Professor Geert Hofstede defines national culture as the collective programming of the human mind that distinguishes one group or category of people from another. In other words, that what many members of a group have in common and by which they distinguish themselves from other groups is called culture.

These commonalities are being transferred from generation upon generation, especially from parents to their children, not by what they say but by how they behave in emotionally crucial situations. That doesn’t mean that national cultures don’t change, but at the deepest level, i.e. the level of values, cultures may change only slowly.

At organisational level, too, we can define culture as the collective programming of the minds of group members by which one group distinguishes itself from other groups. An organisation is less complex and less diffuse than a nation. Most organisations have clear objectives, for instance profit making, and most activities within organisations are aimed at realizing such objectives. For that matter, a definition of organisational culture can be more precise and specific than in the case of national culture.

Moreover, the research of Geert Hofstede has shown that cultural differences between nations are especially found on the deepest level; i.e. on the level of values. In comparison cultural differences among organisations located within the same national culture arena are especially identified on the level of practices. Practices are more tangible than values, which also allows for a more precise and specific definition.

Hofstede has made a distinction into four layers, when describing culture. On the deepest level we find values. Values have been defined by him as broad preferences for one state of affairs over others to which strong emotions are attached and by which one group distinguishes itself from other groups. Values refer to such preferences as freedom over equality or equality over freedom.

We define organisational culture as the way in which members of an organisation relate to each other, to their work, to the outside world that distinguishes them from other organisations.

Thus when looking at relations among members of an organisation, culture describes among many things the following: the way a superior relates to direct reports; e.g. will superiors experience contradiction by direct reports as disloyal behavior? the way direct reports relate to their direct boss; e.g. will they speak out their mind or do they go into their shell when situations
become precarious?

The way colleagues on the same hierarchical level relate to each other; e.g. will they help a colleague out in trouble or will they do nothing while thinking: “Good for me”?

When looking at relations to their work, culture describes among many things the following:
+ Whether people will emphasize meticulous task execution or instead are looking for innovative solutions
+ Whether managers are especially short term directed or whether they try to learn from things going wrong
+ Whether rules have to be followed at all cost or whether rules are dealt with in a pragmatic way

When looking at relations to the outside world, culture describes among many things the following:
+ Whether people are inward looking or are outward looking
+ Whether outsiders are made welcome right away or whether you first have to proof yourself
+ Whether clients are always right or whether we know what is best for them

If we compare the cultures of different organisations in one and the same country in terms of the average values of their employees, the average value differences prove to be relatively small, especially when organisations have more than, say, forty employees. The larger the group from the same national culture, the more that national culture will be expressed in that group. If we deal with e.g. a single Frenchman, what we will notice are his individual qualities. If we have to deal with a large number of French people at the same time, the specific qualities of each will be less noticeable and we will especially observe what they have in common. As you would expect, people from a different national culture than the French culture can see this more clearly than another Frenchman when observing the same French group, because what is French will be experienced by this Frenchman as normal. Nevertheless there can be large differences in organisational culture within one nation. In addition to the national culture of its employees, there are a whole range of other factors which exert influence on the culture of an organisation. Such factors are the size and complexity of the organisation, the type of activities the people in the organisation are involved in, expectations of stake holders and the requirements imposed by the authorities, just to mention a few.

Organisational culture is also determined by the personalities of the employees, yet the culture is not the sum of all those individual personalities. Reality is different at the individual level from what is found at the group level. If you assemble a group of ten intelligent employees that does not mean that you have automatically created an intelligent group. They may distrust each other to such degree that they are unable to work together. Or some are jealous about the preferential treatment a couple of their direct colleagues get from their boss, creating internal frictions.

Not everybody has the same influence on the culture. Some may have no real influence, while especially a successful and charismatic founder may have a deep and long lasting effect on the culture of his or her “baby” even after the founder passed away.

Characterisations of culture such as introvert, aggressive and formal, which are used to classify individuals, should be mistrusted. Obviously, you might find introvert behaviour in one organisation, while more aggressive behaviour in another organisation. Insofar as these behavioural characteristics are a reflection of cultural characteristics not being caused by the average personality prevalent in an organisation, it is preferable to use different labels. Thus, introvert behaviour can be a reflection of a means oriented and closed culture, aggressive behaviour of a goal and work oriented culture.

Another important determinant factor of organisational culture is the history of an organisation. When people come together to achieve a common goal, group processes
unfold, aimed at integration within the group and at establishing successful relations with the outside world. The way in which this happens differs per group. Determinant factors include the personality or personalities of the pioneer(s) and the way in which internal group processes and interaction with the outside world materialise.

