HOFSTEDE: Cultures And Organizations - Software of the Mind

Culture as mental programming

In Western languages 'culture' commonly means 'civilization' or 'refinement of the mind' and in particular the results of such refinement, like education, art, and literature. This is 'culture in the narrow sense; **'culture one'**

Culture as mental software, however, corresponds to a much broader use of the word which is common among social anthropologists: this is **'culture two'.**

In **social anthropology**, 'culture' is a catchword for all those patterns of thinking, feeling, and acting referred to in the previous paragraphs. Not only those activities supposed to refine the mind are included in 'culture two', but also the ordinary and menial things in life: greeting, eating, showing or not showing feelings, keeping a certain physical distance from others, making love, or maintaining body hygiene.
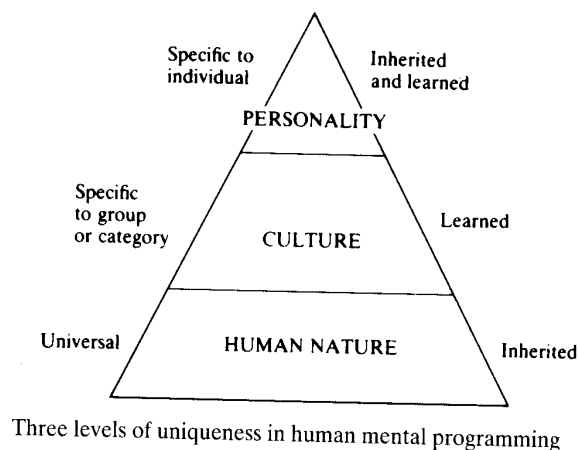
CULTURE

> **It is the collective programming of the mind which distinguishes**
> **the members of one group or category of people from another.**

It is a collective phenomenon, because it is at least partly shared with people who live or lived within the same social environment, which is where it was learned.

Culture is **learned**, not inherited. It derives from one's social environment, not from one's genes.

Culture should be distinguished from *human nature* on one side, and from an *individual's personality* on the other:

Three levels of uniqueness in human mental programming

Cultural relativism

there are no scientific standards for considering one group as intrinsically superior or inferior to another.

'Cultural relativism affirms that one culture has no absolute criteria for judging the activities of another culture as "low" or "noble".

Symbols, heroes, rituals, and values

Cultural differences manifest themselves in several ways - symbols, heroes, rituals, and values.

The 'onion diagram':
Manifestations of culture at different
 levels of depth
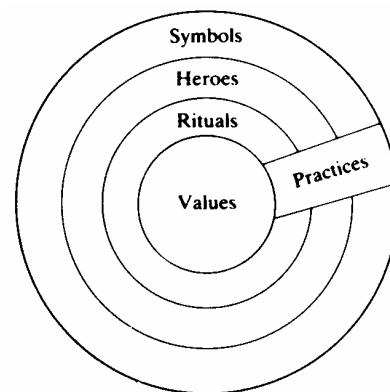
Symbols are words, gestures, pictures or objects that carry a particular meaning which is only recognized by those who share the culture. The words in a language or jargon belong to this category, as do dress, hairstyles, Coca-Cola, flags. New symbols are easily developed and old ones disappear.

Heroes are persons, alive or dead, real or imaginary, who possess characteristics which are highly prized in a culture, and who thus serve as models for behavior.   Snoopy in the USA, Asterix in France.

Rituals are collective activities, technically superfluous in reaching desired ends, but which, within a culture, are considered as socially essential: they are therefore carried out for their own sake. Ways of greeting and paying respect to others, social and religious ceremonies are examples.

Symbols, heroes, rituals can be subsumed under the term **practices**.

The core of culture is formed by **values**. Values are broad tendencies to prefer certain states of affairs over others. Values are feelings with an arrow to it: they have a plus and a minus side.
They deal with:

        evil vs. good

        dirty vs. clean

        ugly vs. beautiful

        unnatural vs. natural

        abnormal vs. normal

        paradoxical vs. logical

        irrational vs. rational

Values are among the first things children learn - not consciously, but implicitly.
Development psychologists believe that by the **age of 10**, most children have their basic value system firmly in place, and after that age, changes are difficult to make.

Because they were acquired so early in our lives, many values remain unconscious to those who hold them. Therefore they cannot be discussed, nor can they be directly observed by outsiders. They can only be inferred from the way people act under various circumstances.

Layers of culture

As almost everyone belongs to a number of different groups and categories of people at the same time, people unavoidably carry several layers of mental programming within themselves, corresponding to different levels of culture. For example:

- a *national level* according to one's country (or countries for people who migrated during their lifetime);

- a *regional* and/or *ethnic* and/or *religious* and/or *linguistic* affiliation level, as most nations are composed of culturally different regions and/ or ethnic and/or religious and/or language groups;

- a *gender level*, according to whether a person was born as a girl or as a boy;

- a *generation level*, which separates grandparents from parents from children;

- a *social class level*, associated with educational opportunities and with a person's occupation or profession;

- for those who are employed, an *organizational* or corporate level according to the way employees have been socialized by their work organization.

National culture differences

"invention" of nations is recent ...   nation   is not the same as society   formation of countries in Africa ...

　　　But forces push towards integration,   - dominant language, common mass media, national army, ...

　　　Danger in thinking of "typically German" or "French"   - just a matter of expediency

DIMENSIONS OF NATIONAL CULTURES

Social anthropology

In the first half of the twentieth century, social anthropology has developed the conviction that all societies, modern or traditional, face the same basic problems; only the answers differ. For some researchers the following issues qualify as common basic problems worldwide, with consequences for the functioning of societies, of groups within those societies, and of individuals within those groups:

　　　1. Relation to authority

　　　2. Conception of self, in particular:

　　　　　　a. the relationship between individual and society, and

　　　　　　b. the individual's concept of masculinity and femininity

　　　3. Ways of dealing with conflicts, including the control of aggression and the expression of feelings.

Hofstede

 - survey data about the values of people in over 50 countries around the world. These people worked in the local subsidiaries of one large multinational corporation – IBM.

A statistical analysis of the answers on questions about the values of similar IBM employees in different countries revealed common problems, but with solutions differing from country to country, in the following areas:

1. Social inequality, including the relationship with authority;
2. The relationship between the individual and the group;
3. Concepts of masculinity and femininity: the social implications of having been born as a boy or a girl;
4. Ways of dealing with uncertainty, relating to the control of aggression and the expression of emotions.

The four basic problem areas represent **dimensions of cultures**. A dimension is an aspect of a culture that can be measured relative to other cultures.

The basic problem areas correspond to dimensions which Hofstede named as

> **power distance** (from small to large),
> **collectivism versus individualism**,
> **femininity versus masculinity**, and
> **uncertainty avoidance** (from weak to strong).

