought into the organization from the start. The following EVS variables have been utilized to quantify

TABLE 2 EVS AE variables with cumulative calculations

Country	v5	v6	v7	AE
Slovenia	1.8	7.4	2.7	3.967
Denmark	4.4	8.3	1.5	4.734
Germany	0.5	7.6	0.2	2.767
Austria	4.0	7.9	4.3	5.400

NOTES AE calculated as mean score of v5, v6 and v7. v5 – the extent to which an increase in respect for authority would be viewed negatively; v6 – the extent to which employees are free to make decisions at work without consulting with their managers; v7 – the extent to which managers’ orders must not always be followed. Source: own calculations based on composite EVS (1999) data.

the extent to which the populations of the sample countries are partial towards high or low AE levels.

The composite results display differing levels of AE for each of the focus countries. Within the four country spectrum, Germany and Slovenia possess the lowest levels of AE whereas Denmark and Austria exhibit the highest levels of AE, implying that the national cultures of the latter countries are comparatively more enthusiastic about entrustment of authority to broader circles in comparison to the former countries. An expected consequence of this is that countries with low AE national cultures will favour organizational structures that bear remnants to the Trompenaars and Hampden-Turner (1998) Eiffel tower organizational culture; namely tall organizational pyramids, high levels of respect and reverence for their superiors and limited questioning of authority compared to countries with high AE levels that engender a more egalitarian organizational structure. Such an approach demands that key decision making be centralized and conducted by a few select groups of managers who maintain focused overviews and thwart the ability and need for decision making to trickle down throughout the organization.

*HYPOTHESIS 2 National cultures that display high AE levels will exhibit a bias away from corporate structures that emulate a hierarchical Eiffel tower organizational culture.*

The third and final cultural depiction addresses independence and distinctiveness (ID) levels. That is, to which extent individualism is rewarded or punished within a national context. The principal variation between high and low ID levels resides in the inter-connectivity with which thoughts and actions of group members occur. As such, a highly

TABLE 3 EVS ID variables with cumulative calculations

Country	v8	v9	v10	v11	v12	ID
Slovenia	2.43	6.2	7.0	9.1	4.6	5.866
Denmark	3.50	4.4	8.0	9.4	7.0	6.460
Germany	7.10	9.3	7.0	9.9	6.2	7.901
Austria	7.09	9.5	7.1	9.7	5.6	7.798

NOTES ID calculated as mean score of v8, v9, v10, v11 and v12. v8 – the extent to which the individual should take responsibility for people opposed to society or the state; v9 – the extent to which being unselfish is not a priority; v10 – the extent to which being independent is important; v11 – the extent to which participating in community actions is unimportant; v12 – the extent to which freedom is more important than equality. Source: own calculations based on composite EVS (1999) data.

ID culture tends to have many connections with many different people but for a short duration of time and holds that the individual is the primary unit of reality and that society is built up around a collection of individuals. In contrast, low ID reflects group members that have close connections over a long period of time, where a strong sense of unity is maintained and holds that the group is the primary unit of reality and that the group determines one's identity.

Typical cultural characteristics of a high ID are a preference towards individual decision making, being self-orientated, basing efforts on individual initiative and looking out for their own best interests. On the other hand, cultural characteristics of low ID are centred on group decision making, being collectively orientated, efforts based on a sense of loyalty and duty and the group or society at large to go to great lengths to look out for their best interests. To measure and benchmark the extent to which the sample countries reveal a positive or negative latent preference for a high or low ID preference, data from the EVS have been utilized along the following dimensions that draw on the afore mentioned characteristics.

From the composite ID results, we notice a smaller distribution than in the earlier two national cultural depictions, implying that the variance between the focus countries along this dimension is smaller. In essence, within the narrow four country band, Germany and Austria emerge as most ID inclined in contrast to Slovenia and Denmark which possess smaller ID levels. Projecting this onto our organizational culture model, it is suspected that we may observe variations in control and coordination mechanisms within organizational cultures.

