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THE INFLUENCE OF CULTURE IN INTERNACIONAL
ORGANIZATIONS

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Dedication

To all those amazing people that believed in me and, from the beginning, knew that I could do this… Even when I doubted. Thank you!

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To my family, who were always there to support me: my mom, who always taught me that, if we work hard enough and believe in ourselves, we can achieve anything. She that is always there to support me, no matter what. To my siblings that, even not understanding why does a thesis takes so long, were always there to offer help, to cheer me up and to ask how much was missing until it's done.

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Abstract

The numerous amount of studies that have been done through the years within the field of culture and, specifically organizational culture, says a lot regarding the important of the matter in organizations. Nowadays, it seems more and more important to demystify the concept of culture, so that organizations, especially those operating worldwide, may take the most advantage possible from it, in order to have satisfied employees, satisfied managers and satisfied investors. The objective of this study is to help understanding, from theory to practice, why and how important culture is for an international organization, how important it is for an international organization to have a common culture and to adapt and change it, the importance of knowledge management and, lastly, the role of the leader as influencer of culture and transmitter of culture top-to-bottom.

Key words: organizational culture, leadership, adaptation, knowledge management

Resumo

O número de investigações publicadas ao longo dos anos relacionados com o tema da cultura e, especificamente com cultura organizacional, revela imenso no que diz respeito à importância do mesmo para as organizações. Nos dias de hoje, parece ser cada vez mais importante desmistificar o conceito de cultura, de forma a que as organizações, especialmente aquelas que operam mundialmente, possam tirar dele o maior partido possível de forma a ter empregados satisfeitos, gestores satisfeitos e investidores satisfeitos. O objetivo deste estudo é ajudar a perceber, da teoria à prática, porquê e como é que a cultura é importante para organizações internacionais, quão importante é para uma organização internacional ter uma cultura comum e adaptá-la e mudá-la, a importância da gestão do conhecimento e, por último, o papel do líder enquanto influenciador da cultura e transmissão da mesma, top-to-bottom.

Palavras-chave: cultura organizacional, liderança, adaptação e gestão do conhecimento

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CHAPTER I – Introduction

1.1.Framework and Contribution of the Study to the State of Art

"A multicultural society does not reject the culture of the other but is prepared to listen, to see, to dialogue and, in the final analysis, to possibly accept the other's culture without compromising its own." – Reuven Rivlin

Any author of any kind of writing within the subject of culture will agree with this quote. It is important to absorb the best we can from different cultures, to respect them, to value them and to learn with them, never forgetting our own culture. But within the business world is it really what happens? Do organizations accept other cultures, value them, and try to learn with them? What does culture actually mean within an organization? Is it important at all?

Firstly, the concept of culture has always been a matter of great discussion along the years. From the 19th century to quite recent years, culture has been referred to, in light of different field studies, as many different ways and even informally if we ask around we would find very different definitions for this word. Regarding the academic definitions, along the years many definitions and points of view have arose (for example, those of Hofstede, 199; 2017; Trice and Beyer, 1993; Schultz, 1995; Deal and Kennedy, 1999; Cameron and Quinn, 1999; Ashkanasy, Wilderom, and Peterson, 2000; and Martin, 2002; Schein, 1984; 2004; 2008; 2009; 2012), so it is, at first sight, quite clear that there isn't a "right" definition of culture, since there has been so many through the years.

Secondly, specifically regarding organization culture, the same logic would apply as to "personal" culture: organizations should adapt to other cultures, especially if those will have an impact on their business. An organization of success has, with no exception, contact with other people, other organizations, so shouldn't it adapt to all those people, in order to better match their needs and grant them a quality service? More than that, if an organization operates in several countries wouldn't it have employees with different cultures, different beliefs and different ways of work?

I would say that, applying the same line of thought, in order to succeed, organizations have to accept and value the best of each culture within their subsidiaries, learn with them and take advantage of their strengths and weaknesses because, for example, if an English organization

has one of its subsidiaries, let's say, in India, probably they should have Indian people work there, or at least people that know the culture there, who understand the habits and values of the people there, in order to better get to their clients, suppliers, partners, etc. Moreover, if that English organization wants that subsidiary to grow they have to give them space to adapt their ways of work to better match that country's culture, otherwise the employees working there won't like to work there, they'll feel forced into other ways of work that do not fit theirs. But do organizations nowadays actually do that? Do managers see that culture is important in order to succeed, to take decisions? Is it at all the right way of thinking?

This is exactly why I decided to take this theme as my thesis, in order to verify in fact what kind of influence culture has in international organizations.

1.2. Theme and investigation problem

Having in mind the theme of this thesis "The influence of organizational culture in international organizations", this investigation aims to verify the relation between international organizations, culture and the role of the leader as passer of culture.

With aim to guarantee the relevance of this study, having in mind that many have been the studies through the years regarding organizational culture, this study came to contribute to the development of this thematic is 2 distinctive approaches:

- On a first approach, trying to understand, from the point of view of the organization as a whole, what is the impact of culture in it;
- On a second approach, trying to understand, from the point of view of leaders, what is the impact that culture has on their daily work.

1.3. Objectives

On the evolution of the studies on organizational culture many have been the authors contributing to what we know today, but I would highlight some authors as Schein, Hofstede, Collinson and Rugman, Deal and Kennedy, O'Dell and Hubert, O'Farrell, O'Donnell and

Boyle. Nevertheless, having in mind that these authors have contributed much in the study of this subject, the fact is that, in practice, there is not much development on this matter, to confirm if actually what is said in theory happens. So, considering all this, the current investigation aims to contribute to the development of scientific knowledge in the subject of organizational culture through the following objectives – Table 1.

Table 1 - Specific objectives of this investigation

In theory	In practice
To identify the theory which gives support to the analysis of the empirical work, namely explaining and defining the main concepts on the matter, namely: • The definition of culture as its different components and levels; • How is culture formed and how is it passed top-to-bottom; • If one organization may and should have a single culture, and the assumptions on external adaptation and internal integration; • The relationship between leadership and culture: how one influences the other, how a leader should embed and pass the culture; • What knowledge is management and its importance for organizations' performance; • Main issues in managing culture.	To reinforce and deepen the investigation in the scope of the analysis of the importance of culture, namely: • To verify the importance of culture, depending on its life stage; • To verify is an international organization may have a single culture; • To verify if an international organization should promote a single culture; • To verify if it is possible to improve performance through an efficient Knowledge Management; • To verify how leaders should embed and transmit culture;

Source: Elaboration by the author

1.4. Structure of the work

The structure of this work is divided in 2 main parts: the first more theoretical and the second the practical. The first part is divided into 3 subparts, the concept of culture; levels, forms and assumptions on culture; and culture and leadership – Figure 1.

The first subpart, the concept of culture, aims to answer the question "What is the definition of culture?" by going through several authors who, through several years, have tried to define culture. What was done was a simple exposition of several interpretations of the concept of culture, and then the presentation of a specific definition by Schein which, I believe, was the

most complete and explanatory of the whole concept. After presenting the definition, it was attempt to explain it in a simple way and take, at a first point, some conclusions out of it.

The second subpart, levels, forms and assumptions of culture, aims to explain all the components and implications of culture. Firstly, the three parts of culture are exposed: artifacts, espoused values and basic underlying assumptions, with an explanation of the meaning of each, how they are interconnected and examples of how they can be identified within an organization. Secondly, it is presented and explained through several authors how culture is formed (in which only one of the ways is explained, since it is the one most commonly found within organizations). After explain how it forms it is explained why authors consider it important, through the life stages of the organization, and if international organizations can and should share a common culture within all its subsidiaries. Moreover, it is explained how HQ should deal with the culture differences (sub-cultures) within its subsidiaries and to take advantage of those cultural differences. Lastly, within this part, it is also exposed the assumptions on external adaptation (adaptation of the organization to external factors) and internal integration (integration of the organization within itself).

Figure 1 - Structure of the first part (theoretical) of this thesis

Theoretical Review

The concept of culture	Levels, forms and assumptions of culture	Culture and Leadership
- The concept according to some authors along the years; - Formal definition by Schein and its unveiling;	- The different levels of culture: artifacts, espoused values and beliefs, and basic underlying assumptions; - How is culture formed (within organizations) and why is is important; - If organizations may and should have a common culture; - Assumptions on external adaptation and internal integration;	- Culture and Leadership as two sides of the same coin, how those are interrelated; - How leaders embed and transmit culture; - The relation between knowledge management and performance improvement; - The main issues in managing culture;

Source: Elaboration by the author

The second part of this thesis, connected to the practical component which characterizes it – Figure 2, will also be divided into 3 subparts, all focusing in all the parts mentioned above, aiming to confirm (or deny, if that's the case) the exploratory results and defining,

simultaneously, in which way these are fitted into the reality of international organizations operating in Portugal (empirical investigation).

So in the first subpart will be defined the methodology of this investigation and the characterization of the sample interviewed. On the second part will be approached the impact of culture within the organization: investigating the 2 questions defined and through the answers of the sample it will be confirmed what was pointed out by the authors on the previous part (why culture is important and how it matters differently at different growth stages). On the third part will be approached the impact of culture in the leadership within the organization: investigating the 3 questions defined and through the answers of the sample it will be confirmed what was pointed out by the authors on the previous part (should international organizations have one culture, if it is possible to improve performance though Knowledge Management and how should leaders embed and transmit culture).

It is important to point out that, in each subpart of the previous part, will be presented some conclusions of the empirical work done, reinforcing and deepening the investigation in this research area through the giving of a set of new developments in the construction of literature with the introduction of new theoretical and practical perspectives. Moreover, these conclusions will aim, as mentioned, to confirm the importance of culture within international organizations and to reinforce the importance of the role of the leaders in passing the culture and guaranteeing the right and common culture within all subsidiaries and departments of the organization.

Nevertheless, despite those conclusions previously mentioned, at the end will also be included the implications for management regarding the influence of culture and the influence of the leader within international organizations.

Figure 2 - Structure of the second part (practical) of this thesis

Investigatory component

Characterization of the sample

- Methodology;

- Characterization of the sample: managers;

The influence of culture on the organization

- The importance of culture, within diferente growth stages;
- Culture as the DNA of the organization;

The influence of culture on Leadership

- The approach of HQ in imposing a common culture;
- The importance of knowledge management;
- The interrelation of leadership and culture;

Research Questions

- Why is culture important and how it matters at diferente growth stages?
- Can large organizations have one culture?

Research Questions

- Should organizations have one culture?
- Is it possible to improve performance through Knowledge Management?
- How should leaders embed and transmit culture?

Source: Elaboration by the author

CHAPTER II – Concept of culture

2.1. <u>The concept of culture</u>

Culture, or civilization, taken in its broad, ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society (Tylor, 1871).

The critic Raymond Williams writes that "culture" has three divergent meanings: there's culture as a process of individual enrichment, as when we say that someone is "cultured"; culture as a group's "particular way of life," as when we talk about French culture, company culture, or multiculturalism; and culture as an activity, pursued by means of the museums, concerts, books, and movies that might be encouraged by a Ministry of Culture (Rothman, 2014).

The word "culture", depending on who's using it, has an endless number of meanings, and there could be many other examples defining this word. It can be used to refer to sophistication/education ("to be very cultured"); to refer customs and rituals of a certain group, as usually done by anthropologists; it can also refer to the climate and practices of an organization ("the way things are done around here"), used by managers.

Sociologists generally talk about the socialization process, referring to the influence of parents, friends, education and the interaction with other members of a particular society, and these influences result in learned patterns of behavior common to members of a given society. Nevertheless, definitions of culture vary according to the focus of interest, the unit of analysis and the disciplinary approach (Collinson and Rugman, 2012)

At the most general level, culture can refer simply to the lifestyle and behavior of a given group of people, so corporate culture is a term used to characterize how the managers and employees of particular companies tend to behave. Despite that, the term is also used by HR managers and senior managers in their attempts to productively shape the kind of behavior they hope to have in their organization (innovative, dynamic), but that may pass the wrong idea that there is a "right kind of culture", "a culture of quality", accidentally implying that there are some cultures better than others.

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For a starting point, we can say that any social group who has had a shared history has a shared culture. The strength of that culture will, of course, depend on the length of that group, personal boundaries between the members and the emotional intensity of that shared history. Moreover, it is safe to say that every culture has a set of visible manifestations (the so called customs and rituals, behaviors or "the way things are done"), which carry some invisible and "under the surface" phenomena.

2.1.1   Lessons from the literature

Unveiling a little more the concept, there has been some debate on the past 25 years on what culture really means (for example, those of Hofstede, 1991; Trice and Beyer, 1993; Schultz, 1995; Deal and Kennedy, 1999; Cameron and Quinn, 1999; Ashkanasy, Wilderom, and Peterson, 2000; and Martin, 2002). This, of course, reveals the importance of the concept, but at the same time creates difficulties in the use of the word, since its meaning seems to be fuzzy and its usage inconsistent.

Edgar Schein (2004), within his book "Organizational Culture and Leadership" pointed out 4 important characteristics of any culture: structural stability, the constancy of the culture ("self-sustaining"), as it defines a group (once there is a sense of group identity, it becomes a major stability force) and, without a really strong force, culture won't change; depth, the non-tangible and non-visible part of the culture, often unconscious; breath, the influence it has over all aspects of how an organization deals with its primary tasks, environment and internal operations (it influences both rational and emotional side); patterning/integration, the way it "ties" together the various elements of the group and lies at a deeper level. Rituals, climate values and beliefs tie together coherently, since it is the ingrained/repetitive elements that make up culture.

Schein highlights that the only thing of real importance that leaders do is to create and manage culture, the unique talent of leaders is their ability to understand and work with culture, and it is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional.

Geert Hofstede (2004) has developed an Organizational Culture Model, based on empirical research and featuring 6 dimensions: Means oriented VS goal oriented, the way in which goals or means for conducting works tasks are prioritized; internally VS external focus, the importance given to internal (within the company) or external (environment/competition) goals.

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Internally focus organizations may exhibit stronger values, while externally focused ones may be more pragmatic, focusing primarily on meeting the customers' requirements.

Easygoing VS strict, which is the tendency of the company to "improvise" or to run on a high level of discipline and control; local VS professional, the extent to which people identify with their immediate colleague and conform to the norms of this environment, or associate themselves with a wider group of people and practices based on their role; open system VS closed system, the extent to which newcomers are accepted and the differences they bring are welcomed; employee-oriented VS work-oriented, the extent to which the employee's well-being is prioritized at the expense of the task, or vice-versa. (Hofstede, 2017)

Figure 3 - Levels of culture
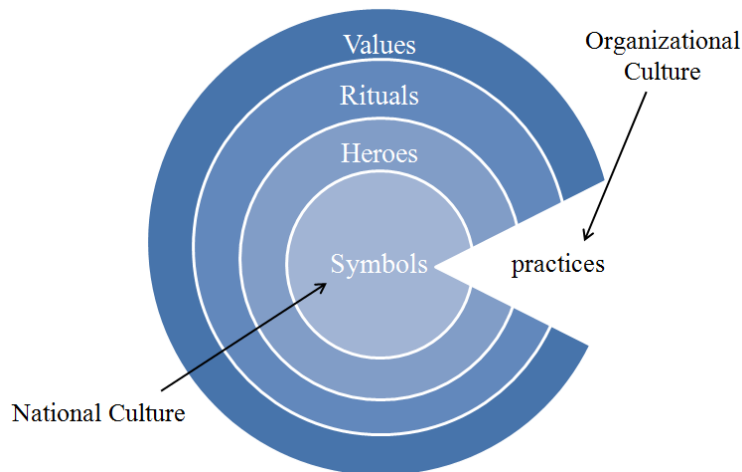
Source: Hofstede (2004)

Hofstede (2017) has made a distinction into four layers, when describing culture. On the deepest level we find values, which are 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. He also defines organizational culture as the way in which members of an organization relate: to each other, to their work and to the outside world that distinguishes them from other organizations.

His research has shown that cultural differences between nations are especially found on the deepest level (i.e. values), and in comparison cultural differences among organizations located within the same national culture arena are especially identified on the level of practices (rituals). Those are more tangible than values, which also allows for a more precise and specific definition.

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Deal and Kennedy (1982) also emphasize the more visible levels of cultures, such as rituals, legends and ceremonies, because they consider that these are factors that shape behavior. Nevertheless, it is the more "invisible" part that may be of more interest for those who intend to change/improve culture of a specific organization.

Similar to these, Gerry Johnson and Kevan Scholes (1992) have developed the so called Cultural Web, which represents the taken-for-granted assumptions of an organization, which helps management to focus on the key factors of culture and their impact on strategic issues.

The Cultural Web has 6 inter-related elements: stories, which are the past and present events and people, told inside and outside the organization; rituals and routines, the daily behavior and actions of people that signal acceptable behavior; symbols, the visual representation of the company (i.e. logos, office décor or dress code); organizational structure, which may be the structures defined by the organization chart, and the unwritten lines of power and influence that indicate whose contributions are most valued; power structures, where the power in the company lies (for example, with one or two executives, with a group of executives or department, or more evenly distributed).

Culture, therefore, gives an organization a sense of identity and "belonging" which determines, through its norms, rituals, values, beliefs and language "the way things are done". It carries what has been working for the organization, the practices that have been "good" for them, which, over time, become accepted "without questioning", especially by older members. Those practices become norms over time, as those become expected behavior patterns within the organization, also turning into part of the culture.

Vetráková and Smerek (2016) say that organizational culture defines belonging of individuals to the organization in which they work. As already mentioned, the term is known and has been discussed for a long time, and several authors have been dealing with it, while each of them emphasizes different attributes of behavior and ways of work performance. Therefore, it is necessary to look for basic building components of the cultural organization, which are its elements. Basic assumptions, values norms and artifacts are considered the most common elements in the organization.

Organizational culture, then, is made up of more "visible" aspects, such as patterns of behavior, observable symbols and rituals, along with more "invisible" aspects, such as underlying values, assumptions and beliefs (Vetráková and Smerek, 2016).

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After being familiarized with some of the concepts involving culture, it is important to establish an "official definition" or, in other words, to summarize the concept of Culture.

2.1.2 Formal definition

After several approaches and quotes from several authors, a definition which I believe holds all the important ideas presented above and gives an overall idea of the concept comes to need:

"Culture is a pattern of shared tacit assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that's has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems." – (Schein, 2009, The Corporate Culture Survival Guide)

This definition, of course, brings up several new ideas that were not explained before, which will be clarified afterwards. First, from the definition we can now start by getting to some conclusions: culture is something very stable and hard to change, since it is the result of accumulated learning from past experiences as a group. This shared history that the group holds (the "learning with the errors"), with time, become so embedded within the members of the group that it becomes for them "the right way to do things", and new members to come will also be taught so; another important conclusion is that, since the most important parts of culture are essentially invisible and intangible, and members that have a shared history (long or short) can't precisely say what the culture of the organization (group) is, any culture can't actually be measured, quantified of defined through questionnaires that only ask about behavior and espoused (demonstrated) values (O'Donnell and Boyle, 2008; Schein, 2009; Ghinea and Brâtianu, 2012).