Each of these terms existed already in some part of the social sciences, and they seemed to apply reasonably well to the basic problem area each dimension stands for.

Together they form a *four-dimensional (4-D) model of differences* among **national cultures**.

Each country in this model is characterized by a score on each of the four dimensions.

More recently, a fifth dimension of differences among national cultures was identified, opposing a **long-term orientation** in life to a short-term orientation

(Cultural differences exist also according to region, religion, gender, generation, and class)

(Organizational or corporate cultures)

Dimensions of national cultures

Power distance can be 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.

 'Institutions' are the basic elements of society like the family, school, and the community; 'organizations' are the places where people work.

Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive ingroups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty.

Masculinity   indicates the extent to which the dominant values of a society are "masculine" (e.g., assertive and competitive). *Masculinity* pertains to societies in which social gender roles are clearly distinct (i.e., men are supposed to be assertive, tough, and focused on material success whereas women are supposed to be more modest, tender, and concerned with the quality of life. *Femininity* pertains to societies in which social gender roles overlap i.e., both men and women are supposed to be modest, tender, and concerned with the quality of life.

Uncertainty avoidance can be defined as *the extent to which the members of a culture feel threatened by uncertain or unknown situations* and try to avoid such situations. This feeling is, among other things, expressed through nervous stress and in a need for predictability: a need for written and unwritten rules.

Added later:

Confucian dynamism or long-term vs. short-term orientation in life

> On the pole which could be labeled 'Long-term orientation' :
> > persistence (perseverance)
> > ordering relationships by status and observing this order
> > thrift
> > having a sense of shame
>
> On the opposite pole 'Short-term orientation':
> > personal steadiness and stability
> > protecting your 'face'
> > Respect for tradition
> > reciprocation of greetings, favors, and gifts

In each dimension, differences among countries manifest themselves at different levels:

Child/family – School – workplace – citizen/state – ideas/philosophy

POWER DISTANCE

Power distance index (*PDI*) values for 50 countries and 3 regions

Score rank	Country or region	PDI score	Score rank	Country or region	PDI score
1	Malaysia	104	27/28	South Korea	60
2/3	Guatemala	95	29/30	Iran	58
2/3	Panama	95	29/30	Taiwan	58
4	Philippines	94	31	Spain	57
5/6	Mexico	81	32	Pakistan	55
5/6	Venezuela	81	33	Japan	54
7	Arab countries	80	34	Italy	50
8/9	Equador	78	35/36	Argentina	49
8/9	Indonesia	78	35/36	South Africa	49
10/11	India	77	37	Jamaica	45
10/11	West Africa	77	38	USA	40
12	Yugoslavia	76	39	Canada	39
13	Singapore	74	40	Netherlands	38
14	Brazil	69	41	Australia	36
15/16	France	68	42/44	Costa Rica	35
15/16	Hong Kong	68	42/44	Germany	35
17	Colombia	67	42/44	Great Britain	35
18/19	Salvador	66	45	Switzerland	34
18/19	Turkey	66	46	Finland	33
20	Belgium	65	47/48	Norway	31
21/23	East Africa	64	47/48	Sweden	31
21/23	Peru	64	49	Ireland (Republic)	28
21/23	Thailand	64	50	New Zealand	22
24/25	Chile	63	51	Denmark	18
24/25	Portugal	63	52	Israel	13
26	Uruguay	61	53	Austria	11
27/28	Greece	60			

POWER DISTANCE

Key Differences between small and large power distance societies.
I: general norm, family, school, and workplace

	Small power distance	*Large power distance*
1.	Inequalities among people should be minimized	Inequalities among people are both expected and desired
2.	There should be, and there is to some extent, interdependence between less and more powerful people	Less powerful people should be dependent on the more powerful; in practice, less powerful people are polarized between dependence and counterdependence
3.	Parents treat children as equals	Parents teach children obedience
4.	Children treat parents as equals	Children treat parents with respect
5.	Teachers expect initiatives from students in class	Teachers are expected to take all initiatives in class
6.	Teachers are experts who transfer impersonal truths	Teachers are gurus who transfer personal wisdom
7.	Students treat teachers as equals	Students treat teachers with respect
8.	More educated persons hold less authoritarian values than less educated persons	Both more and less educated persons show almost equally authoritarian values
9.	Hierarchy in organizations means an inequality of roles, established for convenience	Hierarchy in organizations reflects the existential inequality between higher- ups and lower-downs
10.	Decentralization is popular	Centralization is popular
11.	Narrow salary range between top and bottom of organization	Wide salary range between top and bottom of organization
12.	Subordinates expect to be consulted	Subordinates expect to be told what to do
13.	The ideal boss is a resourceful democrat	The ideal boss is a benevolent autocrat or good father
14.	Privileges and status symbols are frowned upon	Privileges and status symbols for managers are both expected and popular

POWER DISTANCE

Key differences between small and large power distance societies

II: politics and ideas.

	Small power distance	Large power distance
1.	The use of power should be legitimate and is subject to criteria of good and evil	Might prevails over right: whoever holds the power is right and good
2.	Skills, wealth, power, and status need not go together	Skills, wealth, power, and status should go together
3.	The middle class is large	The middle class is small
4.	All should have equal rights	The powerful have privileges
5.	Powerful people try to look less powerful than they are	Powerful people try to look as impressive as possible
6.	Power is based on formal position, expertise, and ability to give rewards	Power is based on family or friends, charisma, and ability to use force
7.	The way to change a political system is by changing the rules (evolution)	The way to change a political system is by changing the people at the top (revolution)
8.	The use of violence in domestic politics is rare	Domestic political conflicts frequently lead to violence
9.	Pluralist governments based on outcome of majority votes	Autocratic or oligarchic governments based on cooptation
10.	Political spectrum shows strong center and weak right and left wings	Political spectrum, if aJlowed to be manifested, shows weak center and strong wings
11.	Small income differentials in society, further reduced by the tax system	Large income differentials in society, further increased by the tax system
12.	Prevailing religions and philosophical systems stress equality	Prevailing religions and philosophical systems stress hierarchy and stratification
13.	Prevailing political ideologies stress and practice power sharing	Prevailing political ideologies stress and practice power struggle
14.	Native management theories focus on role of employees	Native management theories focus on role of managers

INDIVIDUALISM

Individualism index (IDV) values for 50 countries and 3 regions

Score rank	Country or region	IDV score	Score rank	Country or region	IDV score
1	USA	91	28	Turkey	37
2	Australia	90	29	Uruguay	36
3	Great Britain	89	30	Greece	35
4/5	Canada	80	31	Philippines	32
4/5	Netherlands	80	32	Mexico	30
6	New Zealand	79	33/35	East Africa	27
7	Italy	76	33/35	Yugoslavia	27
8	Belgium	75	33/35	Portugal	27
9	Denmark	74	36	Malaysia	26
10/11	Sweden	71	37	Hong Kong	25
10/11	France	71	38	Chile	23
12	Ireland (Rep)	70	39/41	West Africa	20
13	Norway	69	39/41	Singapore	20
14	Switzerland	68	39/41	Thailand	20
15	Germany F.R.	67	42	Salvador	19
16	South Africa	65	43	South Korea	18
17	Finland	63	44	Taiwan	17
18	Austria	55	45	Peru	16
19	Israel	54	46	Costa Rica	15
20	Spain	51	47/48	Pakistan	14
21	India	48	47/48	Indonesia	14
22/23	Japan	46	49	Colombia	13
22/23	Argentina	46	50	Venezuela	12
24	Iran	41	51	Panama	11
25	Jamaica	39	52	Equador	8
26/27	Brazil	38	53	Guatemala	6
26/27	Arab countries	38			

INDIVIDUALISM

Key differences between collectivist and individualist societies.

