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# National cultures vs. organizational culture: Does one outweigh the other?

There are many definitions of national and organizational culture. A common approach is summarized in the following: **National culture** is based on values, which are unconsciously adopted in childhood before the age of 10 (1) and pose the basis for personality development. Individual behavior is partly based on these values, whereas **organizational culture** is described as "superficial practices" which are consciously adopted by learning them on the job. (1)

## 1. Empirical results of research:

There are two empirical studies that take in account national culture and organizational culture, however both in a different way.

- In the largest study, conducted by Geert Hofstede, polling 117000 Managers from over 50 nations, all IBM employees, strong national cultural differences had been measured, regardless of the existing (IBM) company culture (3). **National culture explained in this study 50% of the differences measured**, than did professional role, age, gender, or race (2; 3).

- Years after in a 2nd study, in the Globe Study, with 40000 managers polled from over 60 nations, possibly inter-correlating effects like company culture and industry culture had been widely removed by polling 1000 companies over 3 different industries (Food, Telecommunication, and Finance). Also there had been measured **significant national cultural** differences. (5)

This shows so far, that significant national cultural differences exist regardless of any company culture, professional role, gender or race.

Further it is recognized that organizational culture reflect the societies in which they are embedded (5), e.g. dominating German company culture at Siemens, US company culture at GE, etc.  But still the question which one of both, national culture or organizational culture prevails at management is still not answered.

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## 2. Which culture is stronger (National culture or Organizational culture)?

André Laurent from INSEAD polled managers from multinational companies with subsidiaries in various countries and compared it to managers working for companies in their native countries (Germans in German, Italian in Italy, etc.)

As an intriguing result it has been measured that national cultural differences are "significantly greater among managers working within the same multinational corporation than they were among managers working for companies in their own country. **When working for multinational companies, Germans seemingly become more German, Americans more American, Swedes more Swedish, and so on**". (2; 4)

Laurent's research shows that national culture is not erased by organizational culture, but maintained or even enhanced. (2)

The reasons for these striking results are not well understood yet. There are several possible explanations:

- Employee resistance due to corporate cultural pressure that might produce a higher degree of national identification.
- Since national culture is deeply rooted and adopted in childhood, it seems to be hard to be erased by corporate culture, which is consciously adopted while working with a multinational organization.

## 3. Summary

Strong national cultural differences do exist. They outweigh the differences caused by professional role, age, gender, or race. Multinational organizational culture maintains or increases national culture. Especially the research of André Laurent supports the conclusion that national culture outweighs organizational culture.

Geert Hofstede contributes a suitable metaphor that links National, Organizational and Individual culture: "Societies [Nations] are the gardens of the social world, organizations the bouquets, and individuals the flowers; a complete social gardener should be able to deal with all three". (1)

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