Cultural Dimensions In Management And Planning

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ABSTRACT

The nature of management skills is such that they are culturally specific: a management technique or philosophy that is appropriate in one national culture is not necessarily appropriate in another. The paper describes the scope of (work-related) cultural differences as they were revealed by research in more than 50 countries around the world and discusses how these differences affect the validity of management techniques and philosophies in various countries within the functioning and meaning of planning.

Management deals with a reality that is man-made. People build organizations according to their values, and societies are composed of institutions and organizations that reflect the dominant values within their culture. Organization theorists are slowly realising that their theories are much less universal than they once assumed: theories also reflect the culture of the society in which they were developed.

In this respect, the notion of a "Western" culture which justified universal "Western" modern management methods is also crumbling. It has become more and more clear that managing in different Western countries like Germany, France, Sweden or U.K. is not the same activity and that many usual gene-ralizations are, in fact, not justified. By the same token, speaking of an "Asian" or "Middle-Eastern" type of management is not justified. There is a need among international managers and management theorists for a much deeper understanding of the range of culture-determined value systems that, in fact, exists among countries, and should be taken into account when transferring management ideas from one country to another.

Management in its broadest sense consists in the co-ordination of the efforts of people and of the use of economical and technical resources in order to obtain desired ends. Management is a socio-technical activity in the sense that it implies dealing with people (the human or "socio" side) and with non-human resources (the technical side), as well as with the interaction between these two. Some kinds of management focus more on the human side — say, leading a football club; others more on the technical side — say, leading an air traffic control centre, but neither the technical nor the human component is ever completely absent. The technical side of management is less culture-dependent than the human side but because the two interact, no management activity can be culture-free.

"Culture" has been defined in many ways. My own preferred definition is that culture is the collective programming of the mind which distinguishes the members of one group or society from those of another. Culture consists of the patterns of thinking that parents transfer to their children, teachers to their students, friends to their friends, leaders to their followers, and followers to their leaders. Culture is reflected in the meanings people attach to various aspects of life; their way of looking at the world and their role in it; in their values, that is, in what they consider as "good" and as "evil"; in their collective beliefs, what they consider as "true" and as "false"; in their artistic expressions, what they consider as "beautiful" and as "ugly". Culture, although basically resident in people's minds, becomes crystallized in the institutions and tangible products of a society, which reinforce the mental programmes in their turn. Management within a society is very much constrained by its cultural context, because it is impossible to coordinate the actions of people without a deep understanding of their values, beliefs, and expressions.

Management is a symbolic activity: that is, managers influenced other persons through wielding symbols that have meaning for these persons and motivate them towards the desired actions. An example of such a symbol is a memorandum written by the manager to announce a change in procedure. Its effect depends on a complex set of pre-programmed interpretations by the receivers: whether they can read, whether they understand the language used, whether they respect the legitimacy of this decision by this manager, whether they consider the style of the memo appropriate to their status, whether they are accustomed to react on written messages, whether they consider themselves as competent to take the requested steps, etc.

Taking into account the cultural side of management presupposes an understanding of the way people's minds can be programmed differently by their different life experiences. Patterns and models of behaviour between subordinates and superiors, among colleagues, and towards clients in the work situation have been set outside the work situation: between children and parents in the family (starting right at birth), among siblings and friends, between students and teachers, among citizens and authorities. The assumption of a collective programming of people's minds does not mean that everybody in a society is programmed in exactly the same way (there are wide differences among individuals and among subgroups of individuals) but the collective programming which I call culture should be seen as a collective component shared in the minds of otherwise different individuals and absent in the minds of individuals belonging to a different society.

Planning is a part of management which may or may not be attached to a specialist function. What was stated above for management in general, also applies to planning in particular. Planning is also a symbolic activity, which may or may not have an impact on what happens afterwards. Even if it has not, it will in some culture still be functional because it allows management to feel secure.

THE SCOPE OF CULTURAL DIFFERENCES AROUND THE WORLD

The cultural systems of nations and of their subdivisions are very complex and cannot be described in simple terms. It takes years to understand a single cultural system if one is not born to it. Even the cultural system in which we are born cannot said to be understood by us in a way which we can explain to others because we participate in it unconsciously. The author of this study has been involved for more than fifteen years in a large research project across many

nations aimed at detecting some elements of structure in their cultural systems, in particular those that most strongly affect behaviour in work situations.

The manifestations of culture I studied were answers on paper-and-pencil questions about values collected by psychologists within a large multinational business enterprise among the employees of its subsidiaries in 67 countries. I compared the distribution of answers from one country to another, at first for the 40 largest subsidiaries, afterwards for over 50 subsidiaries (see Hofstede, 1980 and 1983). As I always compared employees in similar occupations and, besides, the individuals were all employed by subsidiaries of the same multinational corporation, the national differences in this material could not be due to either occupation or employer but had to be due to nationality, to the mental programmes that people brought with them when starting to work for this employer.

The research project used the answers on 32 value statements. Subsequent statistical analysis showed that the differences among countries reflected the existence of four underlying value dimensions along which the countries could be positioned. The four dimensions represent elements of common structure in the cultural systems of the countries. They are based on four very fundamental issues in human societies to which every society has to find its particular answers. The position of a country on each of the four dimensions could be indicated by a score; the range of scores represented the range of different answers to the four issues actually found.

Individualism versus Collectivism

Individualism stands for a preference for a loosely knit social framework in society wherein individuals are supposed to take care of themselves and their immediate families only. Its opposite, Collectivism, stands for a preference for a tightly knit social framework in which individuals can expect their relatives, clan, or other in-group to look after them in exchange for unquestioning loyalty (it will be clear that the word "collectivism" is not used here to describe any particular political system). The fundamental issue addressed by this dimension is the degree of interdependence a society maintains among individuals. It relates to people's self-concept: "I" or "we".

Large versus Small Power Distance

Power Distance is the extent to which the members of a society accept that power in institutions and organizations is distributed unequally. This affects the behaviour of the less powerful as well as of the more powerful members of society. People in Large Power Distance societies accept a hierarchical order in which everybody has a place which needs no further justification. People in Small Power Distance societies strive for power equalization and demand justification for power inequalities. The fundamental issue addressed by this dimension is how a society handles inequalities among people when they occur. This has obvious consequence for the way people build their institutions and organizations.