I: general norm, family, school, and workplace

	Collectivist	*Individualist*
1.	People are born into extended families or other ingroups which continue to protect them in exchange for loyalty	Everyone grows up to look after him/ herself and his/her immediate (nuclear) family only
2.	Identity is based in the social network to which one belongs	Identity is based in the individual
3.	Children learn to think in terms of 'we'	Children learn to think in terms of 'I'
4.	Harmony should always be maintained and direct confrontations avoided	Speaking one's mind is a characteristic of an honest person
5.	High-context communication	Low-context communication
6.	Trespassing leads to shame and loss of face for self and group	Trespassing leads to guilt and loss of self-respect
7.	Purpose of education is learning how to do	Purpose of education is learning how to learn
8.	Diplomas provide entry to higher status groups	Diplomas increase economic worth and/or self-respect
9.	Relationship employer-employee is perceived in moral terms, like a family link	Relationship employer-employee is a contract supposed to be based on mutual advantage
10.	Hiring and promotion decisions take employees' ingroup into account	Hiring and promotion decisions are supposed to be based on skills and rules only
11.	Management is management of groups	Management is management of individuals
12.	Relationship prevails over task	Task prevails over relationship

INDIVIDUALISM

Key differences between collectivist and individualist societies.
II: politics and ideas

	Collectivist	*Individualist*
1.	Collective interests prevail over individual interests	Individual interests prevail over collective interests
2.	Private life is invaded by group(s)	Everyone has a right to privacy
3.	Opinions are predetermined by group membership	Everyone is expected to have a private opinion
4.	Laws and rights differ by group	Laws and rights are supposed to be the same for all
5.	Low per capita GNP	High per capita GNP
6.	Dominant role of the state in the economic system	Restrained role of the state in the economic system
7.	Economy based on collective interests Political power exercised by interest groups	Economy based on individual interests Political power exercised by voters
8.	Press controlled by the state	Press freedom
9.	Imported economic theories largely irrelevant because unable to deal with collective and particularist interests	Native economic theories based on pursuit of individual self-interests
10.	Ideologies of equality prevail over ideologies of individual freedom	Ideologies of individual freedom prevail over ideologies of equality
11.	Harmony and consensus in society are ultimate goals	Self-actualization by every individual is an ultimate goal

FEMINISM

Masculinity index (MAS) values for 50 countries and 3 regions

Score rank	Country or region	MAS score	Score rank	Country or region	MAS score
1	Japan	95	28	Singapore	48
2	Austria	79	29	Israel	47
3	Venezuela	73	30/31	Indonesia	46
4/5	Italy	70	30/31	West Africa	46
4/5	Switzerland	70	32/33	Turkey	45
6	Mexico	69	32/33	Taiwan	45
7/8	Ireland (Republic of)	68	34	Panama	44
			35/36	Iran	43
7/8	Jamaica	68	35/36	France	43
9/10	Great Britain	66	37/38	Spain	42
9/10	Germany FR	66	37/38	Peru	42
11/12	Philippines	64	39	East Africa	41
11/12	Colombia	64	40	Salvador	40
13/14	South Africa	63	41	South Korea	39
13/14	Equador	63	42	Uruguay	38
15	USA	62	43	Guatemala	37
16	Australia	61	44	Thailand	34
17	New Zealand	58	45	Portugal	31
18/19	Greece	57	46	Chile	28
18/19	Hong Kong	57	47	Finland	26
20/21	Argentina	56	48/49	Yugoslavia	21
20/21	India	56	48/49	Costa Rica	21
22	Belgium	54	50	Denmark	16
23	Arab countries	53	51	Netherlands	14
24	Canada	52	52	Norway	8
25/26	Malaysia	50	53	Sweden	5
25/26	Pakistan	50			
27	Brazil	49			

FEMINISM

Key differences between feminine and masculine societies.
I: general norm, family, school, and workplace

Feminine	*Masculine*
1. Dominant values in society are caring for others and preservation	Dominant values in society are material success and progress
2. People and warm relationships are important	Money and things are important
3. Everybody is supposed to be modest	Men are supposed to be assertive, ambitious, and tough
4. Both men and women are allowed to be tender and to be concerned with relationships	Women are supposed to be tender and to take care of relationships
5. In the family, both fathers and mothers deal with facts and feelings	In the family, fathers deal with facts and mothers with feelings
6. Both boys and girls are allowed to cry but neither should fight	Girls cry, boys don't; boys should fight back when attacked, girls shouldn't fight
7. Sympathy for the weak	Sympathy for the strong
8. Average student is the norm	Best student is the norm
9. Failing in school is a minor accident	Failing in school is a disaster
10. Friendliness in teachers appreciated	Brilliance in teachers appreciated
11. Boys and girls study same subjects	Boys and girls study different subjects
12. Work in order to live	Live in order to work
13. Managers use intuition and strive for consensus	Managers expected to be decisive and assertive
14. Stress on equality, solidarity, and quality of work life	Stress on equity, competition among colleagues, and performance
15. Resolution of conflicts by compromise and negotiation	Resolution of conflicts by fighting them out

FEMINISM

Key differences between feminine and masculine societies.
II: politics and ideas

	Feminine	*Masculine*
1.	Welfare society ideal	Performance society ideal
2.	The needy should be helped	The strong should be supported
3.	Permissive society	Corrective society
4.	Small and slow are beautiful	Big and fast are beautiful
5.	Preservation of the environment should have highest priority	Maintenance of economic growth should have highest priority
6.	Government spends relatively large proportion of budget on development assistance to poor countries	Government spends relatively small proportion of budget on development assistance to poor countries
7.	Government spends relatively small proportion of budget on armaments	Government spends relatively large proportion of budget on armaments
8.	International conflicts should be resolved by negotiation and compromise	International conflicts should be resolved by a show of strength or by fighting
9.	A relatively large number of women in elected political positions	A relatively small number of women in elected political positions
10.	Dominant religions stress the complementarity of the sexes	Dominant religions stress the male prerogative
11.	Women's liberation means that men and women should take equal shares both at home and at work	Women's liberation means that women will be admitted to positions hitherto only occupied by men

