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THE INFLUENCE OF CULTURAL CONTEXT ON INTERNATIONAL STRATEGY

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ABSTRACT

There are growing interest in the consequences of culture for global marketing and advertising and many recent researches urged companies to consider the necessity of adapting their international marketing strategies to the culture of the consumer. The converging needs and wants of customers around the world have shaped the opportunity for globalization of markets and have stimulated global competition for global resources and customers. A round the world Firms are expanding their production and marketing activities beyond national and continental boundaries. Firms require global marketing strategies to expand to other geographical boundaries but their strategies meet cultural barriers. Literature reviewed affirmed that culture has great influence on global marketing strategies such as promotional strategies, product design, branding, pricing and distribution processes as well as organizational performance. It is therefore prudent for international marketing managers to take keen interest in the local cultural characteristics of consumers in their marketing strategies.

Keywords: Culture, Globalization, Marketing Strategies, Global Marketing

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INTRODUCTION

The Culture and influence in an Organizational

Organizational culture includes the norms that the members of an organization experience and describe as their work settings (Schneider et al., 2013). Such norms shape how members behave and adapt to get results in the organization. Organizational culture is how the members of an organization interact with each other and other stakeholders (Simoneaux & Stroud, 2014).

Organizational culture is a set of values, beliefs, and behavior patterns that differentiate one organization from other organizations (Ortega-Parra & Sastre-Castillo, 2013). King (2012) defined organizational cultures as a system of values that subconsciously and silently drives people to make each choice and decision in the organization.

Business managers use organizational culture and corporate culture interchangeably because both terms refer to the same underlying phenomenon (Childress, 2013). Business managers use organizational culture to differentiate their company from other companies (Weber & Tarba, 2012). Apple Inc, the International Business Machines Corporation (IBM), and Hewlett-Packard Corporation (HP) exist on similar technology and same operating environment, but these companies have different organizational cultures (Schein, 2010). The Apple culture includes producing simple, elegant, and innovative products (Toma & Marinescu, 2013). Priorities in HP culture are employees' autonomy and creativity (Childress, 2013). The IBM's cultural focal point is long-term thinking with loyal and highly motivated employees (Flamholtz & Randle, 2011; Kotter & Heskett, 1992).

The difficulty about leadership is the handling of human resources in the organizational culture (Peters & Waterman, 1982). Yirdaw (2014) noted that organizational culture is the glue that combines the hardware (nonhuman resources) to the software (human resources) in the organization to establish

teamwork and excellent performance. Organizational culture positively relates to corporate leadership and governance (O'Connor & Byrne, 2015).

Many business managers understand the impact of culture on corporate performance (Unger, Rank, & Gemunden, 2014). Warren Buffet, one of the top three richest businesspersons in the world, confirmed how organizational culture is necessary to organizational success (Childress, 2013). Similarly, the founder of Starbucks Coffee Company, Howard Schultz, explained that organizational culture is a critical factor in the success of Starbucks (Flamholtz & Randle, 2012).

Schein's Model

Schein's model of organizational culture originated in the 1980s. Schein (2004) identifies three distinct levels in organizational cultures: artifacts and behaviours, espoused values and assumptions

Edgar Schein considers Culture as a classic 'Organizational Culture and Leadership' (first edition, 1992) that the main problems of the modern organization in relation with culture is due to the lack of distinction between the different levels in which culture manifest itself. Schein (2004) proposes three level as the degree by which a given cultural phenomenon is visible to the researcher— of culture model of Schein (2004), or also known as the multilayered organizational culture model (MOCM). The three levels are:

Artifacts: By artifact, Schein means the visible cultural products of as organization, such as: spatial distribution, language, technology, style, clothing, manners, expressions, or to put it briefly: the surface of the reality, the visible behavior of its members. The artifacts also include the organizational processes by which behaviors become routines.

Values: A value is confirmed only by the shared experience of a group. If it is accepted, firstly it will become a shared value and, as it becomes embodied and used in the everyday life, it will become an

assumption: it will be included in the taken for granted. Cultural elements included in these levels are cognitive processes, commitments, consensuses, ethics, ideologies, strategies, knowledge, visions, etc. Values cannot be directly observed, but they can be distilled from what their members explain and how they do justify.

