

that people should not hold managerial positions unless they can give precise answers to most work-related questions. (See page 87, the Iranian's view, for another example of the expert perspective.)

Is a manager primarily an expert or a problem solver? Again, the question has no single right answer because organizations from different cultures maintain different beliefs. Problems, however, arise when managers from one culture interact with managers and employees from other cultures. When an American manager tells French employees, "I don't know the answer, but maybe if you talk to Simon in marketing he will know," the French employees do not assume that they have received appropriate problem-solving help but rather assume that their American boss is incompetent. Similarly misunderstanding the situation, American employees who receive specific answers from their French boss may consider the boss egotistical rather than competent: "Why didn't the French boss tell them that Simon in marketing is the expert and has the best answer?"

Laurent concludes that the national origin of Asian, European, and North American managers significantly affects their views on how effective managers should manage (14:77). Overall, the extent to which managers see organizations as primarily political, authoritarian, role-formalizing, or hierarchical-relationship systems varies according to their country of origin (14).

Dimensions of Difference

Differences in work-related attitudes exist across a wide range of cultures. Geert Hofstede, an eminent Dutch management researcher, corroborated and integrated the results of Laurent's and others' research. In a 40-country study (10), which was later expanded to more than 60 countries, including both Oriental and Occidental cultures (5:9;11:12), 160,000 managers and employees working for a U.S. multinational corporation were surveyed twice. Hofstede, like Laurent, found highly significant differences in the behavior and attitudes of employees and managers from each country even though they worked within the same multinational corporation—differences that did not change over time. Hofstede found that national culture explained more of the differences in work-related values and attitudes than did position within the organization, profession, age, or gender. In summarizing the most important differences, Hofstede initially found that managers and employees vary on four primary dimensions: individualism/collectivism, power distance, uncertainty avoidance, and career success/quality of life.³ Later, Hofstede and his colleagues identified a fifth dimension, Confucian dynamism (5:12).

Individualism and Collectivism

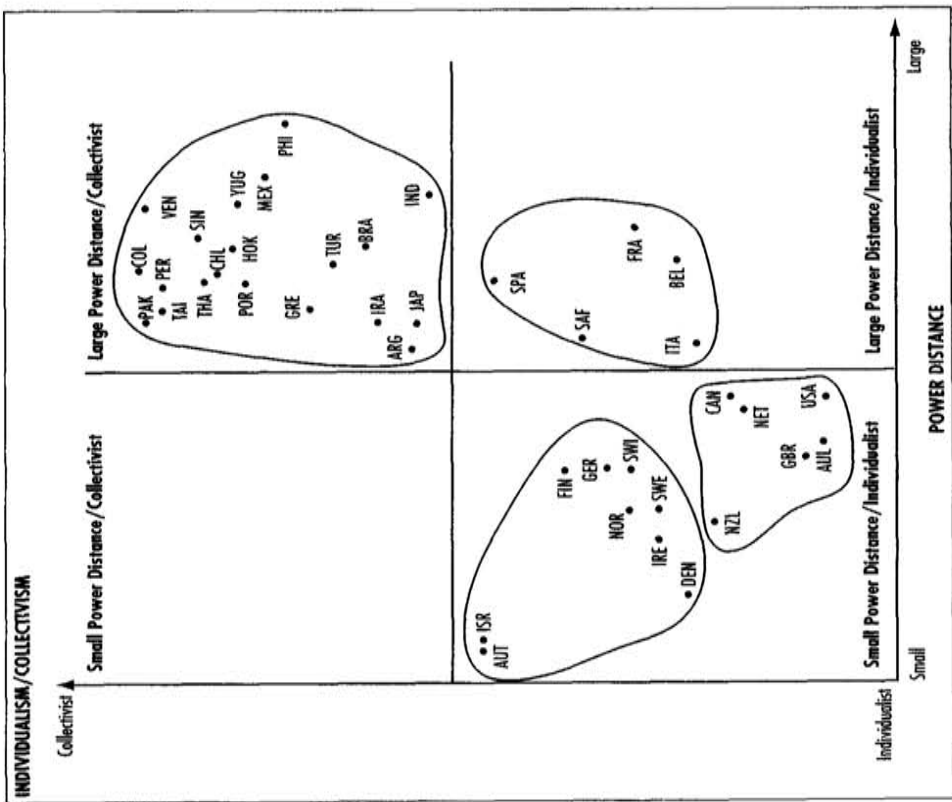
Individualism exists when people define themselves primarily as separate individuals and make their main commitments to themselves. Individualism implies loosely knit social networks in which people focus primarily on taking care of themselves and their immediate families. *Collectivism* is characterized by tight social networks in which people strongly distinguish between their own groups (in-groups, such as relatives, clans, and organizations) and other groups. Collectivists hold common goals and objectives, not individual goals that focus primarily on self-interest. People in collective cultures expect members of their particular in-groups to look after them, protect them, and give them security in exchange for their loyalty to the group. Two-thirds of all surveyed Arab executives, for example, thought employee loyalty was more important than efficiency (17). This dimension reflects similar values to those of the individual/group values orientation discussed in Chapter 1 on pages 27–29 (6).