Strong versus Weak Uncertainty Avoidance

Uncertainty Avoidance is the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. This feeling leads them to beliefs promising certainty and to maintaining institutions protecting conformity. Strong Uncertainty Avoidance societies maintain rigid codes of belief and behaviour and are intolerant towards deviant persons and ideas. Weak Uncertainty Avoidance societies maintain a more relaxed atmosphere in which practice counts more than principles and deviance is more easily tolerated. The fundamental issue

addressed by this dimension is how a society reacts on the fact that time only runs one way and that the future is unknown: whether it tries to control the future or to let it happen. Like Power Distance, Uncertainty Avoidance has consequences for the way people build their institutions and organizations.

Masculinity versus Femininity

Masculinity stands for a preference in society for achievement, heroism, assertiveness, and material success. Its opposite, Femininity, stands for a preference for relationships, modesty, caring for the weak, and the quality of life. This fundamental issue addressed by this dimension is the way in which a society allocates social (as opposed to biological) roles to the sexes.

Some societies strive for maximum social differentiation between the sexes. The norm is then that men are given the more outgoing, assertive roles and women the caring, nurturing roles. As in all societies most institutions are populated by men. Such maximum-social-differentiation societies will permeate their institutions with an assertive mentality. Such societies become "performance societies" evident even from the values of their women. I have called these societies "masculine". (In the English language, "male" and "female" are used for the biological distinctions between the sexes; "masculine" and "feminine" for the social distinction. A man can be feminine, but he cannot be female.)

Other societies strive for minimal social differentiation between the sexes. This means that some women can take assertive roles if they want to but especially that some men can take relationship-oriented, modest, caring roles if they want to. Even in these societies, most institutions are populated by men (maybe slightly less than in masculine societies). The minimum-social-differentiation societies in comparison with their opposite, the maximum-social-differentiation societies, will permeate their institutions with a caring, quality-of-life orientated mentality. Such societies become "welfare societies" in which caring for all members, even the weakest, is an important goal for men as well as women.

I have called such societies "feminine". "Masculine" and "feminine" are relative qualifications: they express the relative frequency of values which in principle are present in both types of societies. The fact that even modern societies can be differentiated on the basis of the way they allocate their social sex role is not surprising in the light of anthropological research on non-literate, traditional societies in which the social sex role allocation is always one of the essential variables. Like the Individualism-Collectivism dimension, the Masculinity-Femininity dimension relates to people's self-concept: who am I and what is my task in life?

Although the four dimensions were orginally derived from data on the values scored by multinational corporation employees, subsequent research has shown that the same or closely similar dimensions could be found in other research data, collected by different researchers with different methods from different sources: from groups of students, from random samples of entire national populations, from statistics compiled by international bodies like the World Health Organization. Thus, there is solid evidence that the four dimensions are, indeed, universal. Together they account only for a small part of the differences in cultural systems around the world, but this small part is important if it comes to understanding the functioning of work organizations and the people within them. This is the domain of management.

Fifty countries and three multi-country regions could be given index scores on each of the four dimensions on the basis of their local employees' values data collected by the multinational corporation. These scores are collected in Exhibit 1. They are always relative scores in which the lowest country is situated around zero and the highest around 100.

EXHIBIT 1

Value of the four indices for fifty countries (with rank numbers) and three regions.

Country	Abbrev-iation	Individualism		Power distance		Uncertainty avoidance		Masculinity	
		Index (IDV)	Rank	Index (PDI)	Rank	Index (UAI)	Rank	Index (MAS)	Rank
Argentina	ARG	46	28–29	49	18–19	86	36–41	56	30–31
Australia	AUL	90	49	36	13	51	17	61	35
Austria	AUT	55	33	11	1	70	26–27	79	49
Belgium	BEL	75	43	65	33	94	45–46	54	29
Brazil	BRA	38	25	69	39	76	29–30	49	25
Canada	CAN	80	46–47	39	15	48	12–13	52	28
Chile	CHL	23	15	63	29–30	86	36–41	28	8
Colombia	COL	13	5	67	36	80	31	64	39–40
Costa Rica	COS	15	8	35	10–12	86	36–41	21	5– 6
Denmark	DEN	74	42	18	3	23	3	16	4
Equador	EQA	8	2	78	43–44	67	24	63	37–38
Finland	FIN	63	34	33	8	59	20–21	26	7
France	FRA	71	40–41	68	37–38	86	36–41	43	17–18
Germany (F.R.)	GER	67	36	35	10–12	65	23	66	41–42
Great Britain	GBR	89	48	35	10–12	35	6– 7	66	41–42
Greece	GRE	35	22	60	26–27	112	50	57	32–33
Guatemala	GUA	6	1	95	48–49	101	48	37	11
Hong Kong	HOK	25	16	68	37–38	29	4– 5	57	32–33
Indonesia	IDO	14	6– 7	78	43–44	48	12–13	46	22
India	IND	48	30	77	42	40	9	56	30–31
Iran	IRA	41	27	58	24–25	59	20–21	43	17–18
Ireland	IRE	70	39	28	5	35	6– 7	68	43–44
Israel	ISR	54	32	13	2	81	32	47	23
Italy	ITA	76	44	50	20	75	28	70	46–47
Jamaica	JAM	39	26	45	17	13	2	68	43–44
Japan	JPN	46	28–29	54	21	92	44	95	50
Korea (S)	KOR	18	11	60	26–27	85	34–35	39	13
Malaysia	MAL	26	17	104	50	36	8	50	26–27
Mexico	MEX	30	20	81	45–46	82	33	69	45
Netherlands	NET	80	46–47	38	14	53	18	14	3
Norway	NOR	69	38	31	6– 7	50	16	8	2
New Zealand	NZL	79	45	22	4	49	14–15	58	34
Pakistan	PAK	14	6– 7	55	22	70	26–27	50	26–27
Panama	PAN	11	3	95	48–49	86	36–41	44	19
Peru	PER	16	9	64	31–32	87	42	42	15–16
Philippines	PHI	32	21	94	47	44	10	64	39–40
Portugal	POR	27	18–19	63	29–30	104	49	31	9
South Africa	SAF	65	35	49	18–19	49	14–15	63	37–38
Salvador	SAL	19	12	66	34–35	94	45–46	40	14
Singapore	SIN	20	13–14	74	40	8	1	48	24
Spain	SPA	51	31	57	23	86	36–41	42	15–16
Sweden	SWE	71	40–41	31	6– 7	29	4– 5	5	1
Switzerland	SWI	68	37	34	9	58	19	70	46–47
Taiwan	TAI	17	10	58	24–25	69	25	45	20–21
Thailand	THA	20	13–14	64	31–32	64	22	34	10
Turkey	TUR	37	24	66	34–35	85	34–35	45	20–21
Uruguay	URU	36	23	61	28	100	47	38	12
U.S.A.	USA	91	50	40	16	46	11	62	36
Venezuala	VEN	12	4	81	45–46	76	29–30	73	48
Yugoslavia	YUG	27	18–19	76	41	88	43	21	5– 6
Regions:									
East Africa 1)	EAF	27	(18–19)	64	(31–32)	52	(17–18)	41	(14–15)
West Africa 2)	WAF	20	(13–14)	77	(42)	54	(18–19)	46	(22)
Arab Ctrs. 3)	ARA	38	(25)	80	(44–45)	68	(24–25)	53	(28–29)

