

**VALUE DIFFERENCE ACROSS  
NATIONAL CULTURES AS REVEALED  
BY CORPORATE WEB PAGES**

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# **Value Difference Across National Cultures as Revealed by Corporate Web Pages**

## **ABSTRACT**

The study examines corporate culture as reflected by the vision, mission, and value statements communicated on web pages. A qualitative comparative analysis based on a sample of private sector organizations in the U.S., France and Spain disclosed interesting patterns and national variations in what corporations project as their dominant culture.

**Étude comparative et transculturelle sur les valeurs corporatives annoncées dans les sites Web des entreprises de trois pays.**

## **Résumé**

Cette étude compare les valeurs corporatives telles qu'annoncées dans les pages Web des 75 entreprises dans trois pays : Etats Unis, France et Espagne. L'accent a été mis sur la valeur corporative telle que définie dans la vision, la mission et l'engagement de l'entreprise concerné. Une analyse qualitative a été effectuée. Les résultats montrent des variations importantes au niveau du discours et des images projetés en fonction respective du pays d'origine.



## **Value Differences Across National Cultures as Revealed by Corporate web Pages**

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### **Abstract**

The study examines corporate culture as reflected by the vision, mission, and value statements communicated on web pages. A qualitative comparative analysis based on a sample of private sector organizations in the United States, Spain, and France disclosed interesting patterns and national variations in what corporations project as their dominant culture.

### **Introduction**

Corporate culture (the characteristic way of thinking and doing things in an organization), is equivalent to individual personality. It is partly an inherent characteristic, and partly the consequence of learning process undergone during the life of the company, developed while solving relevant problems and adapting to the environmental circumstances and internal tensions (Dolan & Garcia, 1998, Dolan et al, 1998). Culture may change for individual firms, suddenly (for instance, it is often imported when powerful personalities join the organization and exert new influences) or gradually over time.

The traditional approach of Management by Instructions (MBI) of the beginning of the 20th Century gave way to Management by Objectives (MBO) from the 1960s to the 1990s. Given the increasing need to absorb the growing complexity and uncertainty in business organizations, we now detect an emerging approach that may be termed Management by Values (MBV) (Garcia & Dolan, 1997; Dolan et al, 1998). This new concept of corporate culture was popularized in the best-selling book "In Search of Excellence" (Peters & Waterman, 1982). The authors proposed that certain spectacularly successful companies were differentiated from their less successful competitors by having a culture that included the following attributes: proactive orientation,



closeness to customers, internal autonomy and entrepreneurial spirit, productivity based on employee efforts, guidance by values in daily practice, focus on core competencies, and a simple and agile internal structure.

The message was repeated recently by Peters (1998). He essentially proposes that if you want to survive and compete in an increasingly demanding market, the industrial models of the early 1900s, orientated toward producing huge quantities of standardized products, are now antiquated and useless. Competitive conditions require value to be added continuously to productive processes, ensuring that the customer is completely satisfied with the price/quality equation. In this situation, the productive focus is increasingly *ad hoc*, or specific to the particular customer and the situation; as a result, market segmentation (orientation of the business toward identified customer groups with similar requirements) is reaching the limits of its usefulness.

It is more complex to orient a company to the changing tastes and requirements of demanding customers than to mass-produce standard items for purchasers or users with little market power. This adaptive necessity has sparked considerable publicity in the last few years. The demand for quality and customer-orientation will no longer be a competitive advantage for the coming years, but rather a basic condition for entry into and survival in the international marketplace (Hitt et al., 1997).

Although some of what Peters called "excellent companies" may have had considerable problems in even surviving in recent years, the concept described above has been part of normal management language since the early 1980s (for example: Pfeffer, 1994; Prahalad and Hamel, 1994; Ulrich, 1997). But there are not many operational tools for redesigning the culture to reach excellence. After extending, cutting and replacing some of the variables that define what an organization is, leaders in many organizations had the felicitous idea of creating a conceptual framework around the core of "6 S's." The central "S" is **Shared values**; the others are **Strategy**, **Structure**, and **Systems** (including procedures), **Staff** (all human resources), and **Style** (particularly of leadership).





Schein (1992) depicts corporate culture as operating at two levels, the first of which is *what is thought and the way of thinking* in the company. This is implicit and consists of the beliefs or basic assumptions and, above all, the essential values. The essential, nuclear or shared values are the primary values underlying the predominant culture. These shared understandings provide meaning and cohesion to the daily work activity and are fundamental for the generation of commitment, beyond the immediate self-interest of employees. (2) The *explicit or observable* level is the level of *cultural artifacts*, which in turn consists of two rather different levels: the level of *what the company does*, including procedures, behavior, organization charts, "rituals," and technology. The most "superficial" level of *what the company appears to be* is reflected by the physical aspects and external image in general, such as logo, buildings, and advertising.