Determinism characterizes such collectivist cultures as the Japanese, where people believe that the will of the group should determine members' beliefs and behavior. This belief is reflected in the Japanese saying, "The nail that sticks out will be pounded down." By contrast, free will and self-determination characterize individualistic cultures such as that of the United States, where individuals believe that each person should determine his or her own beliefs and behavior. In each nation, cultural beliefs become self-fulfilling. People from individualistic cultures also tend to believe that certain universal values should be shared by all. People from collectivist cultures, on the other hand, accept that different groups hold different values. Being individualistic, most North Americans believe that democracy—especially North American-style democracy—ideally should be shared by all. Many people from collectivist cultures find such a view hard to understand.

Collectivist cultures control their members more through external societal pressure (shame) whereas individualistic cultures control their members more through internal pressure (guilt). Members of collectivist cultures place more importance on fitting in harmoniously and saving face. Members of individualistic cultures place more emphasis on individual self-respect. In many ways the two orientations trade off individual freedom against collective protection: Do I do what is best for me or what is best for the group? Do I take care only of myself or does the group take care of me? Do I expect the boss to hire me because I have the right education and work experience (individual) or because I come from the right family or social class (group)? Do I expect to be promoted on the basis of my performance in the company or on the basis of my seniority with the company? In times

of economic recession, do I expect the least productive workers to be laid off or every employee to take a pay cut? Figure 2-3 shows the ranking of countries on the individualism/collectivism dimension and Table 2-3 shows the abbreviations used in Figures 2-3, 2-4, and 2-5.

FIGURE 2-3 Position of 40 Countries on Power Distance and Individualism/Collectivism



Note: See Table 2-3 for list of abbreviations.

Source: From Geert Hofstede, "Motivation, Leadership, and Organization: Do American Theories Apply Abroad?" in *Organizational Dynamics*, Summer 1980. Copyright © Geert Hofstede.

The Dutch-British management research team of Fons Trompenaars and Charles Hampden-Turner also found that managers worldwide vary markedly in their orientation toward individualism and collectivism (20). Among other questions, they asked managers which of the following two options would be most likely to improve the quality of life (20:47):

1. Giving individuals the maximum opportunity to develop themselves
2. Having individuals continuously taking care of their fellow human beings

The vast majority of American (79%), Canadian (79%), and Norwegian managers (76%), for example, selected the first option stressing individualism, whereas most managers in Nepal (69%), Kuwait (61%), Egypt (59%), and Eastern Germany (55%) selected the second option stressing collective responsibility (20:48).

Which is better, individualism or collectivism? The answer is neither and both. As Trompenaars and Hampden-Turner point out, in complex societies, forming a synthesis between opposites has become increasingly necessary (8). Individualism and collectivism are complements of each other, with their relationship being "essentially circular with two starting points" (20:55). Individualistic and collectivist cultures

go through . . . [the same] cycles, but starting at different points [with each reversing what the other considers to be ends and means]. The individualistic culture sees the individual as "the end" and improvements to collective arrangements as the means to achieve it. The collectivist culture sees the group as its end and improvements to individual capacities as a means to that end (20:55).

