CROSS-CULTURAL DIMENSIONS: ORGANISATIONAL CULTURE IN PHILIP MORRIS, LIETUVA

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ABSTRACT. Business globalization raised the new priorities for cross-cultural management theory and practice. The goal of this article is according to cross-cultural management and organizational culture theories to propose a new model of organizational culture with cross-cultural dimensions. The objectives of the paper are as follows: a) to disclose the essence of cross-cultural management and organizational culture; b) to carry out the empirical research of organizational culture in a selected Lithuanian company under the G. Hofstede's methodology; c) to propose a model of organizational culture, which is based on cross-cultural management principles.

KEYWORDS: cross-cultural management, organizational culture, G. Hofstede's cultural dimensions, Philip Morris, Lithuania.

JEL classification: M14, M16, P2.
1. Cross-cultural management and cultural dimensions

The number of organizations operating in the international market is growing, thus cross-cultural knowledge is becoming essential for successful performance of the organizations. The cognition of cross-cultural management should start with defining management and culture as separate objects.

Management is a specific activity, under which control we have all processes in a company (esp. social-economic system) (Zakarevičius, 1998, p. 9). Stoner and Neverauskas define management through its functions (planning, organizing, leadership and control), where the company ties to achieve its goals through the internal assets such as financial, material and human resources (Stoner et al., 1999, p. 6; Neverauskas et al., 2000, p. 9). Martinkus et al. relates management to practical methods and traditions of a particular country (Martinkus et al., 2000, p. 67).

According to Šimanskienė, in the process of managing organizations an important role is played by social, especially cultural, environment, and by historically formed human communication peculiarities among nations. These peculiarities determine organizational management methods, leadership style as well as organizational behaviour in general (Šimanskienė, 2000, p. 131).

Sweeney and Hardaker (2002) define culture as the integral concept of management, which attracted the attention of western managers, academicians and management consultants since 1980’s (Sweeney et al., 2002, p. 1). Researchers of social sciences such as — sociologists, anthropologists, social psychologists, and managers — have different viewpoint to culture.

Anthropologist Taylor (1891) perceives culture through public knowledge, capabilities, habits, morale, law, customs and traditions. Thill (1991) has a similar perception of culture as Taylor, explaining this phenomenon via systems of believes, values, behavioural norms. Donski (1993) and Stoner (1999) determine culture as the public core. It can be noted that material and spiritual values of society are disclosed in definitions of culture. It is vital that culture is described as a dynamic issue (Urbonaitė, 2003, p. 1-4; Stoner et al., 1999, p. 177).

A national organization becomes multinational, when people of more than one culture are employed in it. This cross-cultural dimension impedes organizational management, as the organization should be managed by the laws and methods of global business and principles of cross-cultural management (Adler, 2000, p. 15).

Hofstede and Trienekens manifest that people from different cultural background operate by different value systems, believes and common cultural norms, which construct the reality applicable only for the members of a certain culture, which in its own right cause various misunderstandings among representatives of different cultures (Hofstede et al., 2002, p. 1).

Adler affirms that cross-cultural management incorporates international and multicultural dynamics, which expands the range of local management. He determined the following functions of cross-cultural management (CCM): (1) CCM characterizes organizational behaviour, which is influenced by different countries and cultures; (2) organizational behaviour is compared among countries and cultures; (3) organizational behaviour strives to comprehend and improve the interface among co-workers, managers, administrators, clients, suppliers and alliance partners, who reside and work in different countries and cultures (Adler, 2000, p. 11). Ewington (2003) while describing CCM, emphasizes the significance of culture in its application to management models, as it determines the most appropriate behaviour for organization’s employees (Ewington, 2003, p. 1).
In the literature we can find three different approaches in cross-cultural management research, each with different starting point of analysis and different presupposed findings. These approaches characterize culture and its influence to management and organizations differently (Mockaitis et al., 2001, p.70-80):

- **the contingency approach** has been largely concerned with the influences on formal structure and strategy.
- **the institutional** – compares societies in terms of cultural influences on institutions and systems as well as attitudes and values.
- **the cultural approach** seeks to analyze the effects of cultural variables on such aspects as leadership styles, motivation and decision making, although how culture influence organizational structure and strategy.

Now, the most important is cultural approach, the core of this approach is the importance placed on national values and different attitudes to culture influence and their values impact on management and organizations. In this field, much analysis has been carried out. Well-known studies are made by Hofstede, Trompenaars and Schwartz. Trying to classify cultural diversity in relation to organizational needs, some different cross-cultural management models have been developed. One model based on the study by G. Hofstede (1980, 1991) is cultural research model – which classifies cultures based on where they fall on five item continuum:

1. power distance,
2. uncertainty avoidance,
3. individualism/collectivism,
4. masculinity/femininity,
5. long/short term orientation.

Inclusion of Hofstede (1980) cross-cultural dimensions to cross-cultural management concept helps to understand what cultural essentials are manageable and what are not. The model of Hofstede has been criticized because it does not take into account possible differences in national culture, but according J.W. Bing it is the basis to many cross-cultural research studies (Bing, 2003, p. 1).

