

Nowoczesne Systemy Zarządzania
Zeszyt 17 (2022), nr 4 (październik-grudzień)
ISSN 1896-9380, s. 37-48
DOI: 10.37055/nasz/158796

Modern Management Systems
Volume 17 (2022), No. 4 (October-December)
ISSN 1896-9380, pp. 37-48
DOI: 10.37055/nasz/158796

Instytut Organizacji i Zarządzania
Wydział Bezpieczeństwa, Logistyki i Zarządzania
Wojskowa Akademia Techniczna
w Warszawie

Institute of Organization and Management
Faculty of Security, Logistics and Management
Military University of Technology
in Warsaw

Diagnosis of the organizational culture of multicultural enterprises – introduction to in-depth research

Diagnoza kultury organizacyjnej przedsiębiorstw wielokulturowych – wprowadzenie do badań pogłębionych

Beata Domańska-Szaruga

Military University of Technology in Warsaw
Faculty of Security, Logistics and Management
beata.domanska-szaruga@wat.edu.pl; ORCID: 0000-0001-7290-4197

Agnieszka Knap-Stefaniuk

Jesuit University Ignatianum in Krakow
agnieszka.knap.stefaniuk@ignatianum.edu.pl; ORCID: 0000-0002-9201-9889

Abstract. Based on the research carried out, the article presents the results of the diagnosis of the organizational culture of selected multicultural enterprises from Poland, Spain and Portugal. The research carried out by the authors of this article is a pilot study, conducted as an introduction to more extensive and in-depth research in the field of human resource management in conditions of cultural differences. Research on the role and significance of organizational culture in a multicultural work environment was carried out, inter alia, using Cameron and Quinn's competing value model, which the authors also refer to in this publication. The article presents in a graphic form only partial results of the research carried out in 2022. In this publication, they concern the types of organizational cultures in the surveyed enterprises. The authors also indicated differences in organizational culture between Polish enterprises and Spanish and Portuguese enterprises.
Keywords: organizational culture, multicultural enterprise, management

Abstrakt. W artykule, opierając się na zrealizowanych badaniach, przedstawiono wyniki diagnozy kultury organizacyjnej wybranych przedsiębiorstw wielokulturowych z Polski, Hiszpanii oraz Portugalii. Przeprowadzone przez autorki niniejszego artykułu badania to badania pilotażowe, potraktowane jako wstęp do bardziej pogłębionych badań z zakresu problematyki zarządzania zasobami ludzkimi w warunkach występowania różnic kulturowych. Badania dotyczące roli i znaczenia kultury organizacyjnej w wielokulturowym środowisku pracy przeprowadzono m.in. z wykorzystaniem modelu wartości konkurujących Camerona i Quinna, do którego to modelu autorki nawiązują również w tej publikacji. W pracy przedstawiono w formie

graficznej tylko częściowe wyniki badań zrealizowanych w roku 2022. W niniejszym artykule dotyczą one typów kultur organizacyjnych w badanych przedsiębiorstwach. Autorki wskazały także różnice w kulturze organizacyjnej między przedsiębiorstwami polskimi a przedsiębiorstwami hiszpańskimi i portugalskimi.

Słowa kluczowe: kultura organizacyjna, przedsiębiorstwo wielokulturowe, zarządzanie

Introduction

Research on organizational culture makes it possible to identify its components and mechanisms that govern the behaviour of employees in a given organization. In turn, the managerial staff, having information about these elements and mechanisms, can select such tools with which they will be able to influence relations with employees and changes taking place in the organization, especially in the conditions of dynamic changes in the environment and in conditions of cultural differences. Many modern companies conduct their activities on a global scale, hence a particularly important aspect of modern management is organizational culture and its important role in the conditions of multiculturalism of employees. Multicultural enterprises often encounter the need to change their organizational culture and develop new models for the functioning of the organization and the behaviour of its members.

It should be emphasized that the most important role in creating the organizational culture is played by managers who have power in the relationship between the superior and the subordinate and the means of exercising this power. In this way, the standards and values desired from the point of view of the tasks assumed in the organization are created in the organization. The importance of organizational culture is therefore particularly important in a culturally diverse work environment where managers manage multicultural teams.

The aim of the article is to determine the dominant types of organizational culture in multicultural enterprises and an indication of the differences in the existing and desired cultural profile of these enterprises. The results of the diagnosis of the organizational culture (current and desired state) of selected multicultural enterprises from Poland, Spain and Portugal are presented on the basis of research carried out in 2022 (interviews conducted with Polish, Spanish and Portuguese managers). These were pilot studies, conducted as an introduction to more in-depth research in the field of people management in an environment of cultural differences.