TABLE 2-3 Country Abbreviations as Used in Figures 2-3, 2-4, and 2-5

ARG	Argentina	FRA	France	IAP	Japan	SIN	Singapore
AUL	Australia	GBR	Great Britain	MEX	Mexico	SPA	Spain
AUT	Austria	GER	Germany	NET	Netherlands	SWE	Sweden
BEL	Belgium	GRE	Greece	NOR	Norway	SWI	Switzerland
BRA	Brazil	HOK	Hong Kong	NZL	New Zealand	TAI	Taiwan
CAN	Canada	IND	India	PAK	Pakistan	THA	Thailand
CHL	Chile	IRA	Iran	PER	Peru	TUR	Turkey
COL	Colombia	IRE	Ireland	PHI	Philippines	USA	United States
DEN	Denmark	ISR	Israel	POR	Portugal	VEN	Venezuela
FIN	Finland	ITA	Italy	SAF	South Africa	YUG	Yugoslavia

Source: From Geert Hofstede, "Motivation, Leadership, and Organization: Do American Theories Apply Abroad?" in *Organizational Dynamics*, Summer 1980. Copyright © Geert Hofstede.

INDIVIDUALISM AND COLLECTIVISM³

The Pacific Area Travel Association

A global market research firm in Tokyo conducted a survey of travel market potential for the Pacific Area Travel Association (PATA), an organization of national tourist offices from various Pacific Rim nations. Although they conducted the survey through a standard questionnaire, each nation was invited to submit a few of its own open-ended questions.

All countries responded promptly. Of the ten countries surveyed, the U.S. Department of Commerce was the first to send in questions. Individual names were always attached to each letter and fax from the United States.

Shortly after completing the PATA survey, the company received a contract for a similar study for the Association of Southeast Asian Nations (ASEAN). Due to the similar content, the researchers conducted the ASEAN study in an almost identical fashion to the PATA survey. They requested open-ended questions from the national tourism offices of Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Because they had completed the collection of questions in a little over a month for PATA, the company assumed six weeks would be more than sufficient for the ASEAN nations. They were wrong! The ASEAN nations required considerably more time than did the PATA countries. The market research firm had to exchange many letters and faxes with the Philippines and Tokyo before it received their final responses. Moreover, every communication from the Philippines included a different individual's name on it as its sender.

In thinking over these responses, the survey researchers concluded that the contrast between the Americans' and the Filipinos' responses to the same task stemmed from the relative emphasis on the individual versus the group. Whereas the U.S. office gave sole responsibility to an individual, the more group-oriented Filipinos delegated the task to a whole department. Since the Philippines office involved everyone in the task, it naturally took longer.

Power Distance

The second dimension, *power distance*, reflects the extent to which less powerful members of organizations accept an unequal distribution of power. How willing are employees to accept that their boss has more

power than they have? Is the boss right because he or she is the boss (high power distance) or only when he or she knows the correct answer (low power distance)? Do employees do their work in a particular way because the boss wants it that way (high power distance) or because they personally believe that it is the best way to do it (low power distance)?

In high power-distance countries, such as India, the Philippines, Poland, and Venezuela, managers and employees consider bypassing to be insubordination; whereas in low power-distance countries, such as Israel and Denmark, employees expect to bypass their boss frequently in order to get their work done (18). When negotiating in high power-distance countries, companies find it important to send representatives with titles equivalent to or higher than those of their counterparts from the other organization. Titles, status, and formality command less importance in low power-distance countries. As shown in Figures 2-3 and 2-4, the United States ranks relatively low on power distance.