In the definition of culture adopted from Geert Hofstede the word “relate” figures prominently. (Culture defines the way people in an organisation relate...........) The word “relate” has been used because culture is more than just behavior. In other words: Culture reflects itself on different levels of work reality. The onion of Geert Hofstede presented on the first page is one way to classify different levels of culture.

To look at Organisational Culture one has to use a more differentiated picture of culture:

### The different levels of organisational culture

![Diagram of different levels of organisational culture]

The outer ring, representing symbols, can be changed most easily. To change beliefs will cost the biggest effort.

Culture as enabler

Let us now go back to the definition of culture. Next to the definition given above, we can define culture as an enabler or a hindrance when making things happen. Thus culture may either support the highest productivity possible or it may hinder realisation of the highest productivity possible. After all, how sophisticated technology may be and how high capital intensity may be, if employees don’t use resources in an effective way, or worse if they try to frustrate realization of optimal results, then sophisticated technology and a lot of capital goods are of no avail. The same is true whether we look at efficiency, innovation or any other goal management wants to realise.

You may have noticed a certain contradiction. Culture has been defined as the way people in an organisation relate to each other, to their work and to the outside world. One can therefore say that culture describes the way things are. At the same time culture has been defined as an enabler or a hindrance, which is not the same. In the latter case culture is defined as a force that either contributes or hinders realization of a state of affairs. More precisely, if we take the definition of Geert Hofstede, organisational culture will tell us whether e.g. the highest productivity possible will be realized. When culture is defined as an enabler, culture will tell us whether it will contribute to the realization of the highest productivity possible, but if and how such contribution will indeed take place remains a question mark.

This contradiction is caused by the fact that we don’t live in an ideal world. There is nothing wrong with the definition defined by Geert Hofstede, but the problem is that we are not able to measure culture hundred percent accurately. At least two reasons can be given why this is so:
1. Models present a simplification of reality, yet without the help of models it is hard to talk and think in a meaningful way about complex reality.

2. Respondents and/or observers describing work reality are subjective. It is the challenge to avoid socially desirable answers as much as possible and to ensure that observers are as little biased as possible. One can, however, never be sure that subjectivity has been avoided all together when describing culture.

These two reasons are creating “noise” when describing cultures. Because of this it is wise to describe culture, in its operational form, as an enabler or a hindrance.

References

Cultures and Organizations; Software of the Mind, by Geert Hofstede and Gert Jan Hofstede, ISBN 0-07-143959-5

Please see appendix 1

Recommended Reading

+ “The Hofstede Model on Strategy Culture and Change”
+ “Change management”

Both articles are available upon request

More Information

+ geert-hofstede.com
+ itim.org

About the Author

Bob Waisfisz, the Hague in the Netherlands, is the founder of itim international.

Itim provides companies the cultural competence needed to optimize performance worldwide. He is specialized in advising companies and supranational organisations in how to be more effective both nationally and internationally. He is experienced in translating international and global strategies and policies into practical consequences for management. Since 1985, he has been working in this field with a variety of Fortune top 1000 companies. Bob has worked in and with public and private organisations in 85 countries on all continents.
Appendix 1

The function of organizational culture:
There are no good or bad cultures. Organisational cultures are functional or dysfunctional depending on who we want to be.

Culture only exists by comparison. Culture has no meaning by itself. The Hofstede Model is a tool of analysis to assist us in realizing our objectives in the best possible way.

The Hofstede Model consists of 8 dimensions or variables of Organisational Culture

**D1: Means versus goal oriented;** We identify with the “how” versus we identify with the “what” (Health risks versus effectiveness)

**D2: Internally versus externally driven;** We know what is best for the client or we don’t need to care about them versus we do whatever the client wants

**D3: Loose versus tight work control**
Innovation and/or unpredictability versus efficiency/planning

**D4: Local versus professional;** We identify with our direct boss and/or with our work group versus we identify with our profession and/or with the content of our work (Work life is a dangerous affair versus we love to find out what is happening in the rest of the world“

**D5: Open versus closed systems;** Newcomers are welcome versus they first have to proof themselves

**D6: Employee versus work oriented;** Management takes co-responsibility for the welfare of their people versus management believes that if they don’t put their people under pressure nothing will happen

**D7: Degree of leadership acceptance;** from low to high

**D8: Degree to which people identify with their organisation;** from low to high

Please note that definitions define the extreme positions

Please note that combinations of dimensions will define well known topics, e.g. D1 and D2 together define process versus result orientation and D1 and D5 together define open versus closed communication.

Learn more on the relationship between strategy, context and culture from the Organisational Cultural App. You can find it through the next link:

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