More than this, any culture can't be considered "wrong" or "right", "better" or "worse" than others, except in relation to what the organization/group is trying to accomplish and what the environment in which the organization/group is operating allows (in some markets and with some technologies, teamwork and employee empowerment are essential and the only way the organization can continues to succeed). In short, we can only measure what would "fit" and "serve" better the organization.

One other important implication of the definition is that culture is a pattern of assumptions, all interconnected – this means that it is not possible to look at 2 or 3 key assumptions and formulate a profile for the culture of that organization. That would make us fall in the mistake to overlook other important assumptions that the organization may hold and that would allow us to understand the culture, hence a culture description should always be a "multi-dimensional diagram". This "multi-dimensionality" is especially important when trying to identify the "weaknesses" of a culture, in other words, to be able to identify dimensions that have become dysfunctional and need to be changed/improved, and for that change to happen it is important to understand how the functional elements must be preserved and how they can actually support the change process (Schein, 2009).

Another implication is the fact that culture is learned, not inherited: it derives from a person's social environment, not from his/hers genes (like national culture, for example). Culture should be distinguished from human nature, on one side, and from an individual's personality on the other, although exactly where the borders lie between human nature and culture, and between culture and personality, is a matter of discussion among social scientists (Hofstede, 1994; O'Donnell and Boyle, 2008).

Figure 4 - Three levels of uniqueness in human mental programming
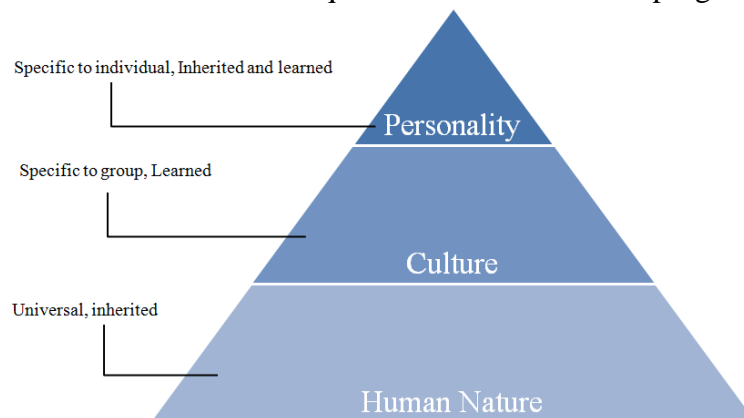
Source: Hofstede (1994)

Human nature is what all human beings have in common: it represents the universal level in a person's mental software (the human ability to feel fear, anger, love, joy, etc.), however, what someone does with these feelings is influenced by culture. The personality of an individual, on the other hand, is his/her unique personal set of mental programs which he/she doesn't share

with any other human being: it is based upon traits which are partly inherited, with the individual's unique set of genes and partly learned. (Hofstede, 1994; Hartnell, *et all*; 2011)

Finally, this notion that culture is acquired through the process of learning has several important implications for international business. First, such understanding may lead to greater tolerance for cultural differences, which is a prerequisite for effective intercultural communication. And second, the learned nature of culture serves as a reminder that, since we have total knowledge of our own culture through the process of learning, it is possible to learn to behave within other cultures as well. (Ferraro, 1998; Detert et all, 2000; Hartnell, *et all*, 2011)

CHAPTER III – Levels, forms and assumptions of Culture

3.1 The levels of culture

Culture can be said to have several levels, being levels the degree to which the phenomena are visible and tangible. These levels vary from those that are possible to see and feel (artifacts), to those unconscious deeply embedded (basic underlying assumptions) that Schein defines as the essence of culture. Between these 2 layers are the espoused beliefs, values, norms and rules of behavior that members of the culture use as a way of depicting the culture to themselves and others. Elaborating on those levels of culture analysis, we have:

3.1.1   Artifacts

Artifacts are those events "at the surface", which include everything that we can see, hear and feel when in contact with an unfamiliar culture. Those are, in fact, the visible product of the group (physical environment, language, technology and products, etc.), and also the "climate" within the group and the visible behavior of its members (which will be individually unveiled afterwards), (Schein, 2009).

Nevertheless, probably the most important thing to have in mind while observing and interpreting artifacts is that they are, of course, very clear to see and have immediate emotional impact (just by having contact with the group/organization it is possible to see them), but are very hard to decipher, since sometimes behavior does not reflect the culture in which that person is in. On the other hand, some argue that one's own response to physical artifacts, such as buildings and office layouts, can lead to the identification of major images and root metaphors that reflect the deepest level of the culture (Gagliardi, 1990; Hartnell, et all, 2011; Ghinea and Brâtianu, 2012).

Behavior is very important, but also very ambiguous part of the artifacts, since it may or may not reflect the culture we are trying to analyze. At first sight we would see behavior patterns as a reflection of culture, but the formal definition presented before did not mention overt behavior for a reason: even though some patterns of behavior may reflect cultural assumptions (as in the case of formal rituals), other behaviors may simply be a biological or reflex reaction, not mirroring at all the culture of the group (sometimes reflecting the clear opposite of it), (Schein, 2009).

Nevertheless, the definition does mention that the central assumptions affect the way we perceive, feel and think in certain situations. Our behavior is complex, is influenced both by the culture predisposition (those patterned perceptions, feelings and thoughts), but also by the situation contingencies that arise from the immediate external environment (Schein, 2009). Having this in mind, patterns in behavior may occur for reasons other than the culture of the group – for example, when various members seem to cower in the presence of an angry and loud leader, we can't assume it is a cultural pattern, it may simply be a biological reaction to anger and sound. In other words, when finding patterns of behavior it is not possible to be sure if it is due to shared culture or due to other factors, only when discovering the deeper levels of the culture we can specify what artifacts are in fact a reflection of culture.

Symbols as visible artifacts (such as office layout), are very ambiguous and, besides the issue already mentioned (behavior may not reflect the culture), we can only test our understanding of what a certain artifact may reflect if we also have experienced the culture at the deeper levels of values and assumptions. In other words, our interpretation, if we are familiarized with the culture, will inevitably be projections of our own feelings and reactions. Moreover, every aspect of a group's existence will generate artifacts, creating a problem of classification: different observers (with different backgrounds) will choose to analyze artifacts differently, giving more (or less) importance to different artifacts, creating a problem of non-comparable descriptions.

Nevertheless, according to Schein (2004), if the observer lives in the group long enough, the meaning of artifacts gradually becomes clearer, but to achieve this more quickly, the observer can attempt to analyze the espoused values, norms and rules that provide the day-to-day operating principles by which the members of the group guide their behaviors, which is the next level of culture.

3.1.2 Espoused values and beliefs

All group learning ultimately reflects the "original" beliefs and values hold by the founder/leader of that group. When the group is created and has to face its first issues, the solutions proposed reflect what are the assumptions that the founder held as "the right way of doing things", but those solutions are not yet shared learning: those have to be tested and succeed so that the group recognizes it as valid. If it happens (what the leader proposed succeeds) and the group has a shared perception of that success, what was initially proposed as a way of action gradually becomes, at first, a shared value of belief, and later on a shared

assumption (if it continues to result in similar situations) (Schein, 2004; 2008; 2012; Collinson and Rugman, 2012).

Nevertheless, not all beliefs and values go through this process: firstly, not all solutions work reliably (some simply do not work at all, or turn out successful merely once), only those that can be empirically tested and continue to work reliably as resolving the group's issues can become, later, assumptions; secondly, certain value domains (those dealing with less controllable elements of the environment or with aesthetic or moral matters, such as religion), may not be tested at all, consensus, in those cases, can be achieved through social validation.

Schein (2004) refers to social validation as certain values confirmed only by shared social experience of a group, and he furthers this thought with an example: any given culture cannot prove that its religion and moral system are superior to another culture's religion and moral systems, but if the members reinforce each other's beliefs and values, they come to be taken for granted. So, regarding this broader, non-testable issues, the group learns that certain beliefs and values transmitted by the founder reduce uncertainty and anxiety and, as they continue to work, those gradually become non-discussable assumptions supported by articulated set of beliefs, norms and operational rules of behavior.

The derived beliefs and moral and ethical rules remain conscious and are explicitly articulated because they serve the empirical or moral functioning of guiding members of the group in how to deal with certain key situations, and in training new members on how to behave. It is then in the group a set of beliefs and values shared that become embodied in an "organizational philosophy" that serve to its members as a guide on how behave, what to transmit to its new members and, most importantly, as a way of dealing with the uncertainty. (Schein, 1984; 2012)

Beliefs and values at this conscious level can predict most of the overt behavior that is observed at the artifacts level. Nevertheless, if those are not based on past learning, they may reflect what Argyris and Schön (1978) have called "espoused theories", which predict what people will say in various situations, but may not be according to what those actually do in situations when those values and beliefs should actually be operating (giving an example, an organization may say that their products are "green" and that they give a lot of importance to their employees, may in fact use "not so green" ways of production and "not so good" conditions to their employees, not confirming those beliefs and values).

Schein (2012) affirms that if espoused values and beliefs are congruent with the underlying assumptions, then articulating those values into a philosophy of operating can be helpful in bringing the group together, serving as a source of identity and core mission. Obviously, when analyzing the culture of a group/organization, it is important to separate those values and beliefs that are actually congruent with the underlying assumptions from those that are simply rationalizations or aspirations to the future (the so called, espoused theories) (Collinson and Rugman, 2012).

In other words, espoused beliefs and values are the first thing a new member learns, the values that the organization has that create a certain image of themselves that they want to maintain (which may or may not correspond to the reality). Furthermore, espoused beliefs only explain a little part of the culture. To get the "whole picture" of the culture it is important to analyze the next level/layer, the underlying assumptions (Schein, 2012).

3.1.3   Basic underlying assumptions

As explained before, when there is a proposal, usually from the leader, to resolve an issue which works repeatedly, and which success is recognized by the group that it works, it gradually becomes taken for granted: what was initially the leader's view comes to be treated as a reality and the group comes to believe that "nature" actually works that way. Basic assumptions, in this sense, are different from what some anthropologists called "dominant value orientations" in that such dominant orientations reflect the preferred solution among several basic alternatives, but all the alternatives are still visible in the culture and any given member of the culture could, from time to time, behave according to variant as well as dominant orientations (Kluckhohn and Strodtbeck, 1961).

In fact, according to Schein basic assumptions have become so taken for granted that one finds little variation within a social unit. This degree of consensus results from repeated success in implementing certain beliefs and values. In fact, if a basic assumption comes to be strongly held in a group, members will find behavior based on any other premise inconceivable. For example, in a group in which one of the basic assumptions held is the individual achievements, it is inconceivable for any member to compromise their own work to help a colleague.

 Based on this, we can say that basic assumptions are extremely hard to change, they become "part of the group's DNA", since they are non-discussable and non-confrontable: to actually

change or adapt them it is required to resurrect, reexamine and possibly change some of the more stable portions of our cognitive structure – a process that Argyris and other researchers have called "double-looping learning" (Argyris et all, 1985). Of course, such change will cause, on the short-run, some damage in the sense that it will destabilize the cognitive and interpersonal world, by releasing large quantities of anxiety.

Moreover, in this situation of uncertainty members tend to perceive their surrounding according to their assumptions, instead of dealing with the anxiety, even if it means to distort, deny or falsify to themselves (and those influenced by them) the reality and the environment. It is in this psychological process that culture has its ultimate power. The human mind needs cognitive stability, therefore any challenge or questioning of a basic assumption will release anxiety and defensiveness. In this sense, we can say that the shared basic assumptions of a group at both the individual and group level work as psychological cognitive defense mechanisms. Ultimately, basic assumptions influence the way we see the world, what we "choose" to see, what we pay attention to, what it means for us and how do we react emotionally.

The fact is that if assumptions operated only at an individual level, they could easily be corrected, since that person would "notice" that is alone in holding that assumption, but that is not the case, in groups the assumptions are shared and, therefore, mutually reinforced, making the process of change not so easy. Of course, no person develops new assumptions in every group/organization he/she joins, instead they bring their own "accumulated" cultural learning from previous groups, education, socialization, etc., but as the new group develops its own shared history, it will develop or "create" assumptions in critical areas of its experience – those new assumptions make up the culture of that particular group (its DNA).

Furthermore, the most central issue for leaders, therefore, is how to get at the deeper levels of a culture, how to access the functionality of the assumptions made at that level, and how to deal with the anxiety that is unleashed when those levels are challenged. (Schein, 1995)

3.2 How does culture form and why is it important?

Schein describes that culture can be formed in 2 ways: the first happens through a spontaneous interaction within an unstructured group that, with time, lead to patterns of behavior which become the culture of that group; and a more formal approach, which is the one that will be

explained afterwards, since it is this last that is more common in organizational culture formation.

Within the more formal approach, an individual creates a group and becomes its leaders and, with his/her own values, beliefs, assumptions, goals, etc., the leader will initially impose these on the group – as said before, he/she proposes the solution.

Nevertheless, this "imposition" does not result in a culture, only after being successfully "tested" (when it is proven that it leads to success), these values and beliefs will be confirmed, reinforced and, most importantly, recognized as "right" and shared. So, what was initially the founder's values and beliefs and his/her view of the world leads to a shared action and shared recognition that the leader "had it right".

After continuous confirmation and reinforcement, those values and beliefs become acknowledged by the group and turn into less conscious, non-discussable and non-negotiable assumptions, dropping out of awareness and, most of all, becoming part of the group's identity (due to its non-negotiability) – the "group's DNA" is created.

Once the group is created and it has its own culture, its members will start not only reinforcing values and beliefs between each other, but also will try to pass their culture to new members. According to Schein, studying what in fact the new members are taught is a very good way to understand some elements of that culture, however it is important to have in mind that it will only unveil a visible part of culture (like behavior), since the core elements of culture can't be taught in the training of new members. On the other hand, the way new members learn and their socialization process may actually reveal some (but not all) deeper assumption, to get to those, it is important to, firstly, understand the perceptions and feelings of those within the group in critical situations and, secondly, to interview some older members to get an "accurate picture" of the shared deeper-level assumptions (Schein, 2004).

Besides from how is it formed, end of the day it is equally important to understand why culture matters. Collinson and Rugman (2012) refer the importance (and difficulty) of cross cultural management, and how it arises in a range of business contexts. Within individual firms, for example, managers from a foreign parent company need to understand that local employees from the host country may require different organizational structures and HRM procedures, as in cross-border joint ventures, alliances or buyer-supplier relationships between 2 or more firms also require a cultural compromise.

The Culture in International Organizations

Despite the various patterns and processes of globalization, cultural differences still remain important, even with greater common access to information through media and internet, to the same brands and icons, for example. Terms like cultural convergence (growing similarities between national cultures, including beliefs, values, aspirations and the preferences of consumers) overstate the similarities between groups of people around the world (Collinson and Rugman, 2012).

Moreover, often we are "forced" to deal with different groups of people within different contexts (at school, at work, within our group of friends), and in some of these situations, especially when hierarchy is involved, we encounter people which seem, in our view, to take "wrong decisions", to think in a way or believe in things that do not seem reasonable at all. For a leader, manager or supervisor, it may seem frustrating that their subordinates do not see how ineffective or harmful their way of working is, even after explaining them "the right way", for example. Sometimes it is simply a matter of lack of communication, lack of trust, or not explaining things the best way possible.

Managers often find resistance to change, resilience and more interest in conflict than getting the job done, and often the problem may be not getting "into their shoes" and to try to understand their assumptions and beliefs. Culture helps understanding these phenomena, understanding the dynamics, assumptions and believes of those within a specific group (sometimes within the same organization) helps to understand why they behave in such an "irrational" way, and avoids frustration when finding these unfamiliar phenomena (Schein, 1990).

More recent research has been built on the Hofstede and Trompenaars research: the Global Leadership and Organizational Behavior Effectiveness (GLOBE) project started in 1992 and still continuing today. The GLOBE ended up with 9 key cultural dimensions: assertiveness (the "strength" to pursue a specific goal, defend a specific idea); future orientation (propensity for planning and investing); gender differentiation (the degree to which gender role differences are maximized); uncertainty avoidance (a reliance on societal norms and procedures to improve predictability, a preference for order, structure and formality); power distance (the way in which power is distributed and the extent to which the less powerful accept that power is distributed unequally); institutional collectivism (individualism vs. collectivism); In-group/family collectivism (a pride in small-group membership, family , close friends, etc.); performance

orientation (achievement orientation); and human orientation (emphasize in helping others, charity and people's wider social obligations) (Javidan and House, 2001).

The GLOBE researchers have examined the HRM implications of these cultural differences for practicing managers and looked at ways to avoid the danger of ignorance and insensitivity. At a very general level good transnational firms develop an awareness and appreciation of cultural differences among their managers and employees, and take steps to encourage adaptation of personal behavior or organizational practices, or products and services, to suit the changing mix of cultures within the firm, in subsidiaries and in key markets. Training programs, when new recruits join a firm or existing personnel take up a role in a new country, are a standard way for firms to do these things.

Beyond awareness and adaptation, the best firms aim to leverage the diversity of cultures within their organizations and combine the best aspects of different ways of doing things. Corporate culture, a shared identity spanning culturally diverse groups of employees, provides a way to do this, and companies can usefully invest in their own socialization mechanisms, such as social events alongside regular meetings and conferences. (Collinson and Rugman, 2012)

We can say that any group/organization has a set of core assumptions that can be thought of as the governing assumptions, or in other words, the "core genes" in the "cultural DNA", and the group/organization do seems to function primarily in terms of those core assumptions. The problem, Schein refers, is that different organizations will have different paradigms with core assumptions. As a result, cultural typologies can be very misleading: this means that we can examine several organizations on the same set of assumptions, but different organizations centralize the assumptions differently as they see fit.

Nevertheless, if the set of basic shared assumptions can be thought of as its DNA, then we can examine some of the individual genes in terms of their centrality or potency in forcing certain kinds of growth and behavior, and other genes in terms of their power to inhibit or prevent certain kinds of behavior. What we can say in fact is that certain kinds of cultural evolution are determined by the "genetic structure", the kind of "autoimmune system" that the organization generates and the impact of "mutations and hybridization". (Schein, 1990)

Culture matters differently according to the stage of organizational evolution: young organizations are also typically still under the control of their founders, which means the culture is more or less a reflection of the founder's beliefs and values. A mid-life organization can be

defined as an organization that has had at least 2 generations of professional managers appointed by outside boards whose members are usually beholden to diverse stockholders. Thus the culture issue in the mid-life organization is threefold: how to maintain those elements of the culture that continue to be adaptive and relate to the organization's success; how to integrate, blend or at least align the various subcultures; and how to identify and change those cultural elements that may be increasingly dysfunctional as external environment conditions change. Assessment of the culture's strengths and weaknesses becomes important when the organization is trying to change strategy or business processes.