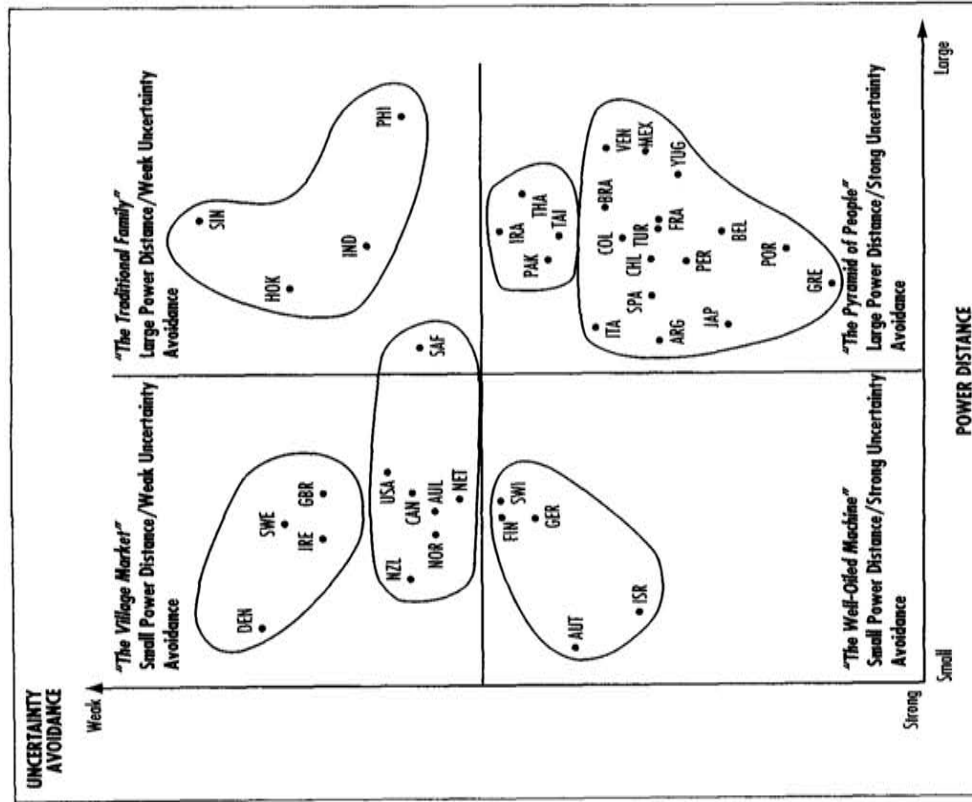
POWER DISTANCE⁴

An American Executive in London

An American executive moved to London to manage his company's British headquarters. Although the initial few weeks passed relatively uneventfully, it bothered the executive that visitors were never sent directly to his office. A visitor first had to speak with the receptionist, then the secretary, and then the office manager. Finally the office manager would escort the visitor to see the American executive. The American became annoyed with this practice, which he considered a total waste of time. When he finally spoke with his British employees and urged them to be less formal and to send visitors directly to him, they were chagrined.

After a number of delicate conversations, the American executive began to understand the greater emphasis on formality and hierarchy in England. He slowly learned to ignore his impatience when the British greeted guests using their more formal, multistep approach. Visitors to the British headquarters continued to see the receptionist, secretary, and office manager before being sent to meet the American.

FIGURE 2-4 Position of 40 Countries on Power Distance and Uncertainty Avoidance



Note: See Table 2-3 for list of abbreviations.

Source: From Geert Hofstede, "Motivation, Leadership, and Organization: Do American Theories Apply Abroad?" in *Organizational Dynamics*, Summer 1980. Copyright © Geert Hofstede.

Uncertainty Avoidance

The third dimension, *uncertainty avoidance*, reflects the extent to which people in a society feel threatened by ambiguity and therefore try to avoid ambiguous situations by providing greater certainty and predictability. Organizations reduce uncertainty by establishing more formal rules, rejecting deviant ideas and behavior, accepting the possibility of identifying absolute truths and attaining unquestionable expertise, and providing their employees with greater career stability. Offering lifetime employment, for example, is more common in high uncertainty-avoidance countries such as Greece, Japan, and Portugal; whereas high job mobility occurs more commonly in low uncertainty-avoidance countries such as Denmark and Singapore. The United States, with its very high job mobility, ranks relatively low on uncertainty avoidance.

As shown in Figure 2-4, common images of organizations vary markedly depending on a country's orientation on power distance and uncertainty avoidance. People in countries such as Denmark that rank low on both dimensions see organizations as resembling *village markets*: the organizations have little hierarchy, everyone talks with everyone else, and risk taking is both expected and encouraged.

Employees in high power-distance and low uncertainty-avoidance countries such as Singapore and the Philippines tend to view their organizations as *traditional families*. As the traditional head of the family, the father protects family members physically and economically. In exchange, the family expects loyalty from its members. Reflecting the same dynamics, bosses in Singapore expect to take care of their employees in exchange for employees' loyalty.

Employees in countries such as the former Yugoslavia and Mexico, which are high on both dimensions, tend to view their organizations as *pyramids of people* rather than traditional families. Everyone in the organization knows who reports to whom, and formal lines of communication run vertically, never horizontally, up and down the organization. In pyramid organizations, which operate vertically, management reduces uncertainty by emphasizing who has authority over whom. Pyramid organizations resemble a fire department: not only is it clear who is chief, but the fire chief's word becomes law (high power distance). The department clearly defines all procedures and tolerates little or no questioning or deviance—little or no ambiguity. When the alarm rings, firefighters do not stop to discuss who will drive the pumper or who will ride on the hook and ladder, because management has previously clearly defined each role and task.