The research problem formulated by the authors is an attempt to answer the question: Are the dominant types of organizational culture in the examined multicultural enterprises the same or different, depending on the culture of the country of origin of a given company?

Organizational culture – concept and meaning

The definitions of organizational culture are generally ambiguous. The definitions of culture in general are similarly ambiguous. Culture is an abstract concept with a wide semantic scope and, depending on the context, ambiguously understood (Krukowski, 2016).

Hunt (1992) defines culture as beliefs, values, and attitudes that guide how members (employees) of an organization perceive and interpret events. According to Davis (1984), culture includes shared beliefs and values that give an organization meaning and provide members with principles relevant to their attitudes and behaviour. In turn, Hofstede (1997) defines organizational culture as “collective mind programming that distinguishes members of one organization from another”. According to Robbins, DeCenzo (2002), organizational culture is a system of common concepts, to a large extent determining the ways of behaviour of employees. Culture can also be described as a set of norms, patterns of behaviour and attitudes. Culture is a characteristic aspect of a given organization. It is unique and one of a kind, because it relates only to a specific group of employees.

Organizational culture is a specific way functioning of a given organization, based on a community of values, norms and ideas that help its employees understand what the organization stands for, what is important to it, and how it builds its relations with the environment.

A typology of the definition of culture was built in the middle of the 20th century by Kroeber and Kluckhohn (1952). They included 168 different terms of culture in 8 groups. This ambiguity of the concept of culture is reflected in cognitive and definitional problems related to organizational culture. These issues are the subject of considerations on the border of various scientific disciplines, including management sciences. This results in a multiplicity of approaches and concepts of organizational culture, the lack of a single paradigm and the lack of consensus among researchers as to how to organize approaches to the problem of organizational culture. The obvious consequence of such a situation is the multiplicity of definitions and typologies as well as the identification of relationships between organizational culture and the functioning of the organization (Sułkowski, 2012). To sum up, organizational culture is an extremely capacious, multidimensional and difficult to operationalize concept.

Due to the multidimensionality and ambiguity of the term “organizational culture”, we can find many different definitions of it in the literature on the subject (Domańska-Szaruga, 2019). The authors of these definitions point to values, norms, attitudes, relationships and ways of conduct as the basic components of organizational culture (Schein, 2004; Cameron, Quinn, 2011; Mullinis, 2006; Brown, 1998). Organizational culture is a set of values, norms, rules established in an organization as a result of solving problems with internal integration and external adaptation,

which turned out to be so good that in the social process they are indicated as the right way of thinking and acting. These are peculiar, unwritten “rules of the social game” in organizations that allow participants in social life to understand the organization and identify with it (Blau, 1968). Organizational culture is a system of processes characteristic of every organization that connects the values, social and cultural norms preferred by management and employees, with their foundations, and the ways in which these foundations affect and shape organizational behaviour.

Generally speaking, organizational culture is the style of operation of an organization, the views and values shared by its members, common patterns of behaviour and methods of communication. The culture of the organization is one of its particularly valuable resources, which determine its competitive advantage and market success. Common values, mutual relations, adopted patterns of thinking and behaviour, and methods of cooperation have a significant impact on the efficiency of each organization.

The role and significance of organizational culture have been analyzed by researchers for years, because organizational culture has a significant impact on the efficiency and effectiveness of the organization’s functioning (Denison, 1990; Denison, Mishra, 1995; Earley, Mosakowski, 2000).

Organizational culture has been studied and described as the source of the company’s competitive advantage (including Peters, Waterman, 1982; Wilkins, Ouchi, 1983). The research also highlighted the role and importance of organizational culture in integration after mergers and acquisitions (e.g. Vaara, 1999; Veiga, Lubatkin, Calori, Vey, 2000). Organizational culture was also analyzed as the main factor of success or failure in the implementation of organizational changes (Beer, Nohria, 2000; Jick, Peiperi, 2003).

It should be emphasized that cultural differences can lead to many difficulties, but they can also create new opportunities based on diversity (Das, Kumar, 2010). Managers in the context of cultural differences should take special care of their employees, share their knowledge and experiences with them and offer them additional training and support activities (Molinsky, 2007). In addition, understanding cultural differences helps employees work more effectively (e.g. Husted, Allen, 2008; Knap-Stefaniuk, 2022) and for companies it is an opportunity to identify their business opportunities in terms of efficiency, employees’ approach to work, efficiency of functioning (Shenkar, 2001) or cooperation within various cultural circles.