Some researchers' findings show that certain kinds of cultures correlate with economic performance. Boyne (2003) suggests a link between organizational culture change and a public service improvement. Understanding of organizational culture and culture types also helps our understanding of why managerial reforms may impact differently within and between organizations. An organization with a predominant internal process culture, for example, may be more resistant to reforms aimed at promoting innovation. O'Riordan (2004) says that "developing a culture in which career progression and development of staff is prioritized represents an important retention and motivation tool. Zalami (2005) notes that culture can either facilitate or inhibit institutional transformation, depending on whether or not the existing culture is aligned with the goals of the proposed change. (Detert *et al*, 2000).

3.3 Is it possible for large organizations to have a single culture? And should they?

If a specific occupation involves an intense period of education and apprenticeship, there will certainly be a shared learning of attitudes, norms and values that eventually will become taken-for-granted assumptions for the members of those occupations. Moreover, it is assumed that the believes and values taught during the period of training will be well learned and stable assumptions for the trainees, even though that person may not always be in a group of occupation peers. Despite that, it is important that reinforcement of those values and beliefs occurs at professional meetings and continuing education sessions.

Regarding the fact that large organizations/occupations have one culture, at certain size, the variations among the subgroups is substantial, suggesting that it may not be correct of talking about a culture of a big organization, since in some one can see both a strong overall corporate

culture and the growth of powerful subcultures that reflected the larger culture but also different in important ways. (Schein, 1984)

Culture is a property of a group, whenever it has enough common experience, a culture begins to form. It is possible to find cultures at the level of small teams, families and work groups, also arising at the level of departments, functional groups and other organizational units that have a common occupational core and common experience. Culture exists at the level of the whole organization if there is sufficient shared history, it is even found at the level of a whole industry because of the shared occupational backgrounds of those working industry-wide. Finally, culture exists at the levels of regions and nations: every person, as an individual, is a multicultural entity and is able to display different cultural behaviors depending on what the situation elicits. It is this unconscious quality of culture that makes it so powerful: no person is aware of how cultural biased he/she is, or until that person has a cultural "shock" with other person with a different cultural background.

Culture matter because it is a powerful, tacit and often unconscious set of forces that determine both our individual and collective behavior, way of perceiving, thought patterns and values. Organizational culture in particular matters because cultural elements determine strategy, goals and modes of operating. To make organizations more efficient and effective, then it is important to understand the role that culture plays in organizational life. In order for leadership to be more effective, it is necessary to make leaders aware of their unique roles as culture creators, evolvers and managers.

Firms respond to this dilemma in different ways, getting different outcomes. At the simplest level, we can map out a range of responses from what is called imperialist (where a common culture is imposed wherever the company has a presence) to federalist or independent structures (where each national subsidiary bases its own culture on local norms and values). There are problems associated with either of these extremes, and most firms try to draw a middle line, standardizing some elements across the whole organization to centralize and simplify some practices and unify employees, while allowing differentiation where necessary. This transnational culture allows for a compromise in work styles, values and approaches controlling the strengths that lie in diversity (Collinson and Rugman, 2012)

The table below illustrates a range of organization types. In particular, it links elements of the organization structure and design with cultural orientation, for example, in the relationship

between headquarters and regional subsidiaries. It specifically extends the ethnocentric, polycentric, and geocentric typologies introduced by Perlmutter in the 1960s.

Table 2 - Organization types

	Imperialist	**Interventionist**	**Interactive**	**Independent**
Organization	Ethnocentric	Ethnocentric	Geocentric	Polycentric
Structure	Steep hierarchy	Flat hierarchy	Network	Federation
Strategy	Dictated	Centrally decided	Jointly specified	Locally specified
Decision making	Centralized	Distributed	Shared	Devolved

Source: Perlmutter (1969)

On one extreme, ethnocentric firms are where top management is dominated by home-country nationals, and procedures and management styles are transferred from the head-office and imposed on regional subsidiaries in place of local ways of doing things.

On the other extreme, polycentric firms tend to act like a federation of semi-autonomous organizations with financial controls or strict reporting structures holding them together. Subsidiaries are able to reflect the local cultural norms, and headquarters appreciate the need for different organization designs, procedural norms, rewards systems, etc. as long as profits flow to the center.

Geocentric firms are seen as the ideal (the mid-point) collaborative and meritocratic form of global organizations, as represent an equal sharing of power and responsibility between headquarters and subsidiary, with subsidiaries that share worldwide objectives with managers focusing beyond national market interests.

In geocentric organizations the benefits of cultural diversity, such as knowledge of local customers and business practice, are controlled for the good of the company as a whole. The costs of diversity, such as language and communication problems, different values and attitudes towards work are minimized. Firms moving towards this are more balanced, since with this approach those firms have to recognize diversify and its effects and identify which elements of consistency in regulations and values should be promoted, where and when. Local divisions must identify aspects of diversity that are most important to them and their operations and take

the lead in expressing and managing these differences. Discussion, interaction, cross-divisional teamwork, support, awareness and understanding go alongside training programs, language courses and cultural assimilation.

Approaches of examination, diagnosing organizational culture can be classified into 3 groups: Dimensional approaches (Hofstede and Hofstede, 2005; Sagiv and Schwartz, 2007); interrelated approaches (Homburg and Pflesser, 2000; Deshpandé and Farley, 2004) and typological approaches (Deal and Kennedy, 2000; Goffee and Jones, 2003; Cameron and Quinn, 2006).

Dimensional approaches focus mainly on empirical measurement of organizational culture, as (in some cases, bipolar) scales, which may be associated with other, mostly dependent variables (Tsui, Nifadkar and Oh, 2007). Interrelated approaches link the concept of organizational culture with other features of the organization and often represent the theoretical basis of the proposals for empirical research (Reisinger, 2010). Typological approaches are based on pre-defined key characteristics that are divided and brought together by organizations in certain categories.

Typological approaches are the most discussed, while most cited. We realize that every typology is simplified and schematic, and it does not cover the root of the problem, but on the other hand, it creates a space for comparison and searches for ways to improve. The discussion is aimed at the precise definition of empirical features and different limitations of classification. The most cited international authors who present different types of organizational culture are Cameron and Quinn (2006), and their typology presents a framework of conflicting values, which describes four types of organizational culture – the clan, adhocracy, hierarchy and market, based on the dimensions of flexibility/stability and with internal / external focus

Choosing the type of organizational culture is the result of a consensus of managers and employees. There is nothing unusual if individual departments have their own subculture (Deal and Kennedy, 2000).

Concluding, diagnosing is one way that helps managers and owners to find out the current organizational culture in order to describe its features, find the causes of the existing problems in the workplace and to take the necessary measures to change. Each culture has its advantages and drawbacks, and for managers and business owners, it is important to implement such a type

of organizational culture, which best corresponds to ideas and opportunities of employers and employees.

3.4 Assumptions on External adaptation and internal integration

A formal definition of organizational culture can tell us what culture is from a structural point but it does not tell us what the content of culture is – what cultural assumptions are about. Those assumptions were created, as said before, due to values and beliefs hold by the founder of the group that later, due to continuous success in resolving issues, the group faced through its lifetime, became held assumptions.

Nevertheless, according to Schein, there are 2 major issues that any group has to deal with: survival, growth and adaptation to the environment (external adaptation); and internal integration that allows the daily functioning and the ability to adapt and learn (internal integration). The way the group responds to these issues will define how large is the cultural context in which the group exists, and the origin of the broader and "deeper" basic assumptions regarding the nature of reality, time, space, human nature and human relationships. In other words, from an evolutionary perspective, it is necessary to identify the issues that any group/organization has to deal with, from the moment of its creation to its state of mature and decline.

3.4.1 External adaptation

Schein affirms that the issues/problems of external adaptation basically specify the coping cycle that any system must be able to maintain in relation to its changing environment. There are several steps of external adaptation and survival that every group has to deal with but even though these are "steps", many organizations work several of these simultaneously.

Mission and strategy, the first step, is to obtain a shared understanding of core mission, primary tasks and manifest and latent functions: every new group has to have consensus on its survival problem, from which usually is derived its "reason to be". Mission relates directly to what organizations call "strategy" and, from the point of view of an outsider it is possible to define what the organization "should do" to prosper and survive but, from the point of view of an

insider of the group, the strategic options are limited by the culture of the organization. In summary, one of the most central elements of any culture will be the assumptions the members of the organization share about their identity and ultimate mission or functions.

Goals, the second step, needs consensus as derived from the core mission, but consensus on the core mission does not automatically guarantee that the members of the group will have common goals. The mission is often understood, but not well articulated; in fact, in order to understand culture correctly it is important to distinguish the operational goals, which represent the short-run solutions for short-term issues, and strategy itself which concerns with evolution of basic mission.

Means to be used, the third step, needs consensus to achieve the goals, such as the organization structure, division of labor, reward system and authority system. The group can't achieve its goals and fulfill its mission unless there is a clear consensus on the means by which goals will be met. If consensus on how to use skills, technology and knowledge, for example, is met it may become part of the culture and many of the internal issues that the group has to face will be partially settled. Similarly, changing structure, processes and reward systems may be hard, since they do not only consider efficiency in meeting external tasks, but also affect the internal "property" (employees), since it will affect how work is done and how well is it done.

Measurement, the fourth step, requires consensus on the criteria to be used in measuring how well the group is doing in achieving its goals. It has two important elements: what to measure and how to measure it. Consensus on what to measure (once the group is performing, there has to be an understanding on how to evaluate its own performance in order to know what actions it would need if deviates in achieving its goal); and Consensus on means of measurement (agreement on both the criteria and on the means by which the information is gathered to measure, the methods an organization decides to use to measure its own activities and accomplishments – the criteria it chooses and the information system it develops to measure itself – become central elements of its culture as consensus develops around these issues).

Correction, the sixth step, requires consensus on the appropriate remedial/repair strategies to be used if goals are not being met. The final area of consensus crucial for external adaptation concerns what to do if a change in course is required and how to make that change. Corrective processes are not limited to problem areas, if a company is getting signals of success, it may decide to grow faster. The remedial/corrective strategies that an organization employs in

response to the information it gathers about its performance is an important area around which cultural assumptions form. These assumptions are likely to reveal other assumptions about mission and identity, and are likely to be closely connected to the assumptions that the organization makes about its internal functioning.

If any group/organization is to perform efficiently it has to have consensus on its mission and strategy, what goals to achieve, which means to use to achieve those goals, what and how to measure its performance and which remedial strategies to use. If there is conflict between subgroups that form subcultures, such conflict can undermine group performance, however, if the environmental context is changing, such conflict can also be a potential source of adaptation and new learning for the group.

At the end, the implication of leadership are several: firstly, the external issues described are usually the leaders' primary concern, since it is the leader who creates the group and wants it to succeed; secondly, it is the successful management of these several functions that is usually the basis on which leaders are assessed – if they are not able to create a group that succeeds, they are pursued to have failed as leaders. (Schein, 2004) Nevertheless, the role of a leader in organizational culture will be further explained afterwards.

Culture ultimately reflects the group's effort to cope and learn, but more importantly, it does not only fulfills the function of providing stability, meaning and predictability in the present, but it is the result of effective decisions made in the group's past. How these external adaptation issues are worked out will influence the internal integration of the group (which will be explained next) but, most importantly, culture is a multi-dimensional, multi-faceted phenomenon, not easily reduced to a few major dimensions.

3.4.2   Internal Integration

If an organization aims to adapt to its external environment, it must be able to maintain (and develop) a set of internal relationship among its members. In fact, the process that allows a group to internally integrate itself reflects the major internal issues that any group must deal with, namely, creating a common language and conceptual categories (for a group to succeed it must be able to communicate with each other in a "language" used and understandable to

every member); defining group boundaries and criteria for inclusion and exclusion (the group must be able to define itself, its members and which criteria define membership).

New members cannot really function and concentrate on their primary tasks if they are insecure about their membership, and the group cannot really maintain a good sense of itself if it does not have a way of defining itself and its boundaries. As in language and basic values and beliefs, those are initially set by the founder, nevertheless, with time those are tested and confirmed (or adapted) by its current members. Moreover the very process by which a group makes those judgments (who is in and who is out of the group) and acts on them is a process of culture formation that forces some integration of the external survival issues and the internal integration being discussed).

Distributing power and status is a very important internal relation to be established, since every group must define how the power is distributed, the criteria to do so and the rules for the members to maintain and lose it. Every group, organization and occupation develops norms around the distribution of influence, authority and power, and if those norms work in the sense of providing a system that gets external tasks done and leaves members in the group reasonably free of anxiety, the norms gradually become shared tacit assumptions and critical genetic elements in the cultural DNA.

Develop norms of intimacy, friendship and love is equally important, since every group must establish its "rules" for relationships between sexes and for the manner in which openness and intimacy are to be handled within the group and in the achieving of the group's tasks.

Also, it is important defining and allocating rewards and punishments, every group must have defined what is right or wrong behaviors, and has to have consensus on how to reward those who do well and punish those who do wrong. When studying the culture of an organization, one must investigate the reward and punishment system because it reveals fairly quickly some of the important rules and underlying assumptions in that culture.

Explaining the unexplainable – ideology and religion is relevant since every group deals with unexplainable events, and those must be given some kind of meaning so that members know how to respond and do not feel anxiety of the unexplainable or uncontrollable. Sometimes it is the conscious component of the total set of assumptions that make up the culture. Sometimes it is a set of rationalizations for essential unexplained or superstitious behavior. Sometimes ideology reflects ideals and future aspirations as well as current realities and thereby functions

as a guide and incentive system for members' ideologies often involve statements about the core mission, the goals, the preferred means for accomplishing them, and the preferred set of relationships among organizational members.

Every group, in order to survive, must be able to work together to face the issues it may encounter and to accomplish its goals. As seen above, the external adaptation and the internal integration are those issues that every group has to deal with, and are also interdependent: dealing and resolving some will "automatically" resolve others. Leadership comes into play, in the way that the leader (founder) is the one who brings the ideas and behavioral models into the group, and those are the ones that will be tested and confirmed (or changed) in order to face the external adaptation and internal integration issues.

CHAPTER IV – Culture and Leadership

4.1 Culture and Leadership as two side of the same coin

Schein saw culture and leadership as two sides of the same coin, being one manipulated and influenced by the other: culture is dynamic as it starts with the leader, who transmits to the group his/her own beliefs and values, and later, as the group evolves (and the leader may even be different), those values and assumptions brought initially are now taken for granted (if they were successful), as those are passed to later generations as "the right way of doing things". At this point, culture defines leadership, as the later leaders have to act accordingly to the ideas set by the "original leader".

With time, as already mentioned, the environment change and the group has to adapt to those changes, and the solutions and processes that worked previously and were "the right way of doing things", no longer fit to the issues that the group now faces. Being this the case, the leader comes into action once more: leadership is now the ability to step outside the culture that the founder established and to build up new ideas and processes to adapt to the new circumstances, creating new values and assumptions. This ability to perceive limitations of one's own culture and to evolve the culture adaptively is the essence and ultimate challenge of leadership. (Schein, 2004)

In other words, neither culture nor leadership can be explained by itself: on one hand, culture defines how the organization will define leadership (who will get promoted, for example); on the other hand, the unique talent of the leader is their ability to understand and work with the culture and it is the ultimate act of leadership to destroy culture when it is viewed as dysfunctional. Nevertheless, it is important to distinguish between the leader and the manager or administrator: the first creates and changes culture, while the last simply acts within it. It is the leader who has influence over culture, and has the ability to adapt it, when necessary, to new circumstances.

Equally important to mention is that, although it has been said several times that leaders change, adapt or even destroy culture, it is never intended to affirm that culture is "weak" or easy to change; on the contrary, culture refers to those elements that are most stable and least malleable (as it was mentioned, it reduces anxiety as it guides the behavior of the individuals), and it is

the result of a complex group learning process that is only partially influenced by the leader's behavior.

Schein also states that much of the confusion about what culture and leadership mean derives from a failure to consider this interaction between them and our failure to define what stage of an organization's life we are talking about. At the very foundation of an organization its leader has there the opportunity to impose his/her own beliefs, values and assumptions, starting the culture creation process. What is considered "leadership" then reflects what the founder imposed and will become the definition of what is considered appropriate leadership in that organization. On the other hand, when a new leader takes over an already existing organization, he/she realizes that the culture already existent in that organization will define and influence his/her leadership style, based on past history and the beliefs, values and assumptions of the leaders before.

The leader's role in evolving the culture, when it does not fit, is complicated by the fact that as organizations grow and mature, they not only develop their own overall cultures, but they also differentiate themselves into many subcultures based on occupations, product lines, functions, geographies and hierarchies: leaders thus must not only understand the consequences of culture changing (uncertainty and anxiety) but, more importantly, align the various subcultures that have been created toward a common goal: the success of the organization.

4.2 How leaders embed and transmit culture

As the organization begins to stabilize due to its success in accomplishing its goals, the leader's assumptions become shared (become "the right way of doing things") and the embedding of those assumptions can then be thought more as a process of socialization of new members or acculturating them to the group. (Schein, 2004)

The author affirms that the simplest explanation of how leaders get their messages across is that they do it through charisma. The problem with charisma as an embedding mechanism is that leaders who have it are rare and their impact is hard to predict. On the other hand, leaders without charisma have many ways of getting their messages across. Leaders have at their reach 2 mechanisms: primary embedding mechanisms and secondary articulations and reinforcement mechanisms.

4.2.1   Primary Embedding Mechanisms

Schein says that the 6 primary embedding mechanisms are the major tools that managers have in hand to pass to their teams how to perceive, think, feel and behave based on their own conscious and unconscious convictions. These are visible artifacts of the emerging culture and directly create what would typically be called the "climate" of the organization.

The first, what leaders pay attention to, measure and control, is one of the most powerful mechanisms that founders, leaders, managers or even colleagues have available for communicating what they believe in or care about is what they systematically pay attention to, from what they comment, to what they actually measure and reward: basically every aspect that is systematically controlled, formally or informally. If leaders are aware of the impact of this systematic control, it becomes a very good way of communicating; and not being aware of this will make subordinates and colleagues spend inordinate amount of time trying to understand what the leader's behavior reflects and what he/she values.