1) Ethiopia, Kenya, Tanzania, Zambia
2) Ghana, Nigeria, Sierra Leone
3) Egypt, Iraq, Kuwait, Lebanon, Lybia, Saudi-Arabia, U.A.E.

IMPLICATIONS OF CULTURAL DIFFERENCES FOR MANAGEMENT:
INDIVIDUALISM VERSUS COLLECTIVISM

In Exhibit 1, virtually all less economically developed countries score closer to the Collectivist end of the scale while the more economically developed countries score closer to the Individualist end of the scale. There will therefore be an Individualism-Collectivism gap in virtually any transfer of management skills from a more to a less economically developed country. This gap becomes evident in a number of respects:

    a.   The validity of economic theories based on self-interest.

    b.   The validity of psychological theories based on self-actualization.

    c.   The nature of the employer-employee relationship: whether this is considered as calculative or as morally based.

    d.   Priority in business to the task or to the relationship.

    e.   The role of family in the work situation.

    f.   The importance of face and of harmony.

The Validity of Economic Theories Based on Self-Interest

The historical roots of modern capitalist economics were laid in late 18th century Great Britain by David Hume (1711–1776) and especially by Adam Smith (1723–1790). Both their followers and their critics have rarely disputed the assumption, made explicitly by Smith, that each individual is motivated by self-interest. In Exhibit 1, we see that Great Britain (GBR) scores very high on Individualism (rank 48 out of 50). Although Britain in the 18th century was certainly less individualist than it is at present, there is much historical evidence that relative to other countries it represented a very individualist culture even then.

In countries nearer to the Collectivism end of the Individualism-Collectivism scale, the assumption that each individual is motivated by self-interest is culturally untenable. In a collectivist culture, the individual is motivated by group interests. The group can be the extended family, the clan, the tribe, or some other type of in-group with which people have learned to identify. Economic behaviour in such a society will be incomprehensible, and irrational to those who assume self-interest to be the ultimate motive. Individuals who have a job will not spend their earnings themselves but share them with needy relatives. On the other hand, there is no shame in being dependent on others and living off their incomes. In a religion like Buddhism, mortification of material needs is seen as a higher goal than satisfaction of material needs and monks who go around begging for food have high status. Culture also affects the attractiveness of economic systems: free-market capitalism in culturally collectivist countries often appeals less than systems of state capitalism and state socialism. These are political choices but underneath are cultural choices.

The Validity of Psychological Theories Based on Self-Actualization

Modern managerial psychology has largely been developed in another very individualist country, the United States of American (rank 50 out of 50 in Exhibit 1). Especially popular has become the theory of Abraham H. Maslow (1900–1970) that human needs follow a hierarchy, with physiological needs at the lowest level, followed by safety needs, belongingness needs, esteem needs (both self-esteem and esteem from others), and, at the highest level, "self-actualization" (Maslow, 1970). Self actualization means that the individual realizes his or her full potential in whatever field he or she chooses. The way the hierarchy works is that people are supposed to be motivated by the lower needs until these are reasonably satisfied, then the next higher need steps in. Self-actualization needs represent

the top of the motivation pyramid and can never be fully satisfied.

Maslow, and his followers even more, have presented the need hierarchy as a human universal. Self-actualization as the supreme need, however, is the typical choice of an individualist culture. In a more collectivist culture, people will rather have a supreme need for actualizing their in-group which may in fact require giving all for self-effacement, filial piety, the maintenance of harmony with others, and similar behaviour very different from what is usually associated with self-actualization. Maslow would probably classify these with belongingness. Maslow's ranking of self-actualization and esteem over belongingness represents in itself a cultural choice based on Maslow's U.S. middle class culture which is strongly individualist.

In more collectivist cultures, "belongingness" may have to come above ego-needs like self-actualization and esteem. Moreover, the relative importance of safety needs is probably culturally dependent: it relates to a culture's level of Uncertainty Avoidance (to be discussed later on). In strongly uncertainty avoiding culture, safety needs may also have to be ranked on a higher level than ego-needs. In transferring management skills from one culture to another, fundamental psychological assumptions about human motivation have to be revised.

The Nature of the Employer-Employee Relationship

In individualist cultures, the relationship between the employee and employer is a business relationship based on the assumption of mutual advantage: it can be called a calculative relationship. Either party can terminate it if it can exchange it for a more advantageous deal elsewhere. Employees are "labour", in economic theory a "factor of production" and part of a "labour market". All these concepts are typical products of individualist cultural thinking.

