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PROPOSAL NUMBER: 8

NATIONAL AND ORGANISATIONAL CULTURES: A CRITICAL INTERSECTION

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Summary

This paper focuses on the relative adaptation of MNCs to the local context of their operations. The questions addressed include how, why and when subsidiary organisations of multinational organisations adopt head office human resource (HR) strategies and policies. Specifically this paper is based on a case study of an organisation in the hi-tech industry and considers the interplay between national and organisational cultures. The findings indicate that directive HR strategies and policies aimed at achieving a globally integrated corporate culture can be met with strong resistance. Examples are given of policies that are subverted, ignored or adapted in the local subsidiary. A more fruitful strategy is offered for MNCs: To develop the overall strategic vision and goals and then encourage local subsidiaries to develop the content in culturally appropriate ways.

Key words: organisational culture, national culture, subsidiary organisations, international HRM strategies, MNC

<center>**National and Organisational Cultures: A Critical Intersection**</center>

<center>**Introduction**</center>

Over the last three decades, organisations have become increasingly global. The most common form of international organisation is the multinational corporation (MNC). Ghoshal and Bartlett (1990) describe multinationals as organisations that are physically dispersed in environmental settings, often set in different economic, social, and cultural milieus. According to these authors, MNCs develop internally differentiated businesses and functions to respond to complex environmental and organisational variations at different geographic locations. Multinationals function both as a single organisation in a global environment with a need to co-ordinate their far-flung operations, as well as a set of subsidiaries operating in distinct national environments. MNCs typically need to balance the influences emanating from a desire for a consistent international culture, with the pressure for differentiated local cultures from subsidiary employees. As a consequence of this tension, subsidiary organisations offer an excellent site for exploring the relationship between national and organisational cultures.

Human resource managers have to work with this tension as they seek to implement universal human resource policies at the level of the subsidiary. Additionally, human resource management theory is limited in its capacity to explain MNC problems and operations. MNCs have received considerable attention within the fields of strategy and organisational competition (Bartlett and Ghoshal, 1989; Hamel and Prahalad, 1994; Porter, 1985). However, Rosenweig and Singh (1991) suggest that MNCs have been less intensively studied in organisational theory, despite the many interesting and pressing issues that they present for theorists and practitioners in human resource management.

Even less research has been conducted on the relationship between national and organisational culture (some examples include Herguner and Reeves, 2000; Hennart and Larimo, 1998; Pratt, Mohrwies and Beaulieu, 1993). We suggest that better understanding this relationship has the potential to advance our knowledge of how multinational organisations respond to the simultaneous demands of the MNC organisational culture and the national culture of the subsidiary. This tension between global integration and local adaptation is particularly salient for human resources because of the power of cultural perceptions and norms as well as practical requirements of local legislation.

The internationalisation of companies

International management, especially cross cultural management, has focused explicitly on cultural similarities and differences between nations while organisational culture researchers have centred their attention on <u>intra-organisational</u> cultures. As a result there is a significant gap in the literature that specifically focuses on both national and organisational cultures. However, a number of authors note that we often under-estimate the impact of national cultures in which organisations are embedded (Child, 1981; Hofstede, 1980; 1991; Laurent, 1989, Newman and Nollen, 1996).

Every national culture has developed some unique understanding of organising and managing through its history. The influence of national culture on organisations comes through societal structures, for example, education systems, laws, political systems, customs and rituals and also through the values, attitudes, behaviours, goals and preferences of all organisational participants (Adler and Doktor, 1990). As Mills (1988) points out, people do not leave their cultural perspectives and background at the organisation gate rather they come as whole people, which has an important bearing on the resulting organisational culture(s). In dealing with cultures other than their home-based culture, HR managers need to recognise that they are dealing with different 'fabrics of meaning' (Geertz, 1973).

Similarly, organisations have quite different fabrics of meaning as captured by the notion 'organisation culture'. Organisational researchers, during the last two decades in particular, have shown an unprecedented interest in cultural phenomena in organisations. Alvesson and Berg (1992, p.8) suggest "few

concepts have had such an impact on organizational and corporate management research in recent years as that of organisational culture." Researchers have been investigating "the plethora of values, beliefs, rituals, customs, and other characteristics in organisations which seem to affect the behaviour of organisational participants" (Bourantas, Anagnostelis, Mantes, and Kefalas, 1990, p.61).