Founders and leaders also let know what they value by their emotional reactions (especially emotional outbursts), when they feel that one important assumption or value they held is being violated: subordinates, by trying to avoid these outbursts, build an idea of what they perceive the leader wants to avoid (and with time, the subordinates start holding the assumptions themselves and avoid the violation of those same assumptions or values). Inferences from what leaders do not pay attention to also let subordinates find meaning to their leader's behavior, and the same can happen to those aspect that leaders do not react to;

The second is leaders' reactions to critical incidents and organizational crisis: when the organization faces a crisis, the way leaders deal with it creates new norms, values and working procedures, and reveals important underlying assumptions; Situations of crisis are especially important in times of creation and transmission of culture, because the high emotional involvement increases the learning: the more emotional and intensive experiences they have, and the more collectively they learn how to avoid anxiety, the more easily they will remember what they have learned;

The third, how leaders allocate their resources: the creation of budgets is another process that reveals the leaders' assumptions and beliefs: how much "financial crisis" it is acceptable, how much self-sustainable the organization must be, influence the choice of goals, means and the

management process used, and such beliefs will influence decisions made (as criteria or constraints) and their perception of alternatives;

The fourth, deliberate role modeling, teaching and coaching, is probably the most "obvious" tool is the so called "formal" communication, teaching and coaching of the leader to his/her team, and also the awareness that they have that their own visible behavior has great value for communicating assumptions and values to others (especially new members);

The fifth how leaders allocate rewards and status is how member of any organization learn from their own experience with promotions, performance appraisals, and discussions with the boss, what the organization values and punishes. Leaders can easily pass on their own priorities, values and assumptions by consistently linking rewards and punishments to the behavior they want to promote or avoid within the organization.

The sixth, how leaders recruit, select, promote and excommunicate, is the last, and maybe most subtle ways of leaders to promote their assumptions to the group. This tool is subtle because in most organizations it operates unconsciously, affirms Schein; Founders and leaders tend to find attractive those candidates that who resemble present members in style, assumptions, values and beliefs. Unless someone outside the organization is explicitly involved in the hiring, there is no way of knowing how much the current implicit assumptions are dominating recruiters' perceptions of the candidates. Also, through the criteria of who does, or does not, get promoted, who is in and who is excommunicated, etc., basic assumptions are reinforced;

4.2.2   Secondary articulations and reinforcement mechanisms

Within a young organization design, structure, architecture, rituals, stories and formal statements are cultural reinforcements, not culture creators. Once an organization has matured and stabilized, these same mechanisms come to be primary culture-creating mechanisms that will constraint future leaders. Nevertheless, in growing organizations these are secondary, because they only work if consistent with the primary mechanisms: when consistent, they begin to build organizational ideologies and thus to formalize much of what is informally learned; if inconsistent, they will either be ignored or a source of internal conflict. (Schein, 2004)

At this stage, these secondary mechanisms can be thought of as visible artifacts, highly visible but very hard to interpret without inside knowledge of the culture; however, these can become

very strong in perpetuating the assumptions even when new leaders in a mature organization would prefer to change them.

One secondary mechanism is the organizational design and structure, moreover the initial design and periodical change that an organization may have. It provides opportunities for leaders to embed their assumptions about the tasks, means to accomplish those, the nature of people and the right kinds of relationships to foster among people. In any case, the organization's structure and design can be used to reinforce the leaders' assumptions, but rarely does it provide the accurate picture that the leaders want to transmit, since structure can always be interpreted by employees in many different ways.

Another secondary mechanism is the organizational systems and procedures, the most visible (and obvious) part of life in any organization: its recurrent tasks, cycle of routines, procedures, etc., which have to be performed repeatedly. The origin of such is usually not known to those who actually perform it, but their existence gives structure and predictability to an otherwise vague and ambiguous organizational world. Leaders use these very often, both for the fact that employees constantly try to avoid ambiguity and anxiety, and for the fact that, by building systems and routines they are formalizing the process of "paying attention" and thus reinforce the message that leaders wants.

Rites and Rituals of the organization, another mechanism, are important to analyze when it is the only visible data that have survived over a period of time. It is important to analyze those, nevertheless it is difficult to decipher what assumptions the leaders held that have led to the creation of those rites and rituals; moreover, it is easy to find examples in organizations, but those usually reveal only a very small part of the range of assumptions that make the culture of that company. On the other hand, if a leader can ritualize certain behaviors that he/she considers important, that would be a very powerful reinforcement.

One other mechanism is the design of physical space, facades and buildings, since it encompasses all the visible features of the organization that any outsider would encounter. The inferences that can be made from the physical environment, as in the case of structure and procedures, can reinforce the leader's message, but only if they are managed to accomplish this. Leaders who have a clear philosophy and style often choose to embody that style in the visible manifestations of their organization.

Another mechanism is the stories about important events and people, since as a group develops and accumulates shared history, and some of it becomes embodied in stories about events and leadership behavior, reinforcing assumptions to new members. However, since the message is often highly distilled or even ambiguous, this form of communication is unreliable, leaders can't always control what will be said about them in those stories. Efforts to decipher culture from collecting stories encounter the same problem as deciphering rituals: unless there is already knowledge of other facts about the leader and of the culture of the organization, it is not possible to correctly infer the aim of the story.

The last mechanism of articulation and reinforcement is the formal statements of organizational philosophy, creeds and charters, the attempt by the leader to state explicitly what their values and assumptions are. These statements usually highlight only a small part of the assumptions set that operate in the group and, most likely will highlight those aspects that the leader wants to let know. However, formal statements can't be viewed as a way of defining the organization's culture: at best they cover a small, publicly relevant segment of the culture.

At the organization's early growth stage, the secondary mechanisms (structure, procedures, rituals and formally espoused values) are only supportive, but as the organization matures and stabilizes they become primary maintenance mechanisms – what we ultimately call institutionalization or bureaucratization. What managers must recognize is that all of the primary mechanisms must be used and all of them must be consistent with each other. Many change programs fail because the leader who wants the change fails to use and understand the entire set of mechanisms described. (Schein, 2004)

4.3 Is it possible to improve performance through knowledge management?

Organizational development and change in the modern knowledge-based economy require effective knowledge management (KM) of employees. KM can be defined as a systematically and organizationally specified process of sharing, transferring, creating, using, and saving the knowledge of employees to enhance organizational performance (Nonaka and Takeuchi, 1995; Davenport and Prusak, 2000; Dalker, 2011). KM is aimed at providing the right knowledge to the right people at the right time in order to improve organizational performance (O'Dell and Hubert, 2011), and it should allow the creation of organizational knowledge. It is new knowledge created by groups of employees from different subunits of the organization (Hislop,

2009), but it is necessary to take into account the possibility that competition among employees may interfere with the creation and sharing of organizational knowledge.

Two types of employee knowledge are defined: explicit and tacit (Nonaka 1994; Botha et al., 2008). Explicit knowledge can be found in documents (Wellman, 2009). Tacit knowledge is experience-based knowledge embodied in people (Sternberg and Horvath, 1999). The most valuable knowledge is tacit knowledge (Hislop, 2009; Dalker, 2011), since it promotes organizational innovations and sustains competitive advantage (Gamble and Blackwell, 2001; Wellman, 2009). Tacit knowledge includes mental models, expertise, cultural beliefs, and values (Botha, et al, 2008), however management of tacit knowledge is extremely problematic, nevertheless, since knowledge is inseparable from organizational culture, KM culture that encourages employees to create, transfer, share, and use knowledge, can promote the handling of tacit knowledge (Nonaka, Takeuchi, Umemoto, 1996; Goodman, 2006; Serrat, 2012).

Accomplishing desired results in an organization requires changing its culture, which determines the new way employees think and act (Connors and Smith, 2011; Sambedna, Chandan and Kumar, 2011). Organizational culture change is met when the new results that have to be achieved by an organization are stated, actions of the employees providing attainment of the results are determined, the new organizational values guiding actions of employees are identified, and the experiences which inspire the new organizational values are formed. In short, experiences inspire values, values influence actions, and actions produce results (Connors and Smith, 2011).

According to the above, effective KM in an organization can be met through a corresponding change of organizational culture: use of the necessary experiences is the basis of organizational culture change. The experiences induce and promote adoption of the KM organizational values by employees, therefore, the need to implement suitable experiences of KM organizational culture change becomes crucial.

Knowledge management of employees is a constructive way to improve organizational performance. The desired organizational result can be accomplished through implementation of the experiences which induce and promote adoption of the new organizational culture values by employees, and the experiences instill the values of KM organizational culture in employees. The experiences of KM organizational culture should satisfy the following principles: rewarding of all the employees participating in the creation and assessment of peers' proposals

directed towards attaining the desired organizational result according to their roles in this process; prior familiarity of the employees with the conditions of reward; generation of constructive confrontation environment in an organization; and participation of managers and staff in the assessment of the proposals. (Tilchin and Essawi, 2013).

4.4 Issues in managing culture

Culture change involves moving an organization from one form of culture to another, often through a culture change program. Pettigrew *et. al.* (2003, 2000, 1992, 1983) suggest a number of key factors: creating a receptive climate for change, a top leadership drive (coherent and cohesive), requiring on articulate and precise vision from the top, use of deviants and heretics, new avenues for articulating problems, reinforcing structural change and rewards, use of role models, deep socializations, training and development, new communication mechanisms to transmit new values and beliefs, integrated selection criteria and removal deviants, luck, persistence and patience.

Hatch (1997) however, suggests that it is important to manage with cultural awareness rather than to directly manage the culture. On the same line, Legge (1995) has used a metaphor of "riding a wave" to explain managing culture: the best way the surf-rider can do is to understand the pattern of currents and winds that shape and direct the waves. He/she may then use them to stay afloat and steer in the desired path. But this is not the same as changing the basic rhythms of the ocean (Detert, Schroeder and Mauriel, 2000).

There are, therefore, competing views in the literature as to the degree to which it is possible to manage culture. Some argue that culture can be directed and controlled, particularly by influential leaders; other argue that directive, top down change is unlikely to be successful in the long run, and that managing culture is either not possible, or only possible if the complexity of reality is understood and change is progressed in a consensual and long-term manner.

To conclude, the problems associated with the culture/performance linkage include validation concerns in terms of measurement, as the effect of a particular cultural variable may not affect all performance-related organizational processes in the same way.

CHAPTER V – Theoretical Approach

5.1   Why is it important and how it matters at different stages of growth

Regarding the importance of culture within organizations various terms arise, like cross-cultural management and culture convergence. These terms are used to explain how culture is relevant, especially for organizations operating worldwide: even with greater access to information, the growing similarities between national cultures, including beliefs, values and preferences of consumers, overstate the similarities between people worldwide (Collinson and Rugman, 2012).

One specific study on this is the GLOBE, started in 1992 and built on the Hofstede and Trompenaars research, which summed up 9 key cultural dimensions to understand worldwide organizations. Its researchers have verified that, at a general level, successful transnational cultures develop awareness and appreciation of cultural differences among managers and subordinates, taking steps to encourage adaptation to the changing mix of cultures within their subsidiaries and key markets. But aside from awareness, organizations want to benefit from cultural differences, leveraging diversity and combine the best from each.

Along with this comes another relevant term, Corporate Culture, discussed by Collinson and Rugman (2012), which is the shared identity common to all groups of employees within an organization. Within corporate culture there is something referred to as the "core genes" or "cultural DNA", which is basically the set of core assumptions that an organization holds through every subsidiary. The problem, some say (Schein, 2004, 2012), is that different organizations with the same set of assumptions (supposedly the same DNA), centralize those as they see fit. Nevertheless, it is possible to examine those "genes" in terms of centrality, potency on forcing certain kind of growth, and other genes in terms of their power to inhibit or prevent certain kinds of behavior.

Considering the stage of the organization, the importance of cultures change: in young organizations, as still typically under the control of the founders, tends to be simply a reflection of the founders' beliefs and assumptions; while in a mid-life organization the culture issue is usually threefold: how to maintain the elements of culture that continue adaptive to the current environment, how to integrate, blend or align the various subcultures, and how to identify and change those elements that may be dysfunctional.

Finally, some authors correlate certain kinds of culture to economic performance, suggesting a link between organizational culture change and public service improvement (Detert *et all*, 2000; Hartnell, *et all,* 2011).

According to what has been said within this topic, it is relevant to verify, in light to a given sample if, within the given reality in which the elements of that given sample are into, these affirmations done by the authors are accurate or not: if through the stage of the organization the importance of culture change, in what way the culture can be the "DNA" of the organization and if it possible for different organizations have the same "genes" but "feel" it differently.

RQ 1: Why is it important and how it matters at different stages of growth?

1.1 Is culture important in different growth stages?
1.2 Is culture the DNA of the organization? Why?
1.3 Can organizations with the same DNA have different views?

5.2 Can large organizations have one culture?

It has already been mentioned that any organization has a set of core assumptions, a "cultural DNA", but those assumptions can be put in practice differently. Usually, when an occupation takes some time of training, there will be some kind of learning of attitudes, those that are being taught assume that those are the right way of doing things, and take those beliefs and values learned as taken-for-granted assumptions (Schein, 2004; 2012).

Although large organizations have one culture, at a certain size the variations among subgroups start to be substantial, and due to shared learning and shared history within them, subcultures appear. Culture is property of a group, created under the circumstances mentioned, and it can happen within small teams, families and work groups, also arising at the level of departments and functional groups. Culture exists at the level of the whole organization, even at the level of the whole industry and regions and nations, if sufficient shared history (Meyer and Topolnytsky, 2000).

This enlightens the importance and "power" of culture: every person is culturally biased, without being aware of it. Culture matter because it is a powerful, tacit and, often unconscious

set of forces that determine both our individual and collective behavior, way of perceiving, thought patterns and values.

According to what has been said within this topic, it is relevant to verify, in light to a given sample if, within the given reality in which the elements of that given sample are into, these affirmations done by the authors are accurate or not: if it is possible for a large organization to keep a common culture (the same "DNA"), or if it exposes differences in the way it is put in practice or even if they present actual differences on their "genes".

RQ 2: Can large organizations have one culture?

2.1 Is it possible for a large organization to have the same culture within its subsidiaries (the same DNA)?

5.3   Should international organizations have one culture?

A key dilemma for international organizations is the degree to which they should impose a common corporate culture to all its divisions and subsidiaries. Although this may be more effective in some aspects, it will also restraint diversity and create clashes with local cultures. Firms respond to this dilemma differently, adopting an imperialist approach in one extreme, or federalist or independent on the other extreme, but since both have problems associated, most try to find a mid-point (Collinson and Rugman, 2012).

Also, different organization types adopt different approaches, as to the imperialist approach, such is often adopted by ethnocentric firms, where top management is dominated by home-country nationals, and procedures and management styles are imposed on the subsidiaries by the headquarters; on the other extreme, independent approaches are adopted by polycentric firms, which tend to act like a federation of semi-autonomous organizations; the mid-point is usually adopted by geocentric firms, where there's an equal sharing of power and responsibility between headquarters and subsidiary. Firms moving towards this last form tend to be more balanced, since they recognize diversity and its effects and identify which elements (values and practices) should be promoted.

Approaches on analyzing organization culture can be within 3 groups: dimensional approaches, which focus mainly on empirical measurement of organizational culture; interrelated

approaches, which link the concept of organizational culture with other aspects of the organization; and typological approaches, which are based on pre-defined key characteristics found differently in each organization. The last is the most discussed, since it creates space for comparison and search for ways of improvement (Collinson and Rugman, 2012; Schein, 2012).

What is important, some authors mention, is that each culture has its advantages and drawbacks, the most important thing is to implement the type of organizational culture that most suits the ideas and opportunities of employers and employees.

According to what has been said within this topic, it is relevant to verify, in light to a given sample if, within the given reality in which the elements of that given sample are into, these affirmations done by the authors are accurate or not: if makes sense for the HQ to impose a common culture within its subsidiaries and, if so, how much strict they should be, what approach should they adopt, in order to be most successful.

RQ 3: Should multicultural organizations have one culture?

3.1. Does it make sense for the HQ to impose a culture?
3.2.If so, how strict should it be, and what approach to adopt?

5.4   Is it possible to improve performance through knowledge management?

Some authors say that, in the modern knowledge-based economy, organizational development and change requires an effective knowledge management (KM) of employees. KM, they say, is defined as a systematically and organizational specific process of sharing, transferring, creating, using and saving of the knowledge of employees to improve organizational performance. Its aim is to provide the right knowledge to the right people in order to improve organizational performance (Tilchin and Essawi, 2013).

There are defined 2 types of employee knowledge: explicit, what can be found in documents; and tacit, the most valuable, which is experience-based knowledge. The last promotes organizational innovation and sustains competitive advantage, in spite of the management of this type of knowledge is problematic.

To accomplish desired results, the authors mention, often organizations have to change its culture, and to do so there has to be an effective KM management, and to do so organizations

should use experience to induce and promote the adoption of the new KM organizational values. Such experiences should satisfy the following principles: rewarding of the employees participating in creation and assessment of proposals aiming for improvement, prior knowledge of the employees with the conditions of reward, creation of a constructive discussion environment, and participation of both managers and staff.

According to what has been said within this topic, it is relevant to verify, in light to a given sample if, within the given reality in which the elements of that given sample are into, these affirmations done by the authors are accurate or not: how important knowledge management is, how to control it, and if it is used nowadays by the managers.

RQ 4: Is it possible to improve performance through knowledge management?

4.1. What is the importance of Knowledge Management? Is it used?
4.2.How to control it?

5.5   How should leaders embed and transmit culture?

Schein, in 1992, stated that the only function of leaders, which distinguish them from management and administration, is their concern and influence on culture. Furthermore, he saw culture and leadership as two sides of the same coin, being one manipulated and influenced by the other: culture "starts" when the leader "imposes" their own values and assumptions on a group; as the group begins to stabilize due to their success in accomplishing their goals, the leader's assumptions become shared, and the leaders to come will adapt their leadership according to the established culture.

This idea is still "up to date", since it is supported by O'Farrell, in 2006: he concludes that statements of values, codes of conduct, principles of public service management and so on set out in rules and regulation are simply rhetoric, without leadership that is what they will ever be rhetoric. It is the job of leaders to turn them into reality.

The simplest explanation of how leaders get their messages across is that they do it through charisma. The problem with charisma as an embedding mechanism is that leaders who have it are rare and their impact is hard to predict. On the other hand, leaders without charisma have many ways of getting their messages across. Leaders have at their reach 2 mechanisms: primary

embedding mechanisms and secondary articulations and reinforcement mechanisms (Schein, 2004).

A subsequent issue is the extent to which leaders can actually shape or influence culture: on the one hand, examples where interventions can influence culture exist; but on the other hand, some authors talk of the danger of attempting to influence the more superficial aspects of culture such as symbols and ceremonies, while ignoring the more pervasive and deep seated aspects of culture such as values and beliefs. These more deep seated aspects of culture are much more difficult to influence (O'Donnell and Boyle, 2008).

Leaders, even those without charisma, have at their reach 2 mechanisms to influence and pass their message: the primary embedding mechanisms, which are the major tools, since those are visible artifacts that clearly reveal the leaders' way of perceiving and influence what is typically called the "climate" of the organization; the secondary embedding mechanisms, which do not influence directly the group, but are cultural reinforcements for them, artifacts highly visible only possible to interpret with inside knowledge of the culture (Schein, 2004).