UNCERTAINTY

Uncertainty avoidance index (UAI) values for 50 countries and 3 regions

Score rank	Country or region	UAI score	Score rank	Country or region	UAI score
1	Greece	112	28	Equador	67
2	Portugal	104	29	Germany FR	65
3	Guatemala	101	30	Thailand	64
4	Uruguay	100	31/32	Iran	59
5/6	Belgium	94	31/32	Finland	59
5/6	Salvador	94	33	Switzerland	58
7	Japan	92	34	West Africa	54
8	Yugoslavia	88	35	Netherlands	53
9	Peru	87	36	East Africa	52
10/15	France	86	37	Australia	51
10/15	Chile	86	38	Norway	50
10/15	Spain	86	39/40	South Africa	49
10/15	Costa Rica	86	39/40	New Zealand	49
10/15	Panama	86	41/42	Indonesia	48
10/15	Argentina	86	41/42	Canada	48
16/17	Turkey	85	43	USA	46
16/17	South Korea	85	44	Philippines	44
18	Mexico	82	45	India	40
19	Israel	81	46	Malaysia	36
20	Colombia	80	47/48	Great Britain	35
21/22	Venezuela	76	47/48	Ireland (Republic of)	35
21/22	Brazil	76	49/50	Hong Kong	29
23	Italy	75	49/50	Sweden	29
24/25	Pakistan	70	51	Denmark	23
24/25	Austria	70	52	Jamaica	13
26	Taiwan	69	53	Singapore	8
27	Arab countries	68			

UNCERTAINTY

Key differences between weak and strong uncertainty avoidance societies.
I: general norm, family, school, and workplace

	Weak uncertainty avoidance	*Strong uncertainty avoidance*
1.	Uncertainty is a normal feature of life and each day is accepted as it comes	The uncertainty inherent in life is felt as a continuous threat which must be fought
2.	Low stress; subjective feeling of wellbeing	High stress; subjective feeling of anxiety
3.	Aggression and emotions should not be shown	Aggression and emotions may at proper times and places be ventilated
4.	Comfortable in ambiguous situations and with unfamiliar risks	Acceptance of familiar risks; fear of ambiguous situations and of unfamiliar risks
5.	Lenient rules for children on what is dirty and taboo	Tight rules for children on what is dirty and taboo
6.	What is different, is curious	What is different, is dangerous
7.	Students comfortable with open-ended learning situations and concerned with good discussions	Students comfortable in structured learning situations and concerned with the right answers
8.	Teachers may say 'I don't know'	Teachers supposed to have all the answers
9.	There should not be more rules than is strictly necessary	Emotional need for rules, even if these will never work
10.	Time is a framework for orientation	Time is money
11.	Comfortable feeling when lazy; hard-working only when needed	Emotional need to be busy; inner urge to work hard
12.	Precision and punctuality have to be learned	Precision and punctuality come naturally
13.	Tolerance of deviant and innovative ideas and behavior	Suppression of deviant ideas and behavior; resistance to innovation
14.	Motivation by achievement and esteem or belongingness	Motivation by security and esteem or belongingness

UNCERTAINTY

Key differences between weak and strong uncertainty avoidance societies.
II: politics and ideas

	Weak uncertainty avoidance	*Strong uncertainty avoidance*
1.	Few and general laws and rules	Many and precise laws and rules
2.	If rules cannot be respected, they should be changed	If rules cannot be respected, we are sinners and should repent
3.	Citizen competence versus authorities	Citizen incompetence versus authorities
4.	Citizen protest acceptable	Citizen protest should be repressed
5.	Citizens positive towards institutions	Citizens negative towards institutions
6.	Civil servants positive towards political process	Civil servants negative towards political process
7.	Tolerance, moderation	Conservatism, extremism, law and order
8.	Positive attitudes towards young people	Negative attitudes towards young people
9.	Regionalism, internationalism, attempts at integration of minorities	Nationalism, xenophobia, repression of minorities
10.	Belief in generalists and common sense	Belief in experts and specialization
11.	Many nurses, few doctors	Many doctors, few nurses
12.	One group's truth should not be imposed on others	There is only one Truth and we have it
13.	Human rights: nobody should be persecuted for their beliefs	Religious, political, and ideological fundamentalism and intolerance
14.	In philosophy and science, tendency towards relativism and empiricism	In philosophy and science, tendency towards grand theories
15.	Scientific opponents can be personal friends	Scientific opponents cannot be personal friends

Index Scores and Ranks for Countries and Regions From the IBM Set

Source: Hofstede(2001:500)

Country	Power Distance		Uncertainty Avoidance		Individualism/ Collectivism		Masculinity/ Femininity		Long/Short-Term Orientation	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Argentina	49	35-36	86	10-15	46	22-23	56	20-21		
Australia	36	41	51	37	90	2	61	16	31	22-24
Austria	11	53	70	24-25	55	18	79	2	31a	22-24
Belgium	65	20	94	5-6	75	8	54	22	38a	18
Brazil	69	14	76	21-22	38	26-27	49	27	65	6
Canada	39	39	48	41-42	80	4-5	52	24	23	30
Chile	63	24-25	86	10-15	23	38	28	46		
Colombia	67	17	80	20	13	49	64	11-12		
Costa Rica	35	42-44	86	10-15	15	46	21	48-49		
Denmark	18	51	23	51	74	9	16	50	46a	10
Ecuador	78	8-9	67	28	8	52	63	13-14		
Finland	33	46	59	31-32	63	17	26	47	41a	14
France	68	15-16	86	10-15	71	10-11	43	35-36	39a	17
Germany	35	42-44	65	29	67	15	66	9-10	31	22-24
Great Britain	35	42-44	35	47-48	89	3	66	9-10	25	28-29
Greece	60	27-28	112	1	35	30	57	18-19		
Guatemala	95	2-3	101	3	6	53	37	43		
Hong Kong	68	15-16	29	49-50	25	37	57	18-19	96	2
Indonesia	78	8-9	48	41-42	14	47-48	46	30-31		
India	77	10-11	40	45	48	21	56	20-21	61	7
Iran	58	29-30	59	31-32	41	24	43	35-36		
Ireland	28	49	35	47-48	70	12	68	7-8	43a	13
Israel	13	52	81	19	54	19	47	29		
Italy	50	34	75	23	76	7	70	4-5	34a	19
Jamaica	45	37	13	52	39	25	68	7-8		
Japan	54	33	92	7	46	22-23	95	1	80	4
Korea (South)	60	27-28	85	16-17	18	43	39	41	75	5
Malaysia	104	1	36	46	26	36	50	25-26		
Mexico	81	5-6	82	18	30	32	69	6		
Netherlands	38	40	53	35	80	4-5	14	51	44	11-12
Norway	31	47-48	50	38	69	13	8	52	44a	11-12
New Zealand	22	50	49	39-40	79	6	58	17	30	25-26
Pakistan	55	32	70	24-25	14	47-48	50	25-26	0	34
Panama	95	2-3	86	10-15	11	51	44	34		
Peru	64	21-23	87	9	16	45	42	37-38		
Philippines	94	4	44	44	32	31	64	11-12	19	31-32
Portugal	63	24-25	104	2	27	33-35	31	45	30a	25-26
South Africa	49	35-36	49	39-40	65	16	63	13-14		
Salvador	66	18-19	94	5-6	19	42	40	40		
Singapore	74	13	8	53	20	39-41	48	28	48	9
Spain	57	31	86	10-15	51	20	42	37-38	19a	31-32
Sweden	31	47-48	29	49-50	71	10-11	5	53	33	20
Switzerland	34	45	58	33	68	14	70	4-5	40a	15-16
Taiwan	58	29-30	69	26	17	44	45	32-33	87	3
Thailand	64	21-23	64	30	20	39-41	34	44	56	8
Turkey	66	18-19	85	16-17	37	28	45	32-33		
Uruguay	61	26	100	4	36	29	38	42		
United States	40	38	46	43	91	1	62	15	29	27
Venezuela	81	5-6	76	21-22	12	50	73	3		
Yugoslavia	76	12	88	8	27	33-35	21	48-49		
Regions:										
Arab countries	80	7	68	27	38	26-27	53	23		
East Africa	64	21-23	52	36	27	33-35	41	39	25	28-29
West Africa	77	10-11	54	34	20	39-41	46	30-31	16	33