With the fast expansion of new technologies in general and the internet in particular, companies are using this growing technology to shape and instill values. Although what is shown on web pages represent only what the company appears to be, it sends a clear message to all stakeholders (customers, shareholders, employees) about the core values of the company, about way things are desired to be done, and about its culture.

Thus, the culture of a company can be analyzed by using a typology that focuses on the following dimensions often communicated via the corporate web pages: *Rituals* are the collective events such as celebrations and meetings, and public recognition of achievements. *Symbols* include logos, buildings, uniforms. *Company language and code* comprise technical concepts, slogans, nicknames, professional slang, and abbreviations and buzzwords in common use. *Oral transmission of company legends and myths* are dramatic events and personalities from the company's history, particularly stories about the founder. *Rewards* refers to the systems of financial and non-financial reward for effort made toward fulfilling the company's values and goals (Schein, 1992, Hofstede 1998)



## Objectives of the Study

The first objective is to present an analysis of the values of some of the most successful corporations in the United States, Spain, and France, as reflected in their respective web pages. We assume that companies make different strategic decisions in order to prosper in the 21<sup>st</sup> century (Hitt et al., 1997; Stopford & Baden-Fuller, 1994) and that this translates into their preferred choice of values/culture, which in turn will be communicated via the internet. We also expect that more progressive companies to be innovative and creative in using these new communication technologies.

The second objective is to identify key international differences in terms of content, style, and other characteristics about which companies use the Web pages to communicate values to their stakeholders. Here we assume that variation in values/culture exists between countries (Hofstede, 1980, 1998).

## Method

This qualitative study included a number of stages. First, three reputable internet data banks of some of the most financially successful companies in three countries were examined. They included The Forbes 500 (1997) for the U.S.A., Actualidad Economica (100 best Spanish corporations, 1997) for Spain, and L'expansion Line (100 Best French Companies, 1997) for France.

In a second stage, we selected a sample of companies that had developed in 1997 a web page that included information on vision, mission, value statements, etc. Also, criteria to assess the information were developed; these included the determination of key terms associated with corporate values, and the source for the information (CEO, HR department, corporate headquarter, etc.). Wherever the web page included a message under the heading of vision or mission it was automatically included in the analysis.



Information was compiled into a single file, and qualitative analysis similar to the NUDIST (Non Numerical Data Indexing, Searching and Theorizing) procedure was used for the comparisons. Consensus among the three authors was required in order to reach final conclusions and in interpreting the data. The following range was employed in producing the results reported in Table 1: Very often means that 70% or more of the companies have the characteristic; Often, 50%-70%; Sometimes, 30%-50%; Rare, 10%-30% and None, <10%. A total of 75 corporations' web pages, 25 for each country, was finally used in the analysis.

## Results

In all three countries studied, the best corporations have elaborate web pages. Some of the pages are sophisticated and messages about the company values are sent to multiple stakeholders. However, whereas American firms attempt to reach many stakeholders including their external customers and internal clients (employees), French and Spanish companies cater to external clients or to future employees. French and Spanish companies generally emphasize the economic performance of the firm, whereas American companies also include social and environmental responsibilities. The vast majority of American companies state their vision and mission in a very clear and explicit manner; French and Spanish firms keep it more implicit. Because many Spanish firms are family owned, often a message from the founder or a history of the founder is provided with flying colors. Information about the formal organizational structure and operations is significantly more detailed in the French and Spanish web pages than in the American ones. Table 1 summarizes our findings and interpretations.



**Table 1:** Synoptic results of corporate core culture as communicated in the Web pages of some of the best organizations in three countries

	<b>U.S.A.</b>	<b>France</b>	<b>Spain</b>
<i>Rituals</i> the collective events such as celebrations and meetings, public recognition of achievements, etc..	Very Often	Sometimes	Rare
<i>Symbols:</i> logos, buildings, uniforms.	Very Often	Very Often	Very Often
<i>Company language and "code":</i> technical concepts, slogans, buzz words.	Very Often	Sometimes	Sometimes
<i>Transmission of company "legends and myths":</i> dramatic events and "big" personalities from the company's history, particularly stories about the founder.	Sometimes	Sometimes	Very Often
<i>Rewards:</i> communicating the systems of financial and non-financial reward for effort made towards fulfilling the company's essential values and goals	Very Often	Rare	Rare

