

Janićijević, Nebojša

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National Culture and Organizational Learning

Nebojša Janićijević

University of Belgrade, Faculty of Economics, Serbia

Abstract

The paper studies the influence of national culture on organizations' preferences regarding selection amongst forms of organizational knowledge and character of organizational learning processes. The goal of the paper is to generate some new hypothesis about the possible influence of national culture on organizational learning based on Hofstede's concept of cultural dimensions and Nonaka's concept of forms and processes of organizational learning. Previous studies have shown that it is reasonable to assume that individualism and masculine values within national culture imply preference in favour of explicit knowledge and externalization and combination as forms of organizational learning. Collectivism and feminine values in national culture imply preference toward tacit knowledge along with socialization and internalization as forms of organizational learning.

Keywords: national culture, knowledge management, organizational learning, cross-cultural management

JEL classification: M14, M16

Introduction

Influence of national culture on organizational learning and knowledge management has become an emerging subject of cross-cultural management research during the recent years. The subject emerged for two reasons. First, the concept of organizational learning and knowledge management became an increasingly important topic in general management. This is augmented by the fact that knowledge management was proclaimed to be the only source of sustainable competitive advantage in contemporary post-industrial and knowledge-based economies (Reinhardt et al., 2003). On the other hand, the process of globalization has led business to be usually run in multicultural contexts. Due to this fact, knowledge about differences between national cultures is becoming increasingly important for successful organization management (Hofstede, 2001). The goal of the paper is to generate some new hypothesis about the possible influence of national culture on organizational learning based on Hofstede's concept of cultural dimensions and Nonaka's concept of forms and processes of organizational learning. In achieving this goal Hofstede's the dimensions of national cultures will be described first and then Nonaka's forms and processes of organizational learning will be introduced. The final part of the paper is devoted to generation of hypotheses about relationship between certain dimensions of national culture and certain forms and processes of organizational learning.

In order to investigate the influence of national culture on organizational knowledge and learning, we have to identify dimensions of national culture as well as forms of organizational knowledge and processes of its creation. Several authors have identified the fundamental dimensions of national cultures (Schwartz, 1992; Trompenaars, 1993; Hall, Hall, 1990; Javidan et al., 2006). The most prominent among

these dimensions of national cultures were defined in Gert Hofstede's famous research (Hofstede, 2001). In his famous research he identified four basic dimensions differentiating national cultures: power distance, uncertainty avoidance, individualism – collectivism and masculinity-femininity. Power distance indicates the level in which society accepts the fact that power found in institutions and organizations is distributed unequally. Uncertainty avoidance indicates the level of endangerment felt by the members of a society in uncertain, unclear and variable conditions. The crucial difference between individualism and collectivism concerns placing of the responsibility for one's own destiny. Individualism considers every individual responsible for himself and his family. Conversely, collectivism considers the collective responsible for its every individual. Masculinity-femininity dimension of national culture reveals society's attitude toward doing and being.

Two basic forms of knowledge are objective, open, tangible or explicit knowledge and subjective, hidden, implicit, intangible or tacit knowledge (Nonaka, 1991). Explicit knowledge is expressed in formal and systematic language and can be used in form of facts, scientific formulas, specifications, manuals and such. Explicit knowledge is context-free and as such can be easily transferred, memorized and transformed. Tacit knowledge is deeply personalized and hard to formalize. The difference is precisely in implicit knowledge, which contains intuition, guesses, ideas and knowledge not expressible but applicable. That is why this knowledge is deeply rooted in our activities, routines, ideas and values. Implicit knowledge always depends on the context in which it is created, and it is not easily transferred and memorized.

According to Nonaka (1991), the process of organizational learning is actually the process of transforming individual knowledge into organizational one. The basis for this process is in conversion of two main types of human knowledge, explicit and tacit, into one another. Since there are two kinds of knowledge in an organization, conversions from one type into another can result in four forms of knowledge creation: socialization, externalization, combination and internalization.