Within national cultures that rank low on ID levels, the organization will have great influence on the individual's well being as the organization plays a large role in looking out for and defending the employee's interest. A consequent dependency develops where employees, in return, act in accordance with an organizational form of conduct and rely heavily on company participation and training to stay abreast with corporate initiatives. The organization can best comply with this interdependent relationship through input and behavioural control mechanisms as they have their foundations rooted in informal coordinating mechanisms that are best upheld through personal relationships and informal communication. On the contrary, output control would best complement national cultures that are high on ID levels, as less emphasis is placed on the personal team-like connections, but more emphasis is allocated towards accomplishments and being result orientated. On this basis the final hypothesis is formed.

*HYPOTHESIS 3 National cultures that display high ID levels will exhibit a latent preference towards organizational cultures that utilize output control and coordination mechanisms utilization.*

Combined, the three cultural dimensions provide a static and limited depiction of variances in the four countries' national cultures. However, this limitation increases the accuracy of the results and hence their utility. Rather than reflecting broad cultural representations that would more appropriately embody the entire culture, the current method illuminates only specific bands of cultural variation with surgical precision. Accordingly, the context of the cultural descriptions is neglected in favour of meaningful specific content interpretations that can be connected to organizational culture variations.

### **The Study**

The empirical data for this research were collected as a part of a larger PhD project researching a total of four national culture dimensions and a multitude of organizational aspects. The data were extracted from 50 manufacturing companies taken to typify a stratified sample that allowed for sub grouping of the initial sample data into industry, organization size, organization age, organization success and geographical specific classifications. This was a crucial step as each of the organizational parameters could, and most likely would, have major repercussions on the materialization of the organizational cultures under scrutiny. The sam-

ple organization sizes, age and success rates were crucial parameters to establish and keep constant, as small, newly entrant and modestly profitable vs. large, incumbent and highly profitable companies possess inherently different organizational cultures that would skew entirely the impacts that national culture has on the sought – for results. Furthermore, industrial classifications were necessary as well as a geographical limitation as these parameters equally contaminate the purity of the national culture influence. Thus, in order to discount a scope-peripheral bias, organizational size was limited to large, over 1,000 employees at the MNC level, and organization age was limited to at least ten years of operations. Organization success was limited to at least a ten – year record of profitability, and geographical localities were limited to the four countries comprising the focus of this study. Industry specific classifications were limited to the manufacturing industry mainly as a result of an availability criterion.

Data collection was conducted through questionnaires, although follow – up interviews via telephone and in person were conducted in a select number of organizations. The questionnaires and interviews probed the intricacies of the company's perception of the organizational culture. In order to gauge the actual respondent's national culture fit with that of the EVS data, the questionnaire first sought to identify how the respondent valued certain characteristics pertinent to the national culture dimensions that this study pivots around. Computation methods for the empirical national culture data were identical to those utilized for the EVS, thus providing a comparable base for verifying that the underlying premises from which the hypotheses were made were still valid. Succeeding questions probed the perceptions of the organizational culture along the three dimensions of organisational structure patterns, control and coordination mechanisms and knowledge sharing practices.

For ease of completing and analysing, the questionnaire was setup in four clearly delineated sections that each addressed a separate management aspect. Albeit at the cost of some respondents having to answer in a language that was not their mother tongue, the questionnaire was administered solely in English in order to overcome translation barriers. Furthermore, in order to increase data reliability, the methodology of data triangulation was utilized to address the same management issues repeatedly. The questionnaire consisted of multiple-choice closed-ended questions, five point Likert scale questions and normalized 10 point preference scaling questions. These facilitated point accumulation methods,

which made it possible to compare stances on the different aspects of organizational culture.

