

## The Influence of Culture in International Leadership

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### Abstract

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The numerous amount of studies that have been done through the years within the field of culture and, specifically organizational culture, says a lot regarding the important of the matter in organizations. Nowadays, it seems more and more important to demystify the concept of culture, so that organizations and its leaders, especially those operating worldwide, may take the most advantage possible from it, in order to have satisfied employees, satisfied managers and satisfied investors. The objective of this article is to help understanding, from theory to practice, what is culture is for an international organization, the importance of knowledge management and, lastly, the role of the leader as influencer of culture and transmitter of culture top-to-bottom.

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**Keywords:** organizational culture, leadership, knowledge management

### 1. Introduction

The concept of culture has always been a matter of great discussion along the years. Since the 19<sup>th</sup> century culture has been referred to, in light of different field studies, as many different ways. Regarding the academic definitions, along the years many definitions and points of view have arose (for example, those of Hofstede, 1999; 2017; Trice and Beyer, 1993; Schultz, 1995; Deal and Kennedy, 1999; Cameron and Quinn, 1999; Ashkanasy, Wilderom, and Peterson, 2000; and Martin, 2002; Schein, 1984; 2004; 2008; 2009; 2012), so it is, at first sight, clear that there isn't a "right" definition of culture, since there has been so many through the years.

Nevertheless, probably the best and shortest description of what culture is and what it represents is that culture is the soul of the organization and, specifically regarding organization culture, the idea would be the same: organizations, even those operating internationally, have a set of basic assumptions and values (a "soul"), regarding the country where it is operating. Despite of that, an organization operating in different countries has contact with different people with different cultures, and they have to match their needs. So, shouldn't international organizations adapt to all those different people, in order to better match their needs and grant them a quality service? More than that, if an organization operates in several countries wouldn't it have employees with different cultures, different beliefs and different ways of work? Applying the same line of thought, in order to succeed, organizations have to accept and value the best of each culture within their subsidiaries, learn with them and take advantage of their strengths.

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For that, they have to have strong leaders that know how to balance the “soul” of the organization and to pass that to his team and, on the other side to give people space to adapt their ways of work to better match that country’s culture, otherwise the employees working there won’t like to work there, they’ll feel forced into other ways of work that do not fit theirs. But do organizations nowadays actually do that? Do managers see that culture is important in order to succeed, to take decisions? Is it at all the right way of thinking?

With aim to guarantee the relevance of this article, having in mind that many have been the studies through the years regarding organizational culture, this study came to contribute to the development of this thematic by trying to understand, from the point of view of leaders, what is the impact that culture has on their daily work. On the evolution of the studies on organizational culture many have been the authors contributing to what we know today (the ones mentioned above are just a small part), nevertheless the fact is that, in practice, there is not much development on this matter, to confirm if what is said in theory actually happens. So, considering all this, the current investigation aims to contribute to the development of scientific knowledge in the subject of organizational culture through the following objectives.

The structure of this work is divided in 2 main parts: the first more theoretical and the second the practical. The first part is divided into 3 subparts, the concept of culture; culture and leadership; and the importance of knowledge management.

The first subpart, the concept of culture, aims to explain what is culture (through a simple exposition of several interpretations of the concept), its levels, forms and assumptions, aiming to explain all the components and implications of culture. Secondly, it is presented the connection between culture and leadership, and the importance of the last in international organization. Lastly, within this part, it is also exposed what is knowledge management, and why is it important for an organization.

The second part of this article will be divided into 2 subparts, focusing in all the parts mentioned above, aiming to confirm (or deny) the exploratory results and defining, simultaneously, in which way these are fitted into the reality of international organizations operating in Portugal (empirical investigation).

In the first subpart will be defined the methodology of this investigation and the characterization of the sample interviewed. On the second part will be approached the impact of culture in the leadership within the organization: investigating the questions defined and through the answers of the sample it will be confirmed what was pointed out by the authors on the previous part.

At the end some conclusions will be drawn to confirm (or deny) the importance of culture within international organizations and to reinforce the importance of the role of the leaders in passing the culture and guaranteeing a common culture within the whole organization.

## **2. Literature review**

### **2.1. The concept of culture**

Culture carries has an endless number of meanings. It can be used to refer to sophistication/education (“to be very cultured”); to refer customs and rituals of a certain group, as usually done by anthropologists; it can also refer to the climate and practices of an organization (“the way things are done around here”), used by managers.

At the most general level, culture may refer simply to the lifestyle and behavior of a given group of people, so corporate culture is a term used to characterize how the managers and employees of particular companies tend to behave. The term is also used by HR managers and senior managers in their attempts to productively shape the kind of behavior they hope to have in their organization. In any case, it that may pass the idea that there is a “right kind of culture”, wrongly implying that there are some cultures better than others (Collinson and Rugman, 2012).

We can say that any social group who has had a shared history has a shared culture. The strength of that culture will, of course, depend on the length of that group, personal boundaries between the members and the emotional intensity of that shared history. Moreover, it is safe to say that every culture has a set of visible manifestations (customs and rituals, behaviors or “the way things are done”), which carry some invisible and “under the surface” phenomena.

Unveiling a little more the concept, there has been some debate on the past years on what culture really means (for example, those of Hofstede, 1991; Trice and Beyer, 1993; Schultz, 1995; Deal and Kennedy, 1999; Cameron and Quinn, 1999; Ashkanasy, Wilderom, and Peterson, 2000; and Martin, 2002), revealing the importance of the concept, but at the same time creating difficulties in the use of the word, since its meaning seems to be fuzzy and its usage inconsistent.

Edgar Schein (2004) pointed out 4 important characteristics of any culture: structural stability, the constancy of the culture, as it defines it; depth, the non-tangible and non-visible part of the culture, often unconscious; breath, the influence it has over all aspects of how an organization deals with its primary tasks, environment and internal operations; patterning/integration, the way it “ties” together the various elements of the group and lies at a deeper level. Schein highlights that the only thing of real importance that leaders do is to create and manage culture, the unique talent of leaders is their ability to understand and work with culture, and it is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional.

Hofstede (2017) defines organizational culture as the way in which members of an organization relate to each other, to their work and to the outside world that distinguishes them from other organizations. His research has shown that cultural differences between nations are especially found on the deepest level (i.e. values), while between organizations the differences are especially identified on the level of practices. Those are more tangible than values, which also allows for a more precise and specific definition. Deal and Kennedy (1982) also emphasize the more visible levels of cultures, such as rituals, legends and ceremonies, because they consider that these are factors that shape behavior. Nevertheless, it is the more “invisible” part that may be of more interest for those who intend to change/improve culture of a specific organization.