Organisational culture, while a complex and somewhat elusive term to specifically define, generally includes values, symbols, norms, beliefs, artefacts, stories, and myths along with many other subjective and symbolic manifestations. While it is beyond the scope of this paper to explore the organisational culture literature in detail, a number of comprehensive reviews are available (e.g. Alvesson and Berg, 1992; Brown, 1995; Frost, Moore, Louis, Lundberg, and Martin, 1991; Schein, 1992; Turner, 1990). Organisational culture plays a crucial role in assisting our understanding of organisational life including the way different organisations function, how organisational members make sense of often complex and changing organisational experiences, as well as providing insight into how members of multinational organisations respond to the potential uncertainty, chaos, and conflicting views resulting from the many and diverse interests which influence multinational organisations.

One important implication for HR managers in MNCs is managing the appropriate blend of local and global cultural influences with respect to the type of human resource initiatives, goals, policies, operating procedures and practices that are implemented and supported within a subsidiary (Belanger, Edwards and Wright, 1999; Prahalad, 1990; Rosenweig and Nohria, 1994). Research and practice of international HRM does not have to fall into the trap of universalism. Adler and Doktor (1990) suggest that the employee's cultures limit the influence of the management-created organisational culture. There is an opportunity and a challenge to harmonise, but not assimilate, the various cultural influences and encourage a culturally sensitive approach to HRM (Easterby-Smith, Malina and Yuan, 1995).

At the core of the debate between national and organisational culture are the pressures to encourage cultural convergence or divergence. Adler (1992, p.57) summarises the debate in the question: "Are organisations becoming more similar world wide or are they maintaining their cultural dissimilarities?" She concludes that while organisations are growing more similar in their structure and technology, the people within organisations maintain their cultural uniqueness. Such a view gives support to a theory that is inclusive of divergence and convergence, rather than forcing a dichotomous either-or position.

Instead of posing the question of whether organisational dynamics are universal or culturally specific, Adler (1992) advocates that researchers focus on the more crucial questions of when and how to be sensitive to national culture. This shifts the emphasis away from the need to establish the case for cultural similarity or difference, to more pragmatic concerns of how MNCs might balance global integration and local differentiation.

> In order to build, maintain, and develop their corporate identity, multinational organisations need to strive for consistency in their ways of managing people on a world-wide basis. Yet, and in order to be effective locally, they also need to adapt those ways to the specific cultural requirements of different societies. While the global nature of the business may call for increased consistency, the variety of cultural environments may be calling for differentiation. (Laurent, 1986, p.97)

However, finding a balance between consistency and differentiation is no easy task and Laurent did not elaborate on how this might be achieved. While some authors (e.g. Birkenshaw, 1996; Birkenshaw and Hood, 1998; Forsgren, Holm and Johanson, 1995) have considered this balance, little attention has been directed toward the implications of the consistency or differentiation debate for HRM. The ways in which subsidiaries of MNCs reconcile the tension between local and global influences is the focus of the current study. As researchers, we were sensitive to the interplay of multinational, national, and organisational cultural levels in an effort to gain additional understanding into the effective implementation of HR policies that emanated from the MNC Head Office. Specifically, we investigated how a NZ subsidiary of a US multi-national organisation responded to the pressures for cultural convergence.

Methodology

This paper is based on research that was part of a larger study conducted by one of the authors over a twelve-month period in a case organization named 'Technica'. The findings addressed below draw from the extensive data set collected. The field research was based on interviews, informal discussions, observation, participant observation, archival information and use of the critical incident technique. Over 30 interviews were conducted within the organization and the interview participants varied in terms of demographic features (such as gender, race, and age). In addition, the interviewees represented each of the functional areas within the organisation (field engineering, sales, administration and support, human resources and technical support), varied in their length of service at Technica (from 6 months to 20 years) and spanned all of the hierarchical levels from the general manager through to a part-time person in an administrative support role.

Case study methodology was chosen for this inquiry. Yin (1989, p.23) defines case study research as inquiry that "investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used."