NOTE. 1 = highest rank. LTO ranks. 1 = China; 15-16 = Bangladesh; 21 = Poland; 34 = lowest
a - Based on EMS consumer survey.

Index Scores by Language Area for Multilingual Countries

Source: Hofstede(2001:501)

Country and Part	Power Distance Index	Uncertainty Avoidance Index	Individualism Index	Masculinity Index	Long-Term Orientation Index
Belgium total[a]	65	94	75	54	
Dutch speakers[a]	61	97	78	43	
French speakers[a]	67	93	72	60	
Switzerland total[a]	34	58	68	70	
German speakers [a, c]	26	56	69	72	
French speakersa	70	70	64	58	
Yugoslavia total[a]	76	88	27	21	
Croatia (Zagreb)[b]	73	80	33	40	
Serbia (Beograd)[b]	86	92	25	43	
Slovenia (Ljubljana)[b]	71	88	27	19	
Canada total[a]	39	48	80	52	23
French speakers [d]	54	60	73	45	30
Australia total[a]	36	51	90	61	31
Aborigines[e]	80	128	89	22	-10

a Based on IBM survey data,

b Based on reanalysis of IBM survey data (Hofstede, 1993)

c See also Kopper (1993),

d Based on my interpretation of Rokeach Value Survey scores collected by McCarrey, Edwards, and Jones (1978); of work goal importance scores collected by Jain, Normand, and Kanungo (1979); IDV based on regression from data collected by Lambert and Klineberg (1967); and observations by Dr Christoph Barmeyer (personal communication, 1999)

e. Based on observations of Dr. Ray Simonsen, Victoria University, Darwin (personal communication, 1998)

Index Score Estimates for Countries Not in the IBM Set

Source: Hofstede(2001:502)

Country and Part	Power Distance Index	Uncertainty Avoidance Index	Individualism Index	Masculinity Index	Long-Term Orientation Index
Bangladesh	80	60	20	55	40
Bulgaria	70	85	30	40	
China	80	30	20	66	118
Czechia	57	74	58	57	13
Estonia	40	60	60	30	
Hungary	46	82	80	88	50
Luxembourg	40	70	60	50	
Malta	56	96	59	47	
Morocco	70	68	46	53	
Poland	68	93	60	64	32
Romania	90	90	30	42	
Russia	93	95	39	36	
Slovakia	104	51	52	110	38
Surinam	85	92	47	37	
Trinidad	47	55	16	58	
Vietnam	70	30	20	40	80

SOURCES. *Bangladesh:* LTO, see Chapter 7; other dimensions based on descriptive information. *Bulgaria:* based on observation and descriptive information. *China:* MAS, see Hofstede (1996b); LTO, see Chapter 7; other dimensions based on observation and an extensive literature (see Chapters 3,4, 5, and 7). *Czechia:* Kruzela (1995), Thorpe and Pavlica (1996), and Kolman, Hofstede, Noorderhaven, and Dienes (1999). *Eslonia* MAS, Hofstede, Kolman, Nicolescu, and Pajumaa (1996); other dimensions, observation. *Hungary:* Varga (1986) and Kolman et al (1999). *Luxembourg:* observation and clustering in European Union data. *Malla:* Hoppe (1990). *Morocco:* POI and IDV from Helmreich and Merritt (1998); other dimensions, Arabic-speaking countries scores *Poland:* Nasierowski and Mikula (1998) and Kolman et al (1999). *Romania:* MAS, Hofstede et al (1996); other dimensions, observation, and descriptive data. *Russia:* MAS, Hofstedeet al. (1996); other dimensions, raw data from unpublished studies by Bollinger(1988) and Bradley (1998), observation and descriptive data. *Slovakia:* Kolman et al (1999) *Surinam:* Nanhekhan (1990). *Trinidad:* Punnett, Singh, and Williams (1994) *Vielnam:* observation and descriptive information.

In the area of organizations and management, theories, models and techniques developed in a given country – usually in the United States – are not valid and ready to be applied, without further considerations, in countries with very different cultures.

EXAMPLES:

MbO

Mexico is characterised by a very high level of "power distance", the United States by a very low one (scores from 81 to 40, respectively, or, among 53 countries, the fifth place for Mexico and 38th for United States). As a result of this gap it is only to be expected that a management technique such as "Management by Objectives", popular in the United States, may be inappropriate in Mexico – the Mexican managers would not accept delegating important tasks to their subordinates and these, in turn, due to their weak sense for egalitarianism , would not feel comfortable with a model of participative characteristics

Matrix structures

Matrix structures were seen a few years ago as combining the advantages of structures by product, geography and function. Decentralized decision processes, overlapping responsibilities and multiple channels of information permitted dealing better with external complexity, overcoming the internal tensions and responding more rapidly and more flexibly to new challenges. Although overall the matrix structure never experienced the success that had been anticipated, in countries like Germany and France it encountered special difficulties.In France this was because the matrix structure violates the principle of unity of command and hierarchical line. In Germany it was because it goes against the absolute need for clear structures, information channels, roles and responsibilities.This rejection could be explained by the high levels of power distance in France and of large uncertainty avoidance in Germany

Maslow's hierarchy of needs. Maslow defended the existence of five basic human needs, forming a hierarchy comprising physiological, safety, social nature, esteem and self-actualisation needs. Those of a higher level are active and may be motivating, when the inferior ones are satisfied.
What Maslow thought were universal needs of any human being, and what is taught in management manuals, proved in reality to be valid only for the North Americans and some nations of similar cultural characteristics.In countries of high uncertainty avoidance, safety needs may be much more important than Maslow thought, the job for the whole life is more important than having a more interesting and challenging position.In countries with a low level of masculinity, social needs will tend to be more important, the same holding in less individualist countries (more collective).