Culture, therefore, gives an organization a sense of identity and “belonging” which determines, through its norms, rituals, values, beliefs and language “the way things are done”. It carries what has been working for the organization, which, over time, become accepted “without questioning”, especially by older members. Those practices become norms over time, as those become expected behavior patterns within the organization, also turning into part of the culture. (Ferraro, 1998; Detert et al, 2000; Hartnell, *et al*, 2011)

## 2.2. The levels of culture

Culture can be said to have several levels, being levels the degree to which the phenomena are visible and tangible. These levels vary from those that are possible to see and feel (artifacts), to those unconscious deeply embedded (basic underlying assumptions) that Schein defines as the essence of culture. Between these 2 are the espoused beliefs, values, norms and rules of behavior that members use as a way of depicting the culture to themselves and others.

Artifacts are those events “at the surface”, which include everything that we can see, hear and feel when in contact with an unfamiliar culture. Those are the visible product of the group (physical environment, language, technology and products, etc.), and also the “climate” within the group and the visible behavior of its members (Schein, 2009). The most important thing to have in mind while observing and interpreting artifacts is that they are very clear to see and have immediate emotional impact, but are very hard to decipher. On the other hand, some argue that one’s own response to physical artifacts, such as buildings and office layouts, can lead to the identification of major images that reflect the deepest level of the culture (Gagliardi, 1990; Hartnell, et al, 2011; Ghinea and Brătianu, 2012).

Behavior is very important, but also very ambiguous, since it may or may not reflect the culture we are trying to analyze: even though some patterns of behavior may reflect cultural assumptions, other behaviors may simply be a biological or reflex reaction, not mirroring at all the culture of the group. Our behavior is complex, is influenced both by the culture predisposition, but also by the situation contingencies that arise from the immediate external environment (Schein, 2009). All group learning ultimately reflects the “original” beliefs and values hold by the founder/leader of that group. When the group is created and has to face its first issues, the solutions proposed reflect the assumptions that the founder held, but those solutions are not yet shared learning: those have to be tested and succeed so that the group recognizes it as valid.

If it happens and the group has a shared perception of that success, what was initially proposed as a way of action gradually becomes, at first, a shared value of belief, and later on a shared assumption (Schein, 2004;2008; 2012; Collinson and Rugman, 2012).Nevertheless, not all beliefs and values go through this process: not all solutions work reliably, only those that can be tested and continue to work reliably as resolving the group's issues can become, later, assumptions.

In other words, espoused beliefs and values are the first thing new members learn, the values that the organization has which create a certain image of themselves that they want to maintain (which may or may not correspond to the reality).Furthermore, espoused beliefs only explain a little part of the culture. To get the "whole picture" of the culture it is important to analyze the next level/layer, the underlying assumptions (Schein, 2012).

Regarding basic underlying assumptions, as explained before, when there is a proposal from the leader to resolve an issue which works repeatedly, and which success is recognized by the group, it gradually becomes taken for granted: what was initially the leader's view comes to be treated as a reality. (KluckhohnandStrodtbeck, 1961).In fact, according to Schein basic assumptions have become so taken for granted that one finds little variation within a social unit. This degree of consensus results from repeated success in implementing certain beliefs and values. In fact, if a basic assumption comes to be strongly held in a group, members will find behavior based on any other premise inconceivable.

Based on this, we can say that basic assumptions are extremely hard to change, they become "part of the group's DNA", since they are non-discussable and non-confrontable: to actually change or adapt them it is required to resurrect, reexamine and possibly change some of the more stable portions of our cognitive structure – a process that Argyris and other researchers have called "double-looping learning" (Argyris et all, 1985).

Moreover, in situation of uncertainty members tend to perceive their surrounding according to their assumptions, instead of dealing with anxiety, even if it means to distort, deny or falsify to themselves (and those influenced by them) the reality. It is in this psychological process that culture has its ultimate power: the human mind needs cognitive stability, therefore any challenge or questioning of a basic assumption will release anxiety and defensiveness. In this sense, we can say that the shared basic assumptions of a group at both the individual and group level work as defense mechanisms, it influences the way we see the world, what we "choose" to see, what we pay attention to, what it means for us and how do we react emotionally.

Furthermore, the most central issue for leaders, therefore, is how to get at the deeper levels of a culture, how to access the functionality of the assumptions made at that level, and how to deal with the anxiety that is unleashed when those levels are challenged. (Schein, 1995)

### **2.3. How does culture form?**

When an individual creates a group and becomes its leaders, with his own values, beliefs, assumptions, goals, etc., the leader will initially impose these on the group – as said before, he proposes the solution.After continuous confirmation and reinforcement, those values and beliefs become acknowledged by the group and turn into less conscious, non-discussable and non-negotiable assumptions, dropping out of awareness and, most of all, becoming part of the group's identity (due to its non-negotiability) – the "group's DNA" is created.

Recent research built on the Hofstede and Trompenaarsresearch, the Global Leadership and Organizational Behavior Effectiveness (GLOBE) project, started in 1992 and still continuing today, examined the HRM implications of cultural differences for practicing managers and looked at ways to avoid the danger of ignorance and insensitivity. At a very general level good transnational firms develop an awareness and appreciation of cultural differences among their employees, and take steps to encourage adaptation of personal behavior or organizational practices, or products and services, to suit the changing mix of cultures within the firm, in subsidiaries and in key markets. Training programs, when new recruits join a firm or existing personnel take up a role in a new country, are a standard way for firms to do these things. Beyond awareness and adaptation, the best firms aim to leverage the diversity of cultures within their organizations and combine the best aspects of different ways of doing things. Corporate cultureprovides a way to do this, through social events alongside regular meetings and conferences, for example. (Collinson and Rugman, 2012)

## 2.4. Culture and Leadership as two side of the same coin

Schein saw culture and leadership as two sides of the same coin, being one manipulated and influenced by the other: culture is dynamic as it starts with the leader, who transmits to the group his own beliefs and values, and later, as the group evolves, those values and assumptions brought initially are now taken for granted, as those are passed to later generations as “the right way of doing things”. At this point, culture defines leadership, as the later leaders have to act accordingly to the ideas set by the “original leader”.

With time the environment changes and the group has to adapt, and the solutions and processes that worked previously no longer fit the issues that the group now faces. The leader comes into action once more: leadership is now the ability to step outside the culture that the founder established and to build up new ideas and processes to adapt to the new circumstances, creating new values and assumptions. This ability to perceive limitations of one’s own culture and to evolve the culture adaptively is the essence and ultimate challenge of leadership. (Schein, 2004)

In other words, neither culture nor leadership can be explained by itself: on one hand, culture defines how the organization will define leadership; on the other hand, the unique talent of the leader is their ability to understand and work with the culture and it is the ultimate act of leadership to destroy culture when it is viewed as dysfunctional.

