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

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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

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POWER DISTANCE

LOW PD culture   HIGH PD culture

N+1

N

N+1

N

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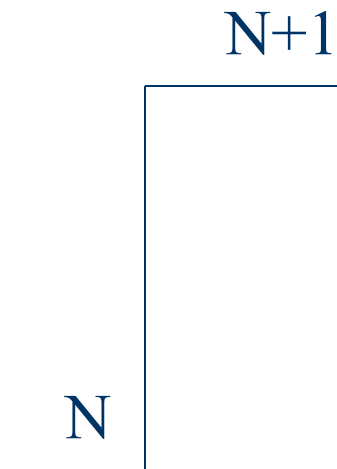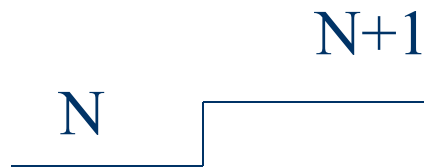
POWER DISTANCE

LOW PD cultures

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

POWER DISTANCE

HIGH PD cultures

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

POWER DISTANCE

- So what would you expect???

LOW PD

………………?
………………?
………………?

HIGH PD

………………?
………………?
………………?

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POWER DISTANCE

LOW PD	HIGH PD
Denmark	Malaysia
Sweden	Mexico
Ireland	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?

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UNCERTAINTY AVOIDANCE

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

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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

UNCERTAINTY AVOIDANCE

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

UNCERTAINTY AVOIDANCE

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

UNCERTAINTY AVOIDANCE

- So what would you expect???

Weak UA	Strong UA
Singapore	Greece
Denmark	Japan
UK	France

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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 /COLLECTIVISM

- 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

INDIVIDUALISM /COLLECTIVISM

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

INDIVIDUALISM /COLLECTIVISM

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

INDIVIDUALISM /COLLECTIVISM

High IND   High COLL

?????????   ?????????

USA   HK
UK   Guatemala
NL   Japan

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MASCULINITY / FEMININITY

- The dominant values in society are:

MASC – material success, achievement,

FEM – quality of life, caring for others

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MASCULINITY / FEMININITY

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*

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MASCULINITY / FEMININITY

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

MASCULINITY / FEMININITY

- So what would you expect???

High MAS	Low MAS=High FEM
Japan	Sweden
USA	NL
Germany	France

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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.

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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
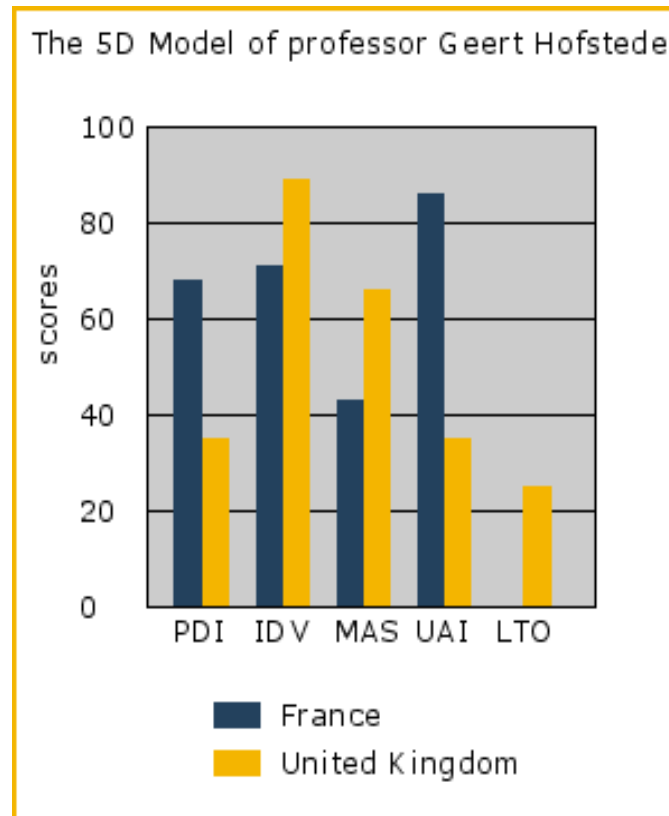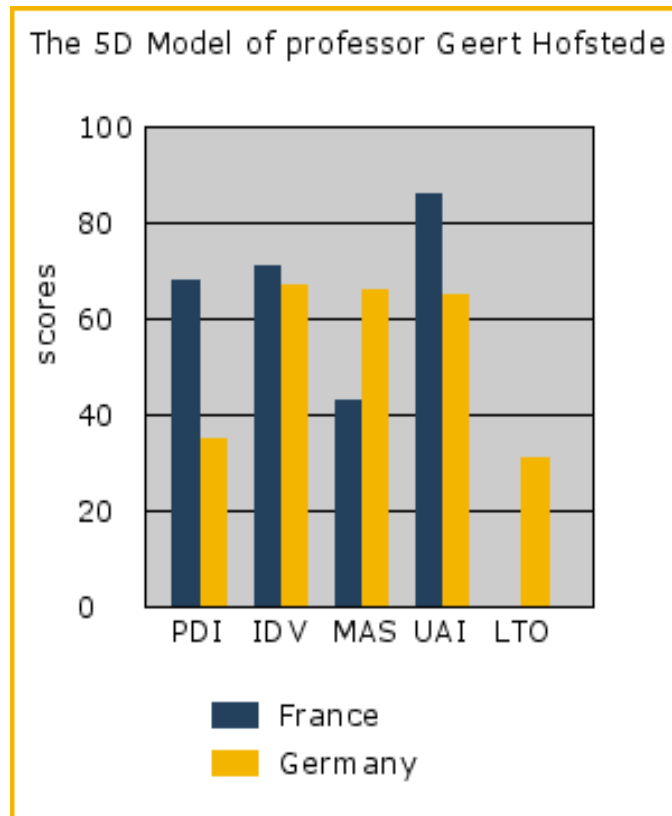
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Confucian Dynamism (Ratings)