The second cross-cultural management model is made by Trompenaars (1993), he undertook research to identify and model the source of national cultural differences alongside corporate culture. Trompenaars’ model is based on the survey in over 50 countries and he mostly referred to Hofstede’s collected information. Trompenaars identifies a number of dimensions in which cultures can differ (Mockaitis et al., 2001, p.74):

- **universalism – particularism** (this dimension describes how individual behavior is judged by others, it is showed by rules, procedures or relationships);
- **individualism – collectivism** (stresses individual or group interests);
- **affectivity – neutrality** (this measure extent to which emotions and feelings are expressed in communication);
- **specificity – diffuseness** (this describes the extent to which certain relationships overlap in different areas of life);
- **achievement - ascription** (in some cultures, status is based on achievement, while in others it is based on other characteristics such as age, education, gender or inheritance);
- **perceptions of time** (explains how different cultures plan and organize through their perception of time, whether they have a past, present or future orientation);
- **relationship to nature** (relations with inner or outer environment).

The third scientist who analyzed culture in management field is Schwartz (1994). The author also referred to Hofstede’s cultural dimensions, studied 38 countries and developed a framework of 7 value dimensions (Mockaitis et al., 2001, p.75):

- **conservatism** (security, harmony, social order and respect of traditions);
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• intellectual autonomy (curiosity, creativity and broad-mindedness);
• affective autonomy (valuing pleasure, enjoying life and excitement in life);
• mastery (success, ambition, independence, goal-setting, courage);
• harmony (unity with nature, environmental protection);
• hierarchy (wealth, authority, influence, social power and humbleness);
• egalitarian commitment (social welfare, honesty, equality, being helpful).

From these seven dimensions Schwartz (1994) proposed two-culture level dimensions, in which value types are on opposing poles. These are: (1) autonomy versus conservatism and (2) hierarchy and mastery versus egalitarian commitment and harmony.

All three studies have been conducted in many countries, and hypothesized the influence of values on management and organizations. Hofstede, Trompenaars and Schwartz cross-cultural models are compared in Table 1.

Table 1. Comparison of cross-cultural management models

<table>
<thead>
<tr>
<th>Author</th>
<th>Dimensions</th>
<th>Power distance</th>
<th>Uncertainty avoidance</th>
<th>Individualism</th>
<th>Collectivism</th>
<th>Masculinity/femininity</th>
<th>Long term orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>G. Hofstede (1980)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>F. Trompenaars (1993)</td>
<td>Particularism, Achievement – ascription</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: created by author after (Mockaitis et al, 2001, p.77).

After the analysis of literature on cross-cultural management (CCM), we can formulate limitations of applying CCM theories:

1. CCM is determined by national culture. Transformation processes in society condition the application of CCM theories in organizational management. Management, by being a multi-layer social phenomenon, is closely related to societal evolution as well as conditioned by national culture (Šimanskienė, 2000, p. 132).

2. Adaptability degree of CCM theories. Cultural differences influence and at the same time restricts the possibility of adapting organizational and CCM theories to a certain national management practice (Sweeney et al, 2002, p. 1).

3. Theories, created in one country does not fit in the other one. According to Adler (1997), most of CCM theories and models are proposed in the USA, though theories, created and validated in this country, is not valid for other countries, as every theory reflects the environment, under which they were modelled (Francesco, 2002, p. 1).

4. An error of applying identical management models. Carroll (1997) states that it is a growing tendency to use one's own national management practice in other foreign cultures, which, consequently, causes misunderstandings and problems among representatives of different cultures (Carroll et al, 1997, p. 93). Hunt (2003) explains that in most cases managers apply standard management models to different business cultures by inertia, which in return causes complicated cross-cultural problems within the organization (Hunt, 2003, p. 1).
5. Different perception of leadership. The same leadership style could be perceived differently in an organization, which could have a different impact upon individuals from different cultural groups – their motivation and performance (Sweeney et al, 2002, p. 1).

6. CCM theories should be applied for a country separately. In order to perceive a maximum benefit from CCM theories, they must be adapted for an individual country, according to the specifics of that particular culture (Kelly, 2002, p. 1).

7. An issue of management adaptation. Three out of ten top managers, educated in the USA, are not capable of adapting themselves and manage in an alien cultural environment. Such mishaps dominate in such cases where managers cannot adopt their national professional competencies on the international scale (Ewington, 2002, p.2).

The interest in culture impact on organizational behaviour has increased in 1980, when Hofstede published his cross-cultural research results (Sweeney, 2002, p. 1).

Scholars are broadly discussing national culture dimensions and their impact on organizational culture, though with little backup of empirical research. After the overview of the literature, three different approaches to the interface between national culture and organizational culture can be found:

1. Organizational culture is related to the national culture. Ivancevich (1987), Janson (1992), Adler (2000) and others state that there are some points in common in organizational culture in the same country as they have a common background – the national culture. Thus, they propose to measure national and organizational cultures by the same set of dimensions (Janson, 1995, p.148).

2. Carroll (1997) reveals that organizational culture reflects the national culture of the country to some degree. There is a great possibility that national and organizational cultures have common touch points, though it could be non-existent in international operations (Carroll, 1997, p. 95).

3. Neuijen, Ohayv and Sanders (1990) propose that there is no connection whatsoever between national and organizational culture; thus, they should be measured by a different set of dimensions (Janson, 1995, p. 148).