Cameron & Quinn’s competing value model

In order to examine and describe the role of organizational culture in a multicultural work environment, it is necessary to refer to the typology of organizational culture. Organizational culture theory researchers have developed many models and typologies that take into account various features of organizational

culture distinguished by grouping and logical ordering. The best known and most frequently quoted concepts are those of E. Schein (2004) and G. Hofstede (2000), and the Cameron/Quinn competing value model (Cameron, Quinn, 2006). The model of competing values is widespread mainly in terms of the diagnosis of organizational culture (see figure 1). This model was created as a result of research on the main features of effective organizations, where it was possible to distinguish performance indicators and create two main dimensions allowing for dividing the indicators into four main groups. One of the dimensions, at opposite poles, groups efficiency criteria emphasizing flexibility and freedom of action (one pole) as well as constancy and control (the other pole). On the basis of the second dimension, we can compile efficiency criteria related to orientation towards internal affairs and integration as well as orientation to the position in the environment and diversity (Florczak, Lisowska, 2018).

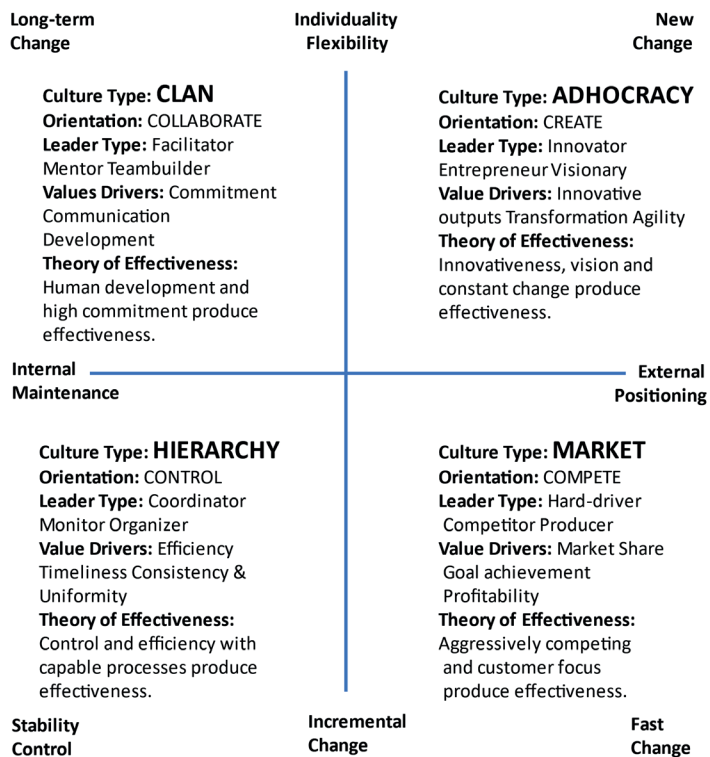


Fig. 1. The competing values framework for culture, leadership, effectiveness and value drivers
 Source: Cameron, 2009

Cameron and Quinn indicate the characteristics of an organization dominated by a given type of culture (Cameron, Quinn, 2003):

I. Culture of hierarchy

An organization with a culture of hierarchy is a highly formalized and hierarchical place. The procedure is dictated by the procedures. Efficient leaders are good coordinators and organizers. It is important to keep the organization running smoothly. In the long term, the organization strives for sustainability, predictability and efficiency. The organization's consistency is guaranteed by the rules and regulations included in the regulations.

II. Market culture

The organization functions like a market. It is oriented much more strongly to external matters, to shaping its own position in the environment than to internal matters. Enterprises with this type of culture focus primarily on conducting transactions (exchange, sale, contracts) with other units to gain a competitive advantage. Profitability, final results, market position, implementation of ambitious tasks and a base of regular customers are the main slogans in the organization's activities. Competitiveness and efficiency are the core values of this type of organization.

III. Clan culture

An organization with a clan culture is a friendly workplace. People work great together and the company resembles a big family. Leaders are treated as mentors, guardians. The cohesion of the organization is ensured by loyalty and attachment to tradition. Much emphasis is placed on the long-term benefit of personal development, strong ties and staff morale are also important. Success is considered in terms of a good atmosphere within the organization and care for people. The organization promotes teamwork and consensus.