Long-term orientation

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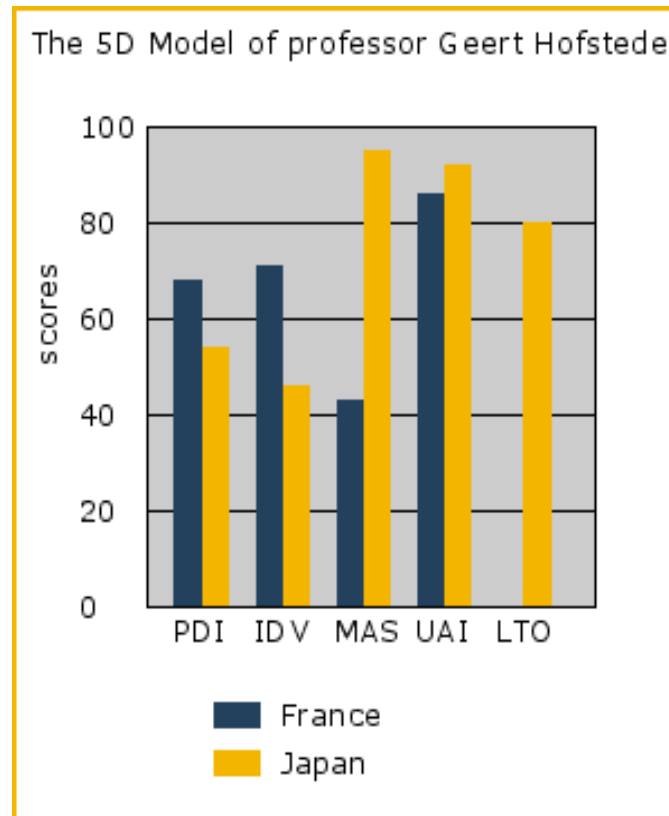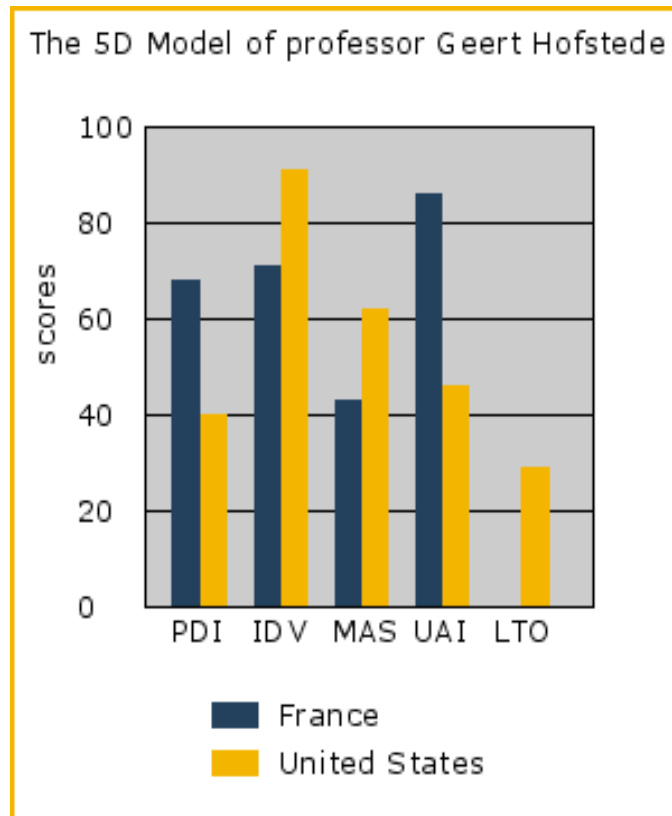- Oriented towards future rewards