2. Organizational culture revisited

Organizational culture is differently perceived by scientists from different fields of research - managers, sociologists, psychologists, and anthropologists. By investigating different research goals, scientific interests and philosophical approaches, it helps to comprehend organizational culture being a multi-type object of research.

Even though authors define organizational culture in different ways, the essence and comprehension of this concept has a mutual connection. Scholars are unanimous in recognizing that organizational culture could have a fatal impact on performance and working quality.

The authors of the paper, after reviewing a number of organizational culture definitions, can propose the following definition: organizational culture is a system of essential values, which are perceived and accepted by all organization’s employees, allowing the organization to steadily reach for its goals and solve problems; it is supported by the organization’s history and myths, and is demonstrated via traditions, ceremonies, and rituals; as well as uniting the organization into one entity and which helps the organization to be distinguished amongst other ones.

After the analysis of organizational culture definitions, presented by various authors, five different approaches to organizational culture can be distinguished:

1. Juridical approach is represented by Maanen and Barley (1979), where the authors emphasize general agreements, ignoring values.
2. **Sociological approach** is offered by Hofstede (1980) and Trompenaars (1993), who understand organizational culture as the common opinion of a group of people and the way problems could be solved collectively.

3. **Cultural approach**, which is most supported by Ouchi (1982), Peters and Waterman (1983), Jučevičienė (1996), Guščinskienė (1999), Stoner & Freeman (1999). These authors explain organizational culture through symbols, ceremonies, rituals, traditions, stories, myths, organizational values, approaches, beliefs and norms.

4. **Managerial approach** is proposed by Davis and Newstorm (1985), Quinn (1988) and Schein (1990) who express organizational culture via organizational climate, holistic view to rules, advice, regulations and interaction with the environment.

5. **Mixed approach** is manifested by Smirich (1989) and Seilius (1998), proposing the managerial-philosophical approach to organizational culture, i.e., the organization is united by the philosophy and ideology, accepted by the organizational members.

According to Baron et al (1995), organizational culture represents the following functions (Baron, et al, 1995, p. 540):

- gives the identity feeling to its members;
- enhances the general responsibility to the organization and its mission;
- helps in determining and strengthening behavioural standards.

Many researchers agree that organizational culture is a system of common perceptions, acceptable for organization’s members and giving the organization the uniqueness among other organizations. Bleicher (1986) describes organizational culture by the following dimensions (Seilius, 1998, p. 225):

1. **Openness** of organizational culture (closed or open; supports or acts against changes, etc.);
2. **Orientation** of organizational culture (directed towards the future or momentum; subculture of individual or foreign culture);
3. **Communication role** in forming the culture (directed towards enhancement of individual elements or their development; cultivation of cost-and-benefit oriented culture);
4. **Role of management** in forming the culture (co-workers are as members or role-players (actors); cultivation of collective or individual culture).

According to Damanpuor (1991), the structure of organizational culture is determined by successful adaptation and implementation of innovations into the organization (Smith et al, 2001, p. 4). Thus, most researchers agree that culture is a sum of general values, interpreted by organization’s members and helps them to act in a certain environment. Though researcher Shein (1992) insists that there should two additional types dimensions influencing the formation of organizational culture (Guščinskienė, 1999, p. 114):

1. When establishing a new organization, its founders create the organizational culture, which later on becomes a complex of founders’ ideas complemented by the experience of other organization’s members.
2. Organizational culture is also affected by national culture, organization’s clients and the norms of society.

Shein (1985) stated that the organization exists on three levels, which form the essence of organizational culture: contractual issues, supported values and implicit attitudes (Edgar Schein and organizational cultures, 2002, p. 1). Denison (1990) suggested another set of organizational levels, namely: values and believes, peculiarities of members’ behaviour and specific conditions (Beach, 1993, p. 33). Kotter and Ileskett (1992) proposed two levels of organizational culture, i.e. visible and invisible (Kotter et al, 1992, p. 4).

The classification suggested by Schein (1985) could be interpreted as the most simplistic, clear-cut and comprising all aspects of organizational culture. Thus, in summing
up, it can be stated that there are two indisputable levels of organizational culture, i.e. more prominent (explicit) and less prominent (implicit). The explicit level corresponds to the behavioural characteristics of organization’s members and their working style. The implicit level incorporates values accepted by organization’s members, traditional attitudes, unvoiced believes, which withstand time and remain constant in the case of employees’ rotation. The explicit culture is much easier to change and influence than the implicit one.

Scholars, while proposing models of organizational culture, ponder on the interface between organizational culture and organization performance.

The first - PARSON AGIL organizational culture model (1982) (Figure 1). The author of this model is Parson (1982) he states that in every system organizational culture should execute four functions that are encoded in the abbreviation AGIL.

![Figure 1. PARSON AGIL (1982) model of organizational culture](source)

The second - OUCHI organizational culture model (1982) (Table 2). Ouchi studied organizational culture of three different groups of firms: typical USA firms, typical Japan firms and Z type USA firms. Ouchi (1982) developed a list of seven criteria according which we can compare organizations.