According to what has been said within this topic, it is relevant to verify, in light to a given sample if, within the given reality in which the elements of that given sample are into, these affirmations done by the authors are accurate or not: how can a leader change/influence culture, what kind of characteristics should he/she have to do so, and if organizations nowadays value leaders and their influence (how important that is in recruiting a manager/director).

RQ 5: How should leaders embed and transmit culture?

5.1. What is the influence of leaders in culture?
5.2.What characteristics should a leader have?
5.3.Is it important when recruiting a manager/director?

CHAPTER VI – Methodology

6.1 Research Model

Having in mind that the aim of this study is to try to understand the influence of culture within international organizations, it was applied an empirical study which focused on interviews made to top managers and directors of organizations operating internationally.

In this sense, it was made a guide line for the interviews based on a construction between the objectives of the study, the questions from which those objectives would be achieved and the literature review that originated the objectives and questions (and which afterwards will be reviewed for discussion of the results):

Table 3 - Relation between the objectives of the study, research questions and literature review made

Objective	Research Questions	Literature review
The importance of culture	(Q1) – Why is it important and how it matters at different stages of growth	Schein (2004; 2012); Collinson and Rugman (2012); Detert et all (2000); Javidan and House (2001).
The importance of a single culture	(Q2) – Can large organizations have one culture?	Schein (1984; 2004; 2012); Collinson and Rugman (2012); Meyer and Topolnytsky (2000);
	(Q3) – Should international organizations have one culture?	Schein (1984; 2004; 2008); Collinson and Rugman (2012); Perlmutter (1969); Deal and Kennedy (2000);
The importance of knowledge management in the performance	(Q4) – Is it possible to improve performance through knowledge management?	Nonaka and Takeuchi (1995); Davenport and Prusak (2000); Dalker (2011); O'Dell and Hubert (2011); Hislop, (2009); Nonaka (1994); Botha et al. (2008); Wellman (2009); Sternberg and Horvath (1999); Dalker (2011); Gamble and Blackwell (2001); Wellman (2009); Connors and Smith (2011); Chandan and Kumar (2011) Tilchin and Essawi (2013).
The role of the leader in culture	(Q5) – How should leaders embed and transmit culture?	Schein (1992; 2004); O'Farrell (2006); O'Donnell and Boyle (2008).

Source: Elaboration by the author

This table was built through an organized mapping which has the objective of presenting the base of the theoretical model of this investigation. The interviews had as an objective to collect as many information as possible regarding the opinion of the top managers and directors of organizations operating worldwide and based or with subsidiaries in Portugal, specifically in Lisbon.

6.1.1   Empirical field

Regarding this specific investigation, it had a pragmatic or inductive base, and was conducted from a sample non-probabilistic and per convenience, constituted according to the availability and accessibility of the elements approached (Carmo and Ferreira, 1998), in this case, by top management elements of international companies operating in Portugal. In this sense, there were conducted 14 face-to-face interviews, and considering the number of interviews it may be safe to consider this sample is approximately representative of the behavior of international organizations operating in Portugal.

6.1.2   Selection of the sample

In this context, the verification and demonstration criteria of what is affirmed through an investigation, regarding the ends that sustain it, had implicit an applied character and an exploratory side. In the first case, the applied character resulted from the attempt to investigate a phenomenon in the context of real life (Yin, 1994), which was assisted with the presentation of an exploratory side, given the inexistence of a great systematic knowledge on the impact of organizational culture of international organizations on performance, knowledge management, and its importance, having the purpose of ascertain if international organizations can, in fact, have one single culture, if they should have so, and if an efficient knowledge management may affect (specifically, improve) organizational performance.

Regarding the means (sample), it was an investigation that was based on a set of primary sources, through the application of interviews to elements of the top management of international organizations operating in Portugal, specifically, in Lisbon; those were chosen for the that those would have meaningful experience with organizational culture (within the organization they currently work for or previous experience) and which have the role of passing that culture top-down. Secondary sources were the bibliographic research and processing of information, included in the study of books, scientific articles and websites.

6.1.3   Method of analysis of the qualitative information

In terms of the qualitative methodology used, this resulted from the analysis of the interviews made, aiming to measure the phenomenon in study in terms of the social, individual and holistic dynamics of the human being framed within the thematic of the influence of organizational culture within international organizations, trying to understand the meaning that people give to the phenomenon analyzed, more than simply trying to interpret them because, the acts, words and gestures can only be understood within its context, trying to live the reality within that same context, so that it is possible to analyze the information inductively, which is only possible to achieve through observation, collection and analysis "in loco" of the scientific facts (Vilelas, 2009).

In terms of the qualitative analysis technique, used to interpret the data reproduced in the interviews, this represents an analysis of the content, trying to connect the semantic structures with the sociological structures from its characteristics [(psychosocial variables, cultural context, and context, processes and reproduction of the message) – (Duriau *et al*., 2007)] – Figure 5.

Figure 5 represents the relation between the subject of this investigation (Main category) – The influence of culture in international organizations –, 5 research questions that I consider relevant, for the reasons already mentioned in Chapter V, (Generic Categories), and 11 sub-questions that derived from the research questions and that I consider relevant to help answering those research questions (sub-categories).

Through the reproduction of the recordings, documented afterwards in written texts the process of explanation, systematization and expression of the content of the messages, promoted by the analysis of the content, it was organized according to the 3 chronological poles of Bardin (1977), which means that, in a first phase, giving place to the organization and systematization of ideas, in a second phase in which all the material was explored, and doing in at the end a processing and interpretation of the results obtained.

Concerning one of the primary sources used and, given the objective of this thesis, it is important to mention that the interview was the method considered most adequate for the information gathering since, despite the analysis may have an implicit degree of subjectivity associated to the answers gathered, it is a method that allows the social actors themselves to

provide the data regarding the subject in study (Carmo and Ferreira, 1998). Regarding the 14 interviews made, this value also guaranteed a certain degree of reliability according to Vilelas (2009), since it approximately fits within the parameters recognized by the author as acceptable, varying from 15 to 20 interviews.

Figure 5 - Categorization and codification of the "corpus" of the interview for qualitative analysis
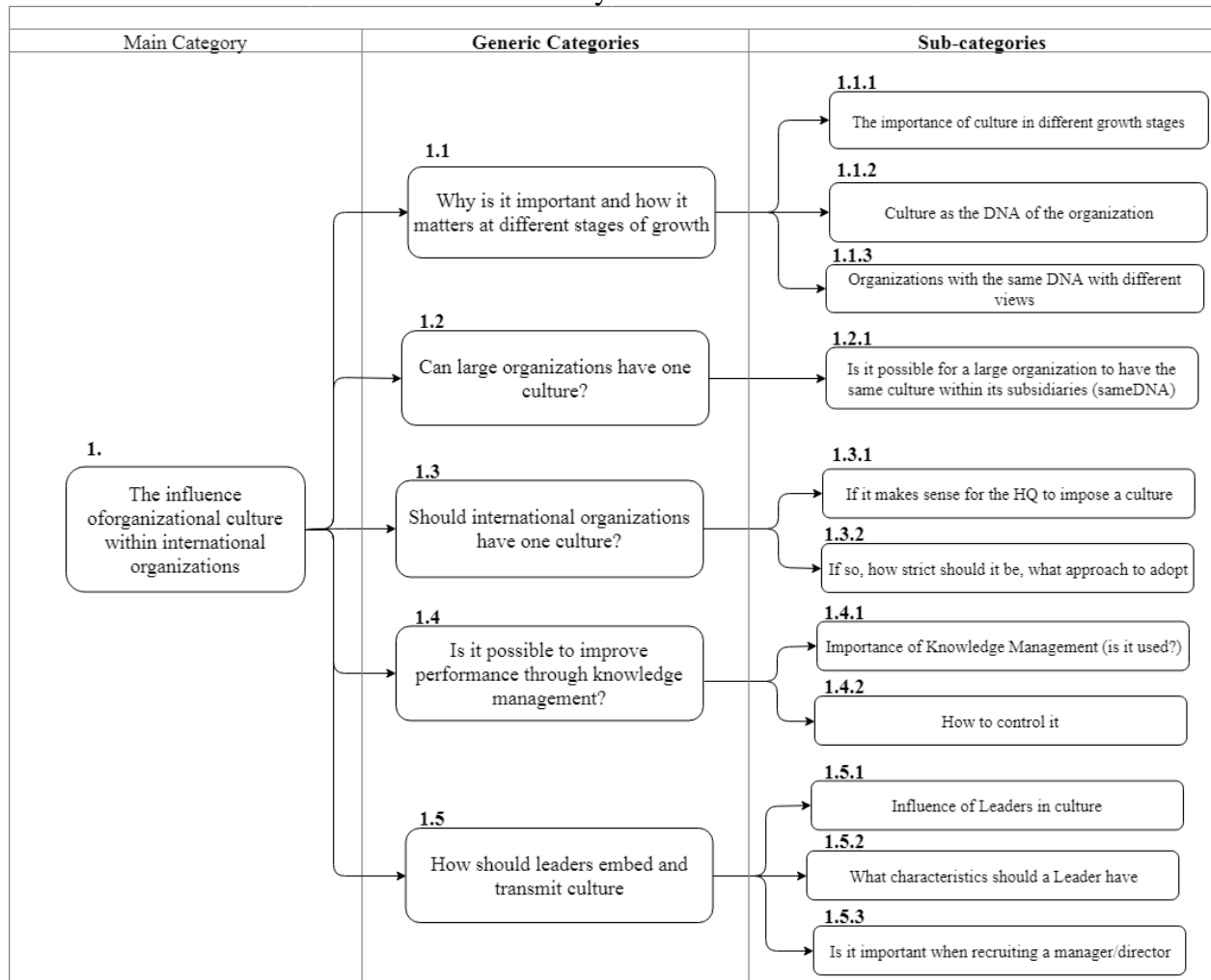
Source: Elaboration by the author

It is also important to mention that the technique of semi-structured interview used was developed in a basis more or less structured of questions, even if implicit an adaptable character and not rigid, leaving most of the times the conversation to run in a fluid way. Which means that, despite the questions previously prepared, most of them appeared through the interview, allowing both the interviewer and interviewees some flexibility to deepen or confirm some data when necessary. This means that it was a planned interview but also spontaneous, allowing

gathering a lot and important data generator of quantitative and qualitative information (Werr and Styhre, 2002).

In this sense the interviews were more spontaneous, with implicit informal character, even if conducted through a list of topics of interest from a pre-structured script. In this assumption, when the interviewee would talk about the defined topics the speech would flow as he wished (Carmo and Ferreira, 1998).

The choice of this type of interview had, in this sense, as an advantage firstly, its few formalization and great flexibility which allowed a more profound and rich speech, gathering not only the answers to the topics selected and attitudes, values and ways of thinking of those interviewed, but also the gathering of more data generator of information which appeared spontaneously. On the other side, it also had the advantage that it wasn't required an uniform gather of quantified information and comparable of all interviewees, which led to the no necessity of using rigid criteria, that in a lot of cases damage the profoundness of the investigation (Vilelas, 2009).

Regarding the disadvantages, for its heterogeneity in terms of answers obtained, as mentioned in the previous paragraph, there was some difficulty in grouping and comparison between answers, whenever it was necessary such comparison, which validated some difficulty in the synthesizing of the data (Vilelas, 2009).

Summing up, the first step of the investigation was the bibliographic research, and gathering of information; the second was the transference of the theoretical construct to the field of observation so there could be obtained the best trust possible in terms of results; and, the last, the third, for the field work and gathering of information from the interviews.

Regarding the external validation, which means, the possibility of generalizing of the results within other contexts or samples, this study came to reinforce some theories already existing regarding the influence and importance that organizational culture has on international organizations.

6.2 Description of the sample

This investigation had as a basis a set of primary sources, through the application of 14 semi-structured interviews to 14 top managers and directors of 7 subsidiaries or department of international organizations operating in Portugal, specifically within the area of Lisbon.

Given my professional relationship with one of the organizations it was possible to gather data from people performing different functions within the organization, not simply form a specific department or subsidiary, allowing more transversal data.

Firstly it was made an analysis of all the variables that could statistically characterize the sample, regarding its demography (gender, age, function and academic education) and professional experience. The aim was to define the sample as best as possible given its nature, professional experience and academic knowledge.

6.2.1   Characterization of the sample

The sample is characterized by being representative of a group of interviewees predominantly constituted by men (71%), and having a bigger prevalence on the age group of 52-60 years old. Regarding the age itself, the average is of 43 years old, with a standard deviation of 7, 5 years – Figure 6.

Figure 6 - Distribution of Gender by Age group
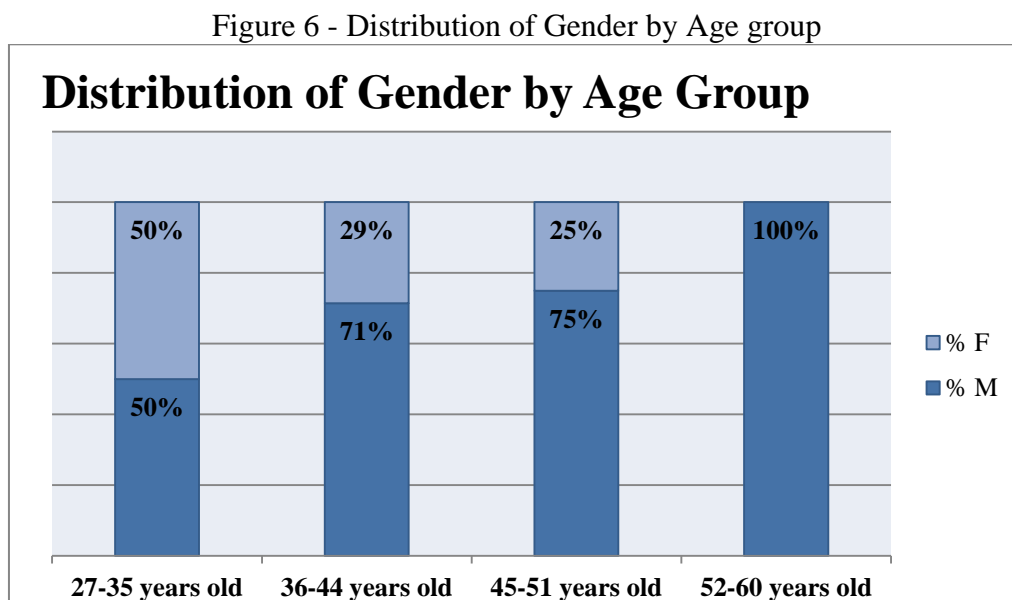
Source: Elaboration by the author

In terms of academic studies, the whole group (100%) has higher education (in various study fields) and 57% has a bachelor degree, from which 75% are men, it is safe to affirm that all managers from the sample are very educated and all from very different backgrounds (since engineering, to economics or languages) – Figure 7.

Figure 7 - Distribution of Education by Gender
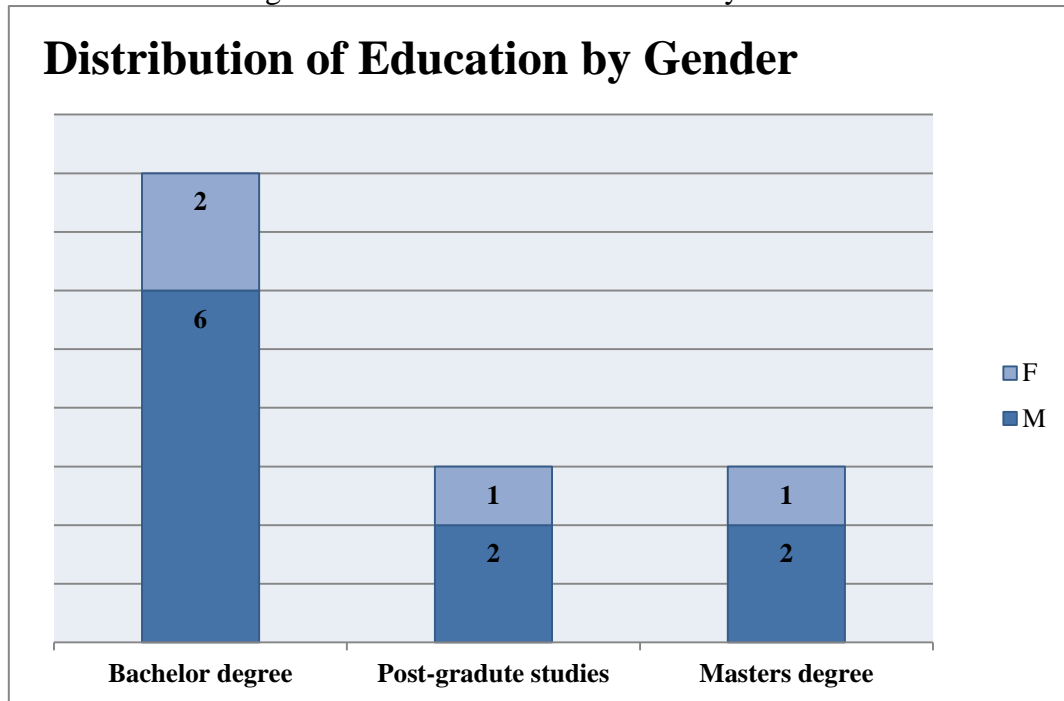
Source: Elaboration by the author

CHAPTER VII – Presentation and Discussion of results

 7.1   Why is it important and how it matters at different stages of growth

Presentation of results

Some authors mention that culture, in a formal approach, is initially formed at the eyes of its founder, by his establishment of his own values, beliefs and assumptions, which afterwards, if proved successful, are shared, reinforced and accepted as right by the whole group.

Moreover, after reinforced and accepted as right, those values, beliefs and assumptions, previously from the founder, are now part of the whole organization – considered its DNA. This is important for all organizations, but mostly for international and cross-borders organizations, since those for the fact of being established within different contexts (different countries, national cultures, markets, etc.), it is even more important to guarantee a common goal and common standards to achieve that goal, always within the values of the organization. This is confirmed by the interviewees, who recognize and value the need of sharing a common culture – Table 4 – Analysis of content.