Schein also states that much of the confusion about what culture and leadership mean derives from a failure to consider this interaction between them and our failure to define what stage of an organization’s life we are talking about. At the very foundation of an organization its leader has there the opportunity to impose his own beliefs, values and assumptions, starting the culture creation process: what is considered “leadership” then reflects what the founder imposed. On the other hand, when a new leader takes over an already existing organization, he realizes that the culture already existent in that organization will define and influence his leadership style, based on past history and the beliefs, values and assumptions of the leaders before.

The leader’s role in evolving the culture, when it does not fit, is complicated by the fact that as organizations grow and mature, they not only develop their own overall cultures, but they also differentiate themselves into many subcultures based on occupations, product lines, functions, geographies and hierarchies: leaders thus must not only understand the consequences of culture changing (uncertainty and anxiety) but, more importantly, align the various subcultures that have been created toward a common goal: the success of the organization.

## 2.5. How leaders embed and transmit culture

As the organization begins to stabilize due to its success in accomplishing its goals, the leader’s assumptions become shared and the embedding of those assumptions can then be thought more as a process of socialization of new members or acculturating them to the group. (Schein, 2004)

The author affirms that leaders have at their reach 2 mechanisms: primary embedding mechanisms and secondary articulations and reinforcement mechanisms. The primary embedding mechanisms are the major tools that leaders have in hand to pass to their teams how to perceive, think, feel and behave based on their own conscious and unconscious convictions. The first, what leaders pay attention to, measure and control, is one of the most powerful mechanisms available for them to communicate what they believe in or care about, from what they comment, to what they actually measure and reward: basically every aspect that is systematically controlled, formally or informally. Founders and leaders also let know what they value by their emotional reactions (especially emotional outbursts): subordinates, by trying to avoid these outbursts, build an idea of what they perceive the leader wants to avoid. The second is leaders’ reactions to critical incidents and organizational crisis: when the organization faces a crisis, the way leaders deal with it creates new norms, values and working procedures, and reveals important underlying assumptions. Situations of crisis are especially important in times of creation and transmission of culture, because the high emotional involvement increases the learning. The third, the creation of budgets, is another process that reveals the leaders’ assumptions and beliefs: how much “financial crisis” it is acceptable, how much self-sustainable the organization must be, influence the choice of goals, means and the management process used, and such beliefs will influence decisions made and their perception of alternatives; The fourth, deliberate role modeling, teaching and coaching, is probably the most “obvious” tool is the so called “formal” communication,

Teaching and coaching of the leader to his team, and also the awareness that they have that their own visible behavior has great value for communicating assumptions and values to others; The fifth how leaders allocate rewards and status is how member of any organization learn from their own experience with promotions, performance appraisals, and discussions with the boss, what the organization values and punishes. Leaders can easily pass on their own priorities, values and assumptions by consistently linking rewards and punishments to the behavior they want to promote or avoid within the organization.

The sixth, how leaders recruit, select, promote and excommunicate, is the last, and maybe most subtle ways of leaders to promote their assumptions to the group. This tool is subtle because in most organizations it operates unconsciously, affirms Schein; Founders and leaders tend to find attractive those candidates that who resemble present members in style, assumptions, values and beliefs. Also, through the criteria of who does, or does not, get promoted, who is in and who is excommunicated, etc., basic assumptions are reinforced; Regarding secondary articulations and reinforcement mechanisms, within a young organization design, structure, architecture, rituals, stories and formal statements are cultural reinforcements, not culture creators. Once an organization has matured and stabilized, these same mechanisms come to be primary culture-creating mechanisms that will constraint future leaders. Nevertheless, in growing organizations these are secondary, because they only work if consistent with the primary mechanism, building organizational ideologies and thus formalizing much of what is informally learned; if inconsistent, they will either be ignored or a source of internal conflict. (Schein, 2004)

These secondary mechanisms can be thought of as visible artifacts, highly visible but very hard to interpret without inside knowledge of the culture; however, these can become very strong in perpetuating the assumptions.

One mechanism is the organizational initial design and periodical change that it may have. It provides opportunities for leaders to embed their assumptions about the tasks, means to accomplish those, the nature of people and the right kinds of relationships to foster among people. Another secondary mechanism is the organizational systems and procedures, the most visible part of life in any organization: its recurrent tasks, cycle of routines, procedures, etc. Leaders use these very often, both for the fact that employees constantly try to avoid ambiguity and anxiety, and for the fact that, by building systems and routines they are formalizing the process of “paying attention” and thus reinforce the message that leaders wants. Rites and Rituals of the organization, another mechanism, are important to analyze nevertheless it is difficult to decipher what assumptions the leaders held that have led to the creation of those rites and rituals. On the other hand, if a leader can ritualize certain behaviors that he/she considers important, that would be a very powerful reinforcement.

One other mechanism is the design of physical space, facades and buildings, since it encompasses all the visible features of the organization that any outsider would encounter. Another mechanism is the stories about important events and people, since as a group develops and accumulates shared history, and some of it becomes embodied in stories about events and leadership behavior, reinforcing assumptions to new members. The last mechanism is the formal statements of organizational philosophy, the attempt to state explicitly their values and assumptions. These statements usually highlight a small part of the assumptions set that operate in the group and, most likely will highlight those aspects that the leader wants to let know.

What managers must recognize is that all of the primary mechanisms must be used and all must be consistent with each other. Many change programs fail because the leader who wants the change fails to use and understand the entire set of mechanisms described. (Schein, 2004)

## **2.6. Is it possible to improve performance through knowledge management?**

Organizational development and change in the modern knowledge-based economy require effective knowledge management (KM) of employees. KM can be defined as a systematically and organizationally specified process of sharing, transferring, creating, using, and saving the knowledge of employees to enhance organizational performance (Nonaka and Takeuchi, 1995; Davenport and Prusak, 2000; Dalkar, 2011). KM is aimed at providing the right knowledge to the right people at the right time in order to improve organizational performance (O'Dell and Hubert, 2011). It is new knowledge created by groups of employees from different subunits of the organization (Hislop, 2009).

Two types of employee knowledge are defined: explicit and tacit (Nonaka 1994; Botha et al., 2008). Explicit knowledge can be found in documents (Wellman, 2009). Tacit knowledge is experience-based knowledge embodied in people (Sternberg and Horvath, 1999).

