



CULTURAL VALUES AND ORGANIZATIONAL PRACTICES IN THE CONTEXT ON THE VIRTUAL ORGANIZATION

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Abstract: *In cultural studies, technology has different meanings in different contexts, because it is seen as a cultural artefact. The Internet, which stands at the base of the virtual organization, can be seen and used in different ways and purposes by culturally different people. The purpose of this article is to identify if and how cultural differences between members of the same virtual organization influence the organizational practices and the collaboration process that takes place between these members. We made a comparative study between members of the same virtual organization from two countries, Romania and the Netherlands, with different national cultural dimensions (as defined by Geert Hofstede) and researched whether they had different organizational practices or not.*

Key words: *virtual, organization, multicultural, values, practices*

1. INTRODUCTION

The Internet has been seen in very different ways in the specialized literature. Some authors claim it is a cultural medium in its own, which can be studied the same as any other existing culture, with its own values and practices. We can ask then, “what importance do national cultural differences have inside a medium which is in itself a separate culture and to which each individual must adapt in order to be able to access and use at its best?”.

If the Internet is a culture, then the differences between its participants should fade, as each individual should learn the “Internet language” and could enter the virtual world where all that use this language are equal and all problems connected with a different background should fade. And yet, communication and cooperation problems inside the virtual multicultural organization exist, as they have been referred to in numerous previous studies, which leads to show that cultural differences leave their mark on the interactions that take place in the virtual work environment.

If we assume then that the Internet means different things for different people, we see it as a cultural artefact, meaning product of a culture which has its meaning structured inside the context it is used (it has interpretative flexibility) (Hine, 2000).

To speak about the internet as a cultural artefact means to suggest that it could have been different and that both what it is now and what it does are the products of cultural understandings which can vary; the ways in which the Internet is seen and used are developed inside the context (the ideas about the Internet are socially constructed) (Hine, 2000).

The online and offline worlds are connected in complex ways. Cultural differences between members of the virtual organization can lead to different understandings of technology and present the potential (in theory at least) to be an obstacle in the path of a successful collaboration, at least until they are perceived. In this situation, we want to find out how will the collaboration process in the VO be affected by the cultural differences of its members.

2. CHARACTERISTICS OF THE VIRTUAL ORGANIZATION

The notion of organization is challenged when the virtual space and virtual work processes replace the old structures and work forms. Virtuality is an advantage for a knowledge society, in which members work across time, space and organizational borders, and the information technology offers the main medium of knowing others (Fineman, 2003).

The concept of virtual organization was used for the first time by Mowshowitz in 1986. Ever since then, it has generated a great interest and was often associated with the development of globalisation. Few virtual organizations exist today in a pure form, as being virtual for an organization is more a matter of degree (Kraut in Hine, 2000).

Mowshowitz also claims that organizational virtuality is not exclusive, in the sense that an enterprise can be partially virtual and partially conventional, the different organization being divided depending on departments or tasks. Much confusion in the literature on the virtual organization would vanish if this aspect would be assumed. Virtuality is best described as a management paradigm or a set of principles which are consistent with a large variety of organizational forms (Mowshowitz, 2002).

3. HOFSTEDE’S FRAMEWORK FOR THE STUDY OF CULTURAL DIFFERENCES

Geert Hofstede is considered by many peers as being the best known, largest accepted and used author in the study, classification and management of cultural differences (Magala, 2005).

In order to identify the relation between cultural values and organizational practices in the context of the VO, we conducted a case study in which we compared the organizational practices of individual members of the same VO from two countries with opposed cultural values (Romania and The Netherlands) based on Hofstede’s 5 cultural dimensions: power distance (the measure in which inequality is perceived and accepted in a society or in an organization; this dimension measures the centralization degree of authority and the autocratic or democratic type of leadership, for example, in a high power distance system, the hierarchy and authority are easily accepted); uncertainty avoidance (the measure in which uncertain situations are perceived as threatening and the attempt to prevent them through formal rules; this dimension reflects the degree of freedom the individual has in respect with his future and security, for example in low uncertainty avoidance systems a greater tolerance is shown towards individuals with different views); individualism-collectivism (the measure in which individuals have a self-focused motivation, are orientated towards own achievement and private life or are oriented towards the community and have a moral motivation, this dimension explores the relation between the individual and the group); masculinity- femininity (masculine values are based on

material rewards and career success and advancement, competition, acknowledgement and achievement, while feminine values are based on sensibility towards others, orientation towards the community, good relations with others, a pleasant climate, and work place security); time orientation (long time or short time orientation).