IV. Culture of adhocracy

The organization is dynamic, entrepreneurial and creative. People are willing to take risks. A good leader should be a visionary, an innovator and a risk taker. What ensures the organization's coherence is the willingness to experiment and innovate. Emphasis is placed on maintaining a leading position in the field of new knowledge, products or services, on readiness to change and facing new challenges. In the long term, the organization attaches great importance to rapid growth and the acquisition of new resources. Success is identified with the production of unique and difficult to replace products and services.

Each quarter of the presented model corresponds to a different type of organizational culture and contains a different set of organizational performance indicators. Many years of testing the model, which can be used to determine the organizational culture of one enterprise or group of enterprises, has shown its great practical value.

Research methodology

The research was conducted in August and September 2022, among Polish, Spanish and Portuguese managers. In total, the authors conducted 15 interviews (5 interviews with managers of each nationality). The interviews were qualitative and lasted from about 70 to about 80 minutes. The interviews were conducted using the interview scenario and additional materials previously developed by the authors. The interviews were conducted in Polish and in English (with Spanish and Portuguese managers). Some of the interviews were conducted in the form of face-to-face meetings (3 interviews), one telephone interview was conducted, and the remaining interviews were carried out using the Zoom and Google Meet applications. The results presented in the article are part of this research.

The diagnosis of organizational culture and the development of its target model allows for the analysis of the gap between the current and desired culture. The method used to diagnose the organizational culture of the surveyed enterprises is the model of competing values developed by Kim S. Cameron and Robert E. Quinn. The research used e.g. OCAI questionnaire (Organizational Culture Assessment Instrument), enabling the determination of the type of organizational culture in accordance with the classification of K.S. Cameron and R.E. Quinn (Cameron, Quinn, 2006). It should be emphasized that the research was a pilot study and is an introduction to broader research on organizational culture in a multicultural work environment.

At this stage of the research (based, among others, on the analysis of literature and the authors' previous research experience), it was assumed that managers as managerial staff are responsible for shaping model behaviour patterns and for changes related to shaping organizational culture. In addition, the managers participating in the interviews constituted a homogeneous group, regardless of the specificity of the company in which they work. The criterion for the selection of managers who were to take part in the interviews was their professional experience (work in an international company – at least 3 years and managing a team in which subordinates of a given manager come from at least 3 different cultures/countries).

Results

On the basis of the conducted research, cultural profiles of groups of multicultural enterprises from Poland, Spain and Portugal were prepared (see figures 2-4). These enterprises were based on cultural diversity, they employ people or groups with different value systems, attitudes and practices. The research results indicate the following:

- differences in the type of prevailing organizational culture in groups of enterprises from different countries;
- differences between the preferred and the existing organizational culture (the prevailing organizational culture in enterprise groups from different countries), which can be defined as a cultural gap.



Fig. 2. Cultural profile of multicultural enterprises from Poland
Source: compilation based on own research (2022)

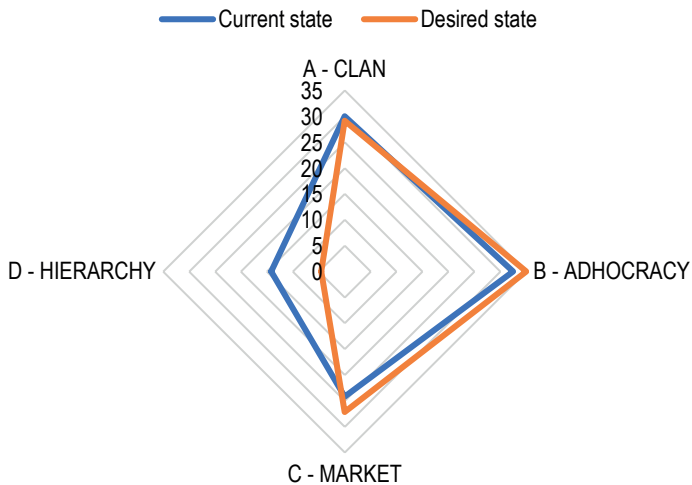


Fig. 3. Cultural profile of multicultural companies in Spain
Source: compilation based on own research (2022)