The most valuable knowledge is tacit knowledge (Hislop, 2009; Dalker, 2011), since it promotes organizational innovations and sustains competitive advantage (Gamble and Blackwell, 2001; Wellman, 2009). Tacit knowledge includes mental models, expertise, cultural beliefs, and values (Botha, et al, 2008), however management of tacit knowledge is extremely problematic, nevertheless, since knowledge is inseparable from organizational culture, KM culture that encourages employees to create, transfer, share, and use knowledge, can promote the handling of tacit knowledge (Nonaka, Takeuchi, Umemoto, 1996; Goodman, 2006; Serrat, 2012). Effective KM in an organization can be met through a change of organizational culture: use of the necessary experiences is the basis of organizational culture change. The experiences induce and promote adoption of the KM organizational values by employees, therefore, the need to implement suitable experiences of KM organizational culture change becomes crucial.

### 3. Methodology

Within this study it was applied an empirical study which focused on interviews made to top managers and directors of organizations operating internationally. In this sense, it was made a guide line for the interviews based on a construction between the objectives of the study, the questions from which those objectives would be achieved and the literature review that originated the objectives and questions:

**Table 1 - Objectives of the study, research questions and literature review**

Objective	Research Questions	Literature review
The importance of knowledge management in the performance	(Q1) – Is it possible to improve performance through knowledge management?	Nonaka and Takeuchi (1995); Davenport and Prusak (2000); Dalker (2011); O’Dell and Hubert (2011); Hislop, (2009); Nonaka (1994); Botha et al. (2008); Wellman (2009); Sternberg and Horvath (1999); Dalker (2011); Gamble and Blackwell (2001); Wellman (2009); Connors and Smith (2011); Chandan and Kumar (2011) Tilchin and Essawi (2013).
The role of the leader in culture	(Q2) – How should leaders embed and transmit culture?	Schein (1992; 2004); O’Farrell (2006); O’Donnell and Boyle (2008).

Source: Elaboration by the author

This table was built through an organized mapping which has the objective of presenting the base of the theoretical model of this investigation. The interviews had as an objective to collect as many information as possible regarding the opinion of top managers/directors of organizations operating worldwide and based or with subsidiaries in Portugal.

Regarding this specific investigation, it had a pragmatic or inductive base, and was conducted from a sample non-probabilistic and per convenience, constituted according to the availability and accessibility of the elements approached (Carmond Ferreira, 1998), in this case, by top management elements of international companies operating in Portugal. In this sense, there were conducted 14 face-to-face interviews, and considering the number of interviews it may be safe to consider this sample is approximately representative of the behavior of international organizations operating in Portugal. Regarding the means, it was an investigation that was based on a set of primary sources, through the application of interviews to elements of the top management of international organizations operating in Portugal, specifically, in Lisbon; those were chosen for the fact that those would have meaningful experience with organizational culture and which have the role of passing that culture top-down. Secondary sources were the bibliographic research and processing of information, included in the study of books, scientific articles and websites. In terms of the qualitative methodology used, this resulted from the analysis of the interviews, aiming to measure the phenomenon in study in terms of the social, individual and holistic dynamics of the human being framed within the thematic of the influence of organizational culture within international organizations, trying to understand the meaning that people give to the phenomenon analyzed, more than simply trying to interpret them, trying to live the reality within that same context, so that it is possible to analyze the information inductively, which is only possible to achieve through observation, collection and analysis “in loco” of the scientific facts (Vilelas, 2009).

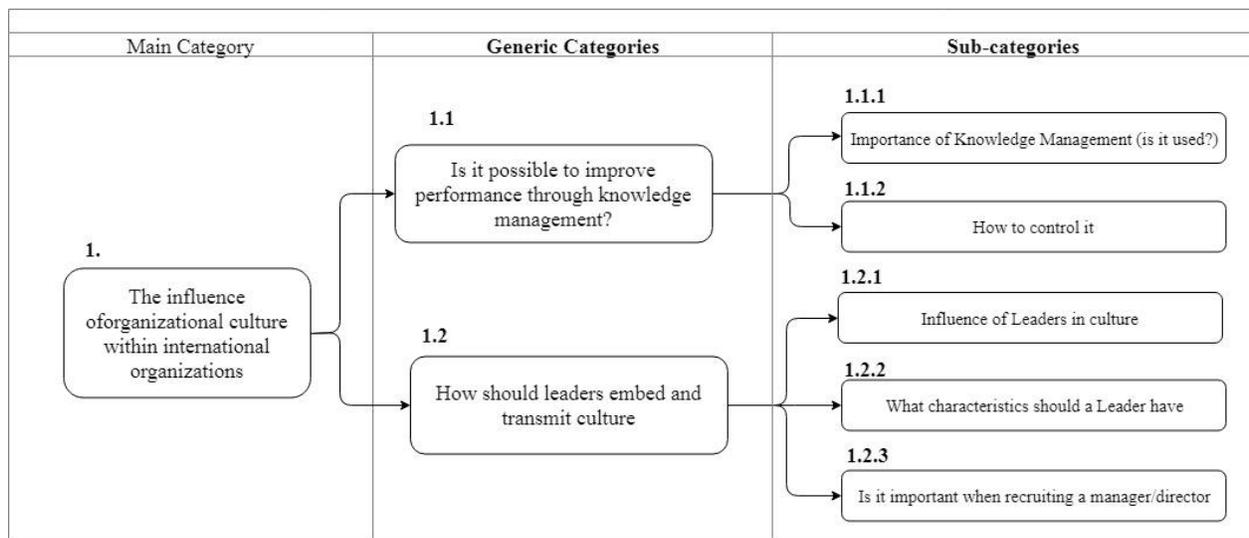
In terms of the qualitative analysis technique used to interpret the data reproduced in the interviews, this represents an analysis of the content, trying to connect the semantic structures with the sociological structures from its characteristics [(psychosocial variables, cultural context, and context, processes and reproduction of the message) – (Duriauet al., 2007)].

Figure 1 represents the relation between the subject of this investigation (Main category) – The influence of culture in international organizations –, 2 research questions that I consider relevant, and 5 sub-questions that derived from the research questions and that I consider relevant to help answering those research questions (sub-categories).

Through the reproduction of the recordings, documented afterwards in written texts the process of explanation, systematization and expression of the content of the messages, it was organized according to the 3 chronological poles of Bardin (1977), which means that, in a first phase, giving place to the organization and systematization of ideas, in a second phase the exploration of thematerial, and doing at the end a processing and interpretation of the results obtained.

