

Impact of Globalization on Organizational Culture in Modern Era

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Abstract- *There is no exact definition of ‘Globalization’ which can be termed as accepted across the globe and there is no definition which can state this completely. The reason behind this is that ‘Globalization’ as a term includes numbers of procedures, which are complex and has deep impact on different strata of society. This can be termed as an idea, a strategy of a value, a phenomenon or more than this in value of perception and understanding. ‘Globalization’ can be a part of this or all of this but one thing is for certain, that globalization raises an effect which has major impact on progress continuously and its effect is, most of the times irreversible. ‘Globalization’ in broader terms relate to the various economic and social transformation of mankind at present and a inclusive large scale of financial growth and flow which creates an impact on the monetary aspect of social interaction characteristics.*

According to various experts, on global scale we can ear mark various kinds of characteristics such as national economic activity and organization opening its branches in foreign countries by crossing the geographical border. In due process a global culture is adopted which interconnects both the host nation with the world outside and gives way for outstanding support in performance, visibility of organization and evaluation with passage of time. This study is focused towards all such processes which take place in an organization which has impact on organizational culture.

I. INTRODUCTION

This is a study where the focus is on the theme of ‘Globalization’ as it is widely debated and in the process opinions are given either in the support or against the concept. From both the ends the point of view is supported which has its own arguments and are convincing in their own respective ways. However, irrespective of the fact that it is supported or opposed, ‘Globalization’ is already an irreversible process which we are witnessing today and none of the organizations can afford to ignore this.

It can be seen that irrespective of whether Globalization is to give advantage to an organization or results in its disadvantage, which actually hugely depends on the

economic and political situation of the country and society in which it is functional, the process in itself cannot be ignored by any means.

When this aspect is tested, issues related to globalization starts appearing from that very moment. When social relations dissolve factors like distance and geographical borders and people experience a life where world is seen more as a unique place as a whole rather than fragmented. Since, the inception of this word in 1961 (when it first appeared in Webster dictionary) till now, there has not been yet a single definition of the word ‘Globalization’ by scientists or under any public opinion. Different definitions of ‘Globalization’ have been given since, but none was such which can be taken as completely satisfactory. This is difficult to define as a single term as it tries to define aspect which is extremely complex. Although the most general definition of ‘Globalization’ was propounded by Andrew Jones stating Globalization as “Interconnection and increasing interrelatedness of all aspects of society”.

A more definitive view on ‘Globalization’ was given by Tiberius Brailean where it was defined as “a phenomenon and a complex process characterized mainly by

- A profound tendency retrieval unit
- Increasing global interdependence.”

This actually implies on the fact that the transformation which have been accelerated due to ‘Globalization’ has given rise to a new phenomenon where a huge leap of certain national economies in global market in terms of production/distribution and technology is witnessed. This phenomenon has led to a worldwide confrontation related to the emergence of domestic, social and ethical issues. Globalization as a matter of fact has accelerated a systematic divergence of life prospects at a quicker pace.

II. GLOBALIZATION IS A CONCEPT WHICH IS SCIENTIFICALLY EVOLVING CONTINUOUSLY

Globalization is destined to head a process which is irreversible and has its effect on all of us at the same way as others on equal terms. It has triggered a phenomenon which

has internationalized production and its trade. It has opened markets irrespective of distance and boundaries. This has helped in free movement of capital, information, people and related goods. There has been transnationalization of technology and has paved way for the new wave in industrial revolution. Today we witness the emergence and dominance of many multinational companies. Globalization has triggered extremely aggressive competition witnessed beyond the limits of national boundary. There is a presence of a factor which has compressed time and space to a uniform unit, giving way to a global civil society, though retaining the essential national sovereignty, cultural and spiritual identity.

Globalization has impact on 3 major factors – technological, economic and political. This has triggered a process where geographical distance has become a factor in establishing and supporting links which are non-essential to borders as far as economic relations along with international political and socio culture is concerned. This aspect is manifested as globalization. This aspect of relationship and dependencies causes deficits in plans relate to democratic, environmental, social and political dynamics. This is due to the change in attitude and deficiencies in administration. There are specialists who consider globalization as an integration of human factor into the global community. This provides as a venue to new system of global governance and civil society. On the other hand segments with close mind set relate this process with hostility, fear and believe that it would cause uneven growth amongst nations which would affect the living standards and social structure. Further to this, there are countries which have blended into the world economy at a faster rate than other countries. They have successfully managed to become a part of a global growth which is unified and present a significant growth in economic and social living standard. On the contrary, economic crisis have glared incidences where associated links have the risks of social, economic and environmental failure as well.

Although the main focus of this research is the impact of culture at the organizational level, it is also important that relevant attention is given to broader external social and cultural aspects as well. As per the researchers culture is 'layered'. Therefore organizational culture needs to be viewed under a broader perspective with due consideration given to the linkages between these layers.