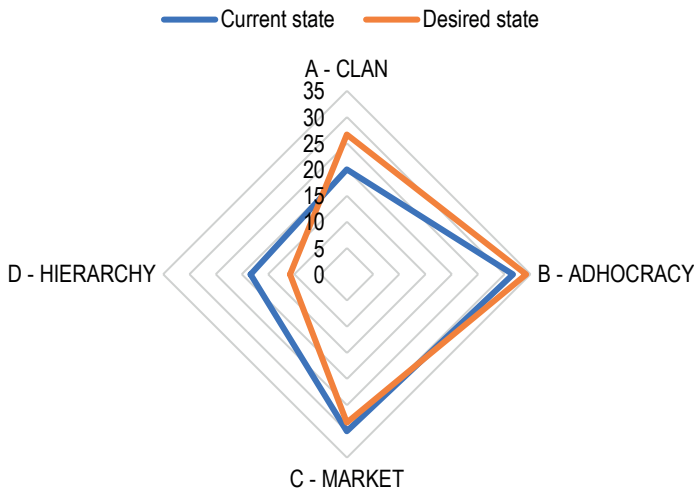


Fig. 4. Cultural profile of multicultural companies from Portugal
Source: compilation based on own research (2022)

In the perception of Polish managers, the dominant types of organizational culture are adhocracy and the market. However, they realize that the efficient functioning of multicultural enterprises requires an atmosphere of cooperation and common values, norms and rules. This is evidenced by the graph of the desired profile of organizational culture, which clearly indicates the desired increase in the share of the clan's culture.

Spanish managers point to the domination of clan culture and adhocracy. In addition, an important place in their perception (to a much greater extent than in the case of Polish managers) is also the culture of the market. On the other hand, Portuguese managers indicate the dominance of the market culture and adhocracy, and the prepared profile of the desired profile indicates the desired increase in the share of the clan's culture.

The results of the research indicate the diversity in terms of the dominant types of organizational culture in Polish, Spanish and Portuguese enterprises. It can therefore be assumed that there is a relationship between the dominant types of organizational culture and the country in which the company operates. This is an important contribution to broader and more in-depth research in the field of human resource management in conditions of cultural differences.

Conclusions

The research carried out by the authors allows for the formulation of conclusions concerning the dominant types of organizational culture in multicultural enterprises. Particularly relevant information is provided by the diagnosis of the expected state of the organizational culture of enterprises. Polish managers perceive this state

differently than managers from Spain and Portugal. The reasons for this are certainly cultural differences between countries. Polish managers attach great importance to the company's success on the market and the position of a market leader. On the other hand, Spanish and Portuguese managers appreciate the importance of employee involvement, personal development, teamwork and a "family" atmosphere in the workplace to a greater extent than Polish managers. These conclusions are extremely important for the research conducted by the authors on management in a multicultural work environment. They will allow for the development of tools for conducting detailed research, the aim of which is to develop a model of shaping the organizational culture that will foster the efficiency of the enterprise, in which employees of various nationalities work, often representing different cultural patterns.

To sum up, according to the authors, the role of organizational culture consists primarily in setting boundaries, i.e. characteristic and distinguishing one organization among others on the market. Culture gives members of the organization a sense of identity, integration and stimulates their involvement in more than just private matters. It is an important binder that binds people-employees around common norms, principles and values, and also serves as an explanatory and control mechanism that shapes appropriate attitudes and behaviours in the organization.

Organizational culture increases commitment to the company's affairs and contributes to consistency in employee behaviour. It is very important, especially in conditions of cultural diversity, where, additionally, the organizational culture reduces ambiguity and shows employees how to act, perform tasks and build relationships. Nowadays, more and more companies attach importance to the organizational culture. They see it as a potential source of the company's success, especially in the conditions of global competition.

REFERENCES

- [1] BEER, M., NOHRIA, N., 2000. Cracking the code of change, *Harvard Business Review*, No. 78, May-June, pp. 133-141.
- [2] BLAU, P.M., 1968. *Organizations Theories*, [in:] Sills, D.L. (ed.), *International Encyclopaedia of Social Sciences*, New York: McMillan.
- [3] BROWN, A., 1998. *Organizational Culture*, London: Pitman Publishing.
- [4] CAMERON, K.S., 2009. *An Introduction to the Competing Values Framework*, https://www.thercfgroup.com/files/resources/an_introduction_to_the_competing_values_framework.pdf (10.09.2022).
- [5] CAMERON, K.S., QUINN, R.E., 2003. *Organizational culture – diagnosis and changes*, Kraków: Oficyna Ekonomiczna.
- [6] CAMERON, K.S., QUINN, R.E., 2006. *Kultura organizacyjna - diagnoza i zmiany*, Kraków: Oficyna Ekonomiczna.
- [7] CAMERON, K.S., QUINN, R.E., 2011. *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework*, Hoboken: John Wiley & Sons.
- [8] DAS, T.K., KUMAR, R., 2010. Interpretive schemes in cross-national alliance, *Cross Cultural Management*, No. 17(2), pp. 154-169.