Concerning one of the primary sources used and, given the objective of this thesis, it is important to mention that the interview was the method considered most adequate for the information gathering since, despite the analysis may have an implicit degree of subjectivity associated to the answers gathered, it is a method that allows the social actors themselves to provide the data regarding the subject in study (Carmoand Ferreira, 1998). Regarding the 14 interviews made, this value also guaranteed a certain degree of reliability according to Vilelas (2009), since it approximately fits within the parameters recognized by the author as acceptable, varying from 15 to 20 interviews.

**Figure 1 - Categorization and codification of the “corpus” of the interview for qualitative analysis**



Source: Elaboration by the author

It is important to mention that the technique of semi-structured interview used was developed in a basis more or less structured of questions, implicit an adaptable character and not rigid, leaving most of the times the conversation to run in a fluid way. Despite the questions previously prepared, most of them appeared through the interview, allowing both the interviewer and interviewees some flexibility to deepen or confirm some data when necessary. This means that it was a planned interview but also spontaneous, allowing gathering a lot and important data generator of quantitative and qualitative information (Werrand Styhre, 2002).

The choice of this type of interview had, in this sense, as an advantage firstly, its few formalization and great flexibility which allowed a more profound and rich speech, gathering not only the answers to the topics selected and attitudes, values and ways of thinking of those interviewed, but also the gathering of more data generator of information which appeared spontaneously. On the other side, it also had the advantage that it wasn't required an uniform gather of quantified information and comparable of all interviewees, which led to the no necessity of using rigid criteria, that in a lot of cases damage the profoundness of the investigation (Vilelas, 2009).

Regarding the disadvantages, for its heterogeneity in terms of answers obtained, as mentioned in the previous paragraph, there was some difficulty in grouping and comparison between answers, whenever it was necessary such comparison, which validated some difficulty in the synthesizing of the data (Vilelas, 2009).

Given my professional relationship with one of the organizations it was possible to gather data from people performing different functions within the organization, not simply from a specific department or subsidiary, allowing more transversal data. Firstly it was made an analysis of all the variables that could statistically characterize the sample, regarding its demography (gender, age, function and academic education) and professional experience. The aim was to define the sample as best as possible given its nature, professional experience and academic knowledge.

The sample is characterized by being representative of a group of interviewees predominantly constituted by men (71%), and having a bigger prevalence on the age group of 52-60 years old. The average of ages is of 43 years old, with a standard deviation of 7, 5 years. In terms of academic studies, the whole group has higher education (in various study fields), 57% has a bachelor degree, so it is safe to affirm that all managers from the sample are very educated and all from very different backgrounds (since engineering, to economics or languages).

#### 4. Research results

##### 4.1 Is it possible to improve performance through knowledge management?

KM can be defined as a process of sharing, transferring, creating, using, and saving the knowledge of employees to enhance organizational performance (Nonaka and Takeuchi, 1995; Davenport and Prusak, 2000; Dalker, 2011). Its aim, according to O'Dell and Hubert (2011) is to provide the right knowledge for the right people at the right time, and it should allow the creation of organizational knowledge. Two types of employee knowledge are defined: explicit and tacit (Nonaka 1994; Botha et al., 2008). Explicit knowledge can be found in documents (Wellman, 2009), and tacit knowledge is experience-based knowledge embodied in people (Sternberg and Horvath, 1999). The most valuable knowledge is tacit knowledge (Hislop, 2009; Dalker, 2011), since it promotes organizational innovations and sustains competitive advantage (Gamble and Blackwell, 2001; Wellman, 2009).

This subject does not seem to be very agreeable. From one point it is certain that all managers consider KM important in order to provide a quality service to its clients, through all its subsidiaries; on the other hand, it does not seem that all have the same opinion regarding the importance of tacit or explicit knowledge. Nevertheless, it is certain that maintaining a good and solid organizational knowledge base is, in everyone's opinion, essential. Most of the sample actually says that, both are equally important or, contrary to what the authors defend, that procedures (explicit knowledge) are more important for an international organization.

The reasoning behind this opinion are various: some say that, without procedures, there is no way that an international organization can maintain certain standards to all its subsidiaries, so it is essential to have every procedure and knowledge written, so that those standards are possible and everyone does not work "as they please" and follow certain rules. It is also said that it is essential to keep as much knowledge written as possible since, they say, it is "dangerous" to keep the knowledge with people: if they leave the organization they'll take the knowledge with them. One last argument used to support this opinion is that tacit knowledge will never bring changes to the explicit knowledge, in fact, the last is the base that will give support to every action within the organization, and the first will simply complement it, be the "extra mile" for the client.

Accomplishing desired results in an organization requires changing its culture, which determines the new way employees think and act (Connors and Smith, 2011; Sambhedna, Chandan and Kumar, 2011). Organizational culture change is met when the new results that have to be achieved by an organization are stated, actions of the employees providing attainment of the results are determined, the new organizational values guiding actions of employees are identified, and the experiences which inspire the new organizational values are formed. In short, experiences inspire values, values influence actions, and actions produce results (Connors and Smith, 2011). This point, on the opposite side, seems to be compliant between what the authors and the sample state. Managers say that, nowadays, it is much more important the capacity of creating and innovating than knowledge as a static asset, and that procedures exist in order to materialize principles and values of the organization, being those important when, a situation comes up that is not covered by the procedures, through principles and values, it is possible to make a decision.

Lastly, Tilchinand Essawi (2013) point out that knowledge management of employees is a constructive way to improve organizational performance. The desired organizational result can be accomplished through implementation of the experiences which induce and promote adoption of the new organizational culture values by employees, and the experiences instill the values of KM organizational culture in employees.

Even if probably not directly saying it, the managers seems to agree with this, since all point out the importance of maintaining communication flowing, training people and defining procedures and repository of information, in order to provide a quality service. Managers, however, go further in this, I would say: they point out how delicate it is to integrate new knowledge into the repository, mainly because that information, most of the times, comes from the base of the organization and, while thinking they are helping their colleagues and facilitating work, they may be actually going against the principles of the organization. One manager actually states: “Those feedbacks and new information have to be verified and checked if they are accordingly to the principles and rules of the organization, in other words, those inputs and “non-formal” knowledge comes from individuals, and we have to be careful in integrating that knowledge in the core knowledge of the organization and to check if those actually correspond to the culture of the organization. Everyone may suggest, but not everyone can make decisions”.