The questions pertaining to control and coordination mechanisms primarily probed, through a two-tier form, the respondents' perceptions of the method in which they are controlled by their respective superiors. The first tier illuminated a direct proportionate utilization ratio of the three control forms (input, behaviour and output) as perceived by the respondent. The second tier sought to investigate indirect manager utilization of each control form. The data from each tier were weighted and averaged into a united control and coordination mechanisms score. The questions probing organizational structure patterns were structured along three dimensions. The first examined direct decision making authority levels within the organizations, the second examined the extent to which power delegation was sufficient enough for lower ranked employees to have decision impact on the remainder of the organization, and the third probed interpretative decentralization levels as perceived by the respondents. The questions concerning knowledge sharing practices first examined the respondents' frequency with which they inform others of strategically relevant information, and second, the frequency with which two-way knowledge flow patterns are typical as opposed to one-way knowledge flow patterns.

To test the hypotheses, cross-lateral Spearman rank correlation tests were conducted fitted with confidence intervals for the 50 dataset samples to verify that a significant correlation exists between the national culture and organizational culture scores. The Spearman rank correlation coefficient ( $\rho$ ) was calculated as:

$$\rho = 1 - \left\{ \frac{SR_i(\sum D_i^2)}{n(n^2 - 1)} \right\} \quad (1)$$

where  $D_i$  is the difference between each rank of corresponding values of  $x$  and  $y$ , and  $n$  is the number of pairs of values.

### **Results and Discussion**

The results concerning hypothesis 1 reveal a strong positive correlation (0.648/0.01) between IIT and knowledge sharing; as national cultures increased in IIT levels, so too did the organizational structure aptitude to share knowledge (see columns 1–2 in table 4).

There is a direct, although not perfectly uniform, correlation between high IIT with high levels of composite knowledge sharing practices.

TABLE 4 National to organizational country cluster- and correlation-test results

Country	NC		OC		NC	
	(1)	(2)	(3)	(4)	(5)	(6)
Denmark	6.93	0.859	4.73	0.410	6.46	0.71
Austria	4.87	0.855	5.40	0.494	7.80	0.81
Germany	4.25	0.741	2.77	0.652	7.90	0.72
Slovenia	3.17	0.619	3.97	0.598	5.87	0.38
$\rho$	0.648**		-0.566**		0.580**	

NOTES  $N = 50$ . \*\*  $p < 0.01$ . NC – national culture, OC – organizational culture. Column headings are as follows: (1) Composite IIT scores (2) Composite knowledge sharing practice scores (3) Composite AE scores (4) Composite hierarchical Eiffel tower structure scores (5) Composite ID scores (6) Composite output control and coordination mechanism scores. The individual scores for (2), (4) and (6) obtained at the organizational level are bundled together within their respective country cluster and presented as composite scores.

However, the respective upsurges and reductions in national culture IIT and organizational culture knowledge sharing levels are not proportionately distributed in relation to each other. This is most apparent with the Danish and Austrian data. The Danish IIT scores more than a full point ahead of the Austrian national culture score, yet the knowledge sharing levels are almost identical, with the exception that the Danish organizational knowledge sharing levels just out – edge the Austrian organizations. Thus, the large gap in national culture between these two countries is not represented with an equally large gap in knowledge sharing levels. Furthermore, low IIT scores are accompanied by lesser levels of knowledge sharing, but not low levels of knowledge sharing. For this realization it is noteworthy to recognize that all countries' organizations scored a fairly high knowledge sharing grade and, as such, are all considered fairly knowledge sharing prone. Consequently, Slovenia's and Germany's low IIT scores (3.17 and 4.25, respectively) are not reflected with low absolute knowledge sharing scores but only low comparative scores.

Nevertheless, the results unanimously support the hypothesis, as a clear tendency for greater knowledge sharing organizational culture is observed as national culture trust levels increase. In an earlier study it was shown that the majority of knowledge sharing in Slovenian companies occurs through tacit means (Gulev 2007, 161). In part this might help to further elucidate the positive correlation. In environments that rely heav-

ily on tacit knowledge sharing it is a necessary precursor that the inter-connectedness between members of that environment is strong. Low IIT levels would directly counter such inter-connectedness and would thus undermine the principle vehicle conducive to tacit knowledge sharing practices. This may be the cardinal explanation behind the low knowledge sharing outcome for the Slovenian organizations. Whether the same logic holds for the remaining organizations remains speculative.