Case study methodology was chosen for a number of reasons. Firstly, the anthropological and ethnographic approaches indicate that in order to gain an in-depth understanding of culture, it is critical that the researcher has face-to-face contact with cultural members. Secondly, scant attention has been given to the relationship between national culture and organisational culture and as a number of researchers have noted (e.g. Eisenhardt, 1989; Yin, 1989), case studies are well suited to exploratory research where detailed analyses can be achieved.

According to Czarniawska-Joerges (1992) two characteristics are common to anthropological pursuits of culture that make them both appealing and useful to organisational researchers. The first is a holistic approach to the subject matter, which although difficult to realise, is critically important in terms of our understanding of the 'whole' or the 'big picture' of organisational life. The second is the direct, intensive and prolonged contact with the reality being studied.

The case study method employed in the current study allows both of these characteristics to be met. Case study research provides an opportunity for deeper understanding (Geertz, 1973) as well as offering a contextual backdrop to the phenomena under investigation (Harris and Ogbanna, 1998).

An interpretive framework (Burrell and Morgan, 1979) informed both the data description and analysis. The focus of this paper, therefore, is to analyse and interpret subsidiary members' experiences of human resource policies and procedures designed and implemented from the MNC head office. Where appropriate, quotes will be used from key informants to illustrate specific points, inform theoretical considerations and provide the basis for practical implications for MNCs.

The Case Study

Technica is an internationally recognised company that develops and manufactures advanced technology. Globally and locally, Technica is a very successful company. The subsidiary employed approximately 200 people with annual revenues of over $50 million and is considered a medium to large organisation by NZ standards. During the field study, the US Head Office of Technica implemented a number of human-resource related strategies and processes. These included a company-wide 'roll-out' of a set of a vision and values set called *Our Common Bond.* Central to these values were five core tenets: 'Respect for Individuals', 'Dedication to Helping Others', 'Highest Standards of Integrity', 'Innovation', and 'Teamwork'. This vision and value set came from the US Head Office complete with a new corporate language, explicit training programmes, pocket business cards printed with the vision and values, and even the blueprint for celebratory sessions.

Elaborate documentation and detailed action plans on each of these initiatives were disseminated to all subsidiaries. These initiatives were introduced to all employees through comprehensive training sessions facilitated by an international Technica trainer. The homogenous approach to the planned organisational changes implied that the Head Office was hoping to 'engineer' (Kunda, 1992) a corporate culture that aimed at achieving cultural convergence amongst all its subsidiaries. Each subsidiary organisation was sent carefully detailed manuals, training programmes, directives to follow, response sheets, as well as videos of the international senior managers espousing the values and objectives and promoting the new initiatives. These materials and the presence of the international facilitator attempted to ensure conformity and uniformity in the implementation. Specific examples are offered below which signify how subsidiary members responded to the US Head Office actions.

Example 1: The Vision of 'Our Common Bond'

The idea of cultural appropriateness is important when applied to a universal set of values and the vocabulary of Technica's 'Our Common Bond.' All Technica members were expected to not only embrace the values but the intention was that the values would become part of the performance appraisal process. Partly through the Common Bond values, as well as the vision and other initiatives, a whole new corporate language evolved with meanings specific to Technica. For example, the value 'Respect for Individuals: We treat each other with respect and dignity, valuing individual and cultural differences. We communicate frequently and with candor, listening to each other regardless of level or position.'

For many people, the new vocabulary and the five values, which included an abundance of acronyms, were considered to be distinctly American and caused some discomfort among employees. For example, Philip, a long serving field engineer (who had worked for Technica for 17 years), stated:

Philip   We have world-wide communication and training that are laid upon all Technica branches world wide that tell us we are now to talk about associates and coaches, it's no longer employees and managers. Also we have acronyms for everything, CFTs, CFBM, CSS etc etc. These are definitely American terms. Can you imagine NZ staff thinking of their managers as coaches? Or talking with candor? That is definitely not something Kiwis would say.