<table>
<thead>
<tr>
<th>Cultural values</th>
<th>Japanese firm</th>
<th>USA firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to personnel</td>
<td>For life</td>
<td>Long</td>
</tr>
<tr>
<td>Work estimation</td>
<td>Slow by quality</td>
<td>Slow by quality</td>
</tr>
<tr>
<td>Career</td>
<td>Very wide</td>
<td>Wide</td>
</tr>
<tr>
<td>Control</td>
<td>Intended and informal</td>
<td>Intended and informal</td>
</tr>
<tr>
<td>Decision making</td>
<td>Consensual</td>
<td>In groups</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Group</td>
<td>Individual</td>
</tr>
<tr>
<td>Attention to people</td>
<td>Versatile</td>
<td>Versatile</td>
</tr>
</tbody>
</table>

The third model is PETERS and WATERMAN organizational culture model (1982). Peters and Waterman (1982) analyzed many examples of successful USA firms. To their opinion, organizations should have strong organizational culture, which is developed according common organizational values (Moorhead et al, 1995, p. 45):

1. **Disposition to function.** If an organization has this disposition it will avoid problems.
2. **Cooperation with customers.** If an organization stays in cooperation with a customer it will have a higher chance to prosper.
3. **Autonomy and match.** Organization should implement innovations and reduce bureaucracy.
4. **Productivity.** Organization’s personnel should work productively.
5. **Attention to management.** Style of leadership should be chosen accurately.
6. **Public involvement.** The organization should involve all people when making serious decisions.
7. **Simple form of communication.** Personnel should trust each other and communicate easily and friendly. It will help them to do the work effectively.

8. **Limited vs. unrestrained actions.** Personnel commitments to the organization should be limited but the organization has to give freedom to their actions.

The comparison of the models of organizational culture is not that simple because they involve different organizational aspects but we can mark the advantages and disadvantages of organizational culture models (Table 3).

<table>
<thead>
<tr>
<th>Organizational culture models</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARSON AGIL model</td>
<td>This model is created adapting organizational culture functions. If it is realized, the organization will prosper.</td>
<td>If we analyze organizational culture according to its levels, this model not fully discloses organizational culture. (This model does not involve main implicit attitudes).</td>
</tr>
<tr>
<td>OUCHI model</td>
<td>This model compares typical Japanese, USA and Z type USA organization cultures. It helps to understand the success of many Japanese and Z type USA organizations.</td>
<td>Ouchi model is made on the basis of two cultures - Japanese and American organizations. The application of this model is limited to those countries, where cultural orientation is different.</td>
</tr>
<tr>
<td>PETERS-WATERMAN model</td>
<td>The basis of this model is common personnel values. This model is easily realized in practice.</td>
<td>Control and responsibility for solutions are not included in this model.</td>
</tr>
</tbody>
</table>

These three organizational culture models are well-known, so they are often analyzed and discussed in different books and scientific articles about organizational behavior and organizational management, but we can find many other models of organizational culture (Charles Handy, 2002, p. 2; Corporate Culture, 2002, p. 1; Goffee et al, 1996, p. 134):

- **Burns and Stalker's model (1961)** – mechanistic organizations.
- **Likert's model (1967)** – autocratic, benevolent autocratic, consultative and participative systems of organization.
- **Harrison's model (1982)** – power, role, task and personal cultures of organizations. This model was adapted by C. Handy in 2000.
- **Goffee and Jones's model (1996)** is based on combination of two dimensions (solidarity and sociability) – networked, communal, fragmented and mercenary culture of organization.

So each model reflects particular values according to which we can evaluate organizational culture.

3. **Substantiation of empirical research methodology**

G.Hofstede (1980) developed *cultural research methodology*, which is formulated in six dimensions (Carroll et al, 1997, p. 40):

1. **Power distance**, or the degree to which members of society automatically accept a hierarchical or unequal distribution of power in organizations.
2. **Uncertainty avoidance**, or the degree to which members of a given society deal with the uncertainty and risk of every life and prefer work within long term acquaintances.
3. **Individualism-collectivism**, or the degree to which individuals perceive themselves as separate from others and free from group pressures to conform.
4. **Masculinity/femininity**, or the degree that delineates values in terms of masculine (assertiveness, competition, performance-orientation) or feminine (cooperation, equality).

5. **Long/short term orientation**, or the degree to which members of a society are willing to defer gratification of wants and needs in order to achieve long term objectives and goals.

We can state that G. Hofstede is one of the few researchers who have done full-scale quantitative analysis in cross-cultural field. He can be called a pioneer of cultural research in management field. The other distinguished scientists (Trompenaars, Hall, Lessem, Neubauer, etc.) mostly used G. Hofstede collected information or qualitative models for cultural research or emphasized sociological not management aspects of culture (Jucevičius, 2001, p. 21).

There is a variety of ways to classify differences in organizational culture. G. Hofstede et al (1992) carried out the study, where six dimensions of organizational cultures were identified in which organizational cultures differ (Hofstede, 1994, p. 188-194):

**Dimension 1** opposes a concern with means (process oriented) to a concern with goals (results oriented).

**Dimension 2** opposes a concern for people (employee oriented) to a concern for completing job (job oriented).

**Dimension 3** opposes units whose employees derive their identity largely from organization (parochial), to units in which people identify with their type of (professional).

**Dimension 4** opposes open system to closed systems. There is a much higher degree of information sharing in a firm emphasizing open communication between individuals.