In high uncertainty-avoidance and low power-distance countries such as Israel and Austria, organizations tend to resemble *well-oiled machines*: they operate highly predictably without needing a strong hierarchy. Most North American post offices provide excellent examples of this type of organization: they reduce uncertainty by clearly defining roles and procedures.

POWER DISTANCE⁵

The Chinese Dinner Party

One of Canada's leading banks invited a Chinese delegation for dinner. The senior Canadian chose to share his hosting responsibilities with a colleague.

The dinner was not a success. Both the Chinese and Canadians remained relatively uneasy throughout the meal. During the dinner, no welcoming speeches or toasts to mutual good health were made. At the end of the meal, the Chinese stood up, thanked the bank officials, declined the Canadians' offer of a ride back to their hotel, and left feeling slighted.

The Canadians also felt upset. They found the departure of the Chinese to be very rude, yet they did not know what they had done wrong to cause the Chinese to leave so abruptly. Despite planning the menu carefully (avoiding such foods as beef and dairy products), providing excellent translation services, and extending normal Canadian courtesies, the Canadians knew something had gone wrong; they felt worried and somewhat hurt by the lack of rapport.

As they analyzed the situation, it became clear they had not fulfilled the expectations of the Chinese. First, having two people share hosting responsibilities confused the hierarchically minded Chinese. Second, because the Chinese view age as an indication of seniority, they considered the youth of their Canadian hosts as a slight to their own status. Third, in China, the host traditionally offers a welcoming toast at the beginning of the meal, which the guests then reciprocate; by not offering a toast, the Canadians insulted the Chinese. The specific incident that upset the Canadians—the abrupt departure of the Chinese following the banquet—was, in fact, neither unusual nor a problem: the Chinese retire early and it was getting late.

The Canadians' lack of understanding of the hierarchical nature of Chinese society and the Chinese ways of communicating respect clearly cost them in their business dealings with the visiting delegation.

Career Success and Quality of Life⁶

The fourth dimension contrasts societies focused more narrowly on career success with those more broadly emphasizing quality of life. *Career-success* societies emphasize assertiveness and the acquisition of money and things (materialism), while not showing particular concern for people. By contrast, *quality-of-life* societies emphasize relationships among people, concern for others, and the overall quality of life.

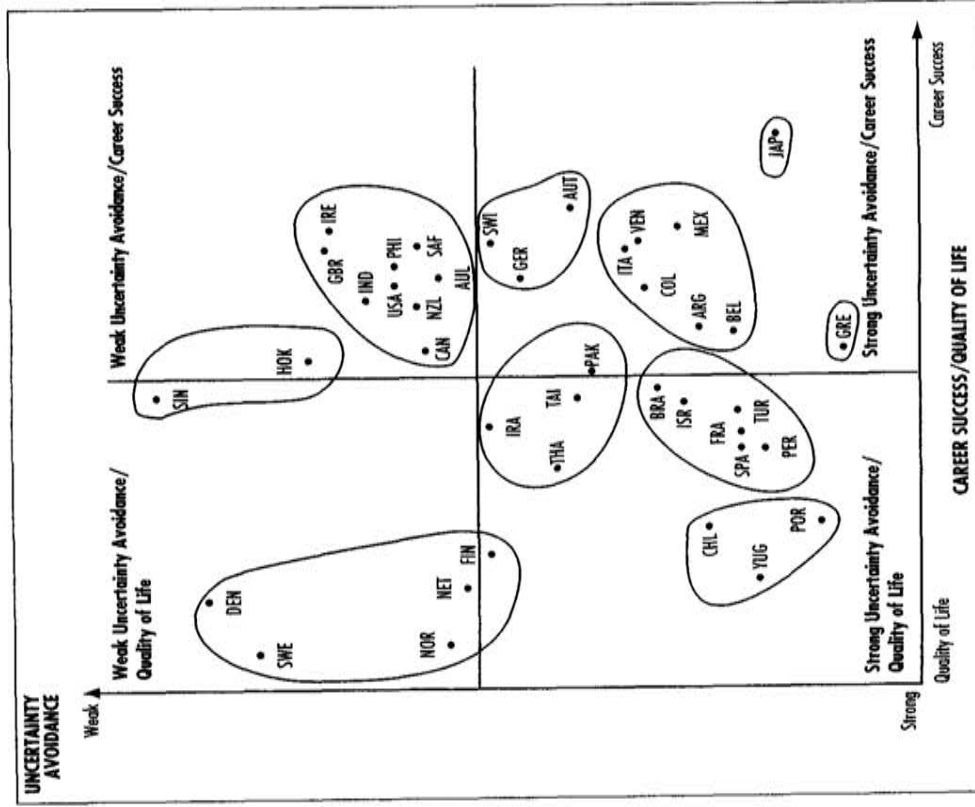
Societies that stress career success usually define women's and men's roles more rigidly and narrowly than do quality-of-life societies. For example, women may drive trucks or practice law and men may become preschool teachers, nurses, or house husbands more easily in societies emphasizing quality of life than in those stressing traditional career success. As shown in Figure 2-5, the Scandinavian countries strongly emphasize quality of life, the United States emphasizes career success more than quality of life, and Japan and Austria strongly emphasize career success. Japanese and Austrians generally expect women to stay home and to care for children without following a career outside the home. The United States encourages women to work, but offers them only a limited amount of support for company-sponsored maternity leaves and child care. The Swedes expect women to work; Sweden offers parents the option of paternity or maternity leave to take care of newborn children and the state provides day-mothers to care for older children.