In more collectivist cultures, the relationship between the employee and employer has a moral component. It is felt to be similar to the relationship of a child with its extended family where there are mutual traditional obligations: on the side of the employer, protection of the employee, almost regardless of the latter's perform-ance; on the side of the employee, loyalty toward the employer. Changing employers is often socially disapproved of. We recognise many of these features in employment practices in Japan, which scores as the most collectivist among the wealthy countries. The movement of labour in these cultures only very imperfectly follows market mechanisms because of this moral component.

The distinction between calculative and moral relationships (Etzioni, 1975) can obviously also be applied within cultures. In individualist countries, certain employment relationships still have moral components; some employers do feel responsible for their employees, some employees do demonstrate considerable loyalty towards their employers. In collectivist cultures, there is also exploitation of labour by employers who do not respect traditional obligations because they consider workers as out-group members as well as calculative disloyalty among some employees. Culture accounts for part of the difference in employer-employee relationships but there are other contributing factors.

Priorty in Business to the Task or to the Relationship

In individualist cultures, it is felt to be "right" that in business all people should be treated alike: friendships and enmities should not affect business deals. Business considerations should have precedence over personal friendships and prefer-ences. Business behaviour, to use a sociological term, should be universalist. Of course, this norm is often violated but such violations are considered objection-able.

In collectivist cultures, even in business, people think in terms of "we" (our family, tribe, organization) and "they" (the others). Relations, friends, tribesmen get better deals than strangers and this is the way it should be. It is normal and right. The sociological term for such behaviour is particularist. Considerations of personal trust and relationships should have precedence over business considerations. Whereas in individualist cultures, it is felt that the task should have priority over the relationships; in collectivist cultures, it is felt that the relationships should have priority over the task.

When a person — say, a manager — from an individualist culture wants to work in a collectivist culture, he or she will have to learn that before a task can be completed, he or she has to "invest" in personal relationships of trust. This will take time (from a few minutes to a few years, depending on the culture and on the type of relationship), which in the individualist culture would be considered as time wasted, but which in the collectivist culture represents an essential investment. Also, it means that in the collectivist cultures an integration is necessary between business life and private life. The latter playing a role in developing the relationship which is essential in business life. If the proper time is spent and the relationship is successfully established, the business partner is adopted in one's circle of friends and relatives. This is a lasting tie on the basis of which business can be done from then onwards much more quickly and effectively and mistakes will be more easily tolerated.

Investing in personal relationships in most collectivist cultures also involves the giving of presents and the rendering of services, practices which in an individualist culture would be considered as bribes. In a collectivist, particular society, bribing is generally more socially acceptable than in an individualist society. This is a cultural difference and no reason for people from more individualist societies to feel morally superior. Most collectivist societies have informal norms as to what bribes are to be given in what situations: these often represent an essential part of the economic system and of the compensation of civil servants who otherwise could not survive. "Corruption" starts where people abuse their position to extort bribes which surpass the informal norm.

The Role of the Family in the Work Situation

In an individualist society, nepotism is generally considered objectionable. Sometimes rules even forbid the employment of close relatives in the same department or organization. In a collectivist society, the domain of work and the domain of family interests cannot so easily be separated. Employers know that behind every employee there is an extended family and that it would be unacceptable for one member to be rich while others are needy. Salaries are shared with relatives if necessary. If a vacancy occurs at work, employees will volunteer unemployed relatives to fill it.

Employing many members of a family is generally considered desirable rather than undesirable. It fits the pattern of employee loyalty which is, at the same time, family loyalty. The tendency to employ relatives exists also on the employer side. Many enterprises in collectivist cultures are family-owned and family-run with members of the owning family often occupying all key positions. This need not be dysfunctional: the relatives' loyalty can compensate for a possible lack of technical competence. Even in individualist countries, effective family-owned and family-run enterprises survive.

The Importance of Face and Harmony

In individualist countries, openness and directness in work relations is often considered a virtue. Conflict resolution is preferred over conflict suppression.

There are forms of management training which try to teach people to be open and direct (sensitivity training is an example). In collectivist cultures with their tightly knit and predetermined social framework, there is generally an extensive set of expectations of how people should behave towards each other. Violating these expectations would threaten the so-important social framework. Therefore, the maintenance of the proper forms and of harmony is usually considered preferable over openness where openness could lead to disharmony.

In order to preserve harmony, the truth may have to be strained a bit. Disagreement may be more effectively expressed in indirect ways than in direct confrontation. "Face" is the English translation of a Chinese term which indicates both the front part of the head and the dignity based on a correct relationship between a person and the collectivities to which one belongs. Most collectivist cultures are very face-conscious and loss of face can be felt to be more painful than physical maltreatment. Maintaining harmony consists in avoiding anybody's loss of face. Loss of face can often be avoided by having contentious issues handled by a third party, a go-between. In most collectivist cultures, therefore, it is not a virtue to be open and direct. People from individualist cultures who want to operate in collectivist environments should learn the art of indirect communication.

DIFFERENCES ALONG THE DIMENSION OF POWER DISTANCE

To a somewhat lesser extent than in the case of the Individualism-Collectivism dimension, the Power Distance dimension tends to separate the more economically developed countries from the less developed ones: smaller Power Distances for the more developed countries, larger for the less developed countries. Usually but not always, in the transfer of management skills from a more to a less economically developed country, there will also be Power Distance gap. This gap becomes evident in:

    a. The need for subordinate consultation versus the acceptability of paternalistic management,

    b. The meaning of status differences,

    c. Respect for old age,

    d. Ways of redress in case of grievances,

    e. The feasibility of various leadership packages, such as Management By Objectives (MBO), and

    f. The feasibility of appraisal systems in general.

The Need for Subordinate Consultation versus the Acceptability of Paternalistic Management

In all cultures, models of behaviour are carried over from one domain of life to the other. Thus, if we compare cultures, we find within each a certain consistency between superior-subordinate relationships at work, teacher-student relationships at school, and parent-child relationships in the family. In cultures lower on the Power Distance scale, the average parent is likely to encourage independence in his or her children from an early age onwards. Teachers encourage independence in students who are free to contradict them and superiors are expected to encourage independence in subordinates. There is often a norm that a good superior is one who consults his or her subordinates. This "consultation-ism" may be carried so far that there are extensive consultation rituals (meetings) even in cases where the *de facto* contribution of subordinates to decision is likely to be very small.