The new corporate vocabulary was carefully developed to portray a sense of egalitarianism, teamwork and a caring and coaching culture. Yet the vocabulary appeared to actually detract from its intended purpose in the NZ office because it was considered inappropriate and unsuitable in this local context. This lack of congruence posed a dilemma for employees who, wanted to 'fit in' and be part of the Technica's espoused culture as well as maintaining their own cultural interaction and communication styles.

The new rhetoric eschewed the traditional and entrenched hierarchical manager-staff relationship that was premised on a clearly defined power differential. The means by which this transition was made was primarily through changing the language used, for example, manager became "coach", and staff became "associate". However, as many employees noted, little had actually changed since the inception of the new language or the corporate values. Most employees continued to refer to senior people as managers.

For a variety of reasons, many Technica members disagreed with the Common Bond values and were not prepared to monitor and try to change other people's behaviour based on these values. The discomfort with the values was at least partly because they were from the US Head Office and were considered inappropriate for the NZ context. Mary, who held a quasi-sales role, and who had been employed by Technica for 3 years noted:

Mary   I don't agree with the Common Bond at all. It's not because I don't agree with the things that are in it but because it's pushed on us. People should behave properly at work

anyway. We do not need to be told by the people we work for how to think and feel. It's very Americanised, you know the ra ra stuff. It's so false.

As the comment above indicates, disagreement lay not only with the content of the values themselves, but also with the way they were implemented. For Mary, having the company tell her what to value and how to behave was beyond what she considered acceptable from an employer.

Implications for the Human Resource Manager

Bronwyn, the Human Resources manager, re-iterated Mary's concern that the values, language, and even the training sessions were difficult for a New Zealand audience. A tension existed for Bronwyn who had been in the role of HR manager for 1 year (following 2 years in the Technica HR team reporting to the previous HR manager). As the Human Resource 'coach', she felt she needed to champion the values and be seen to actively endorse and embrace the values as well as espouse their qualities and benefits. However, her personal view was that the values were not appropriate locally and that implementing them was ambitious and perhaps, unrealistic. One consequence was an internal conflict for Bronwyn, between her personal beliefs and her perceived professional role as the Human Resource coach:

Bronwyn   There's been a lot of "why do we even have these as this is the way we lead our lives anyway" to which my answer is that it is good to have them written down and all that sort of thing. I can imagine that they work really well in the US and that the employees over there really get into them but it is hard, I find it a hard sell for New Zealand, it's not an easy thing to have to champion. You know, the training was fine in some ways but it is not something we are used to doing, sitting around being told what integrity means and how we could be better people. So its kind of embarrassing in some ways having to be the one who needs to champion how good and useful they are.

At this Technica subsidiary, the need to affirm a unique cultural identity was based on perceived stereotypes and limited information on the diversity of US culture. Most of the knowledge of US culture comes from limited sources such as media news reports or popular film. This perceptual gap was compounded by a lack of awareness by the US Head Office of the ways in which the implicit culture was embedded in its policies. The result was widespread resistance among NZ Technica members.

Example 2: The 'Values Fest'

Another example of resistance to American directives was apparent one year after the implementation of 'Our Common Bond' when the Human Resource Coaches were instructed that they were to hold a celebration of the values called a 'Values Fest.' The HR manager, Bronwyn, had harboured a number of concerns about how applicable the American "way" of operating during the Common Bond training. However, she did not voice these concerns to the US Head Office because she considered that the instructions were directives and there was no encouragement by the US Head Office for two-way communication or discussion of such directives. This was also true for the 'Values Fest.'

Bronwyn   We were made to do something called 'Values Fest' which was a real American thing and it was all this hype about celebrating the 'Common Bond' values. We got all this stuff over e.mail about the event and a very clear directive "you will have a Values Fest and it will be a world-wide event at Technica held on these days!"

The manuals that arrived instructed her to firstly show a video and then get associates to complete a quiz and some written exercises. Next, all participants were supposed to get involved in discussion groups on the values followed by a "call to action" in relation to each of the five values outlined in the Common Bond. Finally, people were supposed to sign a Common Bond poster as a celebration of the values. Balloons were

to be in the room, posters on the wall for the call to action and generally a party atmosphere was to prevail. All of this was supposed to take half a day.

