

Culture and Management Practice

INTRODUCTION

The purpose of this guide is to assist students and faculty in making connections between culture and management practices. In other words to demonstrate culture's impact on certain concepts of management "ceteris paribus".

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In developing this guide, I have attempted to synthesize the work of many researchers whose works I have consulted and are listed in the references in the back. These individuals deserve all of the credit for the ideas presented herein.

In addition I have benefited from discussions and resources provided by Dr. Richard W. Brislin and his colleagues at the University of Hawaii-Manoa as a participant in their Summer Workshop for the Development of Intercultural Coursework at Colleges and Universities and Dr. David Ricks and his colleagues at the American Graduate School for International Management (Thunderbird) as a participant in the Faculty Development Seminar in International Business on International Management. Others who have shared their ideas on culture with me include Dr. Paul Marer at the Kelly School of Business at Indiana University who conducts a doctoral seminar on culture and business and Professor Diane Gerber of Miami University in Ohio who teaches an interdisciplinary culture course at the undergraduate level.

Despite all of this assistance, I accept full responsibility for the interpretation and representation of cultural concepts and their relationships to management as described in this manual.

I hope this helps you understand why management practices may not be universal in their application as one crosses international borders.

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Table of Contents

Culture: Beneath the Surface	Culture and HRM
Culture and Econ. & Political Systems	Culture and Communications
Culture and Planning	Culture and Motivation
Culture and Org. Structure	Culture and Leadership
Culture and Control	Culture and Ethics
Epilogue and References	

[Return to Hoffonline](#)

Page last edited on 03/13/2015

CULTURE: BENEATH THE SURFACE

Management across national borders differs from managing within a domestic setting. Cultural, economic and political systems vary from nation to nation and these differences affect the management of organizations. This manual examines how certain aspects of culture may result in different management perspectives and practices from nation to nation.

Culture is defined as the pattern of values, attitudes, and behaviors shared by the people in a region. Some of a culture's major characteristics are that: (1) it is learned; (2) shared; (3) its elements are interrelated; and (4) it defines the boundaries between different groups of people [7,10, 11a].

Culture is a fairly complex concept. One way of looking at it is to conceive of culture as an "iceberg" floating in the ocean. Some of the iceberg sticks out above the water's surface but most of it is hidden beneath the surface. Culture is very similar in that the aspects of culture we can observe reflects only a small part of its nature [27]. Below different elements of culture are described.



ARTIFACTS - These are above the surface. The visible aspects of culture such as behaviors, clothing, art, buildings, etc. Things we can observe.

VALUES - these are beneath the surface and represent ideas about what is desirable or standard ways of operating or behaving.

ASSUMPTIONS - are well below the surface and represent basic beliefs about people's orientation to their world.

By observing artifacts such as why people hug rather than shake hands when greeting each other, we can see what is different about a culture, but we do not know why the artifacts differ. This paper focuses on certain aspects of culture beneath the surface because they can help explain why certain observable artifacts such as preferences for groups exist in certain cultures but not in others.

Let us begin at the bottom of the iceberg with cultural assumptions. Based on the work of anthropologists, we know that certain cultures differ on basic assumptions about their world around them. Below we focus on five assumptions which also appear to affect people's work behavior [3,7,12, 13, 16, 29].

Environment (ENV)- belief about people's relationship to nature and life. People believe they have little or no control over nature or considerable mastery over

their environment. Cultures range from :

Submit - people are an integral part of their environment.

To

Control - people are separate from their environment and have some control over it (control your destiny).

Human nature (HNT) - one's belief about the true nature of people; these range from:

Evil - people basically are selfish and can't be trusted.

To

Good - people are basically responsible and can be trusted.

Time - cultures vary in their orientation towards time, ranging from:

Monochronic - time is viewed as a commodity with a beginning& end.

To

Polychronic - time is intangible, non-linear, even circular or fluid.

Space - how one is oriented to their surrounding space; this ranges from:

Private - people value their space and prefer some distance between themselves and others .

To

Public - people need less space and are comfortable being physically close to others.

Context - refers to what is meaningful to people. Cultures range from:

Low context - place high value on verbal language .

To

High context - place high value on non-verbal as well as verbal cues.

The chart on the following page illustrates the typical assumptions found in a variety of cultures around the globe. For comparison the USA is part of the Anglo culture and France is part of the European Latin culture. Note individuals within each culture may differ from this profile.

ASSUMPTIONS IN VARIOUS CULTURES

<u>Culture</u>	<u>Environment</u>	<u>Human Nature</u>	<u>Time</u>	<u>Space</u>	<u>Context</u>
Anglo	Control	Good	Mono	Private	Low
Latin European	Control	Good & Evil	Poly	Public	Moderate
Nordic	Harmony	Good & Evil	Mono	Private	Low
Germanic	Control	Good & Evil	Mono	Private	Low
Latin American	Submit	Evil	Poly	Public	High

Mid East	Submit	Evil	Poly	Public	High
East Asia	Harmony	Good & Evil	Poly	Public	Moderate to High
Russia	Control	Good & Evil	Poly	Public	Moderate
Japan	Harmony	Good	Poly	Public	High

VALUES IN VARIOUS CULTURES

Cultural Values: moving up the cultural iceberg we encounter values. Values are ideas and principles about how things should be in a given situation. While there are literally thousands of values, below we briefly describe four values which have been found to be relevant to work settings and which appear to vary across cultures based on comparative management studies. [5a, 10, 11a., 12,13,24,27]

Power distance (PD) - the amount of distinctiveness among groups in a society in terms of status and access to power. Cultures range from:

Low PD - few status differences and decentralized authority.

To

High PD - many status differences and centralized authority.

Uncertainty avoidance (UA) - the degree to which people feel threatened by ambiguous or unknown situations and seek to avoid them. Cultures range from:

Low UA - people can tolerate some uncertainty and willing to take risks.

To

High UA - people seek to avoid the unknown and take few risks.

Self-orientation (SO) - refers to people's concept of "self" as located solely within the person versus "self" defined in association with others; cultures range from:

Individualists - people look after themselves and are concerned for "I".

To

Collectivists - people place high value on group membership and a concern for "WE".

Assertiveness (AST) - values based on traditional gender roles valuing assertiveness versus social support. Cultures range from:

Masculine - preference for competitiveness (assertiveness), quantity, and outcomes.

To

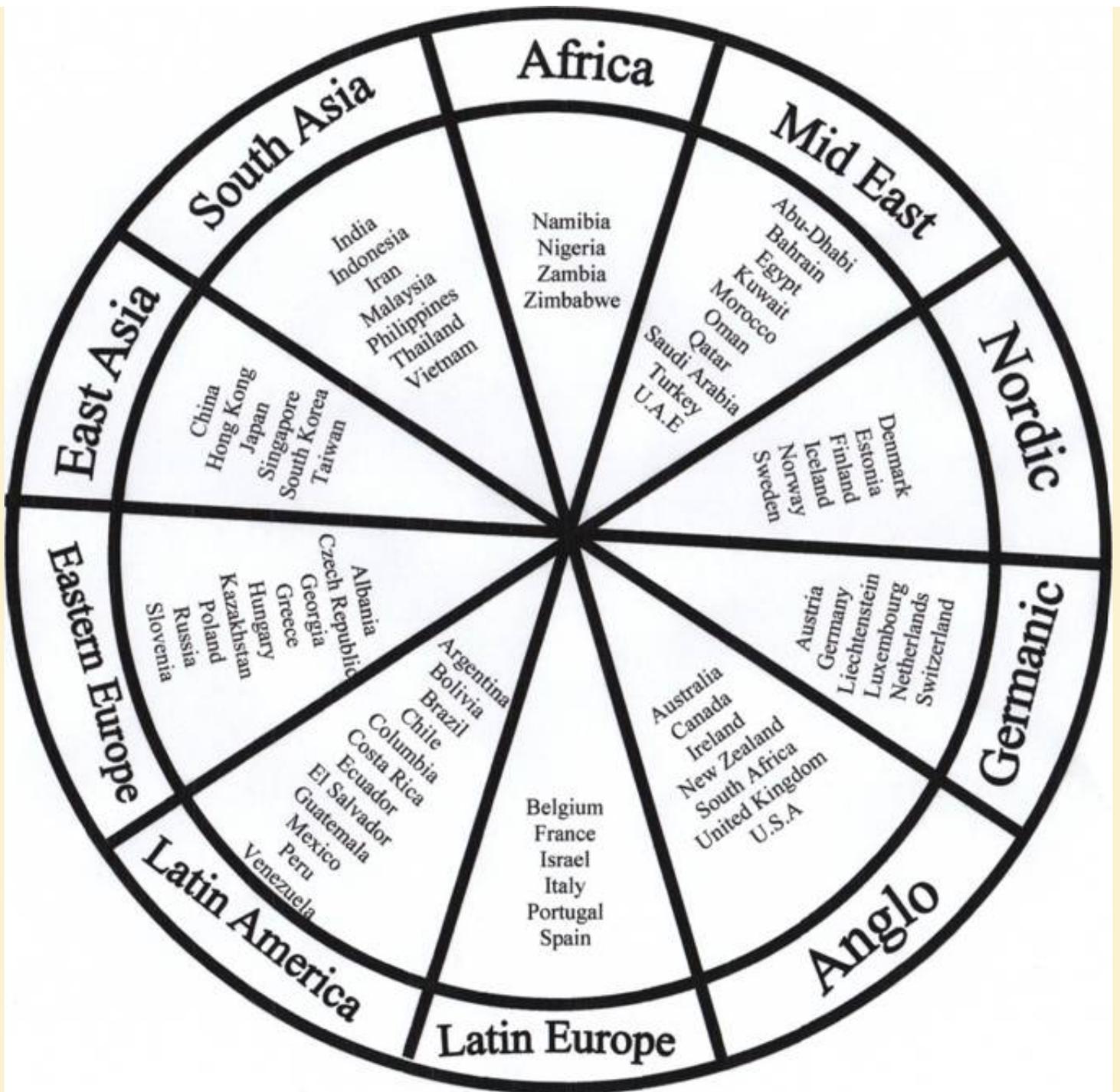
Feminine - preference for cooperation (social support), quality, and process .

