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THE IMPACT OF SOCIETAL CULTURE AND INDUSTRY ON ORGANIZATIONAL CULTURE

Theoretical Explanations

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Because national culture and industry are integral parts of the environment in which organizations function, organizational culture by implication should be influenced both by the broader societal culture and by the industry in which they operate. As has been noted throughout this volume, a wealth of research examines the interrelationships among various conceptions of societal culture and industry and various forms of organizational behavior, structure, and culture, and we do not purport to present an exhaustive review of that literature here. However, the vast majority of the writing on society-organization linkages, and on industry-organization linkages as well, has focused on the measurement and description of relationships, without specifying the mechanisms by which the influence is enacted. Fortunately, in the past decade, organizational

researchers have begun to understand the need to identify potential explanatory mechanisms to more thoroughly understand the phenomenon of interest. For example, Earley and Erez (1997) in their edited book *New Perspectives on International Industrial/Organizational Psychology* describe a variety of findings, including Lawler's (1986) research showing that quality control circles were generally quite successful in Japan, but that their success was much less consistent in the United States. Earley and Erez go on to note that "What have been missing from I/O research literature are the theoretical frameworks people can bring to bear in explaining such patterns, not simply describing them" (p. 3).

In this chapter, we briefly present several potential mechanisms by which society-level variables and industry-level variables might have their impact on organizational culture.¹ We