**Dimension 5** refers to the amount of internal structuring in the organization (loose control vs. tight control). Loose control organizations obviously allow employees considerable latitude. Tight control firms are characterized by many formal practices, policies.

**Dimension 6** normative vs. pragmatic. Pragmatic units are market-driven, normative units perceive their tasks towards the outside worlds as the implementation of inviolable rules.

Both Hofstede studies (1980 and 1992) are related, it is showed in Table 4.

<table>
<thead>
<tr>
<th>Model</th>
<th>Dimensions</th>
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<tbody>
<tr>
<td><strong>Cultural research (1980)</strong></td>
<td><strong>Power distance</strong></td>
</tr>
<tr>
<td><strong>Organizational culture research (1992)</strong></td>
<td>Process / results oriented</td>
</tr>
</tbody>
</table>

Source: created by author after Hofstede, 1994, p. 188-197.

In 1980, G. Hofstede defined cross-cultural dimensions, which accent different national cultural values, while in 1992, he made cross-organizational study and defined values, which vary considerably in organizations’ practices.

As we can see from Table 4, high power distance determines organizational orientation to process, low power distance – orientation to results. Uncertainty avoidance is connected with open-closed system dimension. Low uncertainty avoidance correlates with open system through open communication climate. Individualism and masculinity dimensions formulate a new dimension – work centrality that is correlating with parochial and professional dimensions.

These three organizational culture dimensions, showed in Table 4 are related to values, so they have a connection with G. Hofstede cultural research model. Residual dimensions have no links with values.
4. Qualitative and quantitative cross-cultural research of organizational culture at Philip Morris, Lietuva

Lithuanian scholars have made attempts to research organizational culture only from the perspective of human resource management, organizational behaviour, total management quality. No research cases are found where organizational culture is researched from the cross-cultural management perspective.

The scientific problem of this research is defined as the search for cross-cultural elements in an organizational culture of a selected company.

The research goal is to perform an empirical research of business organization culture by applying internationally adopted research methodologies of G.Hofstede’s cross-cultural management and organizational culture.

The research tasks are defined as follows:
1. To determine the existing organizational culture of a selected company.
2. To distinguish the characteristics of cross-cultural management as manifested in the organizational culture of a selected company.
3. To propose a new generalized model of organizational culture, backed up with the cross-cultural perspective.

The research object is the organizational culture of Philip Morris, Lietuva (a tobacco manufacturer), which hypothetically should have cross-cultural dimensions.

In order to determine the influence of cultural and managerial dimensions on the selected company's management and its perspective, the following research methods have been selected: logical analysis of scientific literature and one-off research (non-structured interview and auto-survey). A concrete business organization was selected as a target audience, where representatives of foreign culture take top management positions. In our case the research scope is the employees of Philip Morris, Lietuva. Non-stochastic selection method was used to form a representative group of respondents.

214 questionnaires were filled, which according to Paniott, the selected number of respondents is sufficient to validate research results of a company with 476 employees. Four foreign top managers were interviewed.

In Figure 2 dimensions of organizational culture in Philip Morris, Lietuva are presented.
The research results demonstrate that Philip Morris, Lietuva, is a results-oriented organization (degree – 81), which indicates that employees consciously are trying to achieve good performance results as they are aware of their input which will be noticed and subsequently evaluated. The company pays more attention towards an employee-oriented perspective (degree – 14) rather than job performance. This indicates that Philip Morris, Lietuva, strives to assure (a) a stable future for its employees with a very low rate of employee rotation; (b) work and leisure quality with holidays and privileges offered; (c) as well as employee participation in important decision-making. The latter dimension demonstrates the company’s inclination towards the parochial dimension (degree – 45), which is manifested via the organization’s support of employees’ social and family welfare. This marginal degree also indicates that the company values employees’ competence. Philip Morris, Lietuva, has a dimension of an open system (degree – 25), which means that it is open for new employees and helps them to adapt to the new environment. The organization is apt to tight control (degree – 77), as it strictly plans its activities and follows these plans. The employees are under control to be responsible for their performance, the company encourages economy among the employees as well. The dimension of pragmatism has also been figured out (degree – 69), which is demonstrated through the organization’s attention towards performance results and satisfaction of consumer needs.

Researching cross-cultural dimensions at Philip Morris, Lietuva, according to G.Hofstede’s methodology, it has been found that low power distance is characteristic for the selected organization (degree – 32), it means that the company is managed by democratic principles, employees are not afraid of disputing with their managers, while expressing their own opinion (77% of respondents), as the pay is not influenced by good relationship with managers.

Cross-cultural dimensions at Philip Morris, Lietuva, are summed up in Figure 3.

![Figure 3. Cross-cultural dimensions at Philip Morris, Lietuva, 2007](image)

High uncertainty avoidance (degree – 64) has been determined in the selected company. The company has a practice of long-term agreements, thus the employee rotation is considerably low which is translated in a healthy working atmosphere in the organization. More than half of the employees (61% of respondents) are against changes, as they want stable, clear-cut procedures and rules in the jobs (this tendency is more prominent among older employees rather than employees in the higher managerial positions).

