Masaryk Uni, Brno Intercultural Management 2

- The work and influence of Geert Hofstede
- Some other theoretical approaches to Culture

Preamble: question 1

- You are going to work in:
 - Canada
 - France
 - Singapore
 - Mexico.....

Predict some of the deeper and less visible cultural differences which you might encounter in the workplace

Preamble: question 2

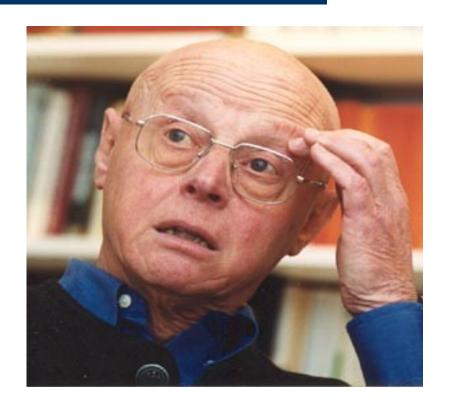
- You are working in Brno and a new colleague is coming from:
 - Sweden
 - USA
 - China
 - Brazil

Predict some of the deeper and less visible cultural differences between their culture and France which they might encounter in the workplace

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Hofstede's Background

- Born in Netherlands in 1928
- Founded and managed the Personnel Research Department of IBM Europe
- Co-founder of IRIC (Institute for Research on Intercultural Cooperation)
- Most cited living non-American in the field of Management in the US Social Sciences Citation Index!



Hofstede's Dimensions of Culture

- Geert Hofstede's cultural typology is the most often used.
- It is based upon a study (questionnaire) of 100,000 IBM employees who worked in IBM divisions throughout the world.
- Here is a sample questionnaire complete it carefully and we will then look at the results

Hofstede's Dimensions of Culture

- Hofstede's survey revealed four underlying dimensions of culture
 - Power Distance (PD)
 - Uncertainty Avoidance (UA)
 - Individualism/Collectivism (IND)
 - Masculinity/Femininity (MAS)

Power Distance (PD)

- Power Distance is the extent to which hierarchical differences are accepted in society and articulated in terms of deference to higher and lower social and decision levels in an organization.
- Artifacts of high PD:
 - Centralization
 - # Org. Levels steep organisational pyramid
 - # Supervisors multi-layered pyramid
 - Differing Values, White & Blue Collar Work

LOW PD culture HIGH PD culture

N+1 N N+1

LOW PD cultures

- Subordinates expect to be consulted
- Bosses are accessible
- Initiative is expected
- Inequalities should be minimised
- Privilege & status symbols discouraged

HIGH PD cultures

- Subordinates expect to be told what to do
- Privilege & status are normal
- Superiors « inaccessible »
- Inequalities accepted

So what would you expect???

HIGH PD	LOW PD
?	?
?	?
?	?

LOW PD

Denmark

Sweden

Ireland

HIGH PD

Malaysia

Mexico

France

Power Distance: case 1

- What problems might a manager from a low PD culture have working with an assistant from a high PD culture?
 - « Empowerment »

 What problems might a manager from a high PD culture have working with a team from a low PD culture?

 The degree to which people feel threatened by uncertainty and ambiguity and try to avoid it = high UA

Uncertainty Avoidance (UA)

- Uncertainty Avoidance is the extent to which uncertainty and ambiguity are avoided/tolerated.
- Artifacts of high UA:
 - Standardization
 - Structured activities
 - Written rules
 - Specialists
 - Low risk tolerance
 - Ritualistic behavior

Weak/Low UA

- Apparently relaxed environment, minimal stress
- Initiative encouraged
- Relatively few rules & regulations
- Pragmatic
- Tolerance of deviant, innovative ideas
- People can seem quiet, easy-going or « lazy » to those from a different background

Strong/High UA

- Anxious, higher stress levels at work
- Risk-averse need to avoid failure
- Need for rules & regulations
- Resistant to change
- Low tolerance of deviant, innovative ideas
- People can seem busy, emotional, aggressive or unfriendly to those from a different background

So what would you expect???

Weak UA

Singapore

Denmark

UK

Strong UA

Greece

Japan

France

Uncertainty Avoidance

- Strong (high) uncertainty avoidance vs.
 Weak (low) uncertainty avoidance
- Uncertainty avoidance ~ ≠ ~Risk avoidance
- Stress at work rises with higher UA
- High UA = fear of "failure"

Uncertainty Avoidance: case 2

- What problems could affect a multi-cultural team composed of members from high & low UA cultures?
- How could these problems be dealt with?

