Chapter 54

The Role of Cultural Dynamics in the Digital Age

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ABSTRACT

This chapter introduces the role of cultural dynamics in the digital age, thus explaining the theoretical and practical concepts of organizational culture, cultural values and belief systems, material culture and artifacts, language and communication systems, cultural interpenetration, deterritorialization, cultural pluralism, and hybridization; the categorization of cultural dimensions; and the application of cultural dynamics in the modern business world. Cultural influences are changing dramatically as cultures are no longer dependent on local resources to formulate their characteristic tastes, preferences, and behavior and are increasingly linked across vast geographic distances by modern communication media. Membership in a culture adapts to new cultural contexts while transporting elements of one culture to another. As membership in a culture becomes increasingly transitional, unique elements are less clearly demarcated or distinctive. Understanding the role of cultural dynamics in the digital age will significantly enhance organizational performance and achieve business goals in global business environments.

INTRODUCTION

The concept of organizational culture has long been central to theories of organizational action, performance and change. Organizational culture is reinforced by artifacts such as icons, stories, heroes, rites, and rituals reminding people for what an organization stands (Messner, 2013). This is supported by efforts to measure behavior and corrective actions when behaviors of some employees become unacceptable to the organization (Heskett, 2011). Organizational culture is the values and norms which channel the actions, manners, behavior and attitudes of all employees in the enterprise (Kriemadis, Pelagidis, & Kartakoullis, 2012). Organizational culture has been shown to be a key determinant of innovation success (Laforet, 2008; Tellis, Prabhu, & Chandy, 2009), and it illustrates the rules, norms, and values within an organization (Colquitt, Lepine, & Wesson, 2009). In addition, Engelhard and Nagele (2003) stated that organizational culture is one of the most important issues in managing contemporary orga-
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Organizations. National culture differences impact on the adequacy of solutions to organizational problems in different countries as well as the validity of management theories in these countries, and the reaction of people to change (Kirsch, Chelliah, & Parry, 2012). National cultures influence the way in which organizations are structured, how employees are being motivated, and what approach to change will be the most successful (Kirsch et al., 2012). National cultures influence performance appraisal, adequacy of leadership style and management concepts.

Management methods and techniques are not generally cross-culturally transferable and that their cultural fit needs to be determined before a transfer is attempted (Schwartz, 2006; Molinsky, 2007). Culture has a profound influence on all aspects of human behavior (Craig & Douglas, 2006). Cultural influences change and culture evolves as political, social, economic and technological forces reshape the cultural landscape (Usunier & Lee, 2005). Cultural differences influence the appropriateness of recommendations for organizational change interventions and the adequacy of organizational characteristics such as reward systems, performance appraisal, teamwork and collaboration, organizational structure, as well as leadership style (Walumbwa, Lawler, & Avolio, 2007). Many researchers (Chang, 2002; Schneider & Barsoux, 2003) have questioned the cross-cultural transferability of management practice. Not only the transferability of management practices, but also the cross-cultural applicability of change management interventions is also questionable (Kirsch et al., 2012). Understanding the origin, changes, and impacts of culture is one of the most important aspects of organizational research (Alvesson, 2002). This chapter introduces the role of cultural dynamics in the digital age, thus explaining the theoretical and practical concepts of organizational culture, cultural values and belief systems, material culture and artifacts, language and communication systems, cultural interpenetration, deterritorialization, cultural pluralism, and hybridization; the categorization of cultural dimensions; and the application of cultural dynamics in the modern business world.

BACKGROUND

Organizational culture is described as the way things are done, referring to the shared norms, beliefs, and behavioral expectations that drive behavior and communicate what is valued in organizations (Hemmelgarn, Glisson, & Dukes, 2001). The cultural context must be considered in managing change and that in cultures with high levels of uncertainty avoidance, the amount of information provided through all channels needs to be increased to reduce the level of uncertainty (Kirsch et al., 2012). Most interventions and approaches to organizational change have been developed in highly individualistic and low power distance cultures. Change agents operating across national boundaries need valid and reliable information that allows national culture to be taken into consideration in change management strategies (Kirsch et al., 2012). Culture is viewed as the humanizing element of corporate business which helps to establish expectations between an employee and the organization for which the employee works, foster trust, facilitate communications, and build organizational commitment (Messner, 2013). In addition, culture is a tool to encourage commitment and achieve the goals of an organization (Lee, Lim, & Pathak, 2011; De Cleyn & Braet, 2012). Culture is a pervasive influence which underlies all facets of social behavior and interaction (Craig & Douglas, 2006) and is embodied in the objects used in everyday life and in modes of communication in society. The complexity of culture is reflected in the multitude of definitions of culture. Given the rapid pace of change, it becomes increasingly imperative to question