The research results also indicate the collectivism dimension (degree – 47). This measurement shows that over 54% of employees are inclined to collectivism, with the rest of respondents identifying themselves as individualists. As it was mentioned above, the
organization pays attention to the employees’ opinion while making important decisions. Each individual employee is responsible for his/her performance results, though the company’s management is more apt to award a group for good performance rather than individuals. The issue of individualism is demonstrated via tolerance of conflicting employees and his/her individual concern for working environment quality.

The prevailing dimension in Philip Morris, Lietuva, is *femininity* (degree – 25). The working climate in the company is welcoming, where males and females have equal opportunities for promotion and salaries. It has been discovered wages and salaries are not the main incentive for employees (69% respondents), they are also concerned about job stability, working climate, and good relationship among co-workers. The company also encourages leadership in performance results and promotion prospects.

Another cross-cultural dimension has been figured out in Philip Morris, Lietuva, namely *medium long-term orientation* (degree – 54). This means that the company encourages employees’ economy; the employees are more present and past oriented, they respect company’s traditions and inviolability of personal life.

5. Proposition of organizational culture model with applied characteristics of cross-cultural management

Organizational culture (OC) is a complicated phenomenon, its causes some problems in isolating and defining, measuring and evaluating OC. It is most complicated to unanimously comprehend organizational values and believes. OC is a complex, which is apt to changing. The model of organizational culture should demonstrate the interface between OC and organization’s performance results.

The authors of this article are proposing the OC model, based on the understanding of managers’ values and common company’s values (Figure 5).

The proposed OC model in Figure 5 is created for Philip Morris, Lietuva, based on OC dimensions, discovered during the empirical research in this company. Here, managers’ values determine the common company’s values. This OC model is also based on the cross-cultural management approach. Thus, it is vital to recognize managers’ values in relation to perception of cultural differences and the significance of cultural differences in the background of managers’ education. All common values are interrelated and form a common value core of the company: including the company’s vision and mission, attention to people, communication, risk tolerance, efficiency through control, employees’ identity and loyalty. The proposed OC model is not static, as the organization is operating in a changing environment.
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Managers' values. While forming OC model, a considerable attention should be directed towards determination of organizational values. Here, managers play the main role, and their values are envisaged as general goals, interests, duties, believes, principles, and perceptions.

It does happen that different educational background, experience, attitudes, perception could influence the message send and the message received. Biggest misunderstandings and conflicts rise due to different cultures, where verbal and non-verbal signals have different meanings in different cultures. Different cultures use different cognition schemes for individual environment (people categorization, actions, objects), its perception and organization, considering that different cultures define people differently, as well as their ideas, actions, values, process and global orientation, information exchange.

At Philip Morris, Lietuva, where the empirical research was carried out, representatives of foreign cultures occupy top management positions. It is only natural that they have different viewpoints, believes, principles and values. Every representative of a different culture has different personal as well as national characteristics. A multicultural organization, in order to actively and effectively operate in market competition, should realize these national cultural differences and should also learn to exploit their advantages, which becomes the core of managers' education program.

Acceptance of cultural differences. As businesses become more international and global, they face the compatibility issue of interests in leadership (that of managers from different cultures) and group participation (that of local employees). Every multinational company should account for the different cultural character of its employees. Representatives of different cultures might have the same essential perceptions, though they value them from a different perspective. It might seem that sometimes they act irrationally though not unpredictably. In case you want to manage different cultures, you should learn how to manipulate the different cultural stereotypes, i.e. to realize what we call the common values. It is important to find the common basis, though differences are not a minor issue as well. Cultural differences could strengthen the organization's effectiveness; more and more organizations accept the peculiarities of cultural differences, though not all of them know how to manage them.

Capability of utilizing the advantages of cultural differences. Members of multicultural team, after identifying which cultural characteristics are their national ones, should be informed, what specifics carry cultural traits of foreign employees. It has been suggested that people of different cultural background could be more creative and could be deal with problem solving drills, as a broader scale of attitudes is applied and an in-depth critical analysis of the situation is achieved. Thus, only with the core of common believes and values employees could express their different attitudes and ideas.

Finally, capability of understanding cultural differences enhances the organization's ability to adapt to ever-changing competitive business environment and influences organization's flexibility. In order to quicker react to external and internal problems, the company should implement innovative cross-cultural management policy and procedures.

Managers' education evaluating cultural differences. The same manager would act differently in different cultural environment. Most capable managers should know how to work in any country, though they need extensive training for each different foreign country. Managers working in international markets should continuously educate themselves and accumulate knowledge of a foreign culture otherwise they might be blamed for not putting enough effort in acknowledging local cultural peculiarities. They should try to learn the local
language, as well as get acquainted with geographical, political and historical facts of the country in question, followed by demonstration of elementary behaviour in the business world. Effective knowledge about characteristics of different would lessen unpredictable situations (esp. culture shock), would broaden insights and enhance communication.

Recognition of authority. The formal behaviour of a is accepted as a behavioural model and is copied by his/ her employees to some degree. This is especially related to charismatic personalities, who provoke admiration and demonstrate the example, which is gladly followed by most of subordinates. As the survey at Philip Morris, Lietuva, show 78% of respondents recognize their top managers being leaders and authoritative personalities, thus, employees do not resist the values, propagated by top managers.