The chart on the following page illustrates the typical values found in a variety of cultures around the globe. For comparison the USA is part of the Anglo culture and France is part of the European Latin culture. Note individuals within each culture may differ from this profile.

CULTURES:	VALUES			
	POWER DISTANCE	UNCERTAINTY AVOIDANCE	SELF-ORIENTATION	ASSERTIVENESS
ANGLO	LOW	LOW	INDV	MASC
GERMANIC	LOW	MEDIUM	INDV-COLL	MASC
NORDIC	LOW	MEDIUM	INDV-COLL	FEM
LATIN EUROPEAN	HIGH	HIGH	INDV	MASC-FEM
LATIN AMERICAN	HIGH	HIGH	COLL	MASC-FEM
EAST ASIA	HIGH	HIGH	COLL	MASC-FEM
MID EAST	HIGH	MEDIUM	COLL	MASC-FEM
ISRAEL	LOW	HIGH	INDV	MASC-FEM
JAPAN	HIGH	HIGH	COLL	MASC
INDIA	HIGH	LOW	COLL	MASC
RUSSIA	HIGH	HIGH	COLL	COLL
SOUTH KOREA	MEDIUM	HIGH	COLL	MASC-FEM

The chart below indicates the countries that represent the major cultures described on the preceding pages. This chart was developed by combining the work of Ronen & Shenkar (1985) and House, et al. (2004). The first study is based on a meta-analysis of 8 large cross-national surveys of values and attitudes in work settings including some of the assumptions and all of the values discussed in this manual. The second study is based on one large study of 9 values in 62 countries. These are not all of the world's cultural groups by any means nor are all of the nations that might belong to each group listed. The nations listed are those represented in the studies from which this chart was developed.

CULTURAL CLUSTERS



[Return to Culture & Management Home Page](#)

CULTURE-ECONOMIC-POLITICAL SYSTEMS

As one crosses borders, differences in cultural, economic, and political systems become apparent. These facets of the international environment are not independent of each other. The purpose of the chart is to illustrate some possible relationships among cultural, economic, and political systems. The illustration examines some relationships between Hofstede's values and economics and politics; furthermore, only associations are described not causation.⁵

Culture and Economic Systems

As depicted in the chart, individualism or self-interest is central to free markets and has been associated with higher income economies. Collective societies look out for others and are likely to offer more social safety nets. High power distance and uncertainty avoidance cultures usually have a preference for command economies which leave major economic decisions to the most powerful in the society. The central economic planning of command economies also help reduce the uncertainties of the unplanned behavior of free markets. Finally, masculine cultures value competition which is crucial to free markets; whereas, feminine cultures value the social support provided by more socialistic economic systems.

Culture and Political Systems

Individualist countries have a preference for democratic systems for two reasons: (1) individualists feel they have just as an important say in how they are governed as anyone else, and (2) a free market economy, which individualists prefer, requires freedom from non-market interference which democracies usually provide. Due to collective cultures' concern for others, they prefer governments that are either collective in orientation, e.g, Marxist communism or which looks out for society, e.g., modern socialism.

High power distance (PD) cultures grant power to those of higher status in the society and often feel comfortable with authoritarian systems or, in the case of France, having strong presidential power within a democracy. Low PD cultures that emphasize power sharing among members of society have a preference for political systems that emphasize such sharing, e.g, democracy with checks and balances.

Uncertainty avoidance (UA) affects the emphasis a society places on rules.. Consequently, high UA cultures such as France have developed a legal system in which the laws are quite specific to reduce uncertainty about what is inappropriate behavior, and the courts apply the law to the infraction. Low UA cultures , e.g., Anglo, can tolerate more uncertainty and have developed a system of general laws (Common Law) which provide less specificity or certainty regarding what is inappropriate . The role of the courts is to interpret the law to determine if it is relevant to a given infraction.

Masculine values place less emphasis on supporting others, hence such cultures have a preference for systems that "let people care for themselves," e.g., conservative democracies or authoritarian systems; whereas, feminine cultures feel that nations should care for others, and therefore, they show a preference for political systems that grant more welfare , e.g., socialism or communism.

[References: 10,11,18,21]

Cultural Assumptions & Planning

CULTURE	ECONOMIC	POLITICAL
<u>Individualism:</u> High	High Income Free Market	Democratic
Low	Lower Income Socialism	Authoritarian Socialistic/Command
<u>Power Distance:</u> High	Command	Authoritarian or Democracy with strong leader
Low	Free Market	Democracy

<p><u>Uncertainty Avoidance: High</u></p> <p>Low</p>	<p>Command</p> <p>Free Market</p>	<p>Specific laws (Roman) Developed by party in power Courts apply law</p> <hr/> <p>General laws (common law) Developed by Legislature Courts interpret law</p>
<p><u>Assertiveness</u></p> <p>Feminine</p> <p>Masculine</p>	<p>Socialism</p> <p>Capitalism</p>	<p>Support welfare programs</p> <p>Let people care for themselves</p>

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

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 planning systems have been found to be significantly related to firm performance overall and sales growth and return on assets in particular.

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 context 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

<u>ASSUMPTIONS</u>	<u>Content</u>	<u>Process</u>
<u>Environment:</u>	Short term, General goals, Broad action plans	
Submit	Long term, specific goals, detailed action plans	-
Control		
<u>Time</u>		
Mono	Tasks, schedules	-
Poly	Relationships	-
<u>Space</u>		
Private	-	Individualistic
Public	-	Group
<u>Context</u>		
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 High	– –	Bottom up Informal Top down Formal, increased commitment, planning valued
Uncertainty Avoidance Low High	Planning important, Long term, Broad goals Short term Specific Goals	Informal, planning valued & seen as useful Formal
Self-orientation Collective	–	Group

Individual	-	Single
Assertiveness	-	-
Feminine	-	Planning valued & useful
Masculine	-	

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

Last update 08/24/12

CULTURE AND ORGANIZATION STRUCTURE

An important aspect of management is to organize personnel into a structure that facilitates the communication and coordination of the organizations tasks. Since organizations can use a variety of structures and vary in their size and complexity, this section will focus on culture's impact on certain dimensions or characteristics of all organization structures. Specifically, three broad dimensions that are characteristic of all types of structures are examined in this section.

Specialization - the way the organization has divided up its jobs, tasks, and responsibilities. This dimension has two aspects a horizontal one and a vertical one.

Horizontal Specialization - refers to the division of tasks and responsibilities which are located on the same authority level of the organization. This includes defining different jobs within a single department as well as organizing a group of jobs into different departments or divisions on the same level of the organization.

Vertical Specialization - refers to the division of responsibility between different levels of the organization; it permits the coordination of jobs or departments at the next level. This type of specialization defines the chain of command or hierarchy of posts/departments within the organization.

Centralization - refers to the location of decision authority within the organization. If most of the authority is retained at the top; we say the organization is centralized. If decision authority has been delegated to lower levels, the organization is more decentralized.