The career-success/quality-of-life dimension strongly affects workplace motivation. Japanese *quality circles*, for example, primarily strive to achieve maximum quality (career success/high uncertainty avoidance); whereas the innovative Swedish work groups—originally used at Volvo—attempt to enhance job satisfaction and flexibility (high quality of life/low uncertainty avoidance). Because societies emphasizing quality of life also often create high-tax environments, extra income frequently fails to strongly motivate employees (in Sweden, for example). Conversely, societies emphasizing career success often develop into lower-tax environments in which extra income and other visible signs of career success effectively reward achievement (Mexico and the United States, for example).

Confucian Dynamism

After identifying the first four dimensions, Hofstede and his Hong Kong-based colleague, the eminent cross-cultural psychologist Michael Bond, conducted the first global management survey ever developed with Chinese managers and employees. Based on this survey, Hofstede and

FIGURE 2-5 Position of 40 Countries on Uncertainty Avoidance and Career Success/Quality of Life



Note: See Table 2-3 for list of abbreviations.

Source: From Geert Hofstede, "Motivation, Leadership, and Organization: Do American Theories Apply Abroad?" in *Organizational Dynamics*, Summer 1980. Copyright © Geert Hofstede.

Swedish Managers' "Inadequate" Business Commitment

Swedish policy allows parents to take paternity or maternity leave at their discretion. When Sweden first initiated the policy, the managing director of the Swedish Postal Service created an uproar by announcing his intention to take paternity leave for a number of months to stay home with his newborn child. At a press conference, he explained that executives do not differ from other employees: everyone wants and needs to balance work with family life. He also explained that he believed that any organization that cannot function for a period of time without its managing director had no *raison d'être*.

Swedish expatriate managers often do not have the opportunity to explain their desire for balancing their professional and private life to their colleagues from other countries. Swedes frequently surprise their international clients when they end the work week on Friday at 5 P.M. or announce their intention to fly home at the end of the day because they want to spend more time with their families. Swedish businesspeople describe many of their international colleagues, especially Americans, as willing to work all evening and all weekend just to finish an important project. Americans, on the other hand, frequently resent the Swedes' behavior, judging it to reflect an inadequate commitment to work. In actuality, the Swedes' choices simply demonstrate their strong commitment to quality of life, whereas the Americans and other similar foreigners behave according to their equally strong commitment to the particular project (career success orientation).

Bond identified a fifth dimension, *Confucian dynamism*, which measures employees' devotion to the work ethic and their respect for tradition (5;12). Many observers attribute the rapid economic growth in the 1990s of Asia's "Four Tigers"—Hong Kong, Singapore, South Korea, and Taiwan—to their extremely strong work ethic and commitment to traditional Confucian values (12).