Table 4 - Analysis of content – Culture as the DNA of the organization

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
9	If the organization didn't have such a strong culture it would probably already be out of the market.	1.1	1.1.2
10	Culture is fundamental; it is the "soul" of the organization.	1.1	1.1.2
3	I think it is fundamental, the culture that we are trying to implement and pass to everyone here is essential, it is the "why" we are doing this.	1.1	1.1.2
6	I think the organizational culture is essential, without it there is no way to make decisions about matters or situations that are not written. Procedures always exist, especially in big organizations, but those procedures are written to materialize principles behind them, and then according to the situations those "rules" can be adapted or not, but always connected to the principles. (…) [Managers] can either wait for a rule to be created for [a specific situation] or they can try to subordinate the decision to culture.	1.1	1.1.2
7	It is very important to pass the message, to achieve the goals proposed (not much in those daily, weekly or monthly goals, but more long term goals), but mostly to put everyone working in the same direction, and concerning the same things.	1.1	1.1.2
4	I think that in terms of group, it does exist, that definition of what is aimed to achieve, (…) and that's one of the essential points for the culture to pass in waterfall to all countries, all divisions, and all departments until the "base of the pyramid".	1.1	1.1.2

Source: Elaboration by the author

In this sense, it is important to verify with the interviewees, which are part of the learning and then passing of culture, if that shared culture is actually learned and then adapted (or seen differently) by the different entities within the organization, or if it is simply implemented equally in every subsidiary. It seems quite consensual among all of them that culture can't be adopted exactly the same way in every subsidiary or country, changes and adaptations are necessary, so that all can achieve the goals proposed by the HQ, but of course, always maintaining the same values and principles – Table 5 – Analysis of content.

Table 5 - Analysis of content – Culture seen and adapted in each subsidiary

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
6	What you may have are missions within the culture, specific to each division (…) but again, the idea is not to divide.	1.1	1.1.3
6	The principle is exactly the same, but the rules applied afterwards to make that happen are different. So, underneath each "item" that defined the culture of the organization, let's say, we have to define how we will make that happen, what approach we will take to get to those goals defined by the group.	1.1	1.1.3
14	I would say that the culture of the organization is more static, at least in our case, (…) the values, the mission, do not change from market to market, what will change is the way, the adaptation to each market. That adaptation won't have an impact on the culture of the organization; it will have an impact on the way people work every day.	1.1	1.1.3
12	There's always an adaptation that's essential, we can't compare ourselves to countries like China (…), the way of work is very different in both countries, but the core, the culture, continues to be the same, in fact, the training of the staff is done internationally.	1.1	1.1.3

Source: Elaboration by the author

Lastly, it is also relevant to verify if, the fact that an organization is new or mature, will have an impact on the important of culture for that organization. It is seems also consensually believed that culture is important, regarding the maturity of the organization, what may happen is that the culture within a young organization starts by simply representing the values and beliefs of the founder, and as the organization starts to mature it sometimes is necessary to improve that culture, to fit the needs of the market – Table 6 – Analysis if content.

Table 6 - Analysis of content – The importance of culture depending on its maturity

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
13	When we create an organization (and I see that from my case, the organization that I created in France, some years ago) we want to create a culture, which sometime is nothing more than having everyone thinking and looking at things in the same way.	1.1	1.1.1
10	I think the importance is always the same, because one of the main aspects of culture that "soul" or "signature", it is what people will remember from that organization	1.1	1.1.1
14	I think that as organizations start to grow and mature, if they don't invest on that improvement and adaptation of culture, at the end it will be a great misalignment of the organization within the market, because the market is evolving, and if the culture of the organization does not keep up, it stays very static, it will be misaligned with the expectation of the market.	1.1	1.1.1
1	As the company is in an initial phase those pillars are important, (…) to have that consciousness of what are the aims and goals of the company, how do we work, so that they [employees] know what to expect, they have to know what do we value so that they can work effectively and according to what we want	1.1	1.1.1

Source: Elaboration by the author

Lastly, regarding all these matters, the importance of culture and how it matters for the organizations depending on its life stage, it is important to demonstrate the degree of agreement within the managers interviewed. It is safe to say that, within the sample, it is agreed that, firstly, they see culture as the DNA of an organization, agreeing that basic principles, mission and values are shared through the whole organization (this is actually unanimous); secondly, accepting the previous point as true, having a common mission and values, the way those are achieved (materialized) is different; and thirdly, the culture it is viewed as important, and that importance does not change, being a new or mature organization – Table 7 – analysis of content.

Table 7 - Analysis of content – The importance of culture, and culture as the DNA of the organization

Analysis of content – interviews			
Sub-category	Text	N° of times	Interviewee (s)
1.1.1	Culture has a great impact on the organization, to pass the message, to achieve the goals proposed, but mostly to put everyone working in the same direction.	13	1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14
	Organizational culture is essential, without it there would be no way to take decisions about matters or situations not written.	10	3, 4, 5, 6, 7, 10, 11, 12, 13, 14
	Culture is always equally important, being a new or mature organization.	8	4, 5, 6, 8, 10, 11, 12, 13
	If the organization didn't have such a strong culture it would probably already be out of the market.	7	1, 2, 5, 7, 9, 12, 14
	Culture at young organizations sometimes is nothing more than a mirror of the values and objectives of the founder.	1	13
1.1.2	The basic principles of the culture are equal to the whole organization, to reinforce a single image, to align efforts, expectations and objectives.	14	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
	At the top we have the mission and vision, and that exists at the level of the whole organization.	12	1, 2, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
	Culture is fundamental; it is the "soul" of the organization.	7	2, 5, 6, 8, 10, 12, 13
	The culture from where we "take out" the rules and procedures to apply to each situation is the same to all divisions.	8	2, 3, 6, 10, 11, 12, 13, 14
	Culture is not simply about what we do or how to do it, but about why we do it.	6	3, 5, 6, 8, 10, 13
1.1.3	The mission and the values are transversal to the whole organization, they are simply materialized into different objectives; it is in the processes that is felt the greatest difference.	12	1, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14
	There is a shared DNA with adaptations due to the needs of the market.	9	2, 3, 4, 5, 8, 10, 11, 12, 13
	From the point of view of organizational culture there are no differences between subsidiaries, the idea and goal of culture is for the whole organization to have the same image/brand, and then each subsidiary is an expression of that organization.	7	1, 2, 5, 6, 7, 8, 9
	Adaptations won't have an impact on the culture of the organization, it will only have an impact on the way people work every day	6	1, 5, 6, 10, 12, 14

Source: Elaboration by the author

Discussion of results

Regarding the way culture is formed within an organization, it seems quite undeviating: both between authors and interviewees and through the years, in other words, this idea seems unchanged from theory to practice and after some years. Schein mentions (2004; 2012) that, in a formal approach, culture is formed by the initial imposition by the leader (founder) of his own beliefs and values to his group, and only afterwards, after confirmation and validation of the veracity and the success of these values and beliefs, those are shared and reinforced and accepted as right by the whole group.

This is confirmed by the sample, and specifically by one of the managers which was part of the creation of a start-up; he refers: "When we create an organization (…) we want to create a culture, which sometime is nothing more than having everyone thinking and looking at things in the same way. And, at the beginning, that culture was simply a representation of the founder's values and beliefs". So it is safe to say that, even after 14 years, the idea of the culture being, initially, a simple representation of what the founder believed is still accurate. This may be one of the reasons why embryonic organizations do not succeed, if the "DNA" of the organization does not prove to be successful at the very beginning, it has no way to sustain itself in the market, it is condemned to fail.

It is also said by the authors that culture is relevant, especially in the matter of cross-cultural management, where it is more critical for the whole organization to be aligned for one same objective (Collinson and Rugman, 2012). It is even said that, after continuous confirmation and reinforcement, the DNA's group is created and shared, in the way that it turns into less conscious, non-discussable and non-negotiable assumptions, dropping out of awareness and, most of all, becoming part of the group's identity (due to its non-negotiability).

Moreover it is pointed out (Detert et all, 2000) that culture has a real impact on the performance of the organization, improving quality and suggesting a link between organizational culture change and a public service improvement. The authors also note that culture can either facilitate or inhibit institutional transformation, depending on whether or not the existing culture is aligned with the goals of the proposed change and, it is important to verify if these are true due to the volatility of the markets nowadays, which successful international organizations have to keep up.

This is all also confirmed by the sample which, firstly, recognize the importance of culture and, secondly, agree that the culture may be considered the DNA of the organization. It is confirmed that culture is essential for keeping the whole organization focused on one common objective and for making decisions about matters not previously predicted by procedures, for example ("For example, in a situation in which a question is asked and neither the first line, neither the second line, nor the third line (the managers) have an answer for that. They can either wait for a rule to be created for that question or they can try to subordinate the decision to culture").

It is also confirmed that the culture of the organization is seen by managers as the DNA of the organization (surprisingly referred by one manager equivalently, as the "soul of the organization), and even referring that, without a strong culture (which some consider that the organization that they work for has), it would already be out of the market, pointing out the importance of adapting and realigning the culture in order to meet the need of the market. They refer that culture is about "the why", being fundamental to be shared equally through all parts of the organization.

Nevertheless, despite the importance of sharing a common culture, recent studies (like the GLOBE, built on the Hofstede and Trompenaars research in 1992) have pointed out the importance of awareness and appreciation for cultural differences within the organization, implying that, those differences, will help the organization to adapt locally to the markets and the clients. Moreover, the authors refer that, beyond awareness and adaptation, organizations should take out the best they can from these cultural differences, using it to better respond to the needs of the market.

This idea is strongly supported by the sample which, probably due to their long experience in international organizations, point out that local adaptation is essential for their success. They refer that "The mission and the values are transversal to the whole organization, they are simply materialized into different objectives; it is in the processes that is felt the greatest difference", subscribing what is said by the authors and even some, being in the case of changing from one subsidiary to another (within the same organization), all feeling that the goals, missions and values are the same, only the way of materializing those is different. Since different subsidiaries exist to respond to different needs of the market, the ways of work, specific objectives and procedures are different, but as mentioned, the values and principles are transversal.

7.2   Can large organizations have one culture?

Presentation of results

One of the things authors say is that, when an occupation tends to have an intense period of education and apprenticeship, there will be a learning of attitudes, norms and values, which eventually become taken-for-granted assumptions. This is relevant to refer since more than 85% of the sample has (or had in the past) experience in Customer Service, an area which usually implies a great deal of training and ongoing learning.

Having this in mind, it was attempted to verify with the managers their opinion related to the likelihood of an international organization to hold a common culture through all its division – Table 8 – Analysis of content.

Table 8- Analysis of content - can international organizations share a DNA

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
3	The way of thinking is not really imposed; it is the result of the common DNA that we try to pass to our people since the beginning, is the teamwork values, even if it is not always easy, there are a lot of divisions. Nevertheless it is what we try to pass to them, and they all end up having the same way of thinking, but that doesn't mean that we don't let people have their own ideas or think by themselves.	1.2	1.2.1
6	From the point of view of organizational culture there are no differences between divisions, in fact the idea and the "goal" of that culture is that the organization is a single organization/brand, and then each division is an expression of it	1.2	1.2.1
1	Nevertheless, within the organization you have (…) a transversal training program, that goes through every department, as a lot of modules and ongoing learning, and that is a very strong program (…), because in fact this program is a success in Express, there's no doubt in that, any person knows what it is in any part of the organization (…), and then this passed to a superior hierarchical level, to the leaders, so that they never forget what it means to be a leader and what is important.	1.2	1.2.1
13	The greatest difficulty in international management is the communication and the distance, when we have a team at the office with us every day we can easily talk to them, give them feedback, etc.; but when we have an international team it is much harder.	1.2	1.2.1

Source: Elaboration by the author

At a first sight it seems that there is a shared believe that a common culture is essential for international organizations and, maybe because of what was said previously (great part of the sample has or had professional experience within the same area), almost all pointed out the importance of training and learning for this process to be successful. Nevertheless, it is important to verify the frequency and "popularity" of certain ideas such as these just mentioned – Table 9 – Analysis of content.

Table 9 - Analysis of content - can international organizations share a DNA

Analysis of content – interviews			
Sub-category	Text	Nº of times	Interviewee (s)
1.2.1	The core of the culture is not different within subsidiaries, it is shared by the whole organization.	11	1, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14
	In any country it is possible to recognize someone who works for this organization.	9	2, 3, 4, 5, 7, 8, 9, 12, 13
	Training programs are important to guarantee that everyone has the same understanding of basic concepts.	8	1, 2, 4, 5, 8, 9, 11, 14
	The whole organization has the same core culture, despite having different maturity levels.	7	2, 4, 5, 6, 8, 9, 10

Source: Elaboration by the author

Discussion of results

Firstly, Schein points out, it is defined the group, and then the culture it will share. Any given group is a set of people who have been together long enough to have shared significant problems; who have had opportunities to solve those problems and to observe the effects of their solutions (here is observed what was explained in the previous topic, the creation of a shared DNA), and who have taken in new members (Schein, 1984, 2004, 2012).

It is very interesting to see how such an "old" idea is still observable in "modern" ways of thinking, since most of the managers pointed out the importance of training and ongoing learning in order to maintain the whole organization focused in the same objective, the same mission, having the same notions about certain concepts (as some mention, to have everyone speaking the same "language), and having everyone thinking the same way (even if, as also mentioned, a critical thinking is not restricted, on the contrary, it is actually encouraged). In

fact, having everyone thinking the same way, representing a single brand, is actually quite remarkable within a reality in which markets and tastes are so volatile, but also, some would say at a first sight, quite unproductive. Nevertheless, those who transmit a strong a single culture seem to be the ones triumph.

It has been mentioned several times the importance of maintaining a single culture, nevertheless Schein points out as well the necessity that arises at a certain point of creating subgroups with sub-cultures, within one organization. The key to success is to know where the thin line between subculture within a single culture/brand; and a "mess" of different cultures, ways of work and objectives. This is a point that will be later discussed in more detail.

This idea is supported, some years later by Collinson and Rugman (2012), they say "At the most general level culture can refer simply to the lifestyle and behavior of a given group of people, so corporate culture is a term used to characterize how the managers and employees of particular companies tend to behave". So, once again, it is possible to verify as an idea with more than 30 years is still accurate within modern organizations.

Meyer and Topolnytsky (2000), regarding the importance of culture and its strengths say that "The strength of a culture will depend on the importance placed on its core values as well as on the degree of consensus that exists with regard to those values. Organizations with strong cultures tend to have a few core values that are seen as important guiding principles and are widely shared. Homogeneity refers to the consistency of culture within the organization. In some organizations there is one dominant culture. In others, particularly in large organizations, there may be several subcultures".

Comparing this (again, something said 18 years ago) with what was said by the sample it is possible to see similarities. Almost all of them point out that a single organization shares its core values with the whole organization and that it is a factor of success. They say, despite different realities and different maturity levels within the different subsidiaries, it is never forgotten (on the contrary, it is reinforced) the importance of always keeping common values, mission and objectives.

In summary, both authors and the managers defend the importance of maintaining a common culture within organizations, the importance of training (not only for the sake making people "able" to work) and ongoing learning in order to establish and passing important values to everyone.

7.3   Should multicultural organizations have one culture?

Presentation of results

After accessing the possibility of organizations sharing a common culture (DNA), it is afterwards important to verify if it is actually desirable to maintain a single culture within a single organization, and how strict or what approach should be taken to maintain that. In order to try to access that, managers were questioned about the importance of this single culture and how do they see the "imposition" of culture from the HQ to them and their teams – Table 10 – Analysis of content.

Table 10 - Analysis of content - should organizations share a DNA and how should HQ "impose" it

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
1	At the end I think that there is a transversal culture within the group, which are 2 or 3 objectives – such as having a service of quality (…) – but then there are always small adaptations, because if those do not exist it wouldn't make sense to have different business units, because each of them works in a different direction	1.3	1.3.1
3	If people working here don't have a goal, don't know which the "right way to go" is, it would be hard for them to work correctly, they wouldn't know why they are doing this, I have no doubt in that.	1.3	1.3.1
4	That's one of the essential points for the culture: to pass in waterfall to all countries, all divisions, and all departments until the "base of the pyramid". Besides that we have the guiding lines that sustain that culture and those values: those procedures that (…) help to pass the culture, I think, besides the leader himself and his way of being, we have to have procedures that give support to the leader and to the culture.	1.3	1.3.1
4	It makes sense for the HQ to impose some things on us, because that will be the guiding line and it is the way that the organization wants to position itself in the market. Of course that with the specificities of each country and the specificities of each department, because people are different in each country and the way of work is different in each department or market, so you can always adapt to that, (…), but the base of it has to be there, and has to be equal to everyone, in order to make sense for all the group."	1.3	1.3.1

Source: Elaboration by the author

Moreover, after accessing if organizations should share a DNA and if it makes sense for the HQ to "impose" that culture through the whole organization, it is also important to access how strict and what approach should be adopted – Table 11 – Analysis of content.

Table 11 - Analysis of content - The imposition of the HQ and approach taken to pass the DNA

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
6	The DHL structure is basically local, regional and international, and the decisions pass from top to bottom, and at the bottom are taken the decisions regarding the actions that will materialize those principles, which afterwards go up again for approval.	1.3	1.3.2
9	That's actually where I think that the group is very strong: the people working here, from top to bottom, are encouraged to know the strategy of the group, the values of the group, and to transmit them, having in mind that the way of transmitting is very well organized, very ludic and very clear through the various programs that have been created for that purpose.	1.3	1.3.2
8	The guide lines that we have been receiving are more related to motivation of people, which is fundamental, I think, and it is a fact that more and more we've been having training in how to motivate people, how to talk to them.	1.3	1.3.2

Source: Elaboration by the author

Lastly, within this topic it is also relevant to verify the frequency that these ideas regarding a common DNA for an organization are shared within the managers of the sample – Table 12 – Analysis of the content.

Table 12 - Analysis of content - Should organizations have a single DNA

Analysis of content – interviews			
Sub-category	Text	Nº of times	Interviewee (s)
1.3.1	The culture of an organization makes the difference.	14	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
	There has to be a common culture so that the whole organization works as one.	11	1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 14
	"Think global, act local" – a concern for the brand to have certain standards, but with adaptations to each environment.	11	2, 3, 5, 6, 7, 8 9, 10, 11, 12, 14
	If the employees didn't have a goal, a "right way" to go, it would be hard for them to work correctly.	8	2, 3, 6, 8, 9, 10, 13, 14
	As organizations start to grow and mature, if they don't invest on improvement and adaptation of the culture, it will be in misalignment with the market.	7	2, 4, 5, 8, 10, 11, 14
1.3.2	Guide lines that sustain the values of the culture sent by the HQ to the subsidiaries to adopt and adapt to the reality of each country/market.	13	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14
	It is necessary to make regular alignment to make sure that everyone is working for the same goal.	11	3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
	One of the essential points in culture is to pass the principles, missions and decisions in waterfall to all countries, subsidiaries and departments until the base of the pyramid	9	1, 2, 4, 5, 6, 8, 11, 12, 13
	That's where the organization is very strong: everyone from top to bottom is encouraged to know the strategy of the group, the values and mission, and to transmit them.	7	2, 3, 5, 7, 8, 9, 12
	It is not an imposition from the HQ or others, we actually have the space and capacity to give ideas and test new things.	2	1, 3

Source: Elaboration by the author

Discussion of results

As said in the beginning of this topic, initial training and apprenticeship are a crucial part, not only in the learning of the ways of work, but mostly on the retaining of the culture of the organization. Moreover, it is assumed that believes and values taught during the period of training will be well learned and stable assumptions for the trainees (Schein, 1984, 2004; 2008).