Nevertheless, some actually state that both tacit and explicit knowledge are very important, despite tacit knowledge being very volatile and explicit knowledge being hard to maintain. Nevertheless, again, it is important to underline that nowadays it is not that much a matter of explicit or tacit knowledge (despite being already said that those are essential for the organization to run and provide a quality service), but instead in order to succeed in the modern markets and modern clients, what is becoming more differentiatoris creativity, the capacity to be systematically innovating, the capacity of the organizations of creating and innovating.

**Table 2 - Analysis of content - Knowledge management**

Analysis of content – interviews			
Sub-category	Text	N° of times	Interviewee (s)
1.4.1	One can't exist without the other.	9	1, 2, 3, 4, 5, 6, 10, 12, 13
	Experience represents great part of knowledge.	2	12, 13
	Both are very important, despite tacit knowledge being very volatile and explicit knowledge being hard to maintain.	4	3, 5, 7, 10
	We have to have procedures that give support to the leaders and so that the organization maintains a single culture.	9	4, 6, 7, 8, 9, 10, 12, 13, 14
	Experience and effort make the difference in the extra-mile.	7	3, 5, 6, 9, 12, 13, 14
	Knowledge from the people does not bring changes to procedures, but instead complements it.	6	1, 2, 4, 11, 13, 14
	Organizations have to create ways so that people don't work as they're pleased, otherwise it will have a negative impact on the culture of the organization.	6	1, 6, 7, 8, 9, 14
	Nowadays it is much more important the capacity of creating and innovating than knowledge as a static asset.	5	3, 6, 10, 12, 13
	Procedures always exist, especially in big organizations, but those are written to materialize principles behind them and then, according to the situations, those “rules” can be adapted or not, but are always in line with the principles.	1	6
1.4.2	Knowledge is not static, it is constantly improved and changed due to experience and new situations.	10	1, 2, 5, 6, 7, 8, 9, 10, 11, 13
	Constant communication with direct superiors and HQ, and constant refreshes.	8	1, 2, 5, 6, 7, 8, 11, 14
	The knowledge has to be in the organization, not in the people.	9	2, 3, 4, 6, 7, 8, 9, 11, 14
	Some specific knowledge will always stay with the people.	10	1, 2, 3, 4, 5, 6, 10, 12, 13, 14
	Inputs and “non-formal” knowledge come from individuals (usually from the base), and the organization has to be careful in integrating that knowledge into the core knowledge (procedures) of the organization, they have to check first if those are according to the culture of the organization.	3	6, 10, 14

Source: Elaboration by the autor

## 4.2 How should leaders embed and transmit culture?

Schein saw culture and leadership as two sides of the same coin, being one manipulated and influenced by the other: culture is dynamic as it starts with the leader, who transmits to the group his/her own beliefs and values, and later, as the group, those values and assumptions brought initially are now taken for granted and passed as “the right way of doing things”. At this point, culture defines leadership, as the later leaders have to act accordingly to the ideas set by the “original leader”. O’Farrell, in 2006, concludes that statements of values, codes of conduct, principles, rules and regulation are simply rhetoric, without leadership that is what they will ever be rhetoric. It is the job of leaders to turn them into reality.

Opinions of the managers are quite divergent on this matter. Some say that leader can’t influence the culture since the leader, when accepting that role, he already has in him the culture of the organization, and is already incarnating the culture, the principles and the values of the organization (being already, from the starting point, influenced by it and acting according to it).

Others say that the leader is essential for culture, they say that the organization may have a culture of dialogue and transparency, but if the leader does not share these values, it won’t work. On the other hand, if the leader is open to dialogue, to transparency, to feedback, etc., even if the organization does not have these values, at least the leader will be able to influence the organization. So these suggest that is the leader that will in fact influence (or even define) the culture of the organization, or at least, the culture of his own department.

The simplest explanation of how leaders get their messages across is that they do it through charisma but, with charisma as an embedding mechanism, is something rare and their impact is hard to predict. On the other hand, there are many ways of getting messages across, leaders have at their reach 2 mechanisms: primary embedding mechanisms and secondary articulations and reinforcement mechanisms (Schein, 2004).

A subsequent issue is the extent to which leaders can actually shape or influence culture: on one hand, examples where interventions can influence culture exist; but on the other hand, some authors talk of the danger of attempting to influence the more superficial aspects of culture such as symbols and ceremonies, while ignoring the more pervasive and deep seated aspects of culture such as values and beliefs (O’Donnell and Boyle, 2008).

Leaders, even those without charisma, have at their reach 2 mechanisms to influence and pass their message: the primary embedding mechanisms, which are the major tools, since those are visible artifacts that clearly reveal the leaders’ way of perceiving and influence what is typically called the “climate” of the organization; the secondary embedding mechanisms, which do not influence directly the group, but are cultural reinforcements for them, artifacts highly visible only possible to interpret with inside knowledge of the culture (Schein, 2004).

From the opinions of the managers, one of the main points raised is to lead by the example. They say that, in everything that the leader does in the organizational context, he is giving the example on how you should think and work. If he is able to link that to the culture of the organization, even better. The leader has to be the example; has to incarnate the principles of the organization. Even if he doesn’t incarnate the principles he should have the sight of realizing “This doesn’t match the principles of the organization, we should do it in another way”.