The results regarding hypothesis 2 also conform the hypothesis, albeit statistically at a slightly weaker intensity ( $-0.566/0.01$ ). As national culture  $\Delta E$  levels increase we observe a decrease in the frequency with which hierarchical Eiffel tower structures were detected (see columns 3–4 in table 4).

The Slovenian and German  $\Delta E$  scores are ranked the lowest, while united scoring highest on composite hierarchical Eiffel tower structure scores, and the Austrian national culture, which scored the highest  $\Delta E$ , ranked moderately low on hierarchical structure. Taken together, this works in accordance with the hypothesis prediction, albeit the results are not pristine. Slovenia has a higher national culture  $\Delta E$  score than Germany, yet also a higher amount of hierarchical organizations were detected. Furthermore, the large variance spectrum displayed between the German and Austrian  $\Delta E$  scores (2.63) is not reflected by an equally large variance fluctuation in composite hierarchical structure scores (0.158). This suggests that hierarchical Eiffel tower structure levels are not perfectly correlated to  $\Delta E$  levels, as the large  $\Delta E$  variance is mirrored only by a small organizational structure variance. Consequently, it appears that there is a tendency for high levels of  $\Delta E$  preferences to be accompanied by low levels of hierarchical Eiffel tower structures, although it is not a precise relationship.

To further understand this strong negative correlation it is important to recognize that countries that embrace high  $\Delta E$  cultures are more likely to produce an environment that harmonizes with egalitarian ideologies. The endowment of authority to non top-tier positions empowers a larger amount of people with decision making abilities, which works against the constructs of an Eiffel tower organizational culture. In further accord, highly Eiffel tower organizational cultures endorse work environments where a bureaucratic division of labour with various roles and functions is prescribed in advance and coordinated at the top by a hierarchy (Trompenaars and Hampden-Turner 1998, 166). Such a structure demands that authoritative figures retain certain command mandates that

aid in enforcing the dominant boss – subordinate relationships. Low AE national cultures directly facilitate this.

The results pertaining to hypothesis 3 reveal a strong positive correlation (0.580/0.01) between national culture ID scores and organizational culture output control utilization; as individualism and distinctiveness levels increase we observe a proportionate increase in the utilization of organizational output control mechanisms (see columns 5–6 in table 4).

The Slovenian organizations are unique in that only they appear to utilize a larger proportion of input and behaviour control to the detriment of output control (0.38) compared to the other three countries' organizations which collectively use output control to a greater extent. However, this departure from output control utilization detected in the Slovenian organizations concurs nicely with the hypothesis prediction; with a few exceptions, an almost linear correlation is observed. Overall, the correlation is stable and significant, however, the direct results do suffer from some weaknesses as there appears to be no absolute connection between high levels of ID and high utilization of output control. As is evident from the data, the German organizations, which ranked the most ID (albeit just by a fraction), utilizes less output and more input and behaviour control than the Austrian organizations, which were marked by a lower ID score. Even more noticeable, the Danish organizations have an almost identical ratio of output control utilization as that of the German organizations, despite ID levels varying by more than a full point. Nevertheless, when broadening the scope, the underlying notion that organizations in national cultures that score high on ID to utilize output control does remain valid.

The logic behind this positive correlation resides in understanding when an organizational culture emphasizing output control is most useful. Output control through targets and set goals is not limited to highly individualistic individuals; communitarian driven individuals also respond positively to output control (Dowling and Welsch 2004, 137) as well as to input and behaviour control. However, it is possible that individuals in highly ID national cultures respond less favourably to input and behaviour control, as their ability to be distinctive is decreased and in essence they are asked to depart from a conduct that conforms naturally to their high ID culture. As such, the positive ID national culture to output control organizational culture correlation is more a product of the inappropriateness of input and behaviour control, rather than the appropriateness of output control, on highly ID individuals.

### **Utility and Limitations**

The current findings provide utility for a broad range of people. Most notably, managers of organizations can use the findings to provide insight into the fit between their national and organisational culture. On the basis of our findings, managers can deduce that certain organizational traits may be subconsciously inferred as a result of national cultural influences. This has implications for a wide array of organizational circumstances.