Common values. Organizations, which are based on a strong system of values and believes, could survive in the competitive business environment. The main of the organization should not be profit, but the goal to guarantee employees' satisfaction with their job positions, which is translated into their motivation to work effectively and progressively. The common values could incorporate the following issues, such as: organization's vision and mission, attention to people, communication, risk tolerance, efficiency, identity and loyalty.

Vision and mission. Vision is a company's future perspective realized through organization's value scale. It is essential in forming organizational culture, traditions, and moral values. Every employee should be aware of organization's ambitions and achievements. The mission and company's development course demonstrate if the organization is capable of formulating general goals in unison with employees' goals. The best-rated employee would decline from realizing organization's goals, if he/ she was against them or organization's activities in general. Thus, organization and employee's goals should correspond to a maximum. Organizational culture enhances or suppresses the achievement of set goals. Philip Morris, Lietuva, is managed by democratic principles (low power distance), thus, managers take responsibility to motivate employees and inform them of the current course of the organization's activities.

Attention to people. This value should be dominant in an organization. This means that the organization should take care of the following matters: employees' environment and career, social guarantees, leisure time, personal life. At Philip Morris, Lietuva, the collectivism dimension was determined as prevailing over individualism, where attention to employees' needs is obvious. The company gives its employees many privileges, encourages employee participation, leadership, and career development, tries to evaluate individual input of employees after the established award system. This, consequently, raises employees' motivation, loyalty, commitment and work satisfaction.

Communication. It is important in an organization to establish the atmosphere of open communication among organization's departments, representatives of organizational hierarchy and subordinates. Friendly and simple communication increases the degree of organizational integration, which enhances the process of mutual respect and harmonization of effective work. At Philip Morris, Lietuva, the femininity dimension prevails over masculinity, which asserts in such situations as employees approaching top managers, conflicting amongst themselves, though the organizational climate is welcoming and personal life is no taboo.

Risk tolerance. OC course should correspond to the organization's vision, mission and strategies, only then OC could support risk tolerance, search for opportunities and innovations. The degree of risk tolerance in an organization is determined by the organization's initiative to support employees' risk taking behaviour and their innovations. Besides, this characteristic is related to leadership style, considerable freedom for employees to show initiative, though emphasizing on responsibility for decisions and actions taken. At Philip Morris, Lietuva, low power distance demonstrates the top management support for new
ideas and innovations at all levels of the organization. Thus, risk is tolerated at Philip Morris, Lietuva, though the responsibility for risk taking is individual. As the management style at the selected company is democratic, the degree of initiative is high.

Efficiency through control. Every organization seeks efficiency and satisfactory results. An organization should control employees’ actions, though should not impair their initiative. It is appropriate to control by informal and indirect mechanisms rather than operate with the help of concrete instructions, job description and various rules and procedures. At Philip Morris, Lietuva, is high uncertainty avoidance, which means that employees give priority to, clear-cut job and control instructions.

Identity and loyalty. One of important values to give the employees is the sense of identity, which grows into their commitment to the organization. This is OC measurement for organizational stability enhancing the employees to work efficiently. Loyalty occurs only in these cases where the organization’s members approve off the organization’s goals, while managing to match personal and organizational goals. The survey demonstrated that the employees of Philip Morris, Lietuva, identify themselves with the company (i.e. OC is strong here) and are very loyal to it (low employee rotation).

The organization should officially acknowledge and manifest its common values. The more organization’s members acknowledge the core of common values, the less conflicts arise in the organization itself. Employees’ morale and loyalty as well as the performance rate could be impeded if there is no obvious complex of common values determined in the company.

Major organizational problems arise due to inability to adapt to ever-changing business environment. Companies are forced to become dynamic and open to changes as world economy seeks competition. Modern organizations face the challenge of adopting OC perspective, which could be flexible and sensitive to most of cultural differences.

The research has answered two main hypotheses, which are detailed below.

Hypothesis 1. In order cross-cultural management theories bring maximum benefit to the organization, they should be adapted to a particular organizational culture.

In the period of transformations from centralized economy to market economy, in Lithuanian business world a more simplified approach to management is taking place. Usually, without much concern about specifics of Lithuanian national values, traditions and attitudes there are efforts to mechanically transfer western business forms and methods of human resource management. As a result, cultural-social conflicts arise and usually the performance results are not effective.

With the democratic approach at Philip Morris, Lietuva, the organizational activities are developed towards progress and growth, as these processes influence the necessity to apply modern management theories in organizational management. Judging from the survey results, Hypothesis 1 can be considered true. Using the interview method, representatives of foreign culture, occupying top management positions, were questioned and it turned out that they have working experience in more than one organization and foreign country. Every time, in order to perceive maximum benefit for their organizations, they had to adapt managerial theories to a concrete organizational culture. Thus, to achieve this goal, they have to train themselves every time to understand and evaluate not only the new national culture but organizational culture as well, which is unique in each case.

Managers should realize that modern cross-cultural management is a multifaceted social and cultural phenomenon, thus, it should be closely connected to national and organizational culture. OC influences on general management system, leadership styles, organizational structure and type of power/authority, process of decision-making, and business policy. Same management theories and same management style could be perceived differently and could have different impact on individuals from different organizations,
different cultural background, their motivation and activities. As common organizational values and attitudes could be different, organizational culture could also be determined by cross-cultural management theories and management definition.

