What is a culture? how does it affect the behaviour of an individual? essay sampl...

1. INTRODUCTION

What is a culture? How does it affect the behaviour of an individual? Does it play a major role in determining the response of an organisation, to its routine and unexpected situations?

Management today is all about getting things done through people (Hofstede, 1980). In order to do this effectively one has to understand and know the people who have to do them. And here the notion of culture has its significance. Culture here is seen as the predicted behaviour and the shared ways of thinking of an individual in a group. Here culture is not a property of individual, but of group. This group can be a nation, region, ethnic group or a work organisation.

As various authors have shown (Hofstede, 1980; Hall, 1990; Robbins, 1993) that national differences-that is, national cultures- hold a key significance for managers in order to understand the behaviour of a worker, as it is inherent and hence affects the behaviour of an individual the most. But how much does it affect the nature of an individual? If you know somebody's national culture can you predict his/her behaviour? To a certain extent yes, but the accuracy of your prediction is not guaranteed (Mead, 1998). However if this prediction is not certain then what impact will it have on the organisational culture? IKEA, a global player in furniture industry, has established itself successfully in all parts of Europe, Middle East, Singapore, Hong Kong and China, is renowned for their strong and living culture. Ingvar Kamprad, the company's founder, believe that their organisational culture binds them together and is strongly rooted in Swedish culture. But is it really reflecting

the national culture. Is the national culture only factor that affects the organisational culture?

This paper tries to answer these questions by looking at:

– the concept of national culture and how it affects the organisational culture, in section 2.

– In section 3, national culture of Sweden is described using some theories and research done by Hofstede, Hall and Trompenaars (2000).

– In section 4 notions of organisation culture and its importance for organisations is discussed.

– Section 5 defines the organisational culture of IKEA and compares it with Swedish culture to see how much is it affected by national culture.

– Section 6 looks at the other factors, which affect the organisational culture; due to limited space, this paper has limited itself to see the affect of founders personality and stage of development on corporate culture.

2. National culture

National culture is somewhat, which is instilled from birth. It has to do with what is considered proper, civilized behaviour in that country. It include for instance how to act towards strangers, colleagues, family, how to address somebody (Hofstede).

Commonly used words regarding national culture emphasize one of its vital aspect-the idea that certain manners in that nation are held in common (Trompennars, Mead). As one learns his national culture very early in childhood and is unconscious it becomes his/her second nature. Given that it's deeply rooted, it influences ones behaviour in work life also. Since organisations behaviour is determined by their employee's values and beliefs, national culture plays a very crucial role in determining the corporate culture. National culture differs in their perception of for whom the firm exist. For example, American based companies put importance on the benefit of shareholders, whereas for Germans and Swedes, emphasis is more on employee (Schneider, 2003).

3. National culture of Sweden

Sweden, as described by the four-dimension model of Hofstede, has a low power distance (47), weak uncertainty avoidance (49) culture. Swedish culture shows the characteristics of high femininism and that of a high individualistic country. Hierarchies in this culture are just an inequality of roles, established for convenience. Consensus based decisions are preferred over the individual one as in a low power distance culture but employees are encouraged to take initiative (high individualistic). Managers make their decisions after consulting the subordinates. There is a healthy and informal relation between managers and superiors. They believe in the egalitarian approach towards other. People in this culture generally don't feel uncomfortable in any unexpected condition.

There is a greater readiness to live by the day and hence are less hesitant to change employer. Loyalty to employer is not a virtue for them (low uncertainty avoidance). Managers are expected to be facilitator rather than expert. They are less inhibited about approaching an outsider for advice (Adler, N. J., 2002). As a feminine culture concern is more for quality of relationship and work life rather than materialistic objects and promotions. According to Hall, Sweden is a low context culture, which means that relationships between people are rather short and deep personal involvement is generally not preferred. They believe that messages must be explicit and clear. Direct communication is preferred over indirect one (Hall). They generally don't depend on the non-verbal communication codes. People in this culture are believed to be more achievement orientated and importance is given for what you achieve in your life rather than educational qualifications. (Trompenaars). People in this culture have entrepreneurial skills and are very innovative and hence can successfully facilitate the internal expansion. People are supposed to keep low profile in this culture1(Mead).