Formalization - also referred to as standardization is the term used for the policies, procedures, and methods that the organization has developed over time to guide people in their jobs; these guides often increase efficiency and consistency in the work and decisions made by personnel in the organization.

Since organizing a fundamental management function, it is greatly affected by different assumptions and values held by people, *ceteris paribus*. The cultural assumptions and values examined here appear to have considerable affect on horizontal specialization then centralization and formalization followed by vertical specialization.

Assumptions & Structure

Cultures which take the environment as a given prefer centralized structures because authority lies directly with those in a position of power at the top of an organization. Cultures that seek to control the environment feel that all have it in their power to do so; hence, tend to decentralize authority.

Cultures which view people as lazy or irresponsible tend to design simple jobs for them to do and centralize power because few are capable of using it well. Cultures which perceive people as essentially "good" are willing to enrich their job with planning and control responsibilities and consequently decentralize such responsibility to people throughout the organization.

In contrast to monochronic cultures, polychronic peoples prefer fewer levels of authority because like time authority is intangible and cannot be as easily segmented. Such cultures also prefer to design jobs, committees, and departments which emphasize relationships needed with others to get the job done rather than organizing around specific jobs as monochronic cultures do because of their segmented view of time and activity. Relationships enable polychronic peoples to work on several tasks or projects at once. Public (vs. Private) space cultures also prefer to organize around relationships but for a different reason. People from such cultures prefer to be in the center of organizational activity and a focus on relationships enhances this possibility. Private space people like to work in private so work must be divided into specific tasks to enable such people to work on a piece of it privately.

Finally, low context cultures like to have things explicit (spelled out), thus they prefer detailed written job descriptions and rules and procedures. High context cultures prefer more implicit information and do not need to have as explicit job description or rules because they feel they can determine what needs to be done from the context or situation.

ASSUMPTIONS AND STRUCTURE

<u>ASSUMPTIONS</u>	<u>Vertical Specialization</u>	<u>Horizontal Specialization</u>	<u>Centralization</u>	<u>Formalization</u>
<u>Environment</u> Submit Control	- -	- -	Centralization Decentralization	- -
<u>Human Nature</u> Evil Good	- -	Job simplification Job enrichment	Centralization Decentralization	- -
<u>Time</u> Mono Poly	Many levels Few levels	Task centered Relationship centered	- -	- -
<u>Space</u> Private Public	- -	Task centered Relations centered	- -	- -
<u>Context</u> Low High	- -	Detailed job description General job description	- -	Detailed policies, etc. Broad policies , etc.

Values and Structure

High power distance (PD) cultures tend to emphasize status in their organizations as they do in society hence they usually have more levels of management. Those with higher status also have more power in both society and organizations; hence their preference for centralized authority. Low PD cultures prefer fewer levels and decentralization because they seek to minimize status and power differences both in their societies as well as in their organizations.

In order to reduce their fear of the unknown, high uncertainty avoidance (UA) cultures prefer clear chains of command in their hierarchies, rely on expertise (more specialists), and a large set of clear cut rules and procedures. Specialization also reduces the amount of uncertainty because people need to be informed about a narrower field of knowledge. Low UA cultures who can tolerate more uncertainty rely on fewer specialists and

rules.

Individualist (IND) cultures prefer specific job description which defines an individual's responsibility as distinct from others; they also prefer policies which emphasize/reward individual initiative and the policies should apply to all members. Collective societies, on the other hand, use less detailed job descriptions as one's job is commingled with that of their work group and they prefer policies that recognize/foster loyalty to the department or organization and which may support their group exclusively.

The early breakthroughs in job enrichment programs (designed to provide more variety and responsibility in most jobs) were developed in feminine cultures that value quality of life ; working life in this case. Masculine cultures tend to design job to produce achievement or results consistent with their values.

The cultural impacts on structure discussed above reveal a people's preferences for certain organizational characteristics, *ceteris paribus*. The characteristics of any organization will also depend on the firm's strategy, size, technology, and competitive environment among other factors.

[References: 10, 11, 13, 24, 26, 31]

VALUES AND STRUCTURE

<u>VALUES</u>	<u>Vertical Specialization</u>	<u>Horizontal Specialization</u>	<u>Centralization</u>	<u>Formalization</u>
<u>Power Distance</u> Low	Few levels	-	Decentralize	-
High	Many levels	-	Centralize	-
<u>Uncertainty Avoidance</u> Low	-	Fewer specialists, depts.	-	Fewer rules, etc.
High	Clear chain of command	More specialists, depts.	-	Many rules
<u>Self-orientation</u> Collective	-	General job description	-	Policies - loyalty & vary by group
Individual	-	Specific job description	-	Policies - initiative & apply to all
<u>Assertiveness</u> Feminine	-	Job design - quality of life	-	-
Masculine	-	Job design -	-	-

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

Last update 08/19/04

CULTURE AND CONTROL

Control is the management function that is closely tied to planning and organizing. Control involves the monitoring of tasks and activities to determine if they are accomplished effectively and efficiently.

Control involves setting standards (often these are derived from planning goals), using the standards to "measure" or evaluate progress or performance and providing feedback to take corrective action if necessary. Because control is closely tied to planning and organizing (structure is used to control activities), it too is impacted by culture.

Culture appears to affect the general characteristic of the control system used ranging from a systematic-detailed system to an informal one. Culture appears to influence the preference for one of two common types of control methods : (1) *Direct* control which involves personal contact between the manager and the individual(s) s/he is seeking to control, e.g., face-to-face, phone, fax, e-mail, staffing practices, etc. and (2) *Indirect control* which involves using impersonal forms of control that usually focuses on results, e.g., budgets, schedules, written reports, etc. Finally, the chart reveals that culture may impact some of the content of the standards or control tools used.

Assumptions and Control

Cultures that submit rather than control their environment tend to use informal control systems and direct methods of control. Since the culture assumes people have little control over their actions, they do not invest much in control systems. When they exercise control, they use direct methods rather than developing elaborate written reports etc. Cultures who believe they have control, over their environments invest in developing systematic control systems and use both types of control methods in their systems to make it as comprehensive as possible.

Cultures that believe people are somewhat irresponsible tend to invest in systematic control systems to insure that things will be accomplished as desired. If people are basically responsible, then there is no need to check as frequently since people can be trusted to accomplish their tasks. Informal routine checks are all the control that is necessary.

Monochronic cultures prefer to schedule time and activities and use indirect controls quite heavily which have detailed information on the results desired for any project/task. Polychronic people work on more than one task/project at a time; time is not as valuable so it does not have to be scheduled tightly; instead, they rely on direct controls as they are more flexible to use, and their system requires less detail again for flexibility in working on more than one task at a time.

Managers in public space cultures like to be in the midst of the action so they rely on informal control systems which they can apply directly as needed. Since managers in private space cultures tend to work more on their own isolated from others, they rely on a more systematic control system that includes both formal direct controls as well as indirect controls to evaluate the tasks they have not been able to observe regularly.

Low context cultures have a preference for control systems that provide explicit standards and feedback to act upon; whereas, high context cultures prefer more general goals and indirect feedback as they are able to determine what corrective action is needed from the situation and not just control feedback.

ASSUMPTIONS AND CONTROL

<u>Assumptions</u>	<u>Control Characteristics</u>	- <u>Types of Controls</u>	<u>Control Standards & Content</u>
<u>Environment</u>	Informal	Direct	-

Submit Control	Systematic	Direct/indirect	-
<u>Human Nature</u> Evil	Systematic	-	-
Good	Informal	-	-
<u>Time</u> Mono	-	Indirect	Detailed info, results
Poly	-	Direct	Less details, milestones
<u>Space</u> Private	Systematic	Direct	-
Public	Informal	Indirect	-
<u>Context</u> Low	-	-	Explicit feedback
High	-	-	Indirect feedback

Values and Control

High PD cultures have a preference for direct control methods, for it emphasizes the manager's power to exert control; whereas, low PD managers prefer indirect controls which enables employees to determine for themselves how well they are meeting standards and whether they need to take any corrective action.

UA affects a society's need for order in their lives. High UA cultures require more order due to their intolerance for the unknown. As a result, high UA cultures create order by developing systematic control systems which enables them to more accurately monitor employee progress; use a mix of direct and indirect controls with detailed standards to provide as much certainty in their control efforts as possible.

Cultures that rely on individualist values use individual pressure to control by holding one personally responsible for their organization's performance. Such cultures feel that organizational standards should only be applied to job performance and not to their personal lives. Collective cultures expect the work group to extend beyond the company walls so they expect to be held to company standards affecting their non-work lives as well as their job performance; they rely on group peer pressure to persuade people to uphold company standards (loss of face in the work group).