This is actually according to the opinion of the managers, which pointed out various times the importance of training, ongoing learning and, most of all, transversal programs that enables everyone from any part of the world to have the same notions on basic concepts, in order for all to think in the same way. Nevertheless, as some say, the HQ do not "force" an imposition

of common ways of thinking, instead, that homogeneity is a consequence of the continuous reinforcing of common mission, values and the strategy of the organization.

A key dilemma for international firms is the degree to which they should promote or even impose a common standardized culture through the organization. Even if this may be more efficient in some aspects, it will also restrain diversity and create clashes with local cultures. Once again, this is an idea brought up more than 30 years ago and, nevertheless, it is still in line with the way of thinking of modern managers. In fact, 100% of the sample agrees that culture is fundamental and that sharing a common culture is essential for the organization to work for a single purpose, without it the organization wouldn't be as effective and wouldn't have as much success as they do. Nevertheless, as the authors, managers emphasize the need for the organization to adapt its culture to the different countries and realities in which it is present, in fact, at some point all of them mentioned the need to align with the market, both due to changes from market to market and the changes from time to time, since those markets are not static.

In order to manage the differences within different realities/countries, Collinson and Rugman (2012) point out that different organizations have different approaches on this matter: at the simplest level, we can map out a range of responses from what is called imperialist (where a common culture is imposed wherever the company has a presence) to federalist or independent structures (where each national subsidiary bases its own culture on local norms and values). The ideal, they say, is to find a middle point between these 2 profiles, standardizing some elements across the whole organization to centralize and simplify some practices and unify employees, while allowing differentiation where necessary.

On this, it was defined a range of profiles (organization types) that link elements of the organization structure and design with cultural orientation, which specifically extends the ethnocentric, polycentric, and geocentric typologies introduced by in 1969 Perlmutter. It is not possible, I would say, to define the profile of all organizations in which the managers from the sample (with exception of the 2 subsidiaries which I have close contact with), since as defined previously, most of the managers have great experience in international organizations, and it was not realistic to say, from the interviews, that the managers were strictly talking about the organizations they are working for. In fact, some of them, during the interviews referred more than one organization, implying that their opinions were not strictly based on one single organization. This fact, despite not allowing a clear definition of what are the profiles of the organizations they mentioned through the interviews, it also implies a greater experience and,

with that, more accuracy and stronger built opinions. Nevertheless, regarding the 2 subsidiaries, within an international organization, that I have close contact with, I would fit them within the geocentric profile, since those are established in Network structure; the common shared strategy (already explained); and the decision making, despite not being purely central (the HQ have a huge part on it) on the recent established subsidiary, on both the decision making is shared, fitting within the role of geocentric organization – Table 13.

Table 13 - Profile of 2 of the organizations depicted in the interviews

	Organization 1a	**Organization 1b**
Organization	Geocentric	Geocentric
Structure	Network	Network
Strategy	Jointly specific	Jointly specific
Decision making	Shared, with greater impact of HQ	Shared
Maturity	New	Mature

Source: Elaboration by the author

This, with no doubt, matches perfectly with what managers defend and a quote from an international organizational with irrefutable success, not only in terms of financial results, but also in terms of organizational culture (McDonalds), brought out by one of them that summarizes it perfectly: "Think global, act local". As Deal and Kennedy (2000) pointed out, there is nothing unusual if individual departments have their own subculture.

7.4   Is it possible to improve performance through knowledge management?

Presentation of results

After accessing the importance of having a common culture, it would be relevant to verify the importance of knowledge management within an organizational culture according to the points of view of the managers of the sample – Table 14 – Analysis of content.

Table 14 - Analysis of content - The importance of knowledge management

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
2	At this moment, the previous experience as little important on the work you do every day, your ability to adapt and learn quickly with new circumstances have much more importance.	1.4	1.4.1
6	Procedures always exist, especially in big organizations, but those procedures are written to materialize principles behind them, and then according to the situations those "rules" can be adapted or not, but always connected to the principles.	1.4	1.4.1
6	Feedbacks and new information have to be verified and checked if they are accordingly to the principles and rules of the organization, in other words, those inputs and "non-formal" knowledge comes from individuals (usually from the base), and we have to be careful in integrating that knowledge in the core knowledge of the organization and to check if those actually correspond to the culture of the organization or not.	1.4	1.4.1
9	The procedures have a great importance, because we are a global organization (...) the service has to be exactly the same. So, if there isn't a clear line of procedures, we are not a global organization anymore, because this is what allows us to meet the service required by the client. (...) The part where the experience and the effort of the people make the difference is in the extra mile.	1.4	1.4.1
10	What is becoming more differentiator, at the moment, is creativity, the capacity to be systematically innovating (...) what is now more important is the capacity of the organizations of creating and innovating, and not that much the knowledge as a static asset.	1.4	1.4.1
11	Without processes and procedures there is no service, (...) if I don't have a solid base of procedures and a solid repository of information I couldn't do my job. Now, the acquired knowledge of people that comes with experience, in our case, does not bring changes to procedures but instead complements	1.4	1.4.1

Source: Elaboration by the author

Along with this, it is relevant to verify how the organizations (specifically the managers) "control" the tacit and explicit knowledge within their department, and how their teams have access to information for their daily work – Table 15 – Analysis of content.

Table 15 - Analysis of content - How to control knowledge

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
3	We try to pass as much information as possible, we train the people before they go to a specific area and of course we trust the route management tools that we have, but we trust more in the knowledge of the people.	1.4	1.4.2
1	What is important to develop the knowledge is to keep the communication flowing	1.4	1.4.2
7	It is very important to do a "refresh" from time to time.	1.4	1.4.2
2	The most important thing in experience is for you to store it somewhere, and while that knowledge is only in the head of people, it will always be difficult, because if that person leaves he will take the knowledge with him.	1.4	1.4.2

Source: Elaboration by the author

The Culture in International Organizations

It is also relevant to access the different opinions on this matter (in this case, apparently, not consensual) – Table 16 – Analysis of content

Table 16 - Analysis of content - Knowledge management

Analysis of content – interviews			
Sub-category	Text	N° of times	Interviewee (s)
1.4.1	One can't exist without the other.	9	1, 2, 3, 4, 5, 6, 10, 12, 13
	Experience represents great part of knowledge.	2	12, 13
	Both are very important, despite tacit knowledge being very volatile and explicit knowledge being hard to maintain.	4	3, 5, 7, 10
	We have to have procedures that give support to the leaders and so that the organization maintains a single culture.	9	4, 6, 7, 8, 9, 10, 12, 13, 14
	Experience and effort make the difference in the extra-mile.	7	3, 5, 6, 9, 12, 13, 14
	Knowledge from the people does not bring changes to procedures, but instead complements it.	6	1, 2, 4, 11, 13, 14
	Organizations have to create ways so that people don't work as they're pleased, otherwise it will have a negative impact on the culture of the organization.	6	1, 6, 7, 8, 9, 14
	Nowadays it is much more important the capacity of creating and innovating than knowledge as a static asset.	5	3, 6, 10, 12, 13
	Procedures always exist, especially in big organizations, but those are written to materialize principles behind them and then, according to the situations, those "rules" can be adapted or not, but are always in line with the principles.	1	6
1.4.2	Knowledge is not static, it is constantly improved and changed due to experience and new situations.	10	1, 2, 5, 6, 7, 8, 9, 10, 11, 13
	Constant communication with direct superiors and HQ, and constant refreshes.	8	1, 2, 5, 6, 7, 8, 11, 14
	The knowledge has to be in the organization, not in the people.	9	2, 3, 4, 6, 7, 8, 9, 11, 14
	Some specific knowledge will always stay with the people.	10	1, 2, 3, 4, 5, 6, 10, 12, 13, 14
	Inputs and "non-formal" knowledge come from individuals (usually from the base), and the organization has to be careful in integrating that knowledge into the core knowledge (procedures) of the organization, they have to check first if those are according to the culture of the organization.	3	6, 10, 14

Source: Elaboration by the author

Discussion of results

KM can be defined as a systematically and organizationally specified process of sharing, transferring, creating, using, and saving the knowledge of employees to enhance organizational performance (Nonaka and Takeuchi, 1995; Davenport and Prusak, 2000; Dalker, 2011).Organizational development and change in the modern knowledge-based economy

require effective knowledge management KM of employees. Its aim, according to O'Dell and Hubert (2011) is to provide the right knowledge for the right people at the right time, and it should allow the creation of organizational knowledge.

This subject do not seems to be as agreeable as the previous already discussed. From one point, it is certain that all managers consider knowledge important in order to provide a quality service to its clients, through all its subsidiaries; on the other hand, it does not seem that all have the same opinion regarding the importance of tacit or explicit knowledge, matter that will be explained afterwards. Nevertheless, it is certain that maintaining a good and solid organizational knowledge base is, in everyone's opinion, essential.

Two types of employee knowledge are defined: explicit and tacit (Nonaka 1994; Botha et al., 2008). Explicit knowledge can be found in documents (Wellman, 2009). Tacit knowledge is experience-based knowledge embodied in people (Sternberg and Horvath, 1999). The most valuable knowledge is tacit knowledge (Hislop, 2009; Dalker, 2011), since it promotes organizational innovations and sustains competitive advantage (Gamble and Blackwell, 2001; Wellman, 2009).

As previously said, this is not as agreeable: there are some different opinions regarding what type of knowledge is more important, or if both are equally important. Most of the sample actually says that, both are equally important or, contrary to what the authors defend, that procedures (explicit knowledge) are more important for an international organization.

The reasoning behind this opinion are various: some say that, without procedures, there is no way that an international organization can maintain certain standards to all its subsidiaries, so it is essential to have every procedure and knowledge written (documents, repository of information), so that those standards are possible and so that everyone does not work "as they please" and follow certain rules. It is also said that it is essential to keep as much knowledge written (with the organization) as possible since, they say, it is "dangerous" to keep the knowledge with people, because if they leave the organization they'll take the knowledge with them. One last argument used to support this opinion is that tacit knowledge will never bring changes to the explicit knowledge, in fact, the last is the base that will give support to every action within the organization, and the first will simply complement it, be the "extra mile" for the client.

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Accomplishing desired results in an organization requires changing its culture, which determines the new way employees think and act (Connors and Smith, 2011; Sambedna, Chandan and Kumar, 2011). Organizational culture change is met when the new results that have to be achieved by an organization are stated, actions of the employees providing attainment of the results are determined, the new organizational values guiding actions of employees are identified, and the experiences which inspire the new organizational values are formed. In short, experiences inspire values, values influence actions, and actions produce results (Connors and Smith, 2011).

This point, on the opposite side, seems to be compliant between what the authors state and what the sample states. Managers say that, nowadays, it is much more important the capacity of creating and innovating than knowledge as a static asset, and that procedures, all the written procedures, exist in order to materialize principles and values of the organization, being those important when, a situation comes up that is not covered by the procedures, through principles and values, it is possible to make a decision.

Lastly regarding matter, Tilchin and Essawi (2013) point out that knowledge management of employees is a constructive way to improve organizational performance. The desired organizational result can be accomplished through implementation of the experiences which induce and promote adoption of the new organizational culture values by employees, and the experiences instill the values of KM organizational culture in employees.

Even if probably not directly saying it, the managers seems to agree with this, since all point out the importance of maintaining communication flowing, training people and defining procedures and repository of information, in order to provide a quality service. Managers, however, go further in this, I would say: they point out how delicate it is to integrate new knowledge into the repository, mainly because that information, most of the times, comes from the base of the organization and, while thinking they are helping their colleagues and facilitating work, they may be actually going against the principles of the organization.

One manager actually states: "Those feedbacks and new information have to be verified and checked if they are accordingly to the principles and rules of the organization, in other words, those inputs and "non-formal" knowledge comes from individuals (usually from the base), and we have to be careful in integrating that knowledge in the core knowledge of the organization

and to check if those actually correspond to the culture of the organization or not. Everyone may suggest, but not everyone can make decisions".

Nevertheless, some actually state that both tacit and explicit knowledge are very important, despite tacit knowledge being very volatile and explicit knowledge being hard to maintain; and, as already mentioned but, in my opinion, it is important to underline is that, from the point of view of managers, nowadays it is not that much a matter of explicit or tacit knowledge (despite being already said that those are essential for the organization to run and provide a quality service), but instead in order to succeed in the modern markets and modern clients, what is becoming more differentiator is creativity, the capacity to be systematically innovating, the capacity of the organizations of creating and innovating.

7.5 How should leaders embed and transmit culture?

Presentation of results

Lastly, it was tried to access the importance and the relation of the role of the leader and organizational culture, starting by accessing the influence of the leader in culture – Table 17 – Analysis of content.

Table 17 - Analysis of content - The influence of the leader in culture

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
10	However charismatic a leadership may be (now referring to the top leaders), those are very dependent on the middle leadership, so those have to be much aligned with the objectives and the mission of the organization.	1.5	1.5.1
11	The organization may have a culture of dialogue and transparency, but if the leader (and for me, in this case, is no longer a leader) does not share these values, it won't work. On the other hand, if the leader is open to dialogue, to transparency, to feedback, etc., even if the organization does not have these values, at least the leader will be able to influence the organization.	1.5	1.5.1
6	Well, I actually think that the leader does not influence the culture. If the leader is a good leader, and if the "casting" was done right, the leader when accepting that position is when he already has in him the culture of the organization. From that moment he incarnates, gives the example and passes the culture of the organization, not only in the formal ways of passing culture or in the fulfillment of the KPI's, but in every decision he makes.	1.5	1.5.1

Source: Elaboration by the author

Next, through the interviews made to the managers and their different opinions, it was tried to understand what characteristics should a good leader have – Figure 8 – Analysis of content.

Figure 8 - Analysis of content - Characteristics of a leader
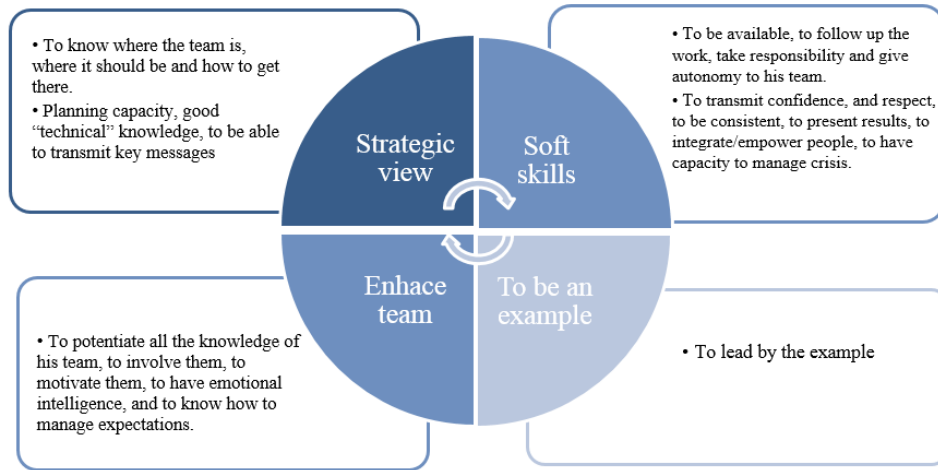
Source: Elaboration by the author

Afterwards it was relevant to understand if, given the characteristics that they mentioned, how relevant they thought that those were when recruiting a leader, in other words, if they thought that those were more important than having technical knowledge and experience on the job and the market – Table 18 – Analysis of content.

Table 18 - Analysis of content - Soft skills and technical knowledge

Analysis of content – interviews			
Manager	Text	Generic Category	Sub-category
2	A person can have a lot of skills, but if he constantly gets in conflict with the remaining or does not understand the culture, it wouldn't work.	1.5	1.5.3
4	I think he has to have both, because it is important to know how to do things, because he will have things in his responsibility which he will have to know how to respond if needed or to know how to delegate it to someone, but on the other hand he has to know how to manage people	1.5	1.5.3
5	So the soft skills, of knowing how to "read" people and the moment are very important. Of course I won't say that the soft skills have 100% importance, they don't, but people need to understand or to quickly learn the technical part. Nevertheless I believe that is easier to learn the technical part than to have the soft skills.	1.5	1.5.3
7	In any case, the soft skills, the characteristics of that person probably end up being more important than the knowledge, because the knowledge you can easily acquire, but personal characteristics is quite hard (or, I would say, almost impossible) to change or improve.	1.5	1.5.3
10	I would prefer someone that wants to do something, despite not knowing how to, than having someone that knows how to do it, but doesn't want to.	1.5	1.5.3

Source: Elaboration by the author

Lastly, in order to establish a profile of a "good leadership" and the relationship between leadership and culture according to the different opinions of the managers, it was verified their patterns of answers looking for similarities and, lastly, trying to understand on their view what actually defines a "good leader" – Table 19 – Analysis of content

Table 19 - Analysis of content - Leader and Culture

Analysis of content – interviews			
Sub-category	Text	N° of times	Interviewee (s)
1.5.1	Training, coaching (ongoing learning), constant communication, mutual feedback, motivation and development of people, to know how to adapt to each person.	11	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 14
	The leader really has to believe and impersonate the culture.	7	2, 6, 7, 8, 9, 11, 14
	However charismatic the top leadership may be, they are very dependent on the middle leadership, so these have to be very well aligned and according with the objectives and values of the organization.	6	7, 10, 11, 12, 13, 14
	The leader should take advantage of the knowledge of all this team in order to put them working in line with the vision of the organization.	6	2, 3, 4, 5, 7, 12
	To involve the team in the process of testing, so that they feel they are part of the solution.	4	2, 3, 4, 12
	Culture does not influence the leader, if he is actually a good leader and the "casting" was done right the leader, when accepting that position, already has in him the culture.	2	2, 6
1.5.3	Both are important.	9	1, 2, 3, 4, 7, 8, 11, 13, 14
	Knowledge is easily acquired, soft skills are harder to pass/improve.	9	1, 2, 3, 5, 7, 8, 9, 10, 12
	What the leader shows as a human being is what will make the difference.	7	1, 2, 3, 5, 6, 10, 12
	It depends on the team.	7	2, 4, 7, 8, 11, 13, 14
	The leader influences the team and has to pass certain values and the culture to them, so the soft skills would be more important.	5	1, 2, 3, 5, 10
	A leader shouldn't be recruited through technical knowledge or HR interviews, instead it should be the superior, that with extra responsibility in terms of leadership and passing of culture, to be with the person and take a decision (almost emotionally) about whether that person is going to be a good impersonator of the principles of the organization.	1	6

Source: Elaboration by the author

Discussion of results

Schein saw culture and leadership as two sides of the same coin, being one manipulated and influenced by the other: culture is dynamic as it starts with the leader, who transmits to the group his/her own beliefs and values, and later, as the group, those values and assumptions brought initially are now taken for granted and passed as "the right way of doing things". At this point, culture defines leadership, as the later leaders have to act accordingly to the ideas set

by the "original leader". O'Farrell, in 2006, concludes that statements of values, codes of conduct, principles of public service management and so on set out in rules and regulation are simply rhetoric, without leadership that is what they will ever be rhetoric. It is the job of leaders to turn them into reality.