4. ORGANISATIONAL CULTURE

Today in this ever changing business environment, global companies, which shape flexible response to the challenges of world economy, are most likely to succeed. Facing the same crisis, why two firms opts for different strategies, depend upon the corporate culture of those firms (Williams, 1989). Concept of organisational culture is gaining popularity nowadays. Many problems that were once viewed, as the " communication failure or

lack of teamwork" are now being properly understood as a result of cultural ignorance. Many authors (Schein, 1992; Kotter and Heskett, 1992) argue that understanding and managing organisational culture is an important activity for managers as it affects the strategic development and productivity of organisation.

It helps in analysing, what is going inside the organisation where different subcultures and occupational groups are working with each other (Schein). Importance of studying, analysing and understanding the corporate culture just doesn't end here. As Mead and Schein writes, organisational culture provides a platform to the employee, where they all are committed to an organisation reality bigger than them. It provides them a direction towards a common mission.. Today because of the globalisation managers have to interact with people whose value, belief and even the first language is different and hence the probability for costly misunderstanding and management frustrations are high. To minimize these cultural differences and to create sameness, in order to reduce potential conflict, the global companies, like IKEA, are putting so much of effort in creating their own culture. But what is an organisational culture? Is it possible for a large organisation, like IKEA, to have one culture?

One of the most mysterious aspects of organisational culture is, how it originates and equally mysterious is its evolution (Schein). Every organisation has its unique culture even they may not have consciously tried to create it. Rather it may have been created unconsciously, based on the value of the founder and/or the top management and/or the other core

people who build or direct the organisation. But in order to see the creation of culture and different factors that have an affect on the organisational culture, we need a working definition of organisational culture. Many authors have given different definitions of organisational culture.

Some of them believe that it is a system of commonly held and relatively stable beliefs, attitudes and values within an organisation (Williams, Hofstede). According to Schein, the stress, in an organisational culture, is on shared, taken for granted assumptions held by the members of that group. John Ellis and David Williams stress on the values, norms and behaviour, which govern how the collective organisation will work. But there seems to be a wide agreement between them that organisational culture refers to a system of shared beliefs and common perception held by the members of an organisation. Most of these beliefs and assumptions are learnt from the environment common to its members. Once a debated assumption, if leads to success, starts to work outside the consciousness and become taken for granted (Schein).

5. Organisational culture of IKEA

Organisational culture of IKEA as described all the way through IKEA WAY, can be regarded as open, caring and relaxed. This culture stresses quality, low cost and customer service. It's a strong and positive culture, where the relation between management and work force is good and communication is informal (mead, hall). There is no status barrier between manager and co-workers (Hofstede, low p. d.). Distaste for bureaucratic procedures is

evidently clear in the organisation. Managers are discouraged to apply formal rules. Degree of formality is minimal here, suggesting it as a loosely controlled culture (Hofstede, 1980). What make them different are practices such as treating its employee as true partners. IKEA culture believes in well being of their co-workers (feminism). Individual is the ultimate source of idea and quality of their ideas is directly proportional to the freedom of having them1, is the centre-stone of their management policy (Mead).

Workers are encouraged to take initiative at each level and managers are believed to make consensus based decisions after consulting their subordinates, showing the signs of people orientated as well as employer orientated work culture (Hofstede, 1980; Harrison, R., 1972)2. Managers in IKEA closely monitor the employee job satisfaction. Job security and social well-being are believed to motivate the employee rather than monetary incentives and promotions (Maslow, 1943)3. Preference is given to the applicants who have the good potential rather than a diploma (task orientation, Harrison. R.)2. Although their pragmatic approach to solve the problems and intuitive way of doing business suggest that they are risk taking but the managements insistence on only their ikea way suggests otherwise. It seems they have a fear of failure, which doesn't go well with their low uncertainty avoidance national culture.