> Bronwyn I had to make a judgement call. I decided that if I take everything as literally as stated in the material sent it would go down like a lead balloon. It would have been far too 'over the top' for New Zealanders. You just need to look at it and you know it is completely inappropriate for Technica NZ. We could not spend half an hour signing a values poster like they advised. The whole thing was supposed to be at least a three hour session. So I made a decision and we did it differently here. We had food and beer and wine, which always works with a group of Kiwis. We showed the video and we did the absolute minimum. There was a three quarters of an hour agenda that you could use if you absolutely had to and you had a serious reason why you could not do the full session. I just decided we had a very definite reason why we could only use the three quarters of an hour agenda - it was a cultural decision.

Asking New Zealanders to publicly stand up and state what they would do differently, how they would change their behaviour to show a commitment and alignment with the intention of the Common Bond values would not work. Public commitment statements are not congruent with the NZ cultural style which is instead generally more private. Rather, the attitude is to 'just get on and do it' instead of talking about it.

Subversion: A Resistance Strategy

Bronwyn's decision to shorten the celebration of the Common Bond values and complete only the minimum requirements to satisfy the US Head Office and she openly communicated her concern about the 'Value Fest' with other organisational members. Jane, a member of the administration team, stated:

> Jane This Values Fest is really silly - we should be encouraged to celebrate the Common Bond values and think about them as a positive thing that we now have but how we do that should be left up to us. You don't need to tell Kiwis how to party, we know how to do that well and it is not about sitting around and publicly stating what each of us commits to, that's for sure.

Bronwyn agreed with Jane and she believed that the US Head Office should have given information and ideas for such events but then allowed sufficient flexibility to each subsidiary organisation to make adjustments as required. However, a tension existed between global directives being seen as inappropriate versus the risk of having a completely fragmented global operation due to local adaptation. While Bronwyn was definitely in favour of flexibility at the subsidiary levels she also acknowledged that there was a definite need to have tight controls in place to ensure that the workshops, training, celebrations and other important activities or events were actually held.

> Bronwyn It would be too easy to get caught up with day-to-day business and overlook such activities or avoid them because some New Zealand associates may be cynical or because they are just not seen as a priority.

However, the US Head Office did not encourage such flexibility and so the typical response from the local office was resistance. For example, the Values Fest instructions were largely ignored or subverted due to a feeling the celebrations and specifically the activities were culturally inappropriate. Although Technica Head Office required a feedback form to be completed by all participants to ensure the celebration was held, there was little they could do to enforce that the celebration was actually held according to their instructions. To save any negative repercussion from the US Head Office Bronwyn would not have been averse to 'coaching' the local staff about what was expected, and to ask them to complete the form as if they had completed the activities. In other words, the local HR manager was prepared to subvert the process.

Example 3: Challenges of changing culture

A final Technica example again amplified the need for the international Head Offices of MNCs to consider the local context of its subsidiary organisations. The US Head Office sent a directive to all subsidiaries instructing them to focus their attention and resources on 'delighting the customer', in particular, the 'big' customers rather than on the many smaller customers. This directive caused considerable discussion and resentment. By international standards, NZ Technica actually had very few 'large' customers. Instead, it had many smaller customers that had historically provided significant revenue. As Philip, an engineer from the Customer Services and Support (CSS) division said:

Philip   They told us that we now had to focus on the big customers and tell the smaller customers to find someone else to take care of their needs and that really annoyed some of us here in CSS because these customers had been loyal to us for years and we had built a really good relationship with them. Fortunately our boss agreed. While we work hard to meet the needs of the big customers and provide the service and support they require, in fact better than they require, we are also able to keep the smaller customers on providing the big customers don't suffer.

For CSS people to continue serving the small loyal customers in spite of the international Head Office directive instructing otherwise, they needed the support of their boss. Having a boss who endorsed a 'creative' interpretation of the directives was common. Furthermore, a number of people made reference to the fact that the NZ CEO, was willing to allow some flexibility in the way the American directives were implemented.

Mary   We are lucky because [CEO] twists things to fit the NZ way. He is far more down to earth compared to the last CEO who was American and would come down here every quarter to give us the big ra, ra, strive for success talk.

