Impact of National Culture on Business Continuity Management System Implementation

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ABSTRACT

It is increasingly evident that the concerns of business continuity management are not limited by national boundaries. Yet, very few studies have been carried out on business continuity from a cross-cultural perspective. The current paper tries to address this gap in literature by looking at a Business Continuity Management System (BCMS) implementation. The researchers examine the impact of national culture on the variables of BCMS implementation success using Hofstede’s cultural dimensions as factors. The unique aspect this study was that the researchers analyzed BCMS implementation effectiveness through the four phases of the PDCA cycle, while assessing the impact of Hofstede’s cultural dimensions.

Keywords: Business Continuity Management System (BCMS), Cross-Cultural, Cultural Dimensions, Hofstede, National Culture, PDCA Cycle

INTRODUCTION

The topic of business continuity management has evolved from a form crisis management in 1970s to a full-fledged business area in today’s competitive environment {Goodwin, 2012 #2584}. In recent years, BCM have focused on integrating different aspects of continuity and developing internationally accepted standards and best practices.

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Various standards have emerged like the British standard for BCM, BS-25999 and more recently the International Business Continuity Standard ISO 22301 which are being adopted and implemented across the world to equip the organization with the necessary business resilience. The topic has not been given much thought from a cross-cultural perspective.

Gardener (2008) talks about the role of motivational factors in BCM and how setting up a BCM system brings up several hygiene factors into picture. He emphasizes on the
importance of people and the role of national culture in influencing the people in the organization. Several other studies throw light on the relationship between organizational culture and national culture.

Hofstede (1983) supported the idea of organizations adapting their management ideas to suit the local cultures of the geography by claiming the management as being ‘culturally dependant’. Although Hofstede (2001) acknowledged the numerous examples of multinationals successfully superimposing their organizational culture on the local culture but he opines that such a way forward is often very difficult to accomplish and hence it is better to fit to the local culture for achieving success.

Similarly, drawing upon the Hofstede’s work, Johns (2006) talks about the impact national culture has on restricting the variation in organizational culture. More recently the GLOBE (short for Global Leadership and Organizational Behavior Effectiveness Research) Project (House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta V. (Eds.) (2004), points to the bond between national culture and organizational culture with organizations displaying an organizational cultural consistent with their respective country of origin.

This paper proposes that setting up a Business Continuity Management System across physical boundaries may gain from an understanding of the cultural dimensions proposed by Hofstede (1980). These dimensions are, high versus low uncertainty avoidance, high versus low power distance, masculinity versus femininity, individualism versus collectivism, and long versus short time orientation.

Furthermore, quality is an important factor to consider within a system implementation project. However, no studies have mapped quality with culture. In this study the researchers review the PDCA cycle used in ISO 22301, and map it to the cultural dimensions. This relationship is explored in detail during the study. The study is limited to understanding the impact of national culture on BCMS requirements but does not explore the impact of organizational culture that might be different from the assumed national culture {Strang, 2012 #2556}.

LITERATURE REVIEW

National Culture

Hofstede (1984, p. 25) defines national culture as “a collective programming of the mind which distinguishes the member of one human group from another”. Accordingly Hofstede gave the following dimensions for measuring the national culture.

*Uncertainty Avoidance Index (UAI)* is defined as the extent to which a society, organization, or group relies on social norms, rules, and procedures to alleviate the unpredictability of future events (House et al., 2002; 2004). According to Hofstede (1980, 1998) it refers to the degree of tolerance a society has for uncertainty and ambiguity. It means that cultures high in uncertainty avoidance seeks to minimize the anxiety and risk caused due to uncertainty and ambiguity by following well set rules and minimizing the deviation or change in their environment whereas cultures low in uncertainty avoidance are more tolerant towards risk and accept less rigid structures and allow for the tolerance of diversity and disparity in activities by exhibiting less emotional resistance to change.

According to Vitell *et al*. (1993), uncertainty avoidance indicates individual’s nervousness in experiencing unstructured and unpredictable situations. This could also mean that cultures having low uncertainty avoidance are more open to other’s opinion than those with high uncertainty avoidance.

*Power Distance Index (PDI)* is defined as “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (Hofstede, 1994, p. 28). This means that inequalities of power is appreciated and accepted within a society where there is a high power distance and the less powerful members of the society accept this situation. The sections with more power consider themselves as dif-