Opinions of the managers are quite divergent on this matter. Some say that leader can't influence the culture since the leader, when accepting that role, he already has in him the culture of the organization, and is already incarnating the culture, the principles and the values of the organization (being already, from the starting point, influenced by it and acting according to it).

Others say that the leader is essential for culture, they say that the organization may have a culture of dialogue and transparency, but if the leader does not share these values, it won't work. On the other hand, if the leader is open to dialogue, to transparency, to feedback, etc., even if the organization does not have these values, at least the leader will be able to influence the organization. So these suggest that is the leader that will in fact influence (or even define) the culture of the organization, or at least, the culture of his own department.

The simplest explanation of how leaders get their messages across is that they do it through charisma but, with charisma as an embedding mechanism, is something rare and their impact is hard to predict. On the other hand, leaders without charisma have many ways of getting their messages across. Leaders have at their reach 2 mechanisms: primary embedding mechanisms and secondary articulations and reinforcement mechanisms (Schein, 2004).

A subsequent issue is the extent to which leaders can actually shape or influence culture: on the one hand, examples where interventions can influence culture exist; but on the other hand, some authors talk of the danger of attempting to influence the more superficial aspects of culture such as symbols and ceremonies, while ignoring the more pervasive and deep seated aspects of culture such as values and beliefs (O'Donnell and Boyle, 2008).

Leaders, even those without charisma, have at their reach 2 mechanisms to influence and pass their message: the primary embedding mechanisms, which are the major tools, since those are visible artifacts that clearly reveal the leaders' way of perceiving and influence what is typically called the "climate" of the organization; the secondary embedding mechanisms, which do not influence directly the group, but are cultural reinforcements for them, artifacts highly visible only possible to interpret with inside knowledge of the culture (Schein, 2004).

From the opinions of the managers on this, one of the main points raised is to lead by the example. They say that, in everything that the leader does, in the organizational context, he is giving the example on how you should think and work. If he is able to link that to the culture of the organization, even better. The leader has to be the example; he has to incarnate the principles of the organization. And even if he doesn't incarnate the principles he should have the sight of realizing "This doesn't match the principles of the organization, we should do it in another way".

Moreover, it might be relevant to go further, and to understand what kind of characteristics best define a good leader: from the patterns found in the answers of managers, the main characteristics of a good leader were separated into 4 parts: strategic view, soft skills, to be the example and to enhance the team.

The strategic view of a leader has mostly to do with the realization of how his team is, how it should be and how to get there. It is about having a planning capacity and medium/long term view, to have the technical knowledge required for the job and, lastly, to know how to pass key messages to his team in order to achieve the "how it should be": objectives, principles and values.

The soft skills is the "human" part, the ability of the leader to sympathize with his team, to listen to them, to guide them, take responsibility for them and, at the same time, to give them autonomy. From a more personal point of view, a good leader should transmit respect and confidence, to be consistent, to present results, to empower people and to have the capacity of managing crisis, both within or outside his team.

The third part is about being the example, as already explained above. It is mostly about representing, within a professional context, everything that the organization believes and to transmit and influence his people in doing so too.

Next, a good leader is about enhancing his team, to take advantage of each person's knowledge and experience for the good of the organization and the team, always enabling people to grow and develop. It is about giving them space to have critical thinking, but also to know how to manage their expectations.

Afterwards, the last point within this matter that is relevant to access, is if in the managers point of view, those 4 sided characteristics are more important that technical knowledge and experience on the job, in order to be a good leader.

This is also a point quite arguable, and there seem to be various opinions on this. From one point of view, managers defend that the characteristics previously mentioned are the most important since "technical knowledge is easy to learn, but soft skills are very hard (or even impossible to improve", and also mentioning that "I would prefer someone that wants to do something, despite not knowing how to, than having someone that knows how to do it, but doesn't want to".

On the other hand, at any time some defended that the technical knowledge and experience are more important, nevertheless some say that both are important, none is more important than the other and others even go further, pointing out that it will always depend on the team (with more or less experience) that the leader will have to manage.

Conclusion

Implications for management: the influence of organizational culture in international organizations

Through the years there were a number of different authors and different studies regarding organizational culture since, as already mentioned previously, the concept of "culture" itself is a matter of discussion (Schein, 1984, 2004, 2008, 2012; Collinson and Rugman, 2012; Detert et all, 2000; Javidan and House, 2001; Meyer and Topolnytsky, 2000; Perlmutter, 1969; Deal and Kennedy, 2000; and many others). In fact it would be quite hard to reach all the studies that have been made on this.

What this investigation aimed to achieve was to verify, on a first phase, if culture was actually important for an organization and if the life stage of an organization had an impact on that importance, through the eyes and perspective of modern managers on succeeding international organizations. From what it was possible to see, it was common opinion that culture is something extremely important, in order to align everyone for one common purpose. Moreover, organizational culture is important also to pass the message and to set and achieve goals, always in line with the values and principles of the organization and, with those in mind, it is possible to take decisions on matters not supported or predicted by written procedures. Besides all this, culture (and its constant improving) is what maintains the organizations in the market, some managers say.

Regarding the life stage of the organization, the aim was to verify if culture was more or less important depending on the organization being young or mature. Managers say that culture is important on both cases, and that, through the lifetime of the organization, culture as also to "grow" and to adapt to the changes of the markets, in order to keep aligned with needs of the clients.

Nevertheless, it is important to point out that, although these conclusions were very important and pertinent, the actual aim of the question was not reached at a first sight, since most of the managers from the sample didn't have (or didn't mention) any experience or contact with young organizations: all organizations that they have worked for are already established organizations (or young subsidiaries within a mature organization) so, I would say, the whole input on the matter of how much important or how different is a culture for a young organization was quite

delicate to analyze. Only two of the managers actually were part of the foundation of an organization, being aware that the culture initially established within that organization was simply a mirror of the values and principles of the founder, and that the aim of that initial culture is simply to have everyone thinking and looking at things in the same way. Regardless, they say, culture is, and always will be, the "soul" of the organization, meaning that it is equally important being the organization young or mature. With this conclusion, the opinions of all managers meet, getting all to the same conclusion: culture matters in any case. The important thing, they say, is to adapt and improve that culture when it is no longer able to meet its purpose: to have everyone aligned for a common purpose, with the same values, beliefs and principles.

This takes us to the second aim of this investigation: to verify if culture is actually seen as the DNA of the organization. (Schein, 1984, 2004, 2012). Culture is fundamental, we've got to that conclusion on the previous point, but why is it important? Why is it important to have everyone working for the same purpose and with the same values and principles? Firstly, more than telling people what to do, the best thing is to tell them why they have to do it, and that's basically what culture does. Culture is about giving everyone from every department from every subsidiary a common purpose, a common way of getting there and common values and principles. Culture is the soul of the organization, it is what makes a brand/image unique and the same though the world, and it is what keeps it in the market, the managers say. More than this, culture is where all the principles, that will be the base of all procedures, come from. So, summarizing, it is common opinion that culture is important, it is in fact the DNA of an organization, it is a set of principles, values and goals that are transversal to all points of the organization.

The third aim of this study was to validate if it was possible, having in mind that there is in fact a common DNA through an organization, for different subsidiaries and departments within a single organization, to see and to materialize common principles, values and, mostly, a common goal, differently (Schein, 1984, 2004; 2008). The managers answers actually complied with this, since all pointed out that the principles, values and mission are the same for the whole organization, nevertheless, the ways to achieve, the rules applied in order to fulfil the mission are adapted from subsidiary to subsidiary, department to department. Some even say that the culture, at some point, is static, and the only thing that changes is the way of doing things and the necessary adaptations to the markets, which are very volatile. At the end, they say, those

differences do not have impact on the culture of the whole organization, only on the ways of work of that specific department or subsidiary.

Summarizing, at this point, the literature on this matter, despite some having quite a time, are still accurate with what actually happens on modern organizations. It is necessary for all organizations, young or mature, that aim to succeed on modern markets, to pass its culture as a common goal, common values and principles, for the whole organization to work as one, all on the same direction. The ways to achieve this are explained afterwards.

Implications for management: the influence the leader in organizational culture

There are several implications of the matter of culture on the management of any kind of organization. Specifically on international organizations, the importance of this is even bigger, the need of maintaining a common culture is even more necessary in order to achieve success.

Specifically on leaders, culture has a lot of influence: starting on top, on the HQ, it was verified that it was actually important to maintain a common DNA through all subsidiaries of an organization. But what approach should HQ take? Should it impose a standard culture applied equally to all? HQ should promote an equal culture, nevertheless, it should also promote and "take advantage" of the cultural differences from each subsidiary, because probably those differences are what will make the differences within the different markets of the countries in which they are established.

In fact, there is a transversal culture established for the whole organization, with common goals, principles and values, nevertheless, each subsidiary then has the space to materialize those into actions which better fit their reality, always in line with the culture. The most important is to involve everyone in knowing the strategy of the organization (the "why") and its values, and to transmit those within their department/subsidiary, creating a common feeling of belonging for themselves, but also contributing for a single brand for the whole organization.

Regarding knowledge management, it was clear that there wasn't a unanimous position regarding which "type of knowledge" is more important. There are two types of employee knowledge: explicit and tacit (Nonaka 1994; Botha et al., 2008). Explicit knowledge can be found in documents (Wellman, 2009), while tacit knowledge is experience-based knowledge embodied in people (Sternberg and Horvath, 1999). The most valuable knowledge is tacit knowledge (Hislop, 2009; Dalker, 2011), since it promotes organizational innovations and sustains competitive advantage (Gamble and Blackwell, 2001; Wellman, 2009).

From the point of view of managers it is not clear, bust most of the opinions seem to pend for explicit knowledge: procedures, they say, are what sustains and guarantees common standards through the whole organization. Tacit knowledge, they say, makes the difference in the extra-mile, and it doesn't actually bring any changes to the "core knowledge" of the organization, instead complements it. These also defend that knowledge should be mostly with the organization and not with the people, because if someone leaves the organization, they take the knowledge with them. On the opposite side, others actually say the opposite, that most of the

knowledge of an organization is the experience of people, nevertheless both "sides" defend that both tacit and explicit knowledge are important, and one can't exist without the other.

The way of maintaining this knowledge – both explicit and tacit – seems to be, on the opinion of the managers, all about keep the communication flowing. The right way, they say, to keep track of knowledge is through ongoing learning and training, constant feedback and communication both ways (top-bottom and vice-versa). Once again, it is referred the importance of "storing" tacit knowledge (make it explicit), in order for that knowledge to be shared with everyone, but also, as said before, so that it doesn't stay only with the people.

Lastly, it was tried to understand the correlation between culture and leadership: how one influences and supports the other.

Schein (2004), points out an equilibrium between both, in which one influences the other, however, the opinions of the managers does not seems to match this. From one side, it is said that the leader can't influence the culture, since the leader, when accepting that position, already has in him the culture of the organization. In that sense, it is only the culture that influences the leader. From the other side, it is said that culture is intrinsically depending on the leader (specifically in the middle leadership), since the HQ may define a specific culture, but if the middle management does not reflect that culture, it will be a conflict. Moreover, if such culture does not exist but the leader transmits that culture to its team, it will actually be embedded in the team.

This being said, it was aimed to define a profile of what a good leader would have to have, in order to successful fulfil these "tasks": from the opinions of the managers it was established a profiles divided into 4 parts: a strategic view (the capacity to see the current state of the team, how it should be and how to get there; a planning capacity and good technical knowledge); soft skills (to be available, to follow-up, to take responsibility, to transmit confidence and respect, to integrate/empower people, to know how to manage crisis); to be an example to his team and colleagues (to "incarnate" the culture); and to enhance his team (to identify the different strengths and weaknesses of everyone in his team, and to know how to take advantage and develop those in favor of the organization and themselves).

Lastly, the aim was to understand what "side" of a good leader managers consider most important: the experience and technical knowledge or his "human" part. This objective was established due to the need that I saw in clearly identifying which roles fits best on international

organizations, in which part should HQ invest in order to succeed anywhere they expand to. In spite of that, it was clear to me at first that the outcome wouldn't be 100% clear, since organizations are all different, and this sample was no different, and I wouldn't find a formula that would match every international organization in the world.

Having this in mind, the answers, of course, weren't unanimous on this, despite a small majority pending for the "human" side of a leader as the most important. The argument was the same to almost all: it is easier to teach someone on the technical part, but the soft skills are hard to learn, and they would prefer to have a leader that wants to do something, despite not knowing how to, than having someone that knows how to do it, but doesn't want to. Nevertheless, a safe conclusion to get from this would be that it is important to have a balance between both, since it is important for a leader to know how to do things (technical knowledge), because he will have things in his responsibility which he will have to know how to respond if needed or to know how to delegate it to someone, but on the other hand he has to know how to manage people (soft skills).

Final Considerations

Considering all the aspects described within this thesis, it seems clear why there has been so many studies through the years on this subject: the simple concept of culture does not seem to have a single definition and meaning, in fact it seems to depend on who is using the term and for what purpose. Even on the specific case of organizational culture, modern managers seem to have different opinions regarding how a common culture should be imposed and what approach they should adopt in order to best succeed.

Having this in mind, this study tried to help defining the concept of culture, presenting various definitions that were constructed through the years in order to clear what the concept means. Afterwards, step by step the study attempt to define how the culture is created, what influences it, supports it and changes it, in order to further demystify the idea, always presenting different points of view of various authors (sometimes within different centuries).

Afterwards, after realizing that the concept, in theory, doesn't seem to have changed much, the next step was to verify if, in modern organization, the theory matched the practice: this was actually not quite achieved, since, as already mentioned, the opinions of the managers may not

represent what is actually done in practice. Nevertheless, at some point it was possible to find touch points and differences on authors' point of view and managers', nevertheless, it would be very interesting to verify if those opinions are actually seen "in loco" within an international organization.

Suggestions for future investigations

As it has been already mentioned through this investigation, there have been several studies on this matter through the years. It would be interesting, even so, to have more studies regarding this matter in practice, and within different realities. Having this in mind, it would be very interesting to have more studies regarding:

- The importance of culture within organizations in different life stages; and how leaders of young organizations materialize goals into action;
- The importance of culture, comparing specifically different industries; and in what way leaders within organizations operating in different industries materialize goals into action;

It would also be important to verify if:

- The results found within this investigation would be replicated within an investigation made within organizations whose HQ are established in different countries; to validate if HQ within different national cultures will materialize culture differently or define different goals, values and principles;

Moreover, having in mind that this investigation was made through the perspective of top managers within an organization, it would be interesting to verify if the results would be the same through 2 other perspectives:

- The perspective of "low level" employees, if they find culture as important as managers do, how they feel that culture influences they daily work, how they feel that culture is passed to them, if they feel that knowledge management is important and role and profile they think that a good leader should have;

- The perspective of the client, if they actually see that a specific organization has a common culture, if they find that important, and if they think that a common culture will increase the quality of service they will benefit.

Summarizing, it is important, I would say, not only to verify in theoretical matters if this matter is actually in line with what authors have been defending, but it is also important to verify this matter "in loco", if the theory and the belief actually represents reality. It would also be important to verify if the results on this matter can be replicated within different contexts and realities and, lastly, to verify if the results can be replicated from different perspectives other than top management.

Experience acquired

One of the things that I learned with this study is known in fact, in "real life" thing pass from theory to practice. How is it possible that huge organizations such as Google, Facebook, McDonalds, Nike, Starbucks, Coca-Cola (and the list goes on) have such success for so many years and are recognized brands almost anywhere in the world? I believe it is the culture.

From what I could see, it is the culture that ties together every point of an organization, and makes it whole. It is the reason, I believe, that going anywhere is the world, when having contact with any of these organizations I know that I will be provided de same quality service, that the employees will have the same training and the same standards will be complied. Once again, I would say, it is the realization of all this, the daily transmission of the culture of the organization, its mission, its values and its principles what I mostly learned, how to materialize the ideas and decisions of the HQ to an organization as a whole.

Limitations

It is important to point out that, all the conclusions and affirmations done through this thesis are inherent to a reduced investigation in terms of the size of the sample (which, due to poor time management, consequent lack of time and little receptivity from managers outside the organization I'm working, did not reach the value of 15-20 interviews that I proposed myself

to gather), and the fact that the results were produced within a specific context (international organizations) within a specific country and district (Portugal, Lisbon).

Nevertheless, it was very interesting to verify that all managers within the sample were very receptive to the theme, and all recognized its relevance, not only to their job, but to any organization that wants to succeed in modern markets (and not only internationally). In this sense, in terms of external validity, in other words, the possibility to replicate this study and obtain similar results, within different contexts with different samples, even though this study simply reinforced some of the theories and ideas regarding this subject, this was no more than an exploratory study, which may not be generalized or representative.

Lastly, one of the limitations was not having the possibility to observe "in loco" if the managers actually comply with statements made through the interviews: how does the culture flow from top to bottom, in other words, how managers pass to their teams (and receive from the HQ) the culture of the organization, if they actually share a common culture with other departments/subsidiaries within the organization, how they integrate new knowledge into the shared knowledge of the organization, and how they act in when procedures do not predict a certain situation occurring.

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Appendix

Appendix 1 – Guide line for interviews

Characterization questions:

- Gender:
- Age:
- Qualifications:
- Organization(s) in which is/was working for:
- Years of experience:

Open questions:

- Why do you think it is important, depending on how old the organization is, and having in mind all the experience you have been having in the various organizations in which you have been working?

- Some authors say that a big organization has something called the DNA of the organization, 3 or 4 values that represent the DNA of the organization and within all division of that organization. Do you agree with this, do you think that an international organization may have the same DNA, or that each subsidiary has its own DNA?

- So do you agree that an international organization may have all the same culture, and according to each country to adapt to it? Is that it?

- There is something that the authors define as Knowledge management which is basically all the knowledge that the organization may have. You have the explicit knowledge (everything that is documented, processes, training for example), and the tacit knowledge (all that knowledge that comes with experience). Do you think this knowledge from experience is more important than the documented knowledge? How is it possible to manage that?

- There is also a quote that I find very interesting, which is that the leader and the culture are 2 sides of the same coin, so one influences the other. Do you agree with this, or do you think that the culture influences more the leader than the opposite?

- And in which way do you, as a leader, try to transmit the culture of the organization to your team?

- What characteristics do you think that a good leader should have?
- When recruiting a leader, you have both the technical knowledge and the experience, and then on the other hand all the characteristics that you mentioned before. Obviously that you can't have one without the other, but to which would you give more importance?