Socialization implies the process of converting tacit knowledge into tacit knowledge. Through this process, the implicit, hidden or subjective knowledge is transferred from one member of an organization to another. Externalization is conversion of tacit, subjective into objective, explicit knowledge. This way, the knowledge which lies in minds and hands of the individuals can be turned into a common good of the organization. Combination is a form of conversion of individual into organizational knowledge in which elements of explicit and objective knowledge integrate into wholes that are more developed, systematical and complex than their individual parts. Internalization is a form of knowledge conversion in which explicit knowledge becomes tacit by employees and managers applying the elements of explicitly formulated knowledge in their daily activities.

The basic premise of this paper is that national culture, through its assumptions and values, influences organization's preferences regarding selection of organizational knowledge types and organizational learning processes forms. Therefore, dimensions of national culture can influence organizations to prefer one of the two types of organizational knowledge – explicit or tacit. Also, national culture influences the preferences regarding selection of suitable forms of organizational learning: socialization, externalization, combination, internalization. The paper starts from Bhagat's and his associates' basic ideas which are further developed and articulated (Bhagat, McDevitt, McDevitt, 2009). According to Bhagat and his associates, dimensions of national culture that influence preferences regarding

choice of organizational knowledge are: individualism–collectivism and masculinity–femininity (Bhagat, McDevitt, McDevitt, 2009).

The impact of individualism – collectivism on organizational learning

Individualism implies loose social structure and a lower degree of social interactions. People highly appreciate independence and autonomy and consider themselves responsible for their own wellbeing. Individual identity is derived from personal qualities, values and competence, not from collective identity. Attitude towards the collective is rational, transactional and calculative, and people consider themselves independent from the collective they belong to. Individual results, achievements and rationality are valued, and information according to which the decisions are made is mostly context-free. This is why people in individualist cultures prefer creating and using context-free, formalized and public information that can be freely exchanged with other individuals who need it. For all these reasons, people in individualist cultures prefer explicit forms of knowledge. Tacit knowledge implies relations that are too close and interactions that are too intensive to be suitable for individualist values. Explicit knowledge is a form of knowledge suitable for individual creation, exchange and usage, since it does not involve the obligation of sharing mutual emotions, values and ideas of a collective. Individualist cultures prefer types of organizational learning that include explicit knowledge: externalization and combination. With combination, the existing explicit knowledge is being combined into new explicit knowledge, while externalization means that existent tacit knowledge is being transformed into explicit knowledge. Combination and externalization are preferred forms not only for creation, but for diffusion and absorption of organizational knowledge as well.

Collectivist cultures imply far closer and more intensive relations between social group members than individualist cultures. People base their identity on the collective they belong to, and feel highly loyal to the collective. In return, when they need support and protection, they expect it from their social group. Harmony in a group, consensual decision-making and teamwork are valued. In that type of culture, people prefer creating and using organizational knowledge that involves close connections and intensive interactions between members of an organization – and that is precisely what tacit knowledge is like. In a collectivist culture, the identity of a social group, made by creating its specific culture, is very important. This identity constitutes a specific context, the only one in which knowledge can be created and used. That is the reason why organizational knowledge in collectivist cultures has to be context-dependent. By its context-dependence, tacit knowledge emphasizes the importance of collective identity, so highly valued in collectivist cultures.

Organizations in collectivist cultures prefer forms of organizational learning that involve conversion of tacit knowledge: socialization and internalization. Tacit knowledge is transferred from one member of a collective to another by socialization exactly through close relationships that usually also imply the emotional component also. Tacit knowledge, transferred from one member of the collective to another, carries the collective identity as an important part of the context. That is why socialization actually consolidates the collective spirit and increases the sense of belonging to a social group. Internalization implies internalizing of explicit knowledge; that is, providing it with a certain contextual meaning. Throughout the process of internalization, organizational knowledge ceases to be context-free and, as such, the property of any group or individual. Through a combination of

contextual elements and knowledge, which occurs in the internalization process, knowledge becomes the property of a particular, specific social group. So it becomes a part of its collective identity, and thereby strengthens the social cohesion of a group and its identity.

Based on the described influences of individualism–collectivism, as a dimension of national culture, on forms of organizational knowledge and organizational learning, we may postulate the following two hypotheses:

H₁: In individualist cultures, the preferred form of organizational knowledge is explicit knowledge, and the preferred forms of organizational learning are externalization and combination.