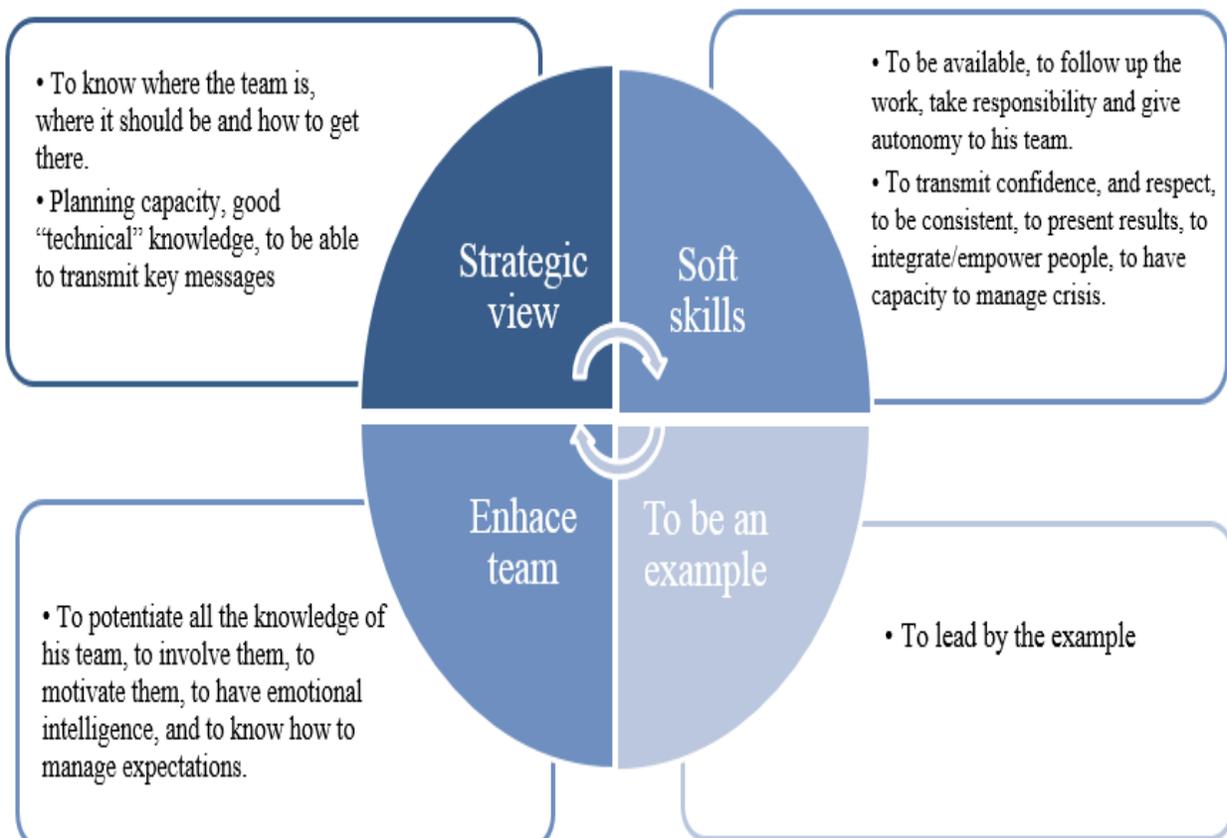
Moreover, it might be relevant to go further, and to understand what kind of characteristics best define a good leader: from the patterns found in the answers of managers, the main characteristics of a good leader were separated into 4 parts: strategic view, soft skills, to be the example and to enhance the team.

The strategic view of a leader has mostly to do with the realization of how his team is, how it should be and how to get there. It is about having planning capacity and medium/long term view, to have the technical knowledge required and, lastly, to know how to pass key messages to his team in order to achieve the “how it should be”: objectives, principles and values. The soft skills is the “human” part, the ability of the leader to sympathize with his team, to listen to them, to guide them, take responsibility for them and, at the same time, to give them autonomy. From a more personal point of view, a good leader should transmit respect and confidence, to be consistent, to present results, to empower people and to have the capacity of managing crisis, both within or outside his team.

The third part is about being the example, as already explained above. It is mostly about representing, within a professional context, everything that the organization believes and to transmit and influence his people in doing so too. Next, a good leader is about enhancing his team, to take advantage of each person's knowledge and experience for the good of the organization and the team, always enabling people to grow and develop. It is about giving them space to have critical thinking, but also to know how to manage their expectations.

The last point within this matter that is relevant to access, is if in the managers point of view, those 4 sided characteristics are more important than technical knowledge and experience on the job, in order to be a good leader. This is also quite arguable, and there seem to be various opinions on this. From one point of view, managers defend that the characteristics previously mentioned are the most important since "technical knowledge is easy to learn, but soft skills are very hard (or even impossible) to improve", also mentioning that "I would prefer someone that wants to do something, despite not knowing how to, than having someone that knows how to do it, but doesn't want to". On the other hand, at any time some defended that the technical knowledge and experience are more important, nevertheless some say that both are important, none is more important than the other and others even go further, pointing out that it will always depend on the team (with more or less experience) that the leader will have to manage.

**Figure 2 - Analysis of content - Characteristics of a leader**



Source: Elaboration by the author

Table 3 - Analysis of content - Leader and Culture

Analysis of content – interviews			
Sub-category	Text	Nº of times	Interviewee (s)
1.5.1	Training, coaching (ongoing learning), constant communication, mutual feedback, motivation and development of people, to know how to adapt to each person.	11	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 14
	The leader really has to believe and impersonate the culture.	7	2, 6, 7, 8, 9, 11, 14
	However charismatic the top leadership may be, they are very dependent on the middle leadership, so these have to be very well aligned and according with the objectives and values of the organization.	6	7, 10, 11, 12, 13, 14
	The leader should take advantage of the knowledge of all this team in order to put them working in line with the vision of the organization.	6	2, 3, 4, 5, 7, 12
	To involve the team in the process of testing, so that they feel they are part of the solution.	4	2, 3, 4, 12
	Culture does not influence the leader, if he is actually a good leader and the “casting” was done right the leader, when accepting that position, already has in him the culture.	2	2, 6
1.5.3	Both are important.	9	1, 2, 3, 4, 7, 8, 11, 13, 14
	Knowledge is easily acquired, soft skills are harder to pass/improve.	9	1, 2, 3, 5, 7, 8, 9, 10, 12
	What the leader shows as a human being is what will make the difference.	7	1, 2, 3, 5, 6, 10, 12
	It depends on the team.	7	2, 4, 7, 8, 11, 13, 14
	The leader influences the team and has to pass certain values and the culture to them, so the soft skills would be more important.	5	1, 2, 3, 5, 10
	A leader shouldn't be recruited through technical knowledge or HR interviews, instead it should be the superior, that with extra responsibility in terms of leadership and passing of culture, to be with the person and take a decision (almost emotionally) about whether that person is going to be a good impersonator of the principles of the organization.	1	6

Source: Elaboration by the author

**5. Discussion of results**

There are several implications of the matter of culture on the management of any kind of organization. Specifically in international organizations, the importance of this is even bigger, the need of maintaining a common culture is even more necessary in order to achieve success.

Specifically on leaders, culture has a lot of influence: starting on top, on the HQ, it was verified that it was actually important to maintain a common DNA through all subsidiaries of an organization. But what approach should HQ take? Should it impose a standard culture applied equally to all? HQ should promote an equal culture, nevertheless, it should also promote and “take advantage” of the cultural differences from each subsidiary, because those are what will make the differences within the different markets of the countries in which they are established.

In fact, there is a transversal culture established for the whole organization, with common goals, principles and values, nevertheless, each subsidiary then has the space to materialize those into actions which better fit their reality, always in line with the culture. The most important is to involve everyone in knowing the strategy of the organization (the “why”) and its values, and to transmit those within their department/subsidiary, creating a common feeling of belonging for themselves, but also contributing for a single brand for the whole organization.