Cultures that ascribe to feminine values of cooperation, quality and process prefer process approaches to control; they prefer direct control because of the interpersonal processes involved and they focus on process

based standards such as quality, service, convenience, etc. Masculine cultures like results so they use performance (bottom line) standards for control and like to use indirect control methods that rely on such standards such as budgets and profit & loss statements.

Thus, culture affects not only the need for control but also how the control is conducted.

[References: 10, 11, 13, 21, 26, 31]

VALUES AND CONTROL

Values	Characteristics	Types of Control	Control Standards & Content
<u>Power Distance</u> Low High	– –	Indirect Direct	– –
<u>Uncertainty Avoidance</u> Low High	Informal Systematic	Indirect Direct/Indirect	General Standards Detailed Standards
<u>Self-orientation</u> Collective Individual	Group pressure to keep standards Individual pressure to keep standards	– –	Standards for work and personal life Standards for work
<u>Assertiveness</u> Feminine Masculine	– –	Direct Indirect	Milestones and process standards Performance based standards

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

CULTURE AND HUMAN RESOURCES MANAGEMENT

Human resource management (HRM) in organizations is concerned with the staffing function by assisting managers to hire, train, evaluate and compensate employees at all levels. Culture appears to influence various aspects of managing human resources. *Ceteris paribus*, culture affects preferences of managers regarding a variety of HRM activities. Specifically, we examine the possible influence of cultural assumptions and values on recruitment/selection, training & development, performance appraisal, and "other" HRM tasks.

Cultural Assumptions and HRM

The cultural assumptions examined here seem to primarily affect recruitment, selection, and appraisal HRM activities.

Cultures with perceived control over their environment feel that people can and do have an impact on their environment and, therefore, consider merit (e.g., accomplishments, experience) and skill as the critical criteria for recruiting and evaluating (appraising) personnel. Submit cultures seek assistance from those in their environment so that personal contacts are an important source for being recruited and evaluated. Control cultures value training to enhance their control over their surroundings. Submit cultures do not see training as improving their ability to control their environment. Submit cultures also value long term employment because people selected become part of the network of acquaintances and colleagues which provides security for the organization and its members. Control cultures value limited employment; as long as your skills are needed to meet organizational goals.

In cultures where people are seen as lacking responsibility (evil), the manager decides when employees need training. In such cultures personnel performance is evaluated using the manager's goals. In cultures that view people as "good" managers will trust employees to tell them of their training needs. In such cultures employees are comfortable in using goals jointly developed with their managers (e.g., Management by objectives) to evaluate their own performance. In such cultures people can be trusted to develop meaningful goals for their work.

Cultures that stress monochronic time like to break up work and training into sequential tasks/steps so employees are recruited/trained for specific tasks. Once the tasks are completed, the employee may no longer be needed. Polychronic cultures base their work on relationships. The longer an employee works for an organization, the more they can develop their network of relations at work. These relations make them more effective; therefore, such cultures value long term conditions of employment. Training in such cultures may be designed to develop several skills at once.

Private space cultures emphasize tasks so people are hired into tasks with specific job descriptions. Public space cultures emphasize relationships so people are hired because of their ability to build relationships and develop new ones in order to accomplish their jobs. People's assignments may vary and be less systematic.

Low context cultures derive meaning from verbal communication so criteria for recruitment, selection and appraisal are explicit and appraisals are done regularly to add to its explicitness. They prefer training sessions and materials that are specific in nature. High context cultures tend to prefer implicit criteria that can be derived from the situation. Training sessions and materials may be more general in nature. Performance appraisals include subjective standards and more subtle/implicit criteria to avoid embarrassing an individual in the case of negative feedback so as not to break the bond of trust between members.

ASSUMPTIONS AND HUMAN RESOURCES

Assumptions	<u>Recruitment & Selection</u>	Training	Appraisal	Other
<u>Environment</u> Submit	Personal contacts	Training,	Who you know, Emphasize behaviors over results	Life time employment
Control	Merit	Training critical	Merit	Limited term employment

<u>Human Nature</u> Evil	-	Manager initiates training	Superior's Goals	-
Good	-	Employee initiates training	MBO	-
<u>Time</u> Mono	Employ based on task	Training sequenced	-	-
Poly	Long term employment based on relations	Training several skills at a time	-	-
<u>Space</u> Private	Task based, systematic	-	-	-
Public	Relations, less structured	-	-	-
<u>Context</u> Low	Explicit criteria	Training materials specific	Regular using objective criteria	-
High	Implicit criteria	Training materials general	Subjective using subtle criteria	-

Values and HRM

The four cultural values examined here appear to influence all of the HRM activities under consideration.

High power distance cultures emphasize status wherein clerical jobs are seen as better than blue collar jobs and managerial jobs are higher in status than non-managerial jobs. In such cultures, one's boss determines one's training needs. Training is conducted to convey specific skills, and the trainer has higher status in the training situation so s/he lectures primarily. High PD cultures have wider salary gaps between organizational levels to reflect the higher status of those in higher jobs.

Low PD cultures minimize status differences so they view clerical and blue collar jobs as equal and the salary gaps between organizational levels are not as large. Since people in lower status positions in the organization can share decision power, they can initiate some of their training needs. Training is provided to give individuals more autonomy in performing their jobs. During training sessions, power sharing occurs between trainer and trainees as the trainer uses more participative techniques such as discussions and role play.

High UA cultures fear the unknown and tend to be more suspicious of foreigners who are unknown to them and are more reticent in recruiting and selecting persons having a different cultural background. As risk takers, high UA cultures are more comfortable in hiring people having a different cultural background. Training is geared toward developing specialists in high UA cultures because having experts helps reduce uncertainty. High UA cultures place greater importance on training generalists as they are better able to adapt to unforeseen changes. High UA cultures value security so they emphasize seniority and loyalty in performance appraisals and in promoting people. Low UA cultures rely on merit and task performance for appraisals and promotions because they value risk taking over security.

Collective cultures select employees that fit the work group; whereas, individual cultures select people who can perform a single task or job. Collective cultures use team based criteria such as group conformity and loyalty to appraise and promote employees. Promotion from within the organization is stressed to reward loyalty and maintain group harmony within the organization. Individual cultures use individual criteria such as market value to appraise and promote people. Promotion comes from both within and outside the organization to find the best individual performers.

Masculine cultures tend to emphasize gender differences so they have more gender segregated occupations (i.e., men's vs. women's work). There are fewer occupational differences based on gender in feminine cultures. The purpose of training and performance appraisal in masculine cultures is to stress performance on specific tasks as well as the help people achieve. Feminine cultures tend to emphasize the ability to work with others and service to the organization in training and appraisal of employees because they value processes as much as results. Masculine cultures reward results; whereas feminine cultures reward processes or how the results are achieved as well.

Cultural assumptions and values influence primarily the goals and criteria used in managing human resources in organizations. [References: 1a., 10, 11, 13, 21, 23, 24, 25a, 25b, 26]

VALUES AND HUMAN RESOURCES

<u>Values</u>	<u>Recruitment & Selection</u>	<u>Training</u>	<u>Appraisal</u>	<u>Other</u>
Power Distance				
Low	Clerical & blue collar work equal	Employee initiates. Train for autonomy . Participative methods.	-	Narrow salary gaps
High	Clerical better than blue collar	Bosses decide on training . Train for skills.Lecture meth.	Supervisors provide feedback	Wider salary gaps
Uncertainty Avoidance				
Low	Accept expatriates	Generalist/Leadership	Merit, task perf.	-
High	Suspicious of expats	Specialist,Standardized & structured training	Seniority, loyalty	Be clear about what type of behaviors lead to specific rewards

<p>Self-orientation Collective</p> <p>Individual</p>	<p>Select to fit group</p> <p>Select to fit task</p>	<p>-</p> <p>-</p>	<p>-Conform to group . -Promote within. - Feedback indirect style in informal setting</p> <p>Individ. Perf. Promote best performer.</p>	<p>Rewards should be similar for similar levels</p> <p>-</p>
<p>Assertiveness Feminine</p> <p>Masculine</p>	<p>Occupations gender free</p> <p>Occupations gender based</p>	<p>Ability to work with others. Service, Training with interaction among participants</p> <p>Task Perf. Achievement.</p>	<p>Reward process</p> <p>Reward Perf.</p>	<p>-</p> <p>-</p>

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

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CULTURE AND COMMUNICATION

Perhaps more than any other human or organizational process, communication is profoundly affected by culture. Not only what one communicates but how they do it appears to be affected by culture. As a behavior, communication is influenced by values, beliefs, and attitudes that appear to vary among cultures.