H₂: In collectivist cultures, the preferred form of organizational knowledge is tacit knowledge, and the preferred forms of organizational learning are socialization and internalization.

The impact of masculinity – femininity on organizational learning

Masculinity in national culture implies determination, aggressiveness, promptitude, force and efficiency. Doing, success, power, control, achievement and gaining of material goods are highly appreciated. In organizations belonging to masculine cultures, people are task-oriented and prefer accomplishing those tasks through work or within formal organizational component, and not within social and informal component. In national cultures with masculine values, people therefore prefer explicit knowledge. This type of knowledge is formalized, not limited by context and it is therefore suitable for use within formal organizational component. Since they are task-oriented, members of masculine cultures highly appreciate knowledge that helps them accomplish their goals within formal organizational component. They are not very interested in the social component of an organization, and do not value context-dependent knowledge - and that is the way implicit knowledge is. Masculine cultures also favour the forms of organizational learning that imply conversion of explicit knowledge: externalization and combination.

Contrary to masculine cultures, national cultures with feminine values highly value relationships, harmony and balance. In those cultures, success is measured by acceptance by a collective and by good relations between members of a society, and not by material prosperity. Members of feminine cultures are focused on maintaining the balance between private life and career, on harmony within the collective and sense of content among members of an organization. They are focused on people, not on tasks. Therefore, people in organizations from feminine cultures tend to accomplish their goals and tasks by operating within social and informal organizational component. That is exactly why, in feminine cultures, members of an organization will prefer tacit knowledge. This knowledge is deeply rooted in context and cannot be used without joining a social group and accepting its values. This suits feminine cultures in which success is evaluated by contextually predetermined criteria. Also, in feminine cultures, members of organizations prefer forms of organizational learning that involve conversion of tacit knowledge: socialization and internalization. Socialization as a form of organizational learning implies developing of close connections of members in a collective, which is in accordance with efforts of people in feminine cultures to achieve harmony. Internalization, on the other hand, suits feminine cultures since knowledge, as the basis of harmonious relations in a collective, is created through that process. Based

on the described influences of masculinity – femininity dimension of national culture on forms of organizational knowledge and organizational learning, we can make two hypotheses:

H₃: In cultures with masculine values, the preferred form of organizational knowledge is explicit knowledge, and the preferred forms of organizational learning are externalization and combination.

H₄: In cultures with feminine values, the preferred form of organizational knowledge is tacit knowledge, and the preferred forms of organizational learning are socialization and internationalization.

Conclusion

National culture is one of the major factors that influence organizations' preferences in terms of choices between forms of organizational knowledge and methods of its creation. Dimensions of national cultures that are particularly relevant for organizational learning and knowledge are those of individualism – collectivism and masculinity – femininity. These dimensions determine the preferences regarding selection between explicit and tacit knowledge as the dominant form of organizational knowledge. These dimensions also determine the preferences regarding types of organizational learning, between externalization and combination on one side, and socialization and internalization on the other. Studies have shown that it is reasonable to assume that individualism and masculine values within national culture imply preference in favour of explicit knowledge and externalization and combination as forms of organizational learning. Collectivism and feminine values in national culture imply preference toward tacit knowledge along with socialization and internalization as forms of organizational learning.

The study has some important limitations. The most obvious one is its theoretical and exploratory nature. The second, the investigation of the relationship between national culture and organizational learning has been based only on two classifications of these phenomena. So, future research on this topic should include empirical testing of hypotheses stated in this paper as well as inclusion of other possible dimensions of national culture and processes of organizational learning.

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About the author

Nebojša Janićijević is a full professor at Faculty of Economics, University of Belgrade, where he teaches courses in the field of organizational behaviour, human resources management and change management. So far, as an author and co-author he published several books, and among them *Organizaciona kultura i menadžment* (Organizational Culture and Management), *Upravljanje organizacionim promenama* (Organizational Change Management) and *Organizacija preduzeća* (Enterprise Organization). He published a number of articles in foreign and domestic academic journals, and participated in many international scientific conferences. The author can be contacted at jnebojsa@eunet.rs.