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

The 5D Model of professor Geert Hofstede

France / Germany

The 5D Model of professor Geert Hofstede

France / United Kingdom

Some Examples 2

The 5D Model of professor Geert Hofstede

France / United States

The 5D Model of professor Geert Hofstede

France / Japan

Some Examples 3

The 5D Model of professor Geert Hofstede

France / Denmark

The 5D Model of professor Geert Hofstede

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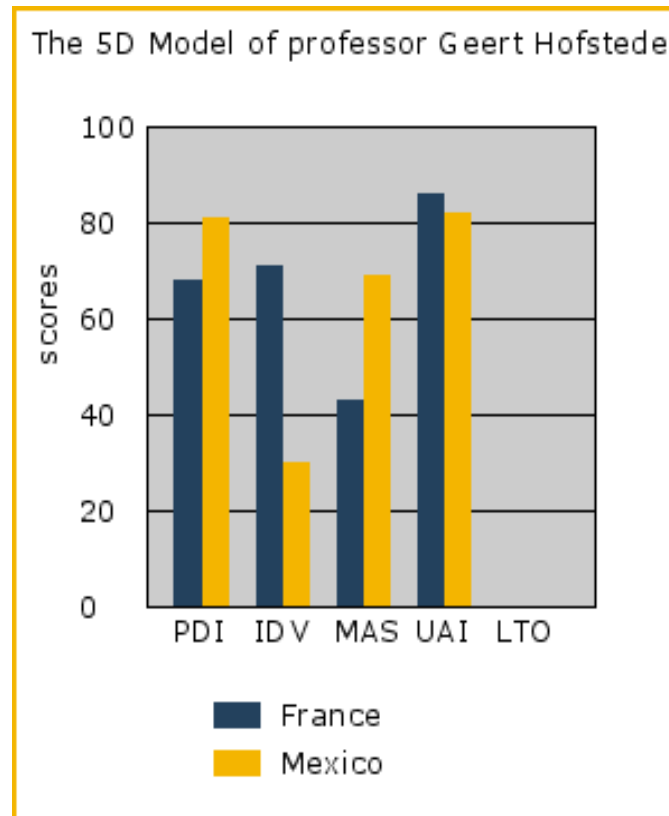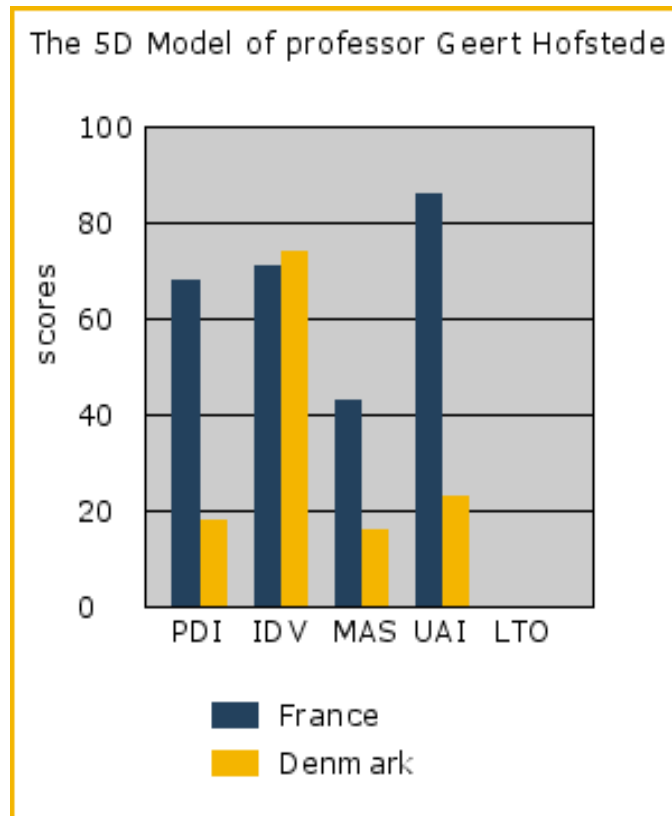
What might happen when companies merge? Case 1: Renault-Volvo 1992

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

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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?

Criticism of Hofstede

- In what ways can Hofstede's classification be criticised?

Criticism of Hofstede

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.