3.1 Hofstede's cultural dimensions applied to the VO

If we applied these cultural dimensions to the VO in order to establish what would be the theoretical values, based on characteristics of this type of organizations we would have the following values: low power distance (the network structure of the VO is characterised by horizontal relations and positions are more equal); uncertainty avoidance is small (due to the high dynamic of the changing environment and the focus on innovation); both high individualism and high collectivism (the independence each individual has in accomplishing his task leads towards an individualistic orientation but the result of the coordinated individual tasks of the entire team seen as a whole brings the added value of the VO); mixture of masculine and feminine values (dynamic environment, material recompenses, based on results, admission based on competences are masculine values, the cooperation based on good relations and trust are feminine values); a short time orientation due to the project based activity.

4. COMPARATIVE CASE STUDY

For this comparative analysis we based our investigation on the first three of Hofstede's cultural dimensions which have opposed values for the 2 countries researched: power distance index is 90 for Romania and 38 for The Netherlands, Uncertainty avoidance index is 90 for Romania and 53 for The Netherlands and individualism-collectivism is 30 for Romania and 80 for The Netherlands. If the Internet is culturally perceived, then, based on these differences in cultural values, we expect to find significant differences in organizational practices between the members of the two countries.

We applied an online questionnaire to the members of the same VO from the two countries testing their organizational practices through opened and closed questions with multiple variables.

4.1 Results for Romania

Asked to appreciate the importance of the personal relation between partners in the VO, 59,5% of respondents said it is very important, and 39,3% said it is vital, which means a small power distance, a high uncertainty avoidance and a collectivist orientation. Based on this answer, the power distance value doesn't fit with the value of the cultural dimension of the country. Asked to characterize the concept of partner in the OV, the main tendency of association was for collaboration or collaborator and trust, which suggest a collectivist orientation and high uncertainty avoidance and small power distance. Again, the power distance dimension doesn't fit the national cultural values. Testing the orientation toward the person or the task, we associated team-building with person orientation and work-shop with task orientation. 65,5% of respondents considered the workshop more important for the VO which suggests a task orientation. A high uncertainty avoidance is correlated to a task orientation (based on Hofstede's studies) and here we found a match between organizational practices and cultural values in the case of the members from Romania.

4.2 Results for the Netherlands

Concerning the orientation with person or task, the answers were similar to those of the Romanian members, that is in favour of the work-shop and task orientation, even if the Netherlands has an opposite value of this cultural dimension (being orientated towards people).

Associations for the concept of partner in the VO mentioned predictability and solidarity, which suggest a collectivist orientation (the same as the cultural value) and high uncertainty avoidance (opposed to the cultural value).

The question on how important it is to personally know a partner before beginning to collaborate for a certain project tests again the uncertainty avoidance tendency. The main tendency in answers („very important” and „important”) indicate a high uncertainty avoidance again. Developing a personal relation during the project is also seen as important by the members from the Netherlands (showing again similarity in answers). Asked directly to choose between trust and competences as more important for a partner in the VO, trust was mainly chosen, suggesting a small power distance (the same as the national cultural orientation) and a high uncertainty avoidance (opposed to the national cultural orientation).

The favourite communication channel of members from both countries and most used is the e-mail, which of all communication channels suggests the highest uncertainty avoidance tendency. When asked to choose between an old partner with which they previously collaborated well and a new partner with better competences, members from both countries predominantly choose the old partner, which again suggests a high uncertainty avoidance tendency. For the Netherlands, this tendency is opposed to its cultural values dimension.

5. CONCLUSION

We have analyzed in our case study the practices in the VO, as they are shaped by the member's perspective. Considering the large differences in cultural values of the members of the two countries on one hand and the similar perspectives of the members over organizational practices, we can conclude that there is a common view over the Internet and its use inside the VO and over the way the VO is experienced. The fact that there isn't a close connection in the physical world between members in order to achieve a reciprocal behaviour influence could be a reason for the weak organizational identification comparative with traditional organizations. Despite having a similar vision on the collaboration process and organizational practices, members from both countries do not mainly identify with the OV and see each other more as occasional partners. But still, cultural differences do not seem to be an impediment for a successful collaboration process in the VO.

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