Culture and international competition:
competitive advantages of different cultural profiles

Power distance small: acceptance of responsibility

Power distance large: discipline

Individualism: management mobility

Collectivism: employee commitment

Masculinity: mass production; efficiency;
heavy industry, bulk chemistry

Femininity: personal service; custom-made products;
agriculture, biochemistry

Uncertainty avoidance weak: basic innovations

Uncertainty avoidance strong: precision

Hofstede: Cultures and Organizations, p.240

CASE STUDY - Middle-sized textile printing company

Somewhere in Western Europe a middle-sized textile printing company struggled for survival. Cloth, usually imported from Asian countries, was printed in multicolored patterns according to the desires of customers, firms producing fashion clothing for the local market. The company was run by a general manager to whom three functional managers reported: one for design and sales, one for manufacturing, and one for finance and personnel. The total work force numbered about 250.

The working climate in the firm was often disturbed by conflicts between the sales and manufacturing managers. The manufacturing manager had an interest, as manufacturing managers have the world over, in smooth production and in minimizing product changes. He preferred grouping customer orders into large batches. Changing color and/or design implied cleaning the machines which took productive time away and also wasted costly dyestuffs. The worst was changing from a dark color set to a light one, because every bit of dark-colored dye left would show on the cloth and spoil the product quality. Therefore the manufacturing planners tried to start on a clean machine with the lightest shades and gradually move towards darker ones, postponing the need for an overall cleaning round as long as possible.

The design and sales manager tried to satisfy his customers in a highly competitive market. These customers, fashion clothing firms, were notorious for short-term planning changes. As their supplier, the printing company often received requests for rush orders. Even when these orders were small and unlikely to be profitable the sales manager hated to say 'no'. The customer might go to a competitor and then the printing firm would miss that big order which the sales manager was sure would come afterwards. The rush orders, however, usually upset the manufacturing manager's schedules and forced him to print short runs of dark color sets on a beautifully clean machine, thus forcing the production operators to start cleaning allover again.

There were frequent hassles between the two managers over whether a certain rush order should or should not be taken into production. The conflict was not limited to the department heads; production personnel publicly expressed doubts about the competence of the sales people and vice versa. In the cafeteria, production and sales people would not sit together , although they had known each other for years.

PLEASE

Write down
(1) your diagnosis of the problem and
(2) your suggested solution

IMPLICIT MODELS OF ORGANIZATIONS

Like most organizational problems, it has both structural and human aspects. The people involved react according to their mental software. Part of this mental software consists of people's ideas about what an organization should be like.

From the four dimensions of national culture power distance and uncertainty avoidance in particular affect our thinking about organizations.

Organizing always demands the answering of two questions:

(1) who has the power to decide what? and

(2) what rules or procedures will be followed to attain the desired ends?

The answer to the first question is influenced by cultural norms of **power distance**; *the answer to the second question, by cultural norms about* **uncertainty avoidance.**

The remaining two dimensions, individualism and masculinity, affect our thinking about people in organizations, rather than about organizations themselves.

Power distance and uncertainty avoidance have been plotted against each other in the Figure and if the above analysis is correct, the position of a country in this diagram should tell us something about the way to solve organizational problems in that country.

There is empirical evidence for the relationship between a country's position within the PDI-UAI matrix, and models of organizations implicit in the minds of people from those countries which affect the way problems are tackled.

In the 1970s Owen James Stevens, an American professor at **INSEAD** business school in Fontainebleau, France, used as an examination assignment for his organizational behavior course *a case study very similar* to the one presented at the beginning of this chapter. This case, too, dealt with a conflict between two department heads within a company. Among the INSEAD **MBA** (Master of Business Administration) students taking the exam, the three largest national contingents were French, German, and British. In the Figure we find their countries in the lower right, lower left, and upper left quadrants, respectively.

Stevens had noticed earlier that the students' nationality seemed to affect their way of handling this case. He had kept a file of the examination work of about 200 students, in which, with regard to the case in question, the students had written down, individually **(1) their diagnosis of the problem and (2) their suggested solution.** *Stevens had sorted these exams by the nationality of the author, and he went separately through all French, all German, and all British answers.*

The results were striking.

The **French** in majority **diagnosed the case as negligence by the general manager to whom** the two department heads reported. The solution preferred by the French was for the opponents **to take the conflict to their common boss**, who would issue orders for settling such dilemmas in the future. Stevens interpreted the implicit organization model of the French as a **'pyramid of people'**: the general manager at the top of the pyramid, and each successive level at its proper place below.

The majority of the **Germans** diagnosed the case **as a lack of structure.** The competence of the two conflicting department heads had never been clearly laid down. The solution preferred by the Germans **was the establishment of procedures.** Ways to develop these could be calling in a consultant, nominating a task force, or asking the common boss. The Germans, Stevens felt, saw an organization ideally as a **'well-oiled machine'** in which management intervention is limited to exceptional cases because the rules should settle all daily problems.

The majority of the **British** diagnosed the **case as a human relations problem.** The two department heads were poor negotiators, and their skills in this respect should be developed by s**ending them on a management course**, preferably together. 'Transactional analysis' had not yet been invented at that time, but it would be a good term to describe the kind of training recommended. The implicit model of an organization in the minds of the British, Stevens thought, was a **'village market'** in which neither hierarchy nor rules, but the demands of the situation, determine what will happen.

Stevens' experience happened to coincide with the discovery, in the context of the IBM research project, of power distance and uncertainty avoidance as dimensions of country cultures. These two dimensions resembled those found a few years earlier through a piece of academic research commonly known as the '**Aston Studies**'. From 1961 through

1973 the University of Aston in Birmingham, UK, hosted an 'Industrial Administration Research Unit'. Among the researchers involved were Derek S. Pugh, David J. Hickson, Roy L. Payne, Diana C. Pheysey, and John Child (see Pugh and Hickson, 1976). The Aston Studies represented a large-scale attempt to assess quantitatively, that is to measure, key aspects of the structure of different organizations. At first the research was limited to the UK, but later it was replicated in a number of other countries. **The principal conclusion from the Aston Studies was that the two major dimensions along which structures of organizations differ are 'concentration of authority' and 'structuring of activities'. It did not take much imagination to associate the first with power distance, and the second with uncertainty avoidance.**

The Aston researchers had tried to measure the 'hard' aspects of organizational structure: objectively assessable characteristics. Power distance and uncertainty avoidance indices measure soft, *subjective* characteristics of the people within a country. A link between the two would mean that organizations are structured in order to meet the subjective cultural needs of their members.