In Lithuanian business, a common practice is to copy management experience from the USA, Western Europe or Japan. These management theories are effective without doubt in designated countries, which should be adapted to acceptable Lithuanian values and way of thinking. At Philip Morris, Lietuva, every top manager tries to adapt the management model, learned at his own country, which indicates that the prevailing management experience in the company is that of Europe.

**Hypothesis 2. The influence of foreign culture management is noticeable in the organization's management, though the representatives of foreign culture are not accepted as the elements of organizational culture of a company.**

The results of empirical research at Philip Morris, Lietuva, have partially confirmed the hypothesis. Considering the fact that all top management represent one or another foreign culture, they are inclined to manager the company using modern methods of European management and proclaim their cultural values. Managers have brought their cultural background to the new working environment and working in a multicultural organization they preserve and even strengthen their own cultural peculiarities. Respondents indicated that representatives from foreign cultures induce special requirements for their employees: i.e., in the sphere of working quality (35%), in the effort to change the previous working atmosphere (32%). Thus, in the selected organization there is always place for democracy, collectivism, informal communication, risk tolerance and responsibility, attention to people, loyalty incentive.

The pressure to adjust to the organizational culture, imposed by foreign top managers, causes dissatisfaction amongst some employees. 10% of respondents are inclined to ignore the representative of foreign culture and do not acknowledge him as a part of organizational culture. Though, most of the employees at Philip Morris, Lietuva, (at least 74%) would act naturally with representatives of foreign cultures, even trying to help them to adapt in a new cultural environment. The latter results contradict the second part of H2. In summing up, the representatives of foreign culture at Philip Morris, Lietuva, are considered part of organizational culture.

**Conclusions**

1. The science of cross-cultural management is considerably young, though modern globalization processes in business seek its implementation and adaptation. The analysis of literature demonstrates that the science of cross-cultural management has not been systemized. It has been discovered that there is no consistency of theoretical and methodological issues in cross-cultural research process. Problems occur in inconsistency of proposed models and their adaptation to a certain situation, followed by the considerable deviation of scientific approaches to culture and its impact on general management and organizational management.

2. G. Hofstede's proposal of cultural dimensions assists the organization, which employs representatives from foreign culture, in preventing conflicting situations on:
   a. differences in national-cultural values and attitudes;
   b. interpersonal and working communications;
   c. implementation of a renewed company's business strategy and policy; and
   d. changing the structure of organizational management.

3. In researching the model of organizational culture it is of paramount importance to comprehend managers' values. In the selected company – Philip Morris, Lietuva – all
top management represent one or another foreign culture with different believes, attitudes, approaches and values, which have been formed by their own national background. The new proposed model of organizational culture is created in accordance with the approach of cross-cultural management. Here the following elements of cross-cultural management have been implemented:

a. acknowledgement of cultural differences;
b. identification of advantages of cultural differences; and
c. management training with the emphasis on cultural differences.

4. In formulating the organizational culture it is advisable to seek employees' participation in order to explain their values and goals. According to the proposed model of organizational culture, organization's managers should prioritize the following issues:

a. to identify the predominant common organizational values;
b. to formulate the most acceptable and suitable scale of values for themselves and their employees on the basis of the current value system; and
c. to seek employees' acceptance of proposed values.

5. Organizations, which are based on a strong system of values and believes, could survive in modern competitive business environment. The main of the organization should not be profit, but the goal to guarantee employees' satisfaction with their job positions, which is translated into their motivation to work effectively and progressively. The common values could incorporate the following issues, such as: organization's vision and mission, attention to people, communication, risk tolerance, efficiency through control, identity and loyalty.

6. Managers should realize that modern cross-cultural management is a multifaceted social and cultural phenomenon, thus, it should be closely connected to national and organizational culture. As common organizational values and attitudes could be different, organizational culture could also be determined by cross-cultural management theories and management definition.

7. Organizational culture influences on general management system, leadership styles, organizational structure and type of power/authority, process of decision-making, and business policy. Same management theories and same management style could be perceived differently and could have different impact on individuals from different organizations, different cultural background, their motivation and activities.

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TARPKULTŪRINĖS DIMENSIJOS: ORGANIZACIJOS KULTŪRA [MONĖJE PHILIP MORRIS, LIETUVA]

Dainora Grundey

SANTRAUKA

Verslo globalizacija iškėlė naujus prioritetus tarpkultūrinių vadybos teorijai ir praktikai. Šio straipsnio tikslas - pasiūlyti naują modelį organizacinių kultūros su skersiniais kultūriniais matmenimis, remiantis tarpkultūrinės vadybos ir organizacijos kultūros teorijomis. Struipsnio uždaviniai yra šie: a) atskleisti tarpkultūrinės vadybos ir organizacijos kultūros esmę; b) atlikti empirinij organizacijos kultūros tyrimą Philip Morris, Lietuva, įmonėje, remiantis G. Hofstede metodologija; c) pasiūlyti organizacijos kultūros modelį, paremtą tarpkultūrinėmis dimensijomis.

REIKMENIAI ZODIŽIAI: tarpkultūrinė vadyba, organizacijos kultūra, G. Hofstede kultūros dimensijos, Philip Morris Lietuva.