Though Ikea's consensus based approach can be also questioned in the way that foreign country managers have to negotiate so many times with product manager for national consideration but its justified by considering their stress on cost effectiveness. IKEA employees are more than likely to have

strong preference for moral commitment to organisation rather than calculative. Emphasis is on loyalty to organisation (collectivism). IKEA culture as well as Swedish culture believes in the egalitarian approach. Equal opportunities are given to every individual to grow. But at the same time they are putting barriers on the development of their foreign managers. Why can't a high potential manager, who doesn't know Swedish language, move up? This question remains to be answered?

6. Other factors which affect the organisational culture:

Apart from national context, founder's personality, top managements influence, stage of development, nature of market and product characteristics are some of the factors which affect the organisational culture (Schneider, Schein, Williams, Ellis.).

6. 1 Influence of founder's personality:

Role of founder is particularly decisive in determining the organisational culture (Schein). They have a vision of what the organisation should be. They create and influence the organisational culture because of their own strong values and belief. These values and belief are bound to be affected by the national culture, but some authors (Williams, Schein) believe that the leaders who are likely to influence the belief of others have clear belief of their own. These values sometimes may not reflect the national culture. It could be their own personal assumptions and traits, which affect their personality and management style (Robbins. S.). Founder bias the organisational culture by

deciding the selection of its members. How well a candidate will fit in their organisation influence the judgement of decision makers.

Ingvar Kamprad, a strong and charismatic personality, has no doubt influenced the organisational culture of ikea. His values has produced the initial hypothesis about the way world works (Schein). His own strong assumptions are evidently clear in the way ikea works. His obsession for low cost has proved to be the most critical reason for their inspirational success and has become the driving force of their business development. His imaginative idea of using catalogue has given them a distinct gain over the competitors (Robbins. S). Their durable and long lasting relation with furniture producers has proved to be a competitive advantage in this cutthroat business environment (high context culture). Although from a high individualistic culture, he stresses on the value of teamwork and consensus based decisions, showing the characteristics of collectivist culture. In a culture where direct method of communication is preferred, some notes on the back of a cigarette packet are enough for him.

6. 2 Stage of development and external environment

Change in the business environment of industry also affects the corporate culture. Depending upon the changing nature of industry, for example, an organisation can change its focus from technology to customers (Schneider. B.). Organisations operating at different market levels and competition have different constraints and demands and hence create different learning environment. They influence the strategy of organisation and hence affect

the corporate culture (Williams, A., Dobson, P., 1989). Signs of change in management style and corporate culture can be seen in giving more autonomy to American managers (polycentric), and creation of new regional division in Europe (regiocentric, Heenan, D. A., 1979)1. Top management can also be seen here, as affecting organisational culture and management style seems to be changing from decentralised to a centralised one.

7. Conclusion

After comparing the ikea culture and Swedish culture, we can see that that national culture plays a crucial role even in strong corporate cultures (Hofstede). National culture influences the way in which managers and employee make decisions and interpret their roles (Mead). Since its more deep and ingrained, it affects the psychology of each individual, but within a national culture, values of members are also influenced by a lot of factors such as education, family environment, upbringing and even geographical conditions (Mead). In a nation, where so much of subcultures exist, it seems a very generalised view to predict somebody's behaviour. This type of stereotyping doesn't do any good for managers. However, though these stereotypes are necessary, they are far from sufficient (Schneider, B.).

In case of IKEA, its apparent that national culture is a dominant factor in determining the corporate culture and its management style. But the influence of Ingvar Kamprad's personality and his own strong assumptions can't be ignored here. Some of these assumptions don't really reflect the Swedish culture. He has been a dominant force in deciding the organisational

culture of ikea. Although the final form of organisational culture also reflects the changes it has experienced because of external environment and development stages, there is little doubt that that initial shape force is the national culture and founders own strong assumptions (Williams, A. Dobson, P.).

1 In Sweden its known as " Royal Swedish Envy"

1 Phrase taken from a bank's advertisement.

3 Maslow, Abraham H. " A Theory Of Human Motivation". Psychology Review (July 1943).

2 Harrison R. " Understanding your organisations character". Harvard Business Review. May-June 1972.

1 Heenan, D. A. and Perlmutter, H. V. (1979). Multinational Organisation Development: A Social Architectural Approach. Reading, MA: Addison-Wesley.