Assumptions: Unconsciously, the underlying assumptions are taken for granted, as DNA. In Argyris' terminology, the assumptions would be the theories-in-use, so implicit in each member way of acting, thinking, interpreting, feeling, and interacting. The deepest level is hard to modify, as it provides ontological security; whatever on the opposite site, it produce anxiety and fear.

In multi-layered organizational culture model (MOCM), the manager is a key part of the innovation culture; Schein encourages a strong leadership to cope the divisionalization, the excessive innerdifferentiation hierarchy and goals, and geographic decentralization. The anthropological model of Schein focuses, in particular, on manager's leadership and skills to lead the cultural change towards innovation attituded. Artifacts can model daily routines and practices, shifting behavior patterns that enable innovation to the members of the organization, for instance, new ways of doing their work (Hogan, & Coote, 2014). If culture is an abstraction of organizational forces, these forces must be understood and mastered (Schein, 2004).

Hofstede's Model

Hofstede's cultural dimensions model was developed between 1967 and 1973 and postulated its framework for cross-cultural communication. It shows the effects of a society's culture on the values of its members, and how these values relate to behaviour. The model proposed six cultural dimensions which are Power Distance Index (high versus low), Individualism Versus Collectivism, Masculinity Versus Femininity, Uncertainty Avoidance

Index (high versus low), Long- Versus Short-Term Orientation and Indulgence Versus Restraint (Hofstede & Minkov, 2010). These dimensions of culture depict the culture various firms and are also influence by societal culture. It is important that these dimensions should be considered in the formulation of global marketing strategies.

According to Geert Hofstede the six dimensions are: **Power Distance Index (high versus low):** with great distance from power, people, organizations or institutions will accept hierarchies and inequalities; on the contrary, with little distance power is shared among the members of the social structure.

Uncertainty Avoidance Index (high versus low): riskintolerant cultures will seek above all to minimize risks and fears through laws and regulation. At the other extreme, with minimum rules stipulating socialization, the risk tolerant cultures will be tolerant, relativistic and opportunistic.

Individualism Versus Collectivism: it indicates the consistency of social ties. In individualistic cultures, each personal will have particular goals and needs. In cultures with sense of community, people will tend to the common benefit and shared goals to the detriment of individual benefits.

Masculinity Versus Femininity: the masculine attitude will be expeditious, competitive, assertive, focused on goals and the search for power; the feminine attitude will be focus on friendship, collaboration and cooperation.

Long-Versus Short-Term Orientation: cultures with long-term orientation work pragmatically towards future reward; short-term cultures, on the other hand, prefer pride, tradition, and fulfillment of social norms.

Indulgence Versus Restraint: by indulgent, Hofstede means ease of freely satisfying the most basic human impulses related to passion for life. In restrictive

cultures, the satisfactions are suppressed and regulated through norms.

Taking into the account these dimensions, Hofstede give relative scores to the cultures and, thanks to this scale, facilitates comparison between them. These indexes tend to be fairly stable over time, and when cultural changes occur, they are often global, so even though certain dimensions vary, overall, positions between countries are maintained. In addition, what is even more important: the six dimensions are statistically correlated. For Hofstede, culture is a software, and it can be understood as those common elements of mental programming in a particular environment which manifestation is through socially constructed institutions, families, groups, and organizations (Hofstede, 1991).

According to him, cultural changes are provoked by changes in practices; these changes will enable changes, in the broadest sense, in social groups. As McCarthy (2013) states, the malleability of its adaptation to different social structures is what raises the academic interest for its application in organization in relation to attributes such as efficiency and innovation.

Language, religion, values and attitudes, education, social organizations, law and practices are eight cultural attributes grouped under six areas which are important to marketing managers (Ahmed, Ullah & Alam, 2014). These cultural attributes are relevant to the successful formulation and implementation of global marketing strategies.

Due to cultural differences, there is no one best choice of standardization strategy for multinational companies (Jiang & Wei, 2012) but rather a combination of localize and standardize strategies are needed based on the convergence of cultural elements. For instance, MNCs are likely to use higher standardization advertising strategy in European Union based markets than in Asian based markets

due to the regional based differences (Okazaki, Taylor & Doh, 2007; Taylor & Okazaki, 2006).