A recurring phrase used by Technica NZ members to describe the approach adopted by the Head Office was "ra ra." This description inferred that the focus was overly-emotional and passionate and more like a 'pep' talk where the motive was to make people feel good about themselves and their work identity, in an effort to raise their performance. The term "ra ra" was used in a derogatory manner to express cynicism at the directives coming down from Head Office. Ivan, a member of one of the customer focused teams, noted:

Ivan   I like working for Technica and I have no problem with it being an American company but I think that it is better having a boss like [CEO] who understands how we like to work and is in favour of things like the Common Bond and the new culture but who realises it is not a very New Zealand way of operating and so won't shove it down our throats like an American boss probably would.

The new Technica culture contained an inherent contradiction between the top-down way the Head Office functioned and the discourse of the values and vision of empowerment being espoused. This contradiction was not lost on Technica employees. At one level, the 'new culture' espoused by Head Office called on every Technica member to embrace innovation, to seek different perspectives and risk pursuing new opportunities, in the language of *Our Common Bond*. At another level however, Technica had never before been so tightly centralised and controlled.

Technica NZ: You'll do it our way.

The senior management team at Technica Head Office explicitly stated that they wanted to create a new culture internationally. The strategies for achieving this new culture varied. The CEO of Technica International remarked on video to all Technica members world-wide that "we will share one vision, live on mission, and fully embrace our leadership role." As noted above, the documentation distributed about this goal was exactly the same world-wide. Technology such as, live broadcast, videos, set training packages, newsletters, electronic mail, was used to as a vehicle for transporting the Head Office espoused corporate

culture to its far-flung subsidiaries. The immediacy and reliability of the communication methods meant that material and information could be received and a reply sent rapidly. It was then difficult for subsidiaries to delay the response time. The US Head Office of Technica was doing everything possible to change the direction of the company and create a 'new culture' world-wide. These initiatives demonstrated a marked shift at Technica toward using symbolic and normative control measures (Kunda, 1992) through the use of values, vision and vocabulary.

Discussion

Technica could be best described as a company that was strongly ethnocentric (Perlmutter, 1969). While spanning many national boundaries there was still a definite 'home' culture emanating from the US Head Office which was dominant, identifiable and persuasive in the NZ subsidiary. Key policies, decisions and procedures were conceived and developed in the US and then disseminated to all subsidiaries with little apparent regard to cultural appropriateness. This has been described as a cultural dominance model (Adler, 1980) in which a mono-cultural style of management is adopted ignoring cultural differences. While such a model may be beneficial in terms of efficiency, consistency and simplicity, a likely response from subsidiary members is resistance and a subtle sabotaging of the organisational goals.

The dilemma of local differentiation versus global integration for multinational organisations was not something to which the Technica Head Office gave much consideration. It seemed that the Technica Head Office was intent on cementing a single corporate culture throughout all of the Technica offices worldwide. Proponents of a 'global integration perspective' advocate that the international Head Office values, operating procedures and policies, beliefs, and business ideology should be channelled to all subsidiary organisations as one corporate culture which all subsidiaries should not only operate within but also openly endorse.

This global integration perspective assumes that national cultures can be influenced by outside forces. For example, Zaheer (1995) suggests that the competitive advantages that multinationals have over local organisations is their internationally recognised brand-name, factor-cost advantages, superior technology, plus the capability to import managerial or organisational practices embodied in the successful functioning of the parent company. Zaheer suggests that these strengths assist international companies to overcome, what she describes as the "liability of foreignness" (Zaheer, 1995, p.341) by giving overseas subsidiaries competitive advantages derived from the parent company.

The findings from the Technica case study indicate that the managerial and organisational practices to which Zaheer refers, may in fact increase the liability of foreignness rather than decrease it through the local subsidiary organisational members resisting or sabotaging such practices. Schneider (1988, p.150) warns that Head Offices "may overlook resistances arising from subsidiary desire for autonomy and national, as opposed to corporate, identity." This response was certainly evident in Technica, but it was not a unanimous response. New Zealand members appeared to be content to follow the overall strategic direction and goals of the company and actually looked to such direction from the Head Office. When it came to the implementation of specific strategies and practices to attain those goals, they sought sufficient autonomy and flexibility to enact them in a culturally meaningful way.