Communication is the process of conveying information between two or more persons. These include both verbal and nonverbal communications. Verbal communications are transmitted via oral and written media of various types. Nonverbal communications consist of facial expressions, tone, gestures and other body language. While both types of communication are influenced by cultural differences in assumptions and values, this section will focus only on certain aspects of verbal communications.

In the classic model of communications (see figure below) a sender conveys a message via a certain medium to another, the receiver (of the information). Thus, if I call my wife on the phone to find out if an express mail has arrived, and she understands the message in the manner intended, she will respond with the answer yes or no to my message.

According to Haworth and Savage (1989), there are five dimensions of communications that apply to all cultures.

1. It is a process - an on-going exchange between people .
2. Communication involves purposive (factual, goal- oriented) and expressive (mood, emotions, feelings) information that is both intended and unintended.
3. Communication is made up of multiunit signals e.g., verbal and non-verbal.
4. Communication depends on its context (surroundings) for its meaning - a common/shared background or experience between the sender and receiver.
5. Communication depends on the competence of the communicator which enhances the understanding between the sender and receiver of communication.

Communication across borders involves different signals shaped by differences in language and behaviors. Regarding language, native speakers have a more profound understanding of their language compared with non-native speakers; therefore, even though we are both speaking the same language, we may not be ascribing the same meaning to the same words due to slang, idiomatic expressions and the like. If one is working through interpreters, then the sender has to be clear to at least two receivers to be accurately understood; these receivers include the intended recipient of the message as well as the translator. When you add differences in context between each culture, creating uncommon ground between the sender and receiver from different cultures, the probability of communication breakdowns (misunderstandings) increase when communicating across borders.

This section examines the effect of cultural assumptions and values on both communication processes as well as content. In both cases only selected processes and content issues are addressed here based on their frequent appearance in the literature on intercultural communications.

Two general processes are examined. The first includes the interaction pattern between the sender and receiver such as the physical distance between the speakers, one-on- one versus other patterns, and the formality of the exchange. The second process examined is the verbal style of the communicators such as conciseness (use of few vs. many words), purposive vs. emotion, and degree of confrontation/conflict in their style. An "other" process category includes the volume of the communication as well as the medium used (verbal vs. Non-verbal).

Two general content categories examine culture's influence on how the message is structured/organized from being explicit to being more implicit and the degree of detail provided. Culture also seems to influence the appeal of the message one sends that is the degree to which the message appeals to certain values and beliefs especially when the message is intended to be persuasive.

Cultural Assumptions and Communications

The assumptions examined here appear to influence communication processes more than content, and the assumption of context has the most profound impact on communications across cultures since it defines what is meaningful to people.

People from cultures who submit to their environment structure their messages more implicitly and with less

detail since one does not have control over their destiny. Their persuasive messages tend to appeal to good fortune or luck reflecting the environment's control over them. People from control cultures structure their message more explicitly and with more detail to provide greater control over the receiver's understanding. Such cultures find messages that emphasize perseverance more appealing because their culture teaches them that they can control their destinies if they persist. Assumptions about human nature do not appear to affect the communication processes and content examined here.

Monochronic cultures prefer to work on tasks sequentially and as a result prefer one-on-one interaction patterns; whereas, people from polychronic cultures are comfortable with communicating to more people about different topics simultaneously.

People from private space cultures prefer to maintain and arms length distance in non-intimate communications and are more comfortable communicating with individuals in private. Public space cultures are comfortable being more proximate to their receiver even in business settings and prefer to communicate in the open often with several receivers.

Since context refers to what is meaningful to people, it is not surprising that this assumption influences a variety of communication processes and content. Low context cultures tend to rely more on the words/language to obtain meaning; therefore, they use a more direct interaction pattern in which they get down to the purpose of their communication almost immediately. A low context verbal style is exact using sufficient words to get the full idea across. Their words are task-oriented or sender-focussed seeking to persuade the receiver about the matter at hand. The medium used is almost exclusively verbal.

Low context cultures are explicit in organizing their message with clear links from the facts to their conclusion. Message appeals are focused on precise facts about the topic.

High context cultures derive meaning from both the words as well as the situation of the two communicators. Consequently, they use a fairly ritualistic interaction pattern in trying to first get to know their receiver. They communicate with both verbal and nonverbal language using a concise verbal style conveying both facts as well as personal information to build a relationship with the receiver. High context cultures prefer to be more implicit in organizing their messages providing the context first, rationale, and then their conclusion (often seen as circling around the topic). The reason for this is they rely more on the background between themselves and their receiver so the crux of the message need not be directly spelled out as the receiver will already have an idea how the sender feels about the topic. A high context message will appeal to certain internalized beliefs of the receiver or some characteristic of their shared setting or experience.

ASSUMPTIONS AND COMMUNICATIONS

	PROCESS		CONTENT	
<u>ASSUMPTIONS</u>	<u>Interaction Pattern</u>	<u>Verbal Style</u>	<u>Message Structure</u>	<u>Message Appeal</u>
<u>Environment</u>				
Submit	—	—	Implicit Less detailed	Luck
Control	—	—	Explicit Detailed	Perseverance
<u>Human Nature</u>				
Evil	—	—	—	—
Good	—	—	—	—
<u>Time</u>				
Mono	One-to-one	—	—	—

Poly	One- to-many			
Space Private	One-to-one Wider distance Privately	—	—	—
Public	One to many Close distance Openly	—	—	—
Context Low	Less ritual	Mostly verbal; Mod. Amt. of talk; Task oriented words	Explicit connections Conclusion then support	Precision & facts
High	Ritualistic	Verbal & nonverbal Low amt. of talk Task & personal words	Implicit connections Support then conclusion	Beliefs & setting

Values and Communication

People from low power distance cultures downplay status differences, and this is reflected in an informal interaction pattern. In organizations a lot of communication is initiated by subordinates to superiors as the latter seek their sub's input. Everyone should be heard so they tend to speak loudly. High power distance cultures maintain status differences and tend to be more formal when speaking to people of different rank. Communication is initiated more by superiors than subordinates. High PD persons tend to speak in lower volume particularly when speaking with someone of higher rank to show deference.

Uncertainty avoidance appears to affect both the process and the content of communication. Low uncertainty avoidance cultures tolerate the unknown and use a more direct interaction pattern and speak a moderate amount of words particularly in new situations; they favor using verbal media. The messages from low UA cultures are less detailed because they can tolerate some uncertainty and try to appeal to the receiver by emphasizing a challenge or a risk. To reduce uncertainty, high UA peoples tend to be ritualistic in their interaction patterns (use similar routines) and use both verbal and non-verbal media to try to reduce any misunderstanding that might arise from using words alone. In new situations high UAs talk less given their uncertainty about the situation and use nonverbals. High UA cultures provide more detailed information in their message to reduce uncertainty, and their persuasive messages try to appeal to the security needs of their receiver.

Collective cultures value group harmony; their interaction pattern seeks to avoid confrontation to maintain group harmony. A collective verbal style conveys personal information to reflect their concern for the receiver. To maintain group harmony, collective cultures tend to structure their messages implicitly (so as to acknowledge the receiver has knowledge about the topic and not insult them if they do not). Persuasive message appeal to group rewards. Individualist cultures do not avoid confrontation if necessary and use a more purposive or task-oriented (personal achievement) verbal style. Individualist cultures are more direct/explicit in structuring their message (sender more concerned about getting the point across rather than hurting or insulting the receiver), and their persuasive messages appeal to individual achievement.

People from feminine cultures prefer to maintain cooperation and harmony with their receivers; therefore, their verbal style is to avoid confrontation, speak in lower tones, and their persuasive messages appeal to satisfaction or altruism consistent with their value on the quality of life. Masculine cultures are more competitive and, as a result, may use a confrontational verbal style and speak more loudly when necessary; their persuasive messages appeal to material rewards consistent with their emphasis on results.

Communication is a complex process; this section reveals, in part, how profoundly differences in beliefs and values may affect not only how information is communicated (i.e., processes) but also what is communicated (i.e., content).