-
- [9] DAVIS, S.M., 1984. *Managing corporate culture*, New York: Harper & Row.
- [10] DENISON, D.R., 1990. *Corporate culture and organization effectiveness*, New York: Free Press.
- [11] DENISON, D.R., MISHRA, A.K., 1995. Toward a theory of organizational culture and effectiveness, *Organizational Science*, No. 6(2), pp. 204-223.
- [12] DOMAŃSKA-SZARUGA, B., 2019. *The culture of risk management in the offices of local government units in Poland*, Siedlce: UPH.
- [13] EARLEY, P.C., MOSAKOWSKI, E.M., 2000. Creating hybrid team cultures: An empirical test of international team functioning, *Academy of Management Journal*, No. 43, pp. 26-49.
- [14] FLORCZAK, A., LISOWSKA, A., 2018. Comparative analysis of types of organizational cultures in scientific institutes of the University of Wrocław, *Management and Finance – Journal of Management and Finance*, Vol. 16, No. 3/1, pp. 113-114.
- [15] HOFSTEDE, G., 1997. *Cultures and organizations: Software of the mind*, New York: McGraw-Hill.
- [16] HOFSTEDE, G., 2000. *Cultures and organizations. Programming the mind*, Warsaw: PWE.
- [17] HUNT, V.D., 1992. *Quality in America*, Homewood: Business One Irwin.
- [18] HUSTED, B., ALLEN, D., 2008. Toward a model of cross-cultural business ethics: the impact of individualism and collectivism on the ethical decision-making process, *Journal of Business Ethics*, No. 82, pp. 293-305.
- [19] JICK, T., PEIPERL, M.A., 2003. *Managing change: Cases and concepts*, New York: McGraw Hill Irwin.
- [20] KNAP-STEFANIUK, A., 2022. *Leadership in Managing Multicultural Teams – Analysis of the Views of Polish and Portuguese Managers*, Proceedings of the 39th International Business Information Management Association (IBIMA), 30-31 May 2022, Granada, Spain, pp. 260-270.
- [21] KROEBER, A.L., KLUCKHON, C., 1952. Culture. A Critical Review of Concepts and Definitions, *Peabode Museum of American Anthropology and Ethnology Papers*, Vol. 47, No. 1.
- [22] KRUKOWSKI, K., 2016. *Cultural determinants of the procedural maturity of city offices*, Toruń: Nicolaus Copernicus University.
- [23] MOLINSKY, A., 2007. Cross-cultural code-switching: the psychological challenges of adapting behavior in foreign cultural interactions, *Academy of Management Review*, No. 32(2), pp. 622-640.
- [24] MULLINIS, L., 2006. *Management and Organizational Behavior*, London: Prentice Hall.
- [25] PETERS, T., WATERMAN, R., 1982. *In search of excellence*, New York: Harper & Row.
- [26] ROBBINS, S., DECENZO, D., 2002. *Fundamentals of management*, Warsaw: PWE.
- [27] SCHEIN, E.H., 2004. *Organizational Culture and Leadership*, San Francisco: Jossey-Bass Publishers.
- [28] SHENKAR, O., 2001. Cultural distance revisited: towards a more rigorous conceptualization and measurement of cultural differences, *Journal of International Business Studies*, Vol. 32, No. 3, pp. 519-535.
- [29] SUŁKOWSKI, Ł., 2012. *Cultural management processes*, Warsaw: Difin.
- [30] VAARA, E., 1999. Cultural difference and post-merger problems: Misconceptions and cognitive simplifications, *Nordiske Organisasjonsstudier*, No. 1(2), pp. 59-88.
- [31] VEIGA, J., LUBATKIN, M., CALORI, R., VERY, P., 2000. Measuring organizational culture clashes: A two-nation post-hoc analysis, *Human Relations*, No. 53(4), pp. 539-557.
- [32] WILKINS, A., OUCHI, W.G., 1983. Efficient cultures: Exploring the relationship between culture and organizational performance, *Administrative Science Quarterly*, No. 28, pp. 468-481.