- Individualism ties between individuals are loose; people look after themselves and their immediate family
- Collectivism people are integrated into strong, cohesive groups in exchange for unquestioning loyalty

High Individualism

- Identity is based on the individual
- Task prevails over relationship
- Work relationship contract of mutual advantage
- « self-respect » important
- Correlates .82 with GNP

Collectivism (a **low** score on Hofstede's index for IND)

- Identity is based on social network
- Relationship prevails over task
- Work relationship family model
- « face » & maintenance of harmony
- Management of groups not individuals

High IND High COLL

USA HK

UK Guatemala

NL Japan

The dominant values in society are:

MASC – material success, achievement,

FEM – quality of life, caring for others

High MAS

- Ambition, assertiveness
- Competition & performance important
- « Live to work »
- « Size matters »
- Distinct gender roles
- Managers are expected to be assertive

Note: High MAS often correlates positively with % of GNP spent on defence

High FEM (low score on MAS index)

- Quality of life issues are important
- Equality & solidarity are important
- « Work to live »
- « Small is beautiful »
- Overlapping gender roles
- Managers often strive for consensus

Note: High FEM often correlates positively with % of GNP spent on overseas aid

Masculinity vs. Femininity

Masculinity

- Earnings
- Recognition
- Advancement
- Challenge

NOT...machismo

Femininity

- Managing
- Cooperation
- Living space
- Employment security

So what would you expect???

High MAS

Japan

USA

Germany

Low MAS=High FEM

Sweden

NL

France

Long-Term Orientation (LTO)

- Originally called Confucian Dynamism because of anchoring in the Confucian value system.
- Represents such values as thrift, persistence, and traditional respect of social obligations.
- Organizations likely to adopt longer planning horizon, with individuals ready to delay gratification.

Confucian Dynamism

- aka long-term vs. short-term orientation
- 5th dimension revealed through another study
 - Chinese value survey (CVS)
- Administered to 100 students in 23 countries!
- Findings of study
- Related to economic growth

Confucian Dynamism (Ratings)

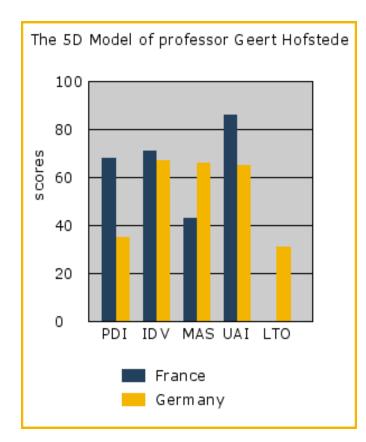
Long-term orientation

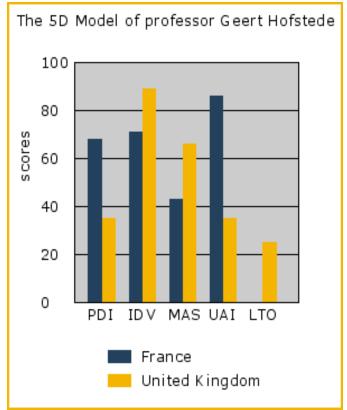
- Persistence
- Ordering and observing relationships by status
- loss of "face" = weakness
- Save, be thrifty
- Invest in real estate
- Oriented towards future rewards

Short-term orientation

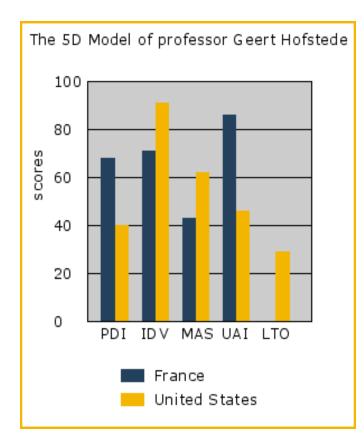
- Change is encouraged
- Emphasis on quick results
- Personal steadfastness important
- Spend
- Invest in funds
- Oriented towards present & near future