VALUES AND COMMUNICATION

	<u>PROCESS</u>		<u>CONTENT</u>	
<u>VALUES</u>	<u>Interaction Pattern</u>	Verbal Style	<u>Message Structure</u>	<u>Message Appeal</u>
<u>Power Distance</u> Low	Informal Bottom up	Loud	-	-
High	Formal Top down	Low volume	-	-
<u>Uncertainty Avoidance</u> Low	Less ritual	Verbal Mod. Amt. Of talk	Less info.	Challenge Risk
High	Ritualistic	Verbal & non-verbal Low amt. of talk	More detailed info.	Security
<u>Self-orientation</u> Collective	Avoid confrontation	Personal words	Implicit	Group rewards
Individual	Confrontational	Task-oriented words	Explicit	Individ. Achievement
<u>Assertiveness</u> Feminine	Avoid confrontation	Low volume	-	Altruism Happiness
Masculine	Confrontational	Loud	-	Material rewards

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

CULTURE AND MOTIVATION

Motivation is concerned with the drive, effort or energy behind an individual's behavior. People behave to satisfy certain needs; this is true in all cultures.

Basic physical needs (e.g., hunger, reproduction, sleep, etc.) have a biological basis, most other needs such as security, social and esteem needs are learned through socialization whereby people learn acceptable ways to satisfy needs in their culture. The importance people place on certain needs may differ among cultures as well as how people become motivated. This section will examine some possible impacts culture may have in affecting motivation in the work setting, *ceteris paribus*.

Since we are concerned with motivation at work, this section examines culture's influence on: (1) the value of work (col. 1 of the tables), (2) *what* motivates people, i.e., needs (see col. 2) and (3) *How* people are motivated (see col. 3) , e.g., goal setting, equity, reinforcement, and expectancies.

In some cultures work is more central to one's life than in other cultures (MOW, 1987). In culture's that value work, people's self-identity is derived from their work; they "live to work". In culture's that place less value on work, people's self-identity is tied to other factors such as family, friends, etc.; they "work to live". Motivating workers in culture's valuing work can, in part, come from the work itself and not the manager's actions.

"*What*" seems to motivate people is the satisfaction of certain needs. Based on the work of Maslow (1954), Herzberg (1968) and McClelland (1966), needs can be classified into two broad groups extrinsic and intrinsic motivators. Extrinsic motivators are those provided outside the individual and the job, e.g., physical conditions, security, social relations, etc. Intrinsic motivators are derived from performing the job and come from within the person, e.g., esteem, achievement, and self-actualization (becoming all that one can be). While these needs tend to be universal, they are more important in certain cultures than others, and therefore, more motivating.

"*How*" people are motivated is a more complex process. This section examines culture's impact on four explanations. Based on the work of Locke and Latham (1990), people are motivated by setting clear, specific, and challenging goals. A popular process for developing these goals is Drucker's (1954) *Management by Objectives* (MBO) whereby individuals and their manager's jointly help set goals for the individual against which his/her work will be evaluated. Another explanation concerning "how" people are motivated is provided by Adams's (1963) *Equity theory*. In essence, people compare their performance to that of others. If the rewards or outcomes they receive are not comparable to those of others, given similar inputs, then the individual is motivated to do something about restoring equity. B.F. Skinner (1971) proposed that people are motivated by the consequences of their actions, both positive and negative consequences. Positive consequences are expected to have the best results in insuring desired work behavior in the long run.

Finally, a more complex explanation of how people are motivated is provided by Vroom's (1964) expectancy theory. According to this explanation, when deciding how much effort to put into a task, a person must decide if making the effort will lead to a desired performance level. If they believe their effort may lead to success, then the individual determines if successful performance may lead to a desired outcome or reward. If the latter is true, motivated behavior will occur. Individually none of these explanations is a sufficient explanation. One or more of these explanations may be sufficient depending on the circumstances of the work behavior under consideration.

In the last column of the culture and motivation tables, culture's impact on the types of rewards preferred is explored. Motivated work behavior only occurs when the reward/consequence of the behavior is valued by the individual because it satisfies their need(s).

Assumptions and Motivation

The value of work itself appears to be affected by only one assumption, human nature. In cultures where people are seen as evil or not willing to take on responsibility, work is largely viewed as a necessary evil, a means to an end; whereas, cultures that believe in the goodness of human nature (people willing to take responsibility; work is often viewed as a responsible undertaking or an important end in itself.

The needs that motivate people from different cultures appear to be affected by their assumptions about the environment and human nature. People from control cultures feel they can control their destiny so there is a belief that work can be personally satisfying for success can help them improve their situation. Intrinsic

motivators (esteem, achievement) are valued in such circumstances. People who believe that their actions have little impact on their outcomes are motivated more by extrinsics such as pay, security, social relations, etc. what others can provide them as a result of acceptable work. Extrinsic motivators have to be applied to those whom people believe are essentially irresponsible (evil human nature); whereas, good responsible people can be self-motivated so intrinsic motivators are valid in such cultures.

How people are motivated varies with different assumptions about the environment and people. The use of MBO, reinforcement and expectancies may be valid under conditions where people feel their actions either affects their outcomes or their actions can be guided so as to improve their outcomes (e.g., MBO). Cultures who believe in the goodness of people are also more likely to consider them responsible enough to work at jointly setting relevant goals (MBO) or at viewing the use of positive reinforcement as a way of insuring positive outcomes. Those who believe that people are evil are more likely to perceive the use of negative reinforcement as the most effective way to perform at a satisfactory level.

People from monochronic cultures who like to perform things sequentially are likely to find expectancy theory an acceptable explanation for how people are motivated because the expectancies are in sequence from effort to performance and then performance to outcomes.

Finally, assumptions about context appear to influence the type of reward valued. Low context cultures value results; whereas, high context cultures value trust in their relationships so behaviors leading to trust are likely to be motivating in high context cultures.

ASSUMPTIONS AND MOTIVATION

<u>ASSUMPTIONS</u>	<u>Attitude toward work</u>	<u>Needs</u>	<u>How Motivated</u>	<u>Rewards Preferred</u>
<u>Environment :</u> Submit Control	- -	Extrinsic physical/security Intrinsic esteem/achieve.	- MBO, Reinforcement, Expectancy	- -
<u>Human Nature:</u> Evil Good	Work to live Live to work	Extrinsic physical/security Intrinsic esteem/achieve.	Negative reinforcement MBO, Positive reinforce.	- -
<u>Time :</u> Mono Poly	- -	- -	Expectancy -	- -
<u>Space:</u> Private Public	- -	- -	- -	- -

Context:				
Low	-	-	-	Results
High	-	-	-	Trust

Values and Motivation

High UA cultures often live to work because it provides important structure to their lives, and reduces uncertainty; whereas, low UA cultures "work to live" as they are willing to take some risk in their lives by having unstructured time for other activities. People from masculine cultures live to work because work produces results. People from feminist cultures tend to work to live as the development and maintenance of good social relations takes up a considerable amount of time and is highly valued.

What motivates people appears to be affected by three of the four values. Low UA cultures place importance on intrinsic motivators especially achievement which involves some risk; whereas, high UA cultures find security needs to be more motivating in order to reduce uncertainty in their lives. People from collective cultures value social relations. Individualist cultures are motivated by intrinsic motivators such as esteem and achievement which focus on satisfying self. People from feminist cultures also place a high priority on social needs for they emphasize cooperation with others; whereas, more masculine cultures place an emphasis on results so achievement needs are deemed more important.

All four values appear to influence preferences for explaining how people are motivated. Low power distance (PD) cultures are comfortable with MBO reinforcement and expectancy explanations. Since they minimize differences between superiors and themselves Low PD cultures are comfortable in jointly determining their goals with their superiors within an MBO framework. Reinforcement and expectancy theory suggests that, regardless of one's status, if one performs at a certain level, they will receive certain consequences or outcomes. However, high PD cultures believe that their consequences or outcomes are more dependent on the power of their superiors than on their own performance levels.

Low UA cultures can bear the risk associated with setting one's own goals (MBO) and with the fluctuating performance /rewards that may occur under expectancy explanations. These two situations are deemed too risky for high UA cultures. People with individualist values find MBO, equity, reinforcement and expectancy theories satisfactory explanations of how people are motivated because they all focus on individual behavior. Collective societies prefer harmony over the potentially competitive equity explanation. They also stress group norms over individual goals and reinforced behavior of an individual.

People from masculine cultures who value output/results, find MBO appealing because setting goals focuses on accomplishments as do expectancies which focus on performance and related outcomes.

The four cultural values also appear to be associated with preferences for certain rewards. Low PD cultures favor equality; whereas, high PD cultures favor rewards that convey status to the recipient.

People from low UA cultures favor rewards that are performance based whereas high UA cultures find this too risky due to the potentially fluctuating nature of the rewards given different levels of performance overtime. Collective cultures favor rewards that are non-material and based on group performance; whereas, individual cultures prefer rewards based on individual performance. People from feminist cultures prefer non-material rewards that improve the quality of life such as more leisure time; whereas, masculine cultures like the results

represented by material rewards.