Stevens' implicit models of organization in fact provided the proof. **French** INSEAD MBA students with their 'pyramid of people' model, coming from a country with large power distance *and* strong uncertainty avoidance, *advocated measures to concentrate the authority and structure the activities.* **Germans** with their 'well-oiled machine' model, coming from a country with strong uncertainty avoidance but small power distance, *wanted to structure the activities without concentrating the authority.* **British** INSEAD MBA students with a 'village market' model and a national culture characterized by small power distance and weak uncertainty avoidance, *advocated neither concentrating authority nor structuring activities*-and all of them were dealing with the same case study.

People with international business experience have confirmed many times over that, other things being equal, French organizations do concentrate authority more, German ones do need more structure, and people in British ones do believe more in resolving problems ad hoc.

Stevens' three implicit models leave **one quadrant in the Figure unexplained**. The upper right-hand corner contains no European countries, **only Asian and African ones.** People from these countries were rare at INSEAD, so that there were insufficient data from this group. A discussion of Stevens' models with Indian and Indonesian colleagues led to the suggestion that the equivalent implicit model of an organization in these countries is the **(extended) 'family',** *in which the owner-manager is the omnipotent (grand)father.* It corresponds to large power distance but weak uncertainty avoidance, a situation in which *people would resolve the conflict described by permanent referral to the boss:* **concentration of authority without structuring of activities.** Negandhi and Prasad, two Americans originally from India, quote a senior Indian executive with a Ph.D from a prestigious American university:

> 'What is most important for me and my department is not what I do or achieve for the company, but whether the Master's favor is bestowed on me. ...This I have achieved by saying "yes" to everything the Master says or does. ...To contradict him is to look for another job. ...I left my freedom of thought in Boston.' (Negandhi and Prasad, 1971, p. 128).
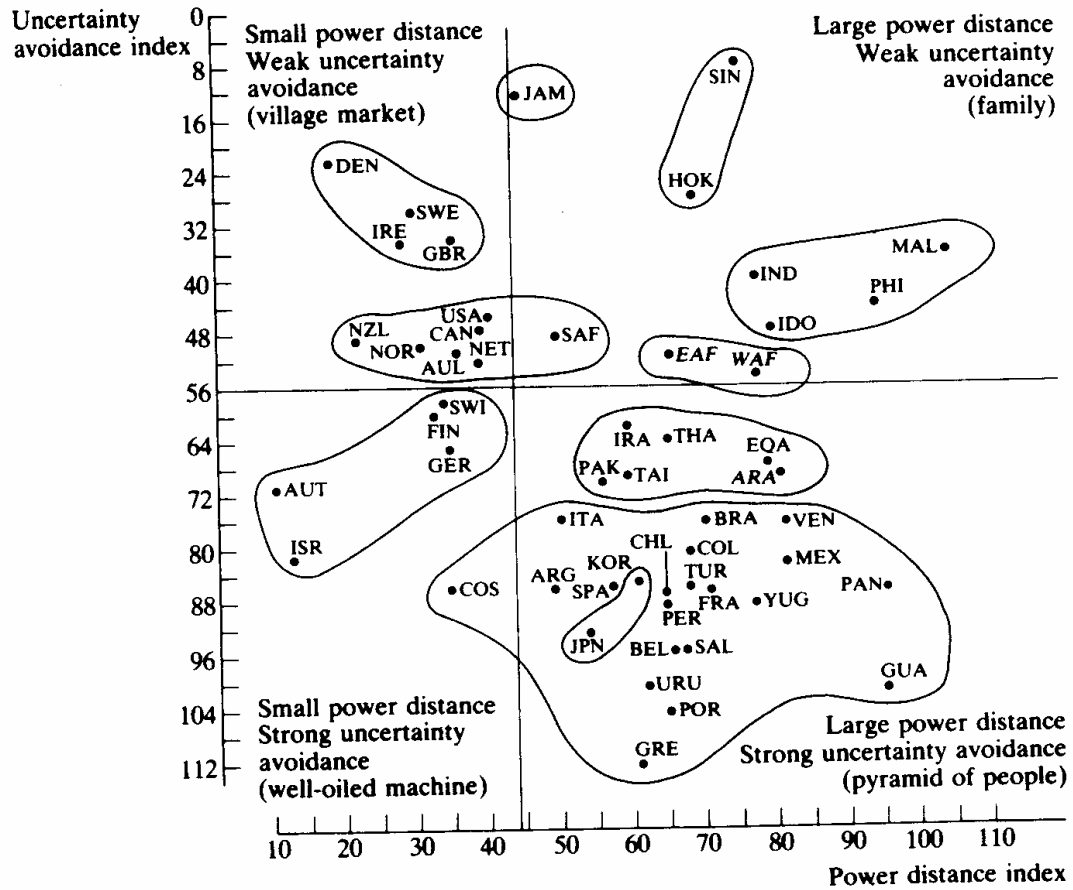
The position of 50 countries and 3 regions on the power distance and uncertainty avoidance dimensions

IMPLICIT MODELS OF ORGANIZATION

- **The contest model** (`winner takes all´)
  Competitive Anglo-Saxon cultures with low power distance, high individualism and masculinity, and fairly low scores on uncertainty avoidance. Examples: Australia, New Zealand, UK and USA.
- **The network model** (consensus)
  Highly individualistic, `feminine´ societies with low power distance like Scandinavia and the Netherlands. Everyone is supposed to be involved in decision-making.
- **The organization as a family** (loyalty and hierarchy)
  Found in societies that score high on power distance and collectivism and have powerful in-groups and paternalistic leaders. Examples: China, Hong Kong, India, Indonesia, Malaysia, Philippines and Singapore.
- **The pyramidal organization** (loyalty, hierarchy and implicit order)
  Found in collective societies with large power distance and uncertainty avoidance. Examples: much of Latin America (especially Brazil), Greece, Portugal, Russia and Thailand.
- **The solar system** (hierarchy and an impersonal bureaucracy)
  Similar to the pyramid structure, but with greater individualism. Examples: Belgium, France, Northern Italy, Spain and French speaking Switzerland.
- **The well-oiled machine** (order)
  Found in societies with low power distance and high uncertainty avoidance, carefully balanced procedures and rules, not much hierarchy. Examples: Austria, Germany, Czech Republic, Hungary, German speaking Switzerland.

MANAGEMENT PROFESSORS ARE HUMAN

Not only organizations are culture bound; theories about organizations are equally culture bound.