In cultures higher on the Power Distance scale, parent-child relationships are

different. There is a norm of filial piety: loyalty, respect, and devotion to parents is considered a supreme virtue. This leads to an expectation of obedience by children, at least formally, and obedience which is supposed to last for life, even after the children have grown up. This formal dependence of children, even adult children, on parents carries forward into the relationship between teachers and students. Students are expected to show respect to teachers, and to treat them as sources of wisdom, never openly disputing their teachings. One-way, ex-cathedra teaching is customary in such a cultural setting.

If we then move to the work organizations, it is normal that superior-subordinate relationships are modelled after the same pattern of subordinate dependence. This pattern is expected and considered comfortable by superior and subordinate alike. A good superior is expected to behave like a good father (or mother) towards subordinates: *paternalism* is the norm.

Paternalism in Small Power Distance cultures has an unfavorable connotation. Power differences between superiors and subordinates are associated with power abuse. There is not, however, necessarily more power abuse in large Power Distance cultures than in Small Power Distance ones. A paternalistic superior who respects the norms of his or her society for the behaviour of a good father or mother does not abuse power; a consultative superior who manipulates consultation rituals does.

The dependence relationship of subordinates on superiors is also likely to carry over to the relationship of citizens to authorities. Political democracy is less likely to be found in large Power Distance societies. This does not mean that democratic ideals do not appeal to people in large Power Distance societies. The word "democracy" has acquired a strong symbolic value for poeple the world over but its use has been inflated: It is used as a label to cover the most diverse systems of government. In large Power Distance societies, rulers *de facto* are less likely to consult with citizens.

The Meaning of Status Differences

In cultures low on the Power Distance scale, status differences are considered undesirable. Powerful people are not supposed to look powerful: wealthy people are not supposed to demonstrate their wealth in conspicuous consumption. Also, power and wealth need not coincide. Powerful people need not be wealthy and wealthy people need not be powerful.

In cultures high on the Power Distance scale, both superiors and subordinates expect power differences to be translated into visible differences in status. Status differences contribute to the superior's authority and to the subordinate's respect for it; actually, they even contribute to the subordinate's status in the outside world. Power and wealth do tend to coincide and, the status derived from one, reinforces the status derived from the other.

An additional difference is that in Small Power Distance societies, what status there is tends to be achieved status, based on the personal merit of the achiever, on what one has done. In large Power Distance societies, status is often ascribed status based on rank, ancestry, wealth: on who one is supposed to be, regardless of how one got there. This carries over into the attitudes of students with regard to examinations. In Small Power Distance societies, an exam tends to be seen as a proof of mastering a subject (achievement). In large Power Distance societies, it is seen more as an entry certificate to a higher status group (ascription). In some cases this can lead to practices of actually buying diplomas.

Respect for Old Age

In large Power Distance societies, the importance of paternal and maternal

authority, which subsists throughout life, implies a respect for the older person, both within work organizations and in social life outside. People may try to look older than they are. In small Power Distance societies, age tends to be negatively evaluated, old people often are not taken seriously and it is normal to try to look younger than one is. People from large Power Distance societies are often shocked at the lack of respect for old people in small Power Distance societies.

Ways of Redress in Case of Grievances

In cultures low on the Power Distance scale, it is generally felt desirable to maintain a system of checks and balances against power abuse. In work organizations there are usually established channels for handling grievances by subordinates, in such a way that the complaining subordinate will not suffer, not even if the complaint is considered unjustified.

In cultures high on the Power Distance scale, such grievance channels are generally missing and very difficult to establish. The power of the superior is more absolute and the act of complaining to a third party may expose the subordinate to reprisals from the superior, so it is generally not done. There are, however, often indirect ways of making grievances known. When there is no way of redress for the individual, there may still be collective redress. If many subordinates hold the same grievance and the superior is supposed to have infringed upon the collectivist norm of good superior behaviour, they can at least in some cultures collectively resist the superior. This is a very serious matter and leads to considerable loss of face on the latter's part.

The Feasibility of Various Leadership Packages such as Management by Objectives (MBO)

Especially in the U.S.A., ideas about leadership has often been developed into packages suitable for training and sometimes sold at a fee by consultants. Examples are Management By Objectives (Drucker, 1955), Theory X — Theory Y (McGregor, 1960), Achievement Motivation (McClelland, 1961), The Management Grid (Blake and Mouton, 1964), System Y Management (Likert, 1967), 3-D Management (Reddin, 1970), and Theory Z (Ouchi, 1981). Almost without exception, the cultural assumptions that went into these packages have not been explored. This even applies to the last package (Theory Z which, although using cultural arguments (it tries to merge Japanese and U.S. traditions), has not analysed why U.S. organizations are as they are.

Nevertheless, these packages have been exported to other countries as magic recipes for management improvement. Their rate of success is difficult to measure. Those responsible for their introduction often claim them to have been successful, others claim them to have been failures. One case that has been fairly well documented is the case of Management By Objectives (MBO). MBO is based on joint goal setting between superior and subordinate, and joint appraisal against these goals after an operation period, say a year. This assumes, however, the relative independence of the subordinate from the superior so that the two can act as genuine negotiation partners.

In large Power Distance societies, this is very unlikely to happen. Respect for hierarchy means that the subordinate will wait for the superior's direct or indirect message as to what the objectives and the appraisal should be. Evidence from France (a wealthy country but with a fairly high Power Distance score) shows the introduction of MBO to have been a resounding failure in the vast majority of cases. Not only was the negotiation aspect missing, but superiors were not prepared to respect their subordinates' agreed objectives and arbitrarily interferred with them all through the year (Froissart, 1971). The conclusion is that extreme care should be taken when importing foreign leadership packages.

Cultural assumptions should be made explicit and packages at minimum have to be culturally re-cast to fit the new environment if they can be used at all.

The Feasibility of Appraisal Systems in General

A cornerstone of leadership in small Power Distance cultures is the process of appraising subordinate performance. Skills in subordinate appraisal are one of the first things a newly nominated first-line superior has to learn. Appraisal systems developed in low Power Distance countries generally call for a superior-subordinate interview at least once a year with the corresponding openness, directness, and two-way communication.