Motivation is a complex behavioral process that is not fully understood. This section has illustrated ways culture may affect the process. In general, one can see that the affect of culture on motivation is pervasive. It affects one's orientation to work, needs as well as how we respond to different rewards. Other significant factors affecting motivation not considered here include a person's skill level, job type and level, economic development of the country, etc.

[References: 1, 4, 5, 9, 10, 11, 13, 15, 17, 18, 22, 28, 30]

VALUES AND MOTIVATION

VALUES	Attitude toward work	Needs	How Motivated	Preferred
Power Distance : <u>Low</u> High	- -	- -	MBO; Reinforcement; Expectancy -	Equality Status symbols
Uncertainty Avoidance: <u>Low</u> High	Work to live Live to work	- -	MBO Expectancy -	Based on performance Based on seniority, loyalty
Self-orientation: <u>Collective</u> Individual	- -	Social Intrinsic: esteem/achievement	Harmony vs. equity Group norms vs. MBO; Reinforce. MBO, Equity, Reinforcement; Expectancy	Based on group performance Based on individual perf.
Assertiveness: <u>Feminine</u>	Work to live	Social	-	Non-material

Masculine

Live to work

**Intrinsic: esteem,
Achievement**

**MBO
Expectancy**

Material

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

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CULTURE AND LEADERSHIP

Leadership is the ability to influence others to pursue common goals. Evidence suggests that leadership is present in all cultures. However, what does appear to differ from country to country is the type of leadership that is most effective. Again these differences can be partially explained by differences in assumptions and values across cultures. This section will examine the following aspects of leadership that have been widely discussed in North American management textbooks: leadership philosophies, behaviors, and styles .

Leader philosophies reflect the implicit beliefs of a leader which influences the way s/he leads others. Perhaps one of the best known of these is Douglas McGregor's (1960) Theory X and Theory Y. Under Theory X the manager believes that people are lazy and unwilling to take responsibility, thus s/he leads by establishing goals and procedures for achieving them, and exercises close supervision to ensure the work is completed satisfactorily. Under Theory Y the manager believes that people are interested in work and willing to take responsibility as a result s/he leads by helping establish goals, providing the setting under which the subordinate can successfully complete their tasks.

Successful leaders engage in behaviors to influence their subordinates. Studies conducted at the University of Michigan and Ohio State (Bass, 1990) indicate that these leader behaviors fall into two categories *task* (initiating structure) and *people* (Consideration) behaviors. Task behaviors involve providing direction to the employees on the job such as goals, procedures, resources, allocating work, etc. People behaviors involve demonstrating concern for subordinates as people by developing trust, empowering them, doing favors, representing their interests to higher levels, explaining decisions etc. Leaders can range from high to low in using these behaviors as part of their influence process. More recent research (GLOBE study by House, et al. 2004) has examined additional leadership behaviors and their relationship to cultural values. We focus on these fewer behaviors for the sake of brevity and because alot more work has been done with these behaviors so that we have more of a basis for comparison. One other notable finding of the GLOBE study is that while there are cultural preferences for certain leader behaviors, the study also found that there are certain behaviors that universally hindered leadership these were leaders who engaged in autonomous or individualistic behaviors and those who were self-protective or engaged in behaviors to enhance their personal status or to save face.

Finally, leadership research has tried to capture the overall way a manager exercises leadership by examining leadership styles. Perhaps the best known of these is Likert's (1967) "System 4". According to this view, leadership styles can be depicted into one of four styles which reflect varying degrees of trust leaders have in their subordinates. 1. Autocratic - relies on centralized decisions by the manager; 2. Paternalistic - most decisions are centralized but the leader demonstrates a concern for the subordinates' welfare; 3. Consultative - leaders consult subordinates prior to making decisions themselves; and 4. Participative - many decisions are delegated to subordinates who have the best knowledge; there is considerable interaction between subordinates and leader concerning the appropriate task and people behaviors to be used. Below the impact of culture on leadership philosophy, behaviors, and styles are examined.

Assumptions and Leadership

Assumptions about the environment do not appear to influence leader philosophy per se except that people who submit to the environment do not see leadership as being an important process; whereas, those who feel they can control their environment view leaders as being an important source of change when necessary.

Assumptions about the environment, human nature, time and context appear to have the most affect on leadership. Cultures who view human nature as evil favor a Theory X philosophy because both assume people are unwilling to work and must be closely supervised to do so. Those who believe that people are good or willing to take initiative tend to favor Theory Y which is based on similar assumptions. Given their respective philosophies, evil cultures place little trust in their subordinates and use an autocratic style which leaves little room for subordinates to decide how the work is to be completed. Good cultures place considerable trust in their subordinates since the latter are viewed as responsible. Consequently, they favor a participative style which provides subordinates with plenty of input into what and how their work is to be completed.

People from monochronic cultures tend to emphasize task behaviors because they lend themselves to sequential scheduling and make efficient use of time in terms of staying on task through to completion. One person making the key decisions simply saves time over involving subordinates. Polychronic leaders emphasize

people behaviors. Relationships are essential to being able to accomplish task simultaneously. Monochronic leaders tend to prefer a consultative style. This style balances their preference for task behaviors while recognizing that close supervision is not necessary because people can be controlled by schedules and deadlines. Polychronic leaders on the other hand often resort to paternalistic styles because it balances their preference for people behaviors with the need for more supervisory control because they do not use time to control subordinate activity given that it is not considered to be tangible/manageable.

Low context cultures favor efficiency in relationships; therefore, their leaders are likely to emphasize task behaviors getting work done through others by defining goals and the way to accomplish them.

Leaders in high context cultures tend to emphasize people behaviors because building a relationship of trust with subordinates is the key to all successful future interactions.

ASSUMPTIONS AND LEADERSHIP

<u>Assumptions</u>	<u>Leader Philosophy</u>	<u>Leader Behavior</u>	<u>Leadership Style</u>
<u>Environment</u> Submit Control	Leaders not important Leaders important	- -	- -
<u>Human Nature:</u> Evil Good	Theory X Theory Y	- -	Autocratic Participative
<u>Time:</u> ____ Mono Poly	- -	Task People	Consultative/Paternalistic Paternalistic
<u>Space:</u> ____ Private Public	- -	- -	- -
<u>Context:</u> ____ Low High	- -	Task People	- -

Values and Leadership

Low PD cultures seek to minimize the distance between the leaders and followers. Leaders are permitted to get personally closer to subordinates. They realize that subordinates have much to contribute to goal achievement and subscribe to a Theory Y philosophy which enables them to work with instead of over their subordinates. As a result, Low PD leaders emphasize people behaviors which are supportive of subordinates. In general then their style is consultative or participative which permits subordinate participation in how they are led. By contrast, cultures with high PD tend to maintain arms length between leaders and followers. Followers respect the leader by virtue of his/her position of leadership. Leaders are viewed as having the right to lead based on their higher position. The leader has not only the right but the duty to tell followers what to do. High PD leaders tend to believe in Theory X, the leader knows what is best. They also have a preference for task behaviors which focus on telling followers what and how to achieve the leader's goals. Such leadership leads to an autocratic or paternalistic style ,wherein , the leader by virtue of their position should direct his/her subordinates in accomplishing goals.

Low UA cultures are willing to accept a certain degree of risk; consequently, they subscribe to Theory Y which is optimistic about people's initiative and ambition. This belief leads them to emphasize people behaviors such as delegating more responsibility to subordinates. The latter is compatible with consultative or participative styles which are riskier because involving subordinates in decisions often leads to a very different decision than if the leader were to make it on his/her own. Leaders in high UA cultures are mindful of the need for security both for themselves and their subordinates. To be on the safe side they are more pessimistic about people's ambition and initiative, subscribing more to a Theory X philosophy. Followers prefer a leader who exhibits task behaviors that provide detail and clarity in their work, therefore, reducing their uncertainty. Thus, more autocratic styles are preferred because it permits the leader to retain control This control increases the leader's security and provides the necessary guidance to subordinates clarifying their uncertainties about what needs to be accomplished in their jobs.

In cultures espousing a collective self-orientation, employees expect leaders to look after them by clarifying goals and ways to achieve them (task behaviors) but also by paying attention to personal matters (people behaviors). This dual emphasis on task with some people behaviors usually results in a paternalistic style.

