

The Emergence of Organizational Cultures in Foreign Investments between Austria, Russia and Ukraine.

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Abstract

Purpose:

The purpose of the paper is to analyse the impact of a new cultural environment on organisations and how organizational culture is affected by external influences with a new organizational model which links elements from organizational theory and organizational culture research. The focus is on the study of organizational behaviour in a new cultural setting and on the changes occurring on all levels of an organisation and on how organisational processes are subject to change under these conditions.

Design:

A multi-method approach will be chosen for this paper. In the theoretical part key models of organizational theory and central concepts of organizational culture will be outlined. This will be followed by an empirical section combining qualitative and quantitative methods. The study will evaluate Austrian, Ukrainian and Russian organisations planning or already carrying out a foreign investment project in one of the these countries. First, a set of narrative interviews will be held in the native language of the interviewee to detect specific factors of national or regional culture that are crucial for doing business in one of the countries using critical incident approach. Second, a quantitative survey will evaluate fifteen organisational dimensions to analyse the manifold ways of influence of organizational and regional/national culture on organizational culture in foreign investments. The results of the interview analysis will provide the basis on which the variables/items for the survey will be formulated as well as the hypotheses for the statistical tests.

Expected findings:

The paper aims at providing a tool for organizational analysis at all life-cycle stages of an organisation based on organizational theory. It should provide decision makers an instrument to detect strong and weak points on all process levels in an organisation especially during change processes as it is the case in foreign investment projects.

Research limitations/implications:

As the research will be limited to three countries, predictions for organizational behaviour in other countries than those observed will not be possible. Furthermore, the way how these issues influence the productivity and/or the economic performance will only be looked at from a process-based perspective and not be evaluated from a financial perspective.

Practical implications:

It is intended to formulate a set of recommendations for Austrian companies who want to expand their business to Ukraine or Russia or for Russian and Ukrainian companies entering Austrian market.

What is original:

In this paper organizational culture will not be defined as a rather static concept but as a dynamic construct affecting all processes in organizations and which is subject to change due to internal and external influences, whereby the way how organization members interpret organizational culture can be seen as internal influence. Culture related issues will be analyzed both from target company's and from investing company's perspective.

Keywords: Foreign investment, national culture, regional culture, organizational culture, cross-cultural management, organizational theory.

Paper type: Research concept