First, the findings may prove fruitful in helping to better understand intra-organizational behaviour. It is possible that the actions of corporate employees may have more to do with national cultural roots than organizational agendas. Hence, bridging the gap between national and organizational culture cognitively may help explain why employees and managers conduct themselves in a specific manner; knowledge that can greatly facilitate positive intra-organizational interaction. Second, the results act as a caution signal to any international organization that employs multiple nationalities with differing cultures. For these organizations, achieving a higher level of corporate compliance through organizational culture may lie in further understanding the national cultural roots of their diverse workforce. Finally, the results can be considered as fodder for catalysts of organizational change. In instances where organizational change is warranted it may prove beneficial to give initiative to the transformation process with an investigation of the organizational members' inherent national cultures, as this may provide insight into how the change management process can be endorsed and encouraged internally.

Researchers and academics subscribing to the culturist approach will find value in the study, as a relatively new methodology in analyzing organizational and national cultures is presented. The limited and narrow avenues of national and organizational culture that are explored are uncommon in academic research; most contributions group broad perceptions of national and organizational culture together, thus gaining broader cultural insight but diminishing the comparability of the components. The current study makes a conscious move towards limited cultural definitions, at the cost of providing complete cultural depictions, but with the immense reward of strengthening the validity of the emerging results.

As with most culturally based studies, the current article suffers from

certain limitations. A predictable direct consequence of the limited cultural depictions is that the national and organizational portrayals are not complete representations of the whole picture. As such, certain elements of culture – some even pertaining to the three national cultures covered herein – are ignored. A further limitation is that I utilize datasets from two sources only. Although I feel confident that the EVs and questionnaire data are credible and provide a valid foundation for the research, it must be acknowledged that other sources of national and organizational culture might have produced dissimilar correlation results. I do not, however, believe that our model is sample specific and I expect to find similar correlations from other sources in upcoming studies.

### **Conclusion**

The current article is among the first to examine the extent to which a triad of national cultural depictions influences organizational cultures pivoting around communication, control and authority patterns within a specific selection of European countries. Along this chord, we arrived at several credible results; in large, we proved that organizational cultures do emulate national culture characteristics along three finely defined dimensions.

First, a highly interpersonal and institutional trust-driven national culture inclination acts as a catalyst for knowledge sharing organizational cultures. It was found that trust, measured as a national component, facilitates the vehicles conducive to explicit and especially tacit knowledge sharing. Accordingly, it is suggested that national levels of trust trigger higher levels of knowledge sharing to occur within the organizational culture.

Second, national cultures with high authority endowment traditions yield organizational cultures that depart from the Eiffel tower structure and gravitate more towards decentralized and egalitarian organizational structures. The emphasis here is on the inclination of societal members to disseminate authoritative powers away from select top-tier individuals. Thus, it is proposed that national cultures that have low levels of authority endowment, meaning that authority remains with a select few, will produce organizational cultures that are hierarchical and tall.

Third, national cultures with high levels of independence and distinctiveness characteristics tend to appreciate organizational cultures that depart from the utilization of input and behaviour control but emphasize output control. Here an appreciation of set targets and goals that

benefit (and punish) the individual outweighed communal supervision and socialization of employees into the organization and its values.

Along these specific chords, organizational cultures are seen to be isomorphic with national cultures; a clear and significant habit of dependency between the analyzed variables emerged. These results alone provide further nourishment for researchers and practitioners who subscribe to the notion that national management models do persist in Europe (see also Klarsfeld and Mabey 2004) and that these sometimes follow a predictable pattern. The current results thus provide helpful insight into methods that can help bridge organizational clashes; understanding the core roots that generate differing organizational cultures can help promote the use of constructive conduits for further intra-European corporate cooperation.

### Notes

- 1 The European Values Study is a large-scale, cross-national and longitudinal survey of moral, religious, political and social values. The survey was designed to investigate the nature and inter-relationship of value systems, their degree of homogeneity, and the extent to which they are subject to change across time.

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