Leaders in individualist cultures must give each person his/her due by permitting their input into goals and goal achievement. Such leaders emphasize people behaviors in decision making and delegating responsibilities . The style most accepted by individualist subordinates is the participative style which gives all a chance to set goals and work toward them.

Leaders in feminine cultures are often optimistic about people's initiative (Theory Y) and view their role as one of creating a positive work environment where employees can grow and succeed. They emphasize people behaviors to support their subordinates. Their style tends to be consultative seeking consensus without the risk of complete delegation. Leaders in masculine cultures are more pessimistic about people's ambition; therefore, in an effort to produce the results they seek, masculine leaders emphasize task behaviors which enable them to track and reward achievement. Their style favors the autocratic because it is the most efficient (no bargaining with subordinates) in goal accomplishment.

The impact of cultural assumptions and values on leadership is two fold. First culture affects what philosophies leaders prefer to use, and second, culture affects the leader behaviors and the style their subordinates are willing to accept.

[References: 2, 4, 10, 11, 11a, 14 ,18, 19, 23, 31]

VALUES AND LEADERSHIP

<u>Values</u>	Leader Philosophy	Leader Behavior	Leadership Style

<u>Power Distance:</u> Low High	Theory Y Theory X	People Task	Consultative/Participative Autocratic/ Paternalistic
<u>Uncertainty Avoidance:</u> Low High	Theory Y Theory X	People Task	Consultative/Participative Autocratic
<u>Self-orientation</u> Collective Individual	- -	Task/people People	Paternalistic Participative
<u>Assertiveness</u> Feminine Masculine	Theory Y Theory X	People Task	Consultative Autocratic

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

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CULTURE AND ETHICS

As one moves across borders, the number of ethical challenges increase. What may be customary behavior in one culture, e.g., the paying of bribes, is considered unethical behavior in other cultures.

Ethics refers to values about right and wrong. Here we are concerned with acceptable behavior in the workplace. Since ethics are values, they are influenced by other beliefs and values such as the ones that we have been examining as part of the hidden dimensions of culture. We know that ethical dilemmas confront us in our own culture, and determining what is right is not always clear. The reason for this is two fold; (1) society's concepts of appropriate behavior changes over time, and (2) people within a given culture vary in their view of what the appropriate standards of behavior should be. Given these difficulties in one culture, they increase as one moves into other cultures that have different values, standards, and consequently, different definitions of what is right.

This section will examine the possible effect cultural values have on two aspects of ethical behavior: (1) the use of universal versus relative standards to determine ethical behavior, and (2) the application of standards. Ethicists are not in agreement as to the type of standards to be used to determine the right behavior. One view is that the standards are relative to one's situation, known as ethical relativism. Internationally this means, "when in Rome do as the Romans". The standards of the local culture should prevail. The opposite view is that of universalism. The view states that there are basic moral standards that transcend the particular situation or culture. For example, standards against murder and "doing unto others" appear to be prevalent in most cultures. Whether relative or universal standards may either be explicit (clearly stated) or implicit. Once the standards are determined, they may or may not be applied to all persons in all circumstances. For example in some cultures powerful people are often not held to as strict a standard of behavior as are lower status members of the society.

Assumptions and Ethics

Two of the assumptions examined here appear to be related to ethical behavior: human nature and context. Cultures in which people are perceived as evil tend to apply standards selfishly because others cannot be trusted. Thus, one engages in behavior if it is "right for me". In cultures where people can be trusted, one chooses the right behavior if it is right for all concerned; the action must benefit all affected by it. Low context cultures find meaning in explicit verbal language; therefore, ethical standards must be explicit in order for them to be meaningful. High context cultures are used to determining meaning from the situational cues so implicit ethical standards provide sufficient clarity as to what is right.

ASSUMPTIONS AND ETHICS

<u>Assumptions</u>	<u>Types of Standards</u>	<u>How or to whom applied</u>
<u>Environment:</u> Submit Control	- -	- -
<u>Human Nature:</u> Evil Good	- -	Right for me Right for all

Values and Ethics

All four of the values examined appear to affect both the type and application of moral standards in determining what is right. Low PD cultures favor equality among members of society. They tend to favor relative standards because all ideas and values are viewed as having some worth in determining what is right. High PD cultures stress obedience to authority and, therefore, favor universal standards provided by their leaders. How moral standards are applied also are affected by PD. Low PD cultures favor standards that apply to all since everyone should be treated equally; whereas, high PD cultures are willing to permit a looser or different set of standards for higher status individuals as part of the privileges of their rank.

Low UA cultures value truth but do not feel that it has been fully defined so they favor relative standards which by definition are implicit/general because they are defined by the situation. High UA cultures prefer universal standards because they are known and are less uncertain than changing relative standards. High UA cultures also prefer explicit/specific standards because they are clearer and more

certain. Low UA cultures also apply their standards more leniently; rules have to be broken if it is more practical. High UA cultures tend to feel that rules should not be broken because exceptions creates more uncertainty about when the rules should apply.

Cultures with a collective orientation feel that people should conform to group norms in determining the right behavior; whereas, individualists are considered to be responsible for their own behavior right or wrong. Its up to the individual to determine the right behavior given the prevailing standards. In collective cultures different often stricter standards are required for members of one's in-group versus people outside their group. Individualists, however, favor standards that apply to all because each person is of equal value and should be treated as such.

Members from feminist cultures tend to favor more relative standards because they are more permissive in allowing people to express themselves in an effort to build good interpersonal relations. Masculine cultures tend to favor more universal standards which can be applied efficiently to correct wrong behavior and enhance the output or results they are seeking. Cultures that differ on assertiveness also favor other types of goals which may affect their definitions of correct behavior. Feminist cultures favor conservation of resources of all kinds in order to produce results with the least side effects ,whereas, masculine cultures favor growth which is an end in itself. These goal differences can lead to differing interpretations of the right behavior a firm should pursue. Growth could be achieved with a considerable expenditure of resources which is unacceptable to those holding feminine values. Finally, assertiveness may affect differences in how the standards of behavior are applied. Feminists tend to be more lenient or sympathetic towards the less fortunate, whereas, people from masculine cultures are not as sympathetic to less fortunate members of society and would not make exceptions in applying behavioral standards in their case.

Of all the management practices we have discussed, ethics is the least well defined in terms of concepts and behaviors. The relationship between culture and ethics is the least well established. Thus, much of what is discussed in this section is still speculative, but it does provide a crude guide as to why different decisions or other behaviors might be handled or treated differently from one culture to the next based on some of the assumptions and values discussed.

[References: 5, 10, 11, 16, 18, 21, 23, 26]

VALUES AND ETHICS

<u>Values</u>	<u>Types of Standards</u>	<u>How or to whom applied</u>
<u>Power Distance: Low</u>	Relative	Apply to all
High	Universal	Differ for powerful

<u>Uncertainty Avoidance:</u> <u>Low</u> High	Relative Implicit Universal Explicit	Break rules if practical Don't break rules
<u>Self-orientation</u> Collective Individual	Group norms Personal responsibility	Differ for in group vs. out group Apply to all
<u>Assertiveness:</u> Feminine Masculine	Relative Conservation Universal Growth	Differ for less fortunate Apply to all

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

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EPILOGUE

As stated in the introduction, the purpose of this manual is to help the reader better understand the connections between culture and management practices. From descriptive studies and personal experience we may have observed that management practices in the USA, France, Germany, etc. differs. We may even be able to describe some of these differences. The purpose of this manual is to move from description of cultural differences to explain why the differences might exist.

The thesis presented here is that explanations of cultural differences can be derived, in part, by focusing on certain assumptions and values that appear to vary across cultures. As explained earlier, the interpretations are made *ceteris paribus* ; many other factors explain differences in management practices besides culture. The relationships discussed here must also be evaluated with the following limitations in mind. First, only a limited set of values and assumptions have been used to represent the hidden dimensions of culture. There are others that may prove to be more relevant with additional research. Secondly, only bivariate relationships have been discussed; the association of one assumption or value with a specific management practice. In reality, management processes are more complex and multivariate in nature, but research to date does not permit a consistent multivariate explanation. Finally, most of the relationships discussed here have not been scientifically verified. However, they represent the ideas of at least one scholar in the field of anthropology, cross-cultural studies, or comparative management, subject to my interpretation of their works.

It is my hope that this discussion will: (1) assist faculty and students wishing to integrate more cultural concepts into their management courses, and (2) begin to focus on explanations of cross-cultural differences that can be applied to a variety of cultural settings. Finally, I hope I can initiate a dialogue with faculty and students who read this manuscript and have recommendations for improvement in either the content, interpretation, or presentation of the material.

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

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