Under the discussion of Individualism versus Collectivism, limitations have been shown for openness and directness in collectivist societies with a strong concern for face-saving and harmony. Most of these societies are large Power Distance as well which means that two-way communication between superior and subordinate is unlikely to occur. In this situation, the entire appropriateness of this type of appraisal system becomes doubtful.

This is an area *par excellence* for the development of local approaches fitting local cultural traditions. The way subordinates are appraised and corrected should be consistent with the way benevolent parents correct their children. In order to avoid loss of face on the side of the subordinate, negative appraisals may have to be given indirectly, for example through the withdrawal of a favour or through a third person as a go-between.

DIFFERENCES ALONG THE DIMENSION OF UNCERTAINTY AVOIDANCE

On this dimension, both less and more economically developed countries are widely dispersed so that cultural differences between countries involved in the transfer of management skills can be large or small, positive or negative with regard to Uncertainty Avoidance. They may have consequences for:

a. The emotional need for formal and informal rules to guide behaviour,
b. Formalization, standardization, and ritualization of organizations,
c. Implicit models of organizations,
d. Types of planning used,
e The meaning of time,
f. Appeal of precision and punctuality,
g. The showing or hiding of emotions, and
h. Tolerance for deviant ideas and behaviour.

The Emotional Need for Formal and Informal Rules to Guide Behaviour

The extent to which people feel that behaviour should follow fixed rules differs from one culture to another. In cultures high on the Uncertainty Avoidance scale, behaviour tends to be rigidly prescribed either by written rules or by unwritten social codes. The presence of these rules satisfies people's emotional need for order and predictability in society. Even if people break the rules by their own behaviour, they will feel that it is right that the rules exist. "Law and order" are important symbols in such a society: they satisfy deep emotional needs in people. People feel uncomfortable in situations where there are no rules. If the outcome of the negotiation is not predictable, they are not very good negotiators.

In cultures low on the Uncertainty Avoidance scale, there will also be written and unwritten rules but they are considered more a matter of convenience and less sacrosanct. People are able to live comfortably in situations where there are no rules and where they are free to indulge in their own behaviour. If existing rules

are not kept in these societies, people are more prepared to change the rules. People here are more pragmatic, even opportunistic, and comfortable in negotiations where the outcome is not a priori clear.

Uncertainty Avoidance relates to the emotional meaning of rules but with the exception of the rules (these determine the status hierarchy in a society which depend on Power Distance norms). Uncertainty Avoidance and Power Distance are found in all possible combinations in different societies so we may have a strict or a loose set of hierarchical rules (large or small Power Distance) combined with a strict or a loose set of rules for non-hierarchical behaviour (strong or weak Uncertainty Avoidance). In Exhibit 2, Power Distance and Uncertainty Avoidance are plotted against each other. The four quadrants of the diagram represent four combinations of Power Distance and Uncertainty Avoidance. In the upper right quadrant (India, etc.), we find strict hierarchical rules but relatively loose rules for non-hierarchical behaviour. In the lower right quadrant (France, Mexico, etc.) we find both strict hierarchical and strict behavioural rules. In the lower left quadrant (Germany, etc.) we find relatively loose hierarchical rules but strict behavioural rules. In the upper left quadrant (Sweden, etc.) we find relatively loose rules either way.

Formalization, Standardization, and Ritualization of Organizations

In organizations, the emotional need for rules (even if they are not actually kept) means a preference for formalization of structure, standardization of procedures, and "ritualization" of behaviour (see below). Other factors being equal, we can expect more formalization, standardization and ritualization in strong Uncertainty Avoidance countries than in weak Uncertainty Avoidance countries. In the process of transferring management skills, differences in the cultural need for formalization, standardization and ritualization may lead to deep misunderstandings and to the ineffectiveness of practices developed in one culture whenever transferred to another. If the sending culture is relatively informal and the receiving one relatively formal, there will be a need for formalization of structures in the receiving country which would be considered superfluous and irritating in the sending country. If the sending country is relatively formal and the receiving country relatively informal, structures and procedures may have to be loosened up before they can be expected to work in the receiving country.

Ritualization of behaviour refers to the extent to which it is important to speak the proper words, dress in the proper way, perform the proper acts in given situations. In organizations, it is visible in when and how meetings are conducted, memos are written, plans and budgets are specified, forms and reports are issued, experts are nominated. Meetings, memos, reports, experts often serve ritual ends as much as (or even more than) decision-making ends. The rituals are important because they maintain people's emotional equilibrium (their feeling that things are as they should be), if they are in line with the surrounding culture. Japanese organizational rituals do not fit in a British organization or vice-versa.

Implicit Models of Organizations

We saw that Uncertainty Avoidance relates to formalization: the degree of structure in the social environment with which people feel comfortable. Power Distance relates to the degree of inequality with which people feel comfortable and in organizations this translates into more or less centralization of decisions. Other things being equal, organizations in large Power Distance countries will be more centralized than organizations in small Power Distance societies. Exhibit 2 shows what combinations of centralization and formalization to expect in otherwise similar organizations in different countries. Start in the lower right hand quadrant, where organizations can be expected to be both centralized (large Power Distance) and formalized (strong Uncertainty Avoidance).

Professor O.J. Stevens of INSEAD has studied the "implicit models of organizations" in the minds of French, German and British business school students. He discovered that the French (who are in the lower right hand quadrant of Exhibit 2) conceive of an organization as a "pyramid of people", with the highest boss at the top and everyone else in his or her proper place below, interacting according to the rules. In the lower left hand quadrant (Germany and other countries) we can expect organizations to be formalized but less centralized. Professor Stevens discovered that the Germans conceive of an organization as a "well-oiled machine", whose operation is predetermined by the rules, without the need of hierarchical interventions in daily operations. In the upper left hand quadrant (Great Britain and other countries) we can expect organizations to be neither very centralized nor very formalized: Stevens found the British to conceive of an organization as a "village market" in which actors negotiate and where outcomes are neither predetermined by hierarchy nor by procedures. For the upper right hand quadrant, finally (India and some other countries), Stevens had no research data, but discussions with Asian scholars lead us to believe that the Asian's implicit model of an organization is a "family", in which authority is clearly centralized in the "parents", but outcomes are not predetermined by procedures.