The professors who wrote the theories are children of a culture: they grew up in families, went to schools, worked for employers. Their experiences represent the material on which their thinking and writing have been based. Scholars are as human and as culturally biased as other mortals.

For each of the four corners of the Figure *a classical author* described organizations in terms of the model belonging to his corner of the diagram: the pyramid, the machine, the market, or the family. The four are approximate contemporaries; all were born in the mid-nineteenth century.

Henri Fayol (1841-1925) was a French engineer whose management career culminated in the position of *president-directeur-generat* of a mining company. After his retirement he formulated his experiences in a pathbreaking text on organization: *Administration industrielle et generate.* On the issue of the exercise of authority Fayol wrote:

> 'We distinguish in a manager his *statutory* authority which is in the office, and his *personal* authority
> which consists of his intelligence, his knowledge, his experience, his moral value, his leadership, his
> service record, etc. For a good manager , personal authority is the indispensable complement to
> statutory authority.

In Fayol's conception the **authority** is both in the person *and* in the rules (the statute). We recognize the model of the organization as a pyramid of people with both personal power *and* formal rules as principles of coordination.

Max Weber (1864-1920) was a German academic with a university training in law and some years' experience as a civil servant. He became a professor of economics and a founder of German sociology. Weber quotes a seventeenth-century Puritan Protestant Christian textbook about:

> '. ..the sinfulness of the belief in authority, which is only permissible in the form of an impersonal
> authority.' (Weber, 1976, p. 224).

In his own design for an organization Weber describes the ***bureaucracy.*** The word was originally a joke, a classical Greek ending grafted onto a modern French stem. Nowadays it has a distinctly negative connotation, but to Weber it represented the ideal type for any large organization. About the authority in a bureaucracy Weber wrote:

> 'The authority to give the commands required for the discharge of (the assigned) duties should be
> exercised in a stable way. It is strictly delimited by rules concerning the coercive means, which may
> be placed at the disposal of officials.'

In Weber's conception **the real authority is in the rules**. The power of the 'officials' is strictly delimited by these rules. We recognize the model of the organization as a well-oiled machine, which runs according to the rules.

Frederick Winslow Taylor (1856-1915) was an American engineer who, contrary to Fayol, had started his career in industry as a worker. He attained his academic qualifications through evening studies. From chief engineer in a steel company he became one of the first management consultants. Taylor was not really concerned with the issue of authority at all; his focus was on efficiency. He proposed to **split the task of the first-line boss into eight specialisms,** each exercised by a different person. Thus, each worker would have eight bosses, each with a different competence. This part of Taylor's ideas was never completely implemented, although we find elements of it in the modern *'matrix organization'* in which an employee has two (or even three) bosses, usually one concerned with productivity and one with technical expertise.

Taylor's **book** *Shop Management* (1903) appeared in a French translation in 1913, and **Fayol read it** and devoted six full pages from his own 1916 book to Taylor's ideas. Fayol shows himself generally impressed but shocked by Taylor's 'denial of the ***principle of the Unity of Command***' in the case of the eight-boss system. 'For my part,' Fayol writes, 'I do not believe that a department could operate in flagrant violation of the Unity of Command principle. Still, Taylor has been a successful manager of large organizations. *How can we explain this contradiction?*' (Fayol, 1970, p. 85). Fayol's rhetorical question had been answered by his compatriot Blaise **Pascal** two and a half centuries earlier: there are truths in one country which are falsehoods in another

('Verite en-deça des Pyrenees, erreur au-detà').

In a 1981 article Andre Laurent, another of Fayol's compatriots, demonstrated that French managers in a survey reacted very strongly against a suggestion that one employee could report to two different bosses, while for example Swedish and US managers in the same survey showed fewer misgivings in this respect (Laurent, 1981). Matrix organization has never become as popular in France as it has in the USA. It is amusing to read Laurent's suggestion that in order to make matrix organizations acceptable in France they should be translated into hierarchical terms, i.e., one real boss plus one or more staff experts. Exactly the

same solution was put forward by Fayol in his 1916 discussion of the Taylor system; in fact, Fayol wrote that he supposed this was how the Taylor system really worked in Taylor's companies.

Whereas Taylor dealt only implicitly with the exercise of authority in organizations, another American pioneer of organization theory, **Mary Parker Follett** (1868-1933), *did address the issue squarely*. She wrote:

> 'How can we avoid the two extremes: too great bossism in giving orders, and practically no orders given? ...My solution is to depersonalize the giving of orders, to unite all concerned in a study of the situation, to discover the law of the situation and to obey that. ..One *person* should not give orders to another *person* , but both should agree to take **their orders from the situation**.'
>
> (Metcalf and Urwick, 1940, pp. 58-59).

In the concepts of Taylor and Follett **the authority is** *neither in the person nor in the rules, but, as Follett puts it, in the* **situation**. *We recognize the model of the organization as a market, in which market conditions dictate what will happen.*

Sun Yat-sen (1866-1925) was a scholar from the fourth corner of the power distance-uncertainty avoidance diagram, from China. He received a Western education in Hawaii and Hong Kong and became a political revolutionary. As China began industrialization much later than the West there is no indigenous theorist of industrial organization contemporary with Fayol, Weber , and Taylor. However, Sun was concerned with organization, albeit political. He wanted to replace the ailing government of the Manchu emperors by a modern Chinese state. He eventually became, for a short period, nominally the first President of the Chinese Republic. Sun's design for a Chinese form of government represents an integration of Western and traditional Chinese elements. From the West, **he introduced the *Trias Politica:* the executive, legislative, and judicial branches**. However, unlike in the West, *all three are placed under the authority of the President. Two more branches are added, both derived from Chinese tradition and bringing the total up to five: the examination branch (determining access to the civil service) and the control branch, supposed to audit the government.*

This remarkable mix of two systems is formally the basis of the present government structure of Taiwan, which has inherited Sun's ideas through the Kuomintang party. It stresses the authority of the President (large power distance) : the legislative and judicial powers which in the West are meant to guarantee government by law are made dependent on the ruler and paralleled by the examination and control powers which are based on government of man (weak uncertainty avoidance). It is the family model with the ruler as the country's father and whatever structure there is, based on personal relationships.

Paradoxically in the other China which expelled the Kuomintang, the People's Republic, the Cultural Revolution experiment can also be interpreted as an attempt to maintain the authority of the ruler (in this case Chairman Mao) while rejecting the authority of the rules which were felt to suffocate the modernization of the minds. The Cultural Revolution is now publicly recognized as a disaster. What passed for modernization may in fact have been a revival of centuries-old unconscious fears.

Some countries with a Chinese inheritance, like Singapore and Hong Kong from the upper right-hand corner of the power distance-uncertainty avoidance diagram, have been doing very well in modernizing themselves.

SOURCE: Hofstede: Cultures and Organizations