Culture Change Management Strategies

According to Nzuki (2012) the prospects of change inspire automatic resistance in people. This could be because change threatens to disrupt the way people are used to doing things in their individual and/or corporate capacities. Karani (2009) argues that organizational culture is a crucial factor in enhancing or hindering successful implementation of change in terms of strategy implementation. Every aspect of change in an organization demands that the individuals within it change their behavior in order to align to the new strategy and effectively manage the proposed changes.

If anything, the findings of the Organizational Performance Profile (OPP) survey had suggested that there was need for KenGen to change some particular aspects of its organizational culture if the desired productivity was to be realized. The change of culture, which makes up the "most human orientation of an organization", is a critical indicator of how well the organization can "plan, organize, execute and respond to other forms of change" (Nzuki, 2012).

Change management can be defined as "an organized and systematic" way through which an organization can apply its knowledge, resources and tools in a bid to facilitate change (Scheer, 2006); it also can be looked at as the "strategy of planned and systematic change" that is achievable through the influence of the structure of the organization; its corporate culture and the behavior of the individual members (Kneer, 2013). The task of managing change implies that change needs to be planned and managed systematically. This will help in effective and progressive implementation of new systems and methods 9 within an organization. It also entails responding to external stimuli, which the organization cannot directly influence; including factors such as

social and political unrest, legislation, competitors' strategies, global economic development and/or technological advancements and use (Nickols, 2010).

Nickols (2010) defines change management as encompassing four critical elements. These include: the task of managing change, an area of professional practice, a body of knowledge and a control mechanism. Managing change refers to making changes in a planned or systematic manner. The changes being managed are within the organization and can be controlled. The task of managing change also involves the impact the change will have on people. It is important to note that these internal changes could be as a result of external stimuli otherwise referred to as the environment (Nickols, 2010).

This therefore leads to the second meaning of change management in which organization respond to such change (external stimuli), which they cannot directly control or influence. Examples of such external factors include social and political unrest, legislation, competitors' strategies, global economic development and/or technological advancements and use. In this case, the task of managing change largely involves managing the impact of such change on the operations and the people within the organization. Organization leaders and managers find this a daunting task since they have to juggle between helping their employees to cope with the changes and at the same time face their own coping challenges (Nickols, 2010).

Secondly, when it comes to defining change management as an area of professional practice Nickols (2010) observes that there are numerous professionals that claim they are well versed in helping companies undertake planned change and also manage those changes. In these instances, the very process of change is beheld as happing separate from the specifics of the situation. The professional

change agents merely lay claim to their expertise in the task of managing the general process of change.

Thirdly, Nickols (2010) defines change management as a body of knowledge, which encompasses both the content or rather the subject matter of change management. This majorly consists of the methods, models, tools, skills and techniques that add up to the practice of change management. This content is derived from fields such as business administration, sociology, psychology, economics, systems and industrial engineering engineering (Ramanathan, 2009). The content is also a derivative of the study in 10 organizational and human behaviors. Ramanathan (2009) concurs that the previous four decades have seen to increasing interest in the study of organizational change in disciplines such as management, psychology and sociology.

Finally, change management has also been defined in terms of a control mechanism in the sense that what employees once referred to as version control (encompassing the control of systems that run organizations); has now become a synonym of change management. There are similar controls in other areas of the organization rather than just information systems. For instance, chemical processing plans are required by Occupational Safety and Health Administration (OSHA) to uphold some exacting requirements in their quest to introduce organizational changes (Nikols, 2010).

Flexibility in organizational culture enables organizations to easily adopt to changes in the environment. A series of studies conducted in Britain between 1975 and 1984 by Paul Bate and his colleagues at the University of Bath identified six specific aspects of organization culture that appeared to be linked consistently with a range of problematic organizational predispositions. Prominent among these dysfunctional predispositions were: a low commitment to and involvement in the change

process, erection of barriers to change, a disowning of problems and an abdication of responsibility for the search for solutions, over-caution and a lack of decisiveness in the search for solutions, and an adversary position on all issues regardless of whether any potential measure of agreement between the parties existed (Bate, 1984).

The cultural orientations that are closely linked to Bate's predispositions are: inability to express ones feelings about organizational issues, depersonalization of problems, subordination, change aversion, isolation and the assumption that most people will oppose you (Bate, 1984).

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