The four types of implicit models of organizations (pyramid, machine, market, family) mean that there is not one best way of organizing. It depends on the surrounding culture. Organizations are symbolic structures which will be effective if the symbols used are properly interpreted by the people inside and around the organization. If individuals are transferred to a different cultural environment, the symbols may have to be changed in order to maintain effectiveness.

Types of Planning Used

All kinds of planning presupposes a certain level of economic development. Traditional societies at a low level of economic development tend to be fatalistic. Life experience in these societies provides many good reasons for this. People in this situation have had little chance to affect their future and to better themselves. Their religious convictions tend to be that man is not supposed to affect his or her future in a major way for the future is in the hands of God or gods.

There are differences however in the types of religious convictions found in more and in less Uncertainty Avoiding traditional societies. In the more Uncertainty Avoiding ones, God or the gods are seen as difficult to please and threatening. In the less Uncertainty Avoiding traditional societies, God or the gods are seen as more easy to communicate with. There is also a stronger belief in the factor of luck which is visible in the greater popularity of games of chance in such cultures. Neither situation is conducive to the use of planning methods as preached and sometimes practised in more economically developed countries. For example, systems of preventive maintenance meet with resistance in most traditional societies. Something tends to be repaired only after it has broken down.

Among the more economically developed countries, we still find cultural differences in planning practices. In the more Uncertainty Avoiding. cultures, short-and medium-term scheduling and planning get more top management attention than in less Uncertainty Avoiding cultures. On the other hand, it has been shown that the idea of strategic planning — rethinking the fundamental goals and activities of an organization — is more popular in *less* Uncertainty Avoiding cultures like Great Britain than in *more* Uncertainty Avoiding cultures like France (Horovitz, 1980) because strategic planning presupposes a tolerance for great ambiguity and for taking distance from the certainties of the past. This popularity of strategic planning in less uncertainty avoiding countries does not

mean, however, that organizations in such countries deal with environmental changes more effectively. At least, there is no hard evidence for it.

The Meaning of Time

In traditional societies with a low rate of change, time is generally not a scarce resource. Life in such societies is relatively unhurried and time is conceived as circular (returning in itself) rather than linear. However, more Uncertainty Avoiding traditional societies like Mexico are more hurried than less Uncertainty Avoiding societies where meditation is more popular (like India).

With economic development, the conception arises of time as a scarce resource. Again there is a difference between more and less Uncertainty Avoiding developed countries. In the former, life tends to be more hurried than in the latter and it is more difficult for people to relax and do nothing. A feeling prevails that time is money and that it should be mastered and exploited, Japan and France are examples. In the less Uncertainty-Avoiding, developed countries, time is a framework for orientation rather than something to be mastered. Life is less hurried. Examples are Great Britain and Sweden.

Appeal of Precision and Punctuality

In more traditional societies, the expected degree of punctuality depends on the social relationship: one is more punctual towards a superior than towards a subordinate. In general, time is not seen as a scarce resource and there are fewer clocks. There is less of a stress on punctuality. In the more Uncertainty Avoiding traditional societies, precision and punctuality have a ritual meaning in the performance of certain religious ceremonies.

Of course, modern technology demands precision and punctuality. Economical and technical development has everywhere been accompanied by a process of learning of technical precision. Nevertheless, among the more Uncertainty Avoiding developed countries, precision and punctuality come more naturally than among the less Uncertainty Avoiding ones. The success of a country like Japan in the precision industries is supported by the strong Uncertainty Avoidance in its culture.

The Showing or Hiding of Emotions

Regardless of a country's level of economic development, in more Uncertainty Avoiding cultures the expression of emotions is more easily tolerated than in less Uncertainty Avoiding ones. This is because the urge to avoid uncertainty in human life that is itself essentially uncertain provokes a nervous tension for which society should provide outlets. More Uncertainty Avoiding cultures like those of Mediterranean Europe and Latin America come across as noisier and more emotional than less Uncertainty Avoiding cultures like those of Asia or Northern Europe. The outlets of emotions in more Uncertainty Avoiding societies may be limited to certain situations, like the Japanese drinking parties after business hours, or during games and ceremonies.

Becoming emotional, pounding the table, raising one's voice can be perfectly acceptable for a manager in a more Uncertainty Avoiding culture but it is likely to lead to a complete loss of respect from others in a less Uncertainty Avoiding culture. This is one of the pitfalls in the interaction of people from different cultures.

Tolerance for Deviant Ideas and Behaviours

More Uncertainty Avoiding societies do not like deviants. What or who is different is considered dangerous. Such societies have a low level of social tolerance. In organizations this can be a problem because the deviant is often the source of innovations. The confirmed "organization man" is not an innovator. Differences of opinion on business, scientific, or political issues in Uncertainty Avoiding countries are associated with personal antipathies. If you disagree with a person, you cannot be friends.

On the other hand, in less Uncertainty Avoiding societies people feel less upset by deviant behaviour or ideas and are more tolerant although this tolerance may take the form of simply ignoring the deviant. Such societies are likely to produce more innovative ideas but not necessarily to take more action upon them.

In the transfer of management skills, those that represent innovations will be more easily welcomed in the less Uncertainty Avoiding cultures, but possibly taken more seriously in the more Uncertainty Avoiding countries.

DIFFERENCES ALONG THE DIMENSION OF MASCULINITY VERSUS FEMININITY

On Masculinity-Femininity, like on Uncertainty Avoidance, both less and more economically developed countries are widely spread and cultural differences in the transfer of management skills can go either way. This dimension relates to:

   a. Competitiveness versus solidarity, equity versus equality, sympathy for the strong or for the weak,
   b. Achievement motivation versus relationship motivation,
   c. Concepts of the quality of work life,
   d. Career expectations,
   e. Acceptablity of macho manager behaviour, and
   f. Sex roles in the work place.