Criticism of Hofstede

- **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.
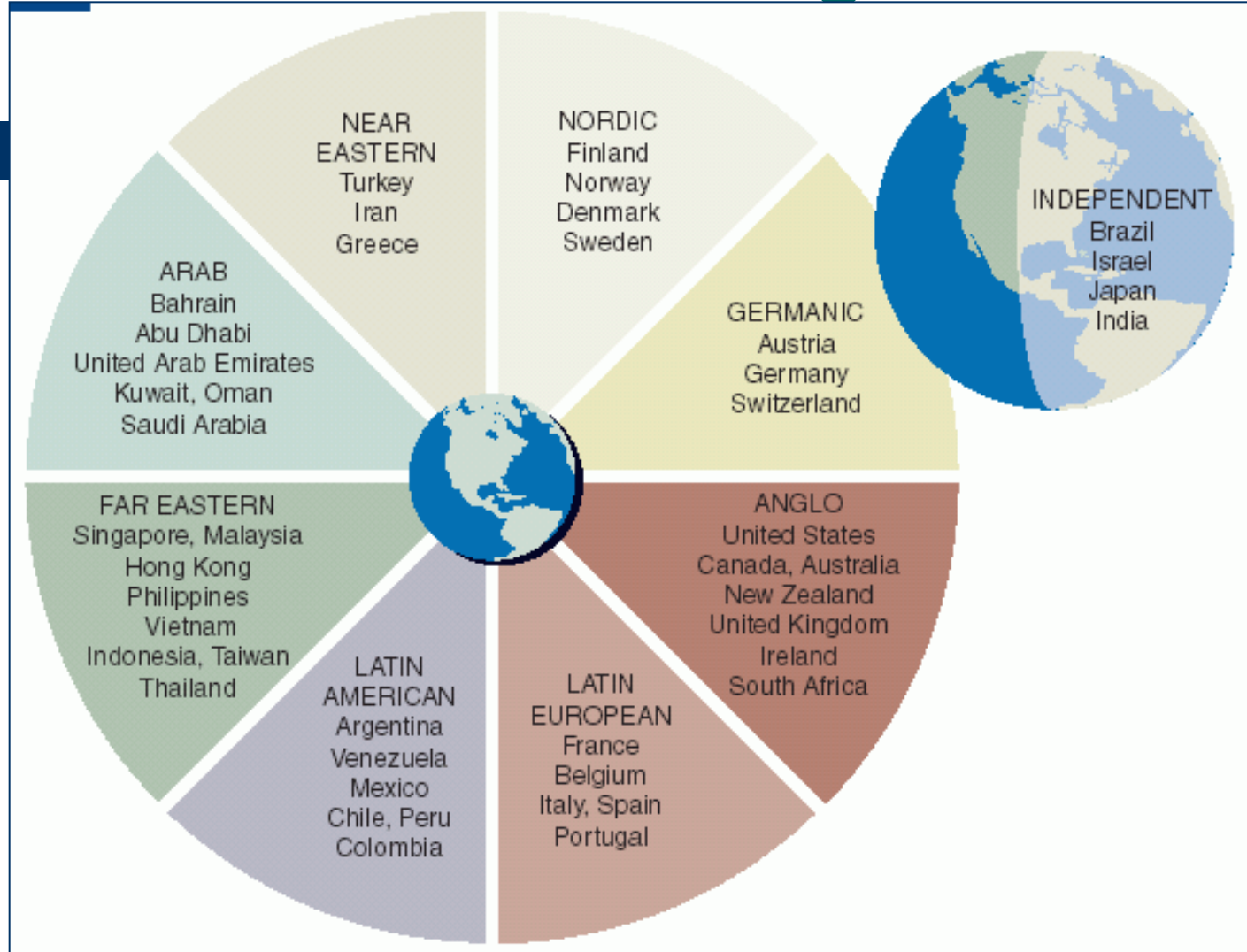
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Criticism of Hofstede

- 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

NEAR EASTERN
Turkey
Iran
Greece

NORDIC
Finland
Norway
Denmark
Sweden

INDEPENDENT
Brazil
Israel
Japan
India

ARAB
Bahrain
Abu Dhabi
United Arab Emirates
Kuwait, Oman
Saudi Arabia

GERMANIC
Austria
Germany
Switzerland

FAR EASTERN
Singapore, Malaysia
Hong Kong
Philippines
Vietnam
Indonesia, Taiwan
Thailand

ANGLO
United States
Canada, Australia
New Zealand
United Kingdom
Ireland
South Africa

LATIN AMERICAN
Argentina
Venezuela
Mexico
Chile, Peru
Colombia

LATIN EUROPEAN
France
Belgium
Italy, Spain
Portugal

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National Cultural Clustering

Huntington's civilization clustering

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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.

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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, power-oriented
  - **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