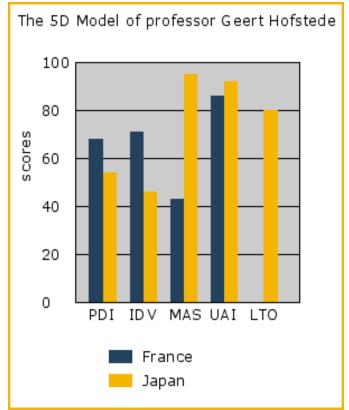
Some Examples 1



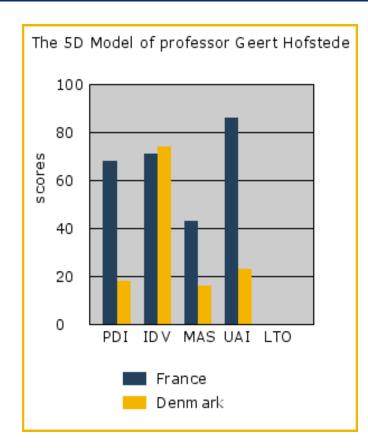


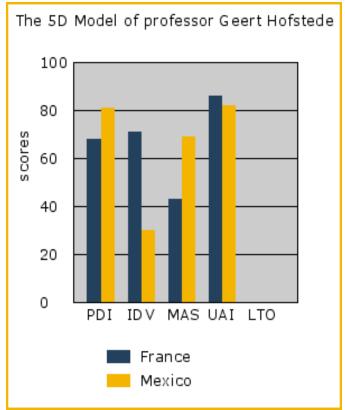
Some Examples 2





Some Examples 3





What might happen when companies merge? Case 1: Renault-Volvo 1992

	FRANCE	SWEDEN
PDI	68	31
UA	86	29
IND	71	71
MAS	43	5

What might happen when companies merge? Case 2: ASEA Brown-Boveri 1988

	SWEDEN	SWITZERLAND
PDI	31	34
UA	29	58
IND	71	68
MAS	5	70

Discussion

- What are the practical implications of these findings?
- Do you think national values can change over time?
- Do you think that increasing globalization and advancements in technology will lead to a narrowing of cultural differences?
- Is it possible for someone to identify with more than one national culture?

 In what ways can Hofstede's classification be criticised?

Hofstede has been subject to broad criticism. Among the criticisms:

- Focus on national culture
- Single company data, with a large Multinational Enterprise having a strong corporate culture.
- Time dependent results, which are an artifact of the time of data collection and analysis.
- **Business culture**, not values culture, representing a reflection of business culture at IBM and not national culture of the countries IBM operates within.

- Non-exhaustive, doesn't identify all the cultural dimensions possible, but just a few.
- Partial geographic coverages, cover only a portion of the world's cultures and countries.
- Western bias, which values western business ideals.
- Attitudinal rather than behavioral measures, with no connection between employee attitudes and employee behaviors.
- National level data generalized into individual behavior.

 BUT, despite these criticisms (many of which I agree with):

Hofstede has been, and still is, very influential
 (remember slide 4....most cited...)

Some other models

- National Culture Clustering
- Civilisation clustering
- Hofstede's corporate culture definitions
- Hall Space, Time & Context (class 1)
- Trompenaars variable's (next class!)

National Cultural Clustering

Ronen and Shenkar's culture clustering



National Cultural Clustering

Huntington's civilization clustering



Corporate Culture

- Corporate Culture is the culture adopted, developed and disseminated in an organization.
- Corporate culture can deviate from national norms, but that depends upon the strength of culture and the values and practices tied to it.

Classifications of Corporate Culture

- Hofstede et al:
 - Value dimensions (factors)
 - Need for security
 - Work centrality
 - Need for authority
 - Practices
 - Process-oriented vs. results-oriented
 - Employee-oriented vs. job-oriented
 - Parochial vs. professional
 - Open system vs. closed system
 - Loose control vs. tight control
 - Normative vs. pragmatic

Classifications of Corporate Culture

- Trompenaars and Hampden-Turner
 - The Family personal, hierarchical, poweroriented
 - The Eiffel Tower specific relations, ascribed status, rational authority
 - The Guided Missile egalitarian, impersonal, and task oriented
 - The Incubator individual self-fulfillment, personal and egalitarian relations

Other Layers of Culture

- Ethnicity significant ethnic communities exist in many countries; can affect a myriad of issues
- Occupation important layer of culture
- Demographics education, age, seniority and hierarchical level affect difference in values
- Ideology not always consistent with cultures, can vary with time and across regions
- Social class differences within cultures, similarities across cultures (Marxist analysis)

Key Cultural Issues

- Cultural Etiquette the manners and behavior that are expected in a given situation
- Cultural Stereotypes our beliefs about others, their attitudes and behavior
 - Ethnocentric looking at the world from a perspective shaped by our own culture
 - Auto-stereotypes how we see ourselves as a group distinguished from others
 - Hetero-stereotypes how we are seen by others.

Key Cultural Issues

Cultural Distance

- The extent to which cultures differ from each other
- Hofstede stated that uncertainty avoidance was the most important dimension of FDI

Convergence and Divergence

- Convergence hypothesis assumes that the combination of technology and economics is making countries more alike
- Divergence hypothesis assumes that counties will continue to maintain their distinctive characteristics