Competitiveness versus Solidarity, Equity versus Equality, Sympathy for the Strong or for the Weak

In describing the Masculinity versus Femininity dimension, Masculinity is associated with a performance society and Femininity with a welfare society. There are profound value differences here which divide more developed countries amongst themselves and less developed countries amongst themselves. U.S.A. and Germany are examples of performance societies with a masculine ethos; Sweden and the Netherland of welfare societies with a feminine ethos. In a masculine society, competitiveness between people is seen as a good thing: the strong should win. In a feminine society, solidarity between people is seen as a good thing: the strong should help the weak and social justice is an important value. A masculine society believes in equity: rewards according to performance. A feminine society believes in equality: reward according to need. The public hero in a masculine society is the superman, the successful achiever. In a feminine society, the public sympathy goes to the underdog, the sufferer. Obviously, the contrast between the two sets of values is seldom as black and white as just described: both value sets are present in any society but the percentage of people preferring one over the other differs from one society to another.

Management methods are not value-free. Management as developed within one culture will have absorbed values from that culture which need not be supported by people from other cultures to which management is transferred. Moreover, there is no evidence whatsoever that one value system is economically more

effective than the other. In the long run, countries with more masculine value systems have not been more successful than countries with more feminine value systems. What counts is only that a country is managed according to the value systems of its people. The trouble is that management experts going abroad often hold positions which they do not recognize as such which are immaterial to the success of management, and dysfunctional in the other society to which they move. It is important to gain insight into the dominant value systems of the receiving country and of the sending country, of the match or mismatch between these, and of the corrections that have to be made in transferring value-laden management methods.

Achievement Motivation versus Relationship Motivation

Cultural differences in motivation patterns were already discussed in the beginning of this chapter under Individualism-Collectivism. It was shown that "self-actualization" as a presumed need (Maslow) is a product of an individualist society. Another need stressed by another U.S. psychologist, David McClelland (1961), is the need for achievement. McClelland has postulated this need to be a condition for economic development. He has identified its strength for a large number of countries by a content analysis of the stories that were given as reading material to young children in the schools of these countries.

A comparison of McClelland's achievement motivation scores with the four culture dimensions shows that McClelland's achievement motivation stands for a combination of weak Uncertainty Avoidance and strong Masculinity. This combination is found among other Anglo countries and their former colonies.

Like in the case of Maslow described earlier, McClelland's universal theory of human motivation is in fact a value choice in which the value system dominant in the U.S. middle class (McClelland's own) is held up as a model to the rest of the world. In fact, McClelland's prediction (made in 1960) that countries with strong achievement motivation would show the greatest economic growth has not come true. There have been fast and slow growing countries with all combinations of Uncertainty Avoidance and Masculinity. Japan did not score high in achievement motivation in McClelland's data.

We can interpret the combination of dimensions in such a way that weak Uncertainty Avoidance stands for a willingness to take risks and to innovate. Its opposite stands for a concern with security and stability. Masculinity stands for a stress on performance and its opposite, Femininity, for a stress on relationships. Dominant motivation patterns differ among countries. No combination is intrinsically better or more conducive to economic development than the other although, in a given historical context, a particular combination will affect the ways in which a country can solve its problems.

Concepts of the Quality of Work Life

We saw that the culture of feminine societies is more quality-of-life oriented. The quality of life is considered more important in the more-developed, feminine societies. It can also be asserted that masculine and feminine societies hold different ideas about what represents work of high quality. This is evident from contrasting the ways for "humanization of work" used in North America and in Northern Europe.

In North America, the dominant objective is to make individual jobs more interesting by providing workers with an increased challenge. This grew out of the earlier "job enlargement" and "job enrichment". In countries like Sweden and Norway, the dominant objective is to make group work more rewarding by

allowing groups to function as self-contained social units (semi-autonomous groups) and to foster cooperation among group members. Humanization of work means "masculinization" in North America but "femininization" in Sweden.

In the less developed countries, concern for the quality of work life is often considered a luxury. If it comes to developing management models for a poor country, however, it is important to choose a model that potentially leads to a high quality work life in terms of the country's prevalent value system.

Career Expectations

The symbolic meaning of a career is greater in masculine than in feminine countries. Careers fit in a competitive, performance oriented system. In the less competitive feminine societies some people will also make careers, but the general level of ambitions will be lower, and "having made a career" is less important for people's self-concept.

In transferring management ideas, it should be realized that the meaning and the appeal of careers differs from one culture to another. Obviously, the types of careers sought are also culture specific. The attractiveness of different jobs varies somewhat from one culture to another.

Acceptability of Macho Manager Behaviour

In some cultures, the ideal picture of a manager is a masculine, aggressive hero with superhuman qualities, taking fast important decisions, admired by his followers and his women, crushing his adversaries. Trying to live up to such an ideal will lead to demonstrations of manliness in managers which fit the Spanish term *machismo.* In a masculine culture, such behaviour may be acceptable to many and functional, even if the manager in reality is not as much of a superman as the ideal he tries to live up to. The same behaviour in a feminine culture would disqualify the manager as a ridiculous braggart who cannot be taken serious. In reverse, a managerial style developed in a feminine culture may be too modest to be efficacious in a masculine environment.

Sex Roles in the Work Place

In some countries, like Japan, sex roles in the work place are extremely rigid. What jobs can be taken by men and what jobs by women is strictly predetermined. There are very few female managers or politicians or professors in Japan. On the Masculinity scale, Japan scores 50 out of 50 (Table 1).

In other masculine countries women are admitted to traditionally male work roles. Such women tend to adopt masculine values and behaviour. Only in more feminine countries are men admitted to traditionally female work roles such as nursing and nursing management. Which roles are considered appropriate for men and which for women is culturally determined. In the transfer of management, ideas about sex roles from one country may have to be profoundly revised in order to be functional for another country.

CONCLUSION

This paper has discussed a number of management and planning aspects that are culturally constrained. Effectiveness within a given culture, and judged according to the values of that culture, asks for management skills adapted to the local culture. There is a need for the application of anthropological concepts to the field of management in order to help in the development of locally effective ways of management and planning.

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