CULTURE AND PLANNING

Planning is the making of decisions today for the future. Strategic planning involves decisions that affect the purpose, objectives and future success of the organization. Culture (ceteris paribus) appears to affect the content (what's in the plan) as well as the process (how it is developed). Different aspects of formal palnnning systems have been found to be signifcantly related to firm performance overall and sales growth and return on assets in paticular.

The cultural assumptions of environment (ENV), time, space, and context appear to influence both planning content and process; whereas, space affects planning processes.

Cultures that accept their environment as it is and try to work within it (submit) tend to prefer general goals, broad action plans, and a short time horizon because they do not really know what the environment will provide in the future. Cultures that believe they can influence (control) their environment, change it more to their liking, feel more comfortable in using more specific goals, detailed action plans, and use a longer time horizon.

Monochronic cultures tend to develop their plans around schedules and specific tasks or projects to be accomplished based on their desire to break things into sequences or steps. Polychronic cultures tend to base their plans around establishing relationships between departments and/or other organizations. Relationships enable them to pursue more than one project at a time.

Low content cultures prefer explicit/verbal communication so they write their plans explicitly and provide a lot of detail. High context cultures prefer implicit communication, verbal statements imply (but do not spell out) other ideas or actions. Thus, their plans are more general. Their plans provide not only a guide but a context for action. Specifics are needed only at the time the action is to take place (Plan is to be implemented).

Since people from private space cultures like to work in their own space, parts of the planning are delegated to individuals to work on it on their own and bring it back to the group. People in public space cultures like being in the thick of things so that all those involved in the planning are likely to work on it together.

Cultural Assumptions & Planning

ASSUMPTIONS	Content	Process
Environment: Submit Control	Short term, General goals, Broad action plans Long term, specific goals, detailed action plans	_
Time Mono Poly	Tasks, schedules Relationships	_ _
Space Private Public	_ _	Individualistic Group
Context Low		

| High | Explicit & detailed | _ |
| | Implicit & general | _ |

Planning & Values

The cultural values of PD, UA, and SO appear to affect the planning process. UA also appears to affect the content of planning.

To reduce the unknown of planning for the future, high UA cultures prefer to develop specific goals with a shorter time horizon. It is safer not to plan too far into the uncertain future. Low UA cultures are more comfortable with riskier longer time horizons and because it is longer term, their goals cannot be as specific due to the increased difficulties of forecasting further into the future.

High PD cultures which respect status differences among organizational members tend to use top down planning processes where the planning activity starts at the top management level and moves down the hierarchy. The planning tends to be formal and step-by-step. Low PD cultures generally use a bottom-up process. After receiving the vision or broad goals from top management (in which those at lower levels have had input), the managers who will implement the plan provide detailed goals and action programs to achieve the vision. The process tends to be less formal in that there is a lot of give and take between managers at different levels during the planning as status is minimized for the sake of developing a plan everyone can commit to.

Low UA cultures also prefer an informal process ;whereas, high UA cultures prefer a formal process (conducted in specific steps) because it reduces the uncertainty associated with planning. Collective cultures have a preference for group planning processes in order to insure consensus. Individualist cultures are more comfortable with each person contributing to planning, for each individual feels they can provide unique info/ideas based on their skills or experience.

[References: 6, 9a, 10, 11, 13, 16, 26, 31]

Cultural Values & Planning

VALUES		Content	Process
Power Distance Low			Bottom up Informal
		_	Top down Formal, increased commitment, planning valued
High		_	
Uncertainty Avoidance	Low	Planning important,	Informal, planning valued & seen as useful
		Long term, Broad goals	
High		Short term Specific Goals	
			Formal
Self-orientation Collective		_	Group

Individual	_	Single
Assertiveness **Feminine** **Masculine**	_ _	_ Planning valued & useful

[Return to Culture and Mgt. Home Page](#)

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