Content/Process distinction

What this research illustrates is that rather than consider when to act globally and when to act locally it is more useful to consider what aspects of the business should be globally integrated and what needs to be locally differentiated.

The question posed by a number of authors (e.g. Adler, 1992; Birkenshaw and Hood, 1998; Birkenshaw and Morrison, 1995; Prahalad and Doz, 1987) is what policies or practices should be uniform across MNC subsidiary organisations and which ones should be varied. The findings from the current study suggest that content: overall strategic direction, the mission, the vision, broad values, and design issues such as

teamwork and customer focus, should all come from the international head office. However, the <u>process</u> issues or how should be left to the discretion of each subsidiary organisation. Instead of the traditional MNC model which centralised all of the decision and implementing power at the multinational head office, we are suggesting that the specific procedures and policies relating to how best achieve the strategic goals and objectives be left to each subsidiary organisation. Then the subsidiary would be responsible for the implementation based on their knowledge and understanding of local conditions, the environment, and the people with whom they employ and interact.

Although, a multinational corporation may desire a tightly integrated and controlled international organisation, the findings from this research suggest that if these international policies and procedures are not considered culturally appropriate, subsidiary members will resist them. New Zealand subsidiary members went to great lengths to ignore, resist or subvert the initiatives, sometimes subtly at other times more overtly.

Process: Choice not force. The process of implementation suggested is one of choice not force. What we are advocating is that there needs to be a simultaneous mix of centralisation and decentralisation, a combination of 'tight' and 'loose'. Simply, the overall policy and direction of the entire MNC (the content) should be centralised, then each subsidiary should be given choice over the style of implementation, provided the HRM initiatives are congruent with the overall strategic goals. Such an approach emphasises and encourages local interpretation and application of global strategies and goals (Cabrera and Banache, 1999). This strategy draws a useful distinction between content issues and process issues as a way of considering what should be globalised and centralised versus what should be localised and decentralised.

Localisation versus globalisation

While the popular discourse espouses globalisation, internationalisation, and a boundaryless world, the reality may never catch up with the rhetoric. To suggest that an organisation can be truly boundaryless does not make sense when culture is fully considered. One cannot under-estimate the power of self-determination within subsidiary organisations and therefore the concomitant resistance to ethnocentric views of the parent company Head Office. While it is true that boundaries are no longer defined by traditional means and that organisational culture may, under certain conditions go some way toward bringing coherence to organisations, the reality is that the boundary of the parent company is most unlikely to disappear. What is apparent from the case study is that even if the boundary of the parent company is extended further to engulf a greater number of national cultures, indications are that organisational members will identify more strongly with their national (or ethnic) culture.

Naisbett (1994) captures the essence of this counter-force to globalisation in his book *Global Paradox:*

> All over the world people are agreeing to trade more freely with each other. And all over the world people are asserting their independence, their sovereignty, and their distinctiveness.
>
> <div align="right">(Naisbett, 1994, p.11).</div>

As the push toward sameness strengthens, the differences between cultures become very real, salient and protected. There is a heightened awareness and protection of that which is unique. This seems to be an inevitable counter-force to the tendrils of globalisation.

<div align="center">**Conclusion**</div>

In response to the question of whether organisational culture overrides national cultural differences, the findings from the current study point to a clear direction for international HRM strategies. This case study suggests that when a multinational organisation threatens or challenges national cultural norms then employees will act to maintain or even enhance their culturally specific ways of working. At Technica a

definite pressure to conform to the espoused organisational culture of the US-owned company resulted in resistance and subversion from the NZ members who perceived a culture clash.

We have suggested that there needs to be a simultaneous mix of centralisation and decentralisation. The overall policy and direction (the content) of the MNC should be centralised. Then each subsidiary should be given the power and autonomy over the process to implementation and achieve the overall strategic goals in a way that is compatible with the cultural context. If such a strategy were adopted then the content of the policies would be universal, while the process of implementation would be local.

Subsidiaries of MNCs lie at the crossroads where multiple cultures meet and as such, they provide a useful research site for exploring the relationship between national and organisational cultures. Additional research into subsidiary organisations offers potentially valuable insights for the development of international HRM.

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