<i>Vision Statement</i>	<ul style="list-style-type: none"> <li>• Very Often</li> <li>• Very explicit</li> <li>• often delivered by the CEO</li> </ul>	<ul style="list-style-type: none"> <li>• Invariable,</li> <li>• Not very explicit</li> <li>• Delivered by various units</li> </ul>	<ul style="list-style-type: none"> <li>• Normally, does not exist</li> </ul>
<i>Mission Statement</i>	<ul style="list-style-type: none"> <li>• Very Often</li> <li>• Very detailed</li> <li>• Emphasis on many objectives (Social, Economic, Environment, employees, shareholders, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Invariable</li> <li>• When stated, emphasis on social, economic and environmental objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Explicit mission statement is normally absent.</li> <li>• Messages, however emphasizes economic objectives and past performance</li> </ul>
<i>Identifying Most important stakeholders in the message</i>	<ul style="list-style-type: none"> <li>• Mix of stakeholders</li> <li>• Often</li> </ul>	<ul style="list-style-type: none"> <li>• Mostly to customers/clients</li> </ul>	<ul style="list-style-type: none"> <li>• Mostly to customers/clients</li> </ul>





## Discussion and Conclusion

The globalization of the markets and the increase in competition seem to have a universal effect on the best corporations across the globe: an attempt to harness technological advancements such as the internet to communicate organizational values. The best corporations understand the critical importance of these technologies in communicating to their customers (internally and externally) how they conduct business, and how they routinely and instantly integrate customers' needs into organizational strategy. The corporate Web pages provide a snapshot of the desired core values for a firm. The vision, mission, symbols and rituals found in the corporate Web pages, are critically important to the image projected. Although the latter may represent a genuine attempt to describe the management philosophy of the firm, it is also possible that these are placed strategically, because it makes good business sense. One way or another, corporate information communicated via the internet has an overwhelming effect on all current and future stakeholders (shareholders, customers, employees, government agencies, financial credit institutions, etc.). Thus, the information provided is considered socially and economically essential.

Because identical messages can not satisfy all stakeholders to the same extent (Belout et al, 1997, Dolan and Belout, 1997), it is not surprising to see variation in terms of the information provided (i.e., the message and the messenger) in the countries studied. Whereas U.S. firms are sensitive to their customers' social and economic concerns, French and Spanish firms stress economic concerns.

A principal conclusion of the study is that corporate culture as communicated via the internet, is consistent with the national culture of the firm. For example, the insistence of communicating to external customers should be understood within the following French culture: most French organizations are centralized (with a rigid vertical administration); as internal mobility depends on the "meritocratic Grandes Ecoles" system in which entry into a powerful positions depends on your educational background and who you know (Mole, 1997), the web message places less emphasis on satisfying internal customers (i.e. employees), compared with external customers and competitors.



The reason that Spanish firms do not communicate vision statements and detailed plans in their web pages can also be understood in reference to Spanish culture. For example, Spanish organizations are built on the concept of personal hierarchy (instructions from the top). On the other hand, the reluctance of Spaniards to trust the systems often leads to an atmosphere of crisis and emergency. Whatever gets communicated is not important, because everyone knows that improvisation (last minute coping) is the name of the game. Furthermore, forecasting and formal planning are not salient features of Spanish business culture. Consequently, communicating corporate vision, mission and alike may be viewed with suspicion. In an environment where “accounting for yesterday is rudimentary, accounting for tomorrow is a luxury,” fixing an objective is regarded as the responsibility of the owner and it will be based on intuition and business sense rather than a systematic study (Mole, 1997).

Why are U.S. corporate web pages so detailed and attempting to reach multiple stakeholders? The answer is not simple. Everyone knows that planning in an U.S. culture, both in the sense of budgeting and also wider strategic planning, is detailed and taken seriously. Also, a characteristic of American corporate life is constant upheaval in which social hierarchies and relationships are redistributed. Thus, members, in and out the organization, need to know who is in charge and what is the prevailing vision.

The web pages provide an opportunity for a new leader to reinforce existing culture or to explicitly state a new vision. It is taken seriously because a vision has both economic and social impact, and failure to meet publicly stated objectives may bring an abrupt end to the leader’s career.

In sum, in spite of its relatively superficial nature, corporate culture and values as communicated via the internet is important phenomenon to be studied. Yet, culture, whether emergent or intentional specific to organizations may introduce biases into the research of cultural determinism in organizational behavior when it takes effects of organizational culture for fundamental cultural specificity (Zghal, 1998). As quantitative analysis of culture is not always feasible, this study provides an example of using the internet for gathering data for qualitative



analysis. And, although this study has numerous limitations, it shows the potential use of the internet to students of organizations. In a world without frontiers, the internet provides an abundant resource to test and analyze a variety of organizational concerns that are likely to dominate the management scene in the next century.

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