Regarding knowledge management, it was clear that there wasn’t a unanimous position regarding which “type of knowledge” is more important. There are two types of employee knowledge: explicit and tacit (Nonaka 1994; Botha et al., 2008). Explicit knowledge can be found in documents (Wellman, 2009), while tacit knowledge is experience-based knowledge embodied in people (Sternberg and Horvath, 1999). The most valuable knowledge is tacit knowledge (Hislop, 2009; Dalker, 2011), since it promotes organizational innovations and sustains competitive advantage (Gamble and Blackwell, 2001; Wellman, 2009).

From the point of view of managers it is not clear, but most of the opinions seem to pend for explicit knowledge: procedures, they say, are what sustains and guarantees common standards through the whole organization. Tacit knowledge, they say, makes the difference in the extra-mile, and it doesn’t actually bring any changes to the “core knowledge” of the organization, instead complements it. These also defend that knowledge should be mostly with the organization and not with the people, because if someone leaves the organization, they take the knowledge with them. On the opposite side, others actually say the opposite, that most of the knowledge of an organization is the experience of people, nevertheless both “sides” defend that both tacit and explicit knowledge are important, and one can’t exist without the other.

The way of maintaining this knowledge – both explicit and tacit – seems to be, on the opinion of the managers, all about keep the communication flowing. The right way, they say, to keep track of knowledge is through ongoing learning and training, constant feedback and communication both ways (top-bottom and vice-versa). Once again, it is referred the importance of “storing” tacit knowledge (make it explicit), in order for that knowledge to be shared with everyone, but also, as said before, so that it doesn’t stay only with the people. Lastly, it was tried to understand the correlation between culture and leadership: how one influences and supports the other.

Schein (2004), points out an equilibrium between both, in which one influences the other, however, the opinions of the managers does not seems to match this. From one side, it is said that the leader can’t influence the culture since the leader, when accepting that position, already has in him the culture of the organization. In that sense, it the culture that influences the leader. On the other side, it is said that culture is intrinsically depending on the leader (specifically in middle leadership), since the HQ may define a specific culture, but if the middle management does not reflect that culture, it will be a conflict. Moreover, if such culture does not exist but the leader transmits that culture to its team, it will actually be embedded in the team. This being said, it was aimed to define a profile of what a good leader would have to have, in order to successful fulfil these “tasks”: from the opinions of the managers it was established a profiles divided into 4 parts: a strategic view (the capacity to see the current state of the team, how it should be and how to get there; a planning capacity and good technical knowledge); soft skills (to be available, to follow-up, to take responsibility, to transmit confidence and respect, to integrate/empower people, to know how to manage crisis); to be an example to his team and colleagues (to “incarnate” the culture); and to enhance his team (to identify the different strengths and weaknesses of everyone in his team, and to know how to take advantage and develop those in favor of the organization and themselves).

Lastly, the aim was to understand what “side” of a good leader managers consider most important: the experience and technical knowledge or his “human” part. This objective was established due to the need that I saw in clearly identifying which roles fits best on international organizations, in which part should HQ invest in order to succeed anywhere they expand to. In spite of that, it was clear to me at first that the outcome wouldn’t be 100% clear, since organizations are all different, and this sample was no different, and I wouldn’t find a formula that would match every international organization in the world. Having this in mind, the answers, of course, weren’t unanimous on this, despite a small majority pending for the “human” side of a leader as the most important. The argument was the same to almost all: it is easier to teach someone on the technical part, but the soft skills are hard to learn, and they would prefer to have a leader that wants to do something, despite not knowing how to, than having someone that knows how to do it, but doesn’t want to.

Nevertheless, a safe conclusion to get from this would be that it is important to have a balance between both, since it is important for a leader to know how to do things (technical knowledge), because he will have things in his responsibility which he will have to know how to respond if needed or to know how to delegate it to someone, but on the other hand he has to know how to manage people (soft skills).

### Final Considerations

Considering all the aspects described within this article, it seems clear why there has been so many studies through the years on this subject: the simple concept of culture does not seem to have a single definition and meaning, in fact it seems to depend on who is using the term and for what purpose. Even on the specific case of organizational culture, modern managers seem to have different opinions regarding how a common culture should be imposed and what approach they should adopt in order to best succeed.

Having this in mind, this article aimed to help defining the concept of culture, presenting various definitions in order to clear what the concept means. Afterwards, step by step the study attempt to define the elements and formation of culture, what influences it, supports it and changes it, in order to further demystify the idea, always presenting different points of view of various authors (sometimes within different centuries).

Afterwards, after realizing that the concept, in theory, doesn't seem to have changed much, the next step was to verify if, in modern organization, the theory matched the practice: this was actually not quite achieved, since, as already mentioned, the opinions of the managers may not represent what is actually done in practice. Nevertheless, at some point it was possible to find touch points and differences on authors' point of view and managers', nevertheless, it would be very interesting to verify if those opinions are actually seen "in loco" within an international organization. There have been several studies on this matter through the years, nevertheless it would be interesting, even so, to have more studies regarding this matter in practice, and within different realities. Having this in mind, it would be very interesting to have more studies regarding:

- How leaders of young VS mature organizations materialize goals into action;
- In what way leaders within organizations operating in different industries materialize goals into action; It would also be important to verify if:
- The results found within this investigation would be replicated within an investigation made within organizations whose HQ are established in different countries; to validate if HQ within different national cultures will materialize culture differently or define different goals, values and principles; Moreover, having in mind that this investigation was made through the perspective of top managers within an organization, it would be interesting to verify if the results would be the same through another perspectives:
- The perspective of "low level" employees, if they find culture as important as managers do, how they feel that culture is passed to them, if they feel that knowledge management is important and role and profile they think that a good leader should have;

It is important to point out that, all the conclusions done are inherent to a reduced investigation in terms of the sample (it did not reach the value of 15-20 interviews), and the fact that the results were produced within a specific context (international organizations) within a specific country and district (Portugal, Lisbon).

Nevertheless, it was very interesting to verify that all managers within the sample were very receptive to the theme, and all recognized its relevance, not only to their job, but to any organization that wants to succeed in modern markets (and not only internationally).

In this sense, in terms of external validity, in other words, the possibility to replicate this study and obtain similar results, within different contexts with different samples, even though this study simply reinforced some of the theories and ideas regarding this subject, this was no more than an exploratory study, which may not be generalized or representative. Lastly, one of the limitations was not having the possibility to observe "in loco" if the managers actually comply with statements made through the interviews: how managers pass to their teams (and receive from the HQ) the culture of the organization, how they integrate new knowledge into the shared knowledge of the organization, and how they act in when procedures do not predict a certain situation occurring.

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