III. STUDY OF ORGANIZATIONAL CULTURE IS AN IMPORTANT ASPECT FOR AN ORGANIZATION IN MODERN ERA

Schein (1992) has stated that organizational culture is the key to organizational excellence and the function of

leadership is the creation and management of culture. This point to the fact that mostly successful organizations have usually a very strong and unique culture. Hofstede (1980) stated that 'In general we find that outstandingly successful organizations usually have strong and unique cultures. Unsuccessful organizations have weak indifferent sub-cultures or old sub-cultures that become sclerosed and can actually prevent the organization's adaption to changed circumstance'. The various research findings showed an overwhelming agreement to the fact that how strong and progressively unique culture is essential for the success of business and that the employees of the organization should recognize and adopt these values propounded by the founders or leaders or the senior management of the organization. On the contrary there is no study by the researchers which showed an aspect where a weak culture paved way for successful business.

Researches on organizational culture have shown the importance of understanding and enhancing the productive environment of an organization. The Theory Z of organizational culture explores the possibility of the soft side of the organization where understanding the life at work has more humane and meaningful approach. There was a study which was conducted on the group of one of the high performing organization of North America, which suggested that paying attention to organizational culture is actually an important element to an organization's success.

Schein (1992) stated that "organizational learning, development, and planned change cannot be understood without considering organizational culture as the primary source of resistance to change.....The ability to perceive and assess the limitation of one's own culture and to develop the culture adaptively is the essence and ultimate challenge of leadership".

Therefore, for managers, researchers and consultants it is important to understand and interpret the culture of an organization in the best way possible because it has impact on strategic development, productivity and leanings at various levels. A manager who is rationale in approach should consider culture as an important determinant while taking decisions.

This is important because cultural misunderstandings have painful effects for not only individuals but on the organization as well. This results in getting to embarrassing situation, uncalled for insults, offences along with a common consequence which is seen in failure to achieve individual or organizational goal.

IV. ORGANIZATIONAL CULTURE HAS VARIOUS DYNAMICS

While exploring the ‘content’ of organizational culture, researchers seem to use a wide variety of methods and approaches to describe what organizational culture might contain. There are certain terms which have been used frequently such as “organizational culture components, elements, dimensions, levels, variables etc. For example, Schein (1989) while discussing an organization’s culture referred it to various ‘cultural elements’ like physical layout of an organization’s office, rules of interactions & how it is target to newcomers, basic values which are seen in relation to organization’s ideology and philosophy and the underlying assumptions and conceptual categories which helps people to not only communicate but also interpret day to day situations. This was classified into three levels of culture on the basis of treating values & behavior.

- (1) Artefacts and creations
- (2) Values
- (3) Basic assumptions

Geert Hofstede who is another well known author, whose writings and research have greatly influenced organization work has presented different perspective and approaches on culture. He presented the point of view which stated that organizational culture should be distinguished from national cultures. The basis of this theory was that cultures manifest themselves from superficial to deep, in symbols, heroes, rituals and values etc where as National culture differ on levels of values and further organizational cultures at the levels of symbols, heroes and rituals are labeled together as ‘practice’. In 1980 Hofstede after studying differences in national cultures in over fifty countries propounded that cultures show five independent dimensions of value.

- 1) Power distance
- 2) Individualism vs. collectivism
- 3) Masculinity vs. Femininity
- 4) Uncertainty Avoidance
- 5) Confucian dynamism

In addition to this, in his research of organizational culture Hofstede identified six independent dimensions of practices

- 1) Process oriented vs. results oriented
- 2) Job oriented vs. employee oriented
- 3) Professional vs. parochial
- 4) Open system vs. closed system
- 5) Tightly vs. loosely controlled and
- 6) Pragmatic vs. Normative

The kind of business and industry the organization is in determines the position of an organization in these dimensions.

It is important to mention along with this context another research work which was ground breaking in its own respect. That is ‘Theory Z’ which was introduced by Japanese management professor William Ouchi in the book ‘How American business can meet the Japanese challenge’. In his study he brought the best practices of American and Japanese style of management. He introduced new and important national peculiarities of both the nations. He compares the ‘Model A (specifically America) with that of ‘Model J (on Japanese Organizations) highlighting particular features of the organizational culture owing its difference due to national and cultural backgrounds, and propounded ‘Theory Z’ which has the best practices of both the nations in a balanced and effective way.

VI. CONCLUSION

This leads us to the conclusion on the essence of this study about how organizational cultures can or cannot be managed. It becomes more complicated and complex in case of international business, because this means handling both national and organizational culture differences at the same time. This is the main reason as to why more and more professional researchers have started to consider organizational culture management as a force which can provide increased efficiency to organization’s objective and goals by common platform of thought, action and feeling of its members. Therefore, the aim of management is to use certain knowledge about the culture of the organization in order to make the most effective organizational strategy and structure so as to make the best and possibly the most efficient use of human resource.

No wonder organizational culture is increasingly used by managers as a potent tool to improve the management of the organization in today’s era, because the organizations incorporates certain facts which may be difficult to define but are relevant to its competitive operation. Cultural factors of National and organizational culture can be a barrier to organization’s development, but at the same time information and documentation of countries where organizations can expand businesses can be useful in reducing barriers. It can be summed up in the words of Hofstede “organizational cultures are somewhat manageable while national cultures are given facts for management; common organizational cultures across the borders are what keep multinationals together”.

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