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I, WE, AND THEY

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A medium-size Swedish high-technology corporation was approached by a compatriot, a businessman with good contacts in Saudi Arabia. The company sent one of their engineers—let me call him Johannesson—to Riyadh, where he was introduced to a small Saudi engineering firm, run by two brothers in their mid-thirties, both with British university degrees. Johannesson was to assist in a development project on behalf of the Saudi government. However, after six visits over a period of two years, nothing seemed to happen. Johannesson's meetings with the Saudi brothers were always held in the presence of the Swedish businessman who had established the first contact. This annoyed Johannesson and his superiors, because they were not at all sure that this businessman did not have contacts with their competitors as well—but the Saudis wanted the intermediary to be there. Discussions often dwelt on issues having little to do with the business—like Shakespeare, of whom both brothers were fans.

Just when Johannesson's superiors started to doubt the wisdom of the corporation's investment in these expensive trips, a telex arrived from Riyadh inviting him back for an urgent visit. A contract worth several millions of dollars was ready to be signed. From one day to the next, the Saudis' attitude changed: the presence of the businessman—intermediary was no longer necessary, and for the first time Johannesson saw the Saudis smile, and even make jokes.

So far, so good; but the story goes on. The remarkable order contributed to Johannesson being promoted to a management position in a different division. Thus, he was no longer in charge of the Saudi account. A successor was nominated, another engineer with considerable international experience, whom Johannesson personally introduced to the Saudi brothers. A few weeks later a telex arrived from Riyadh in which the Saudis

threatened to cancel the contract over a detail in the delivery conditions. Johannesson's help was asked. When he came to Riyadh it appeared that the conflict was over a minor issue and could easily be resolved—but only, the Saudis felt, with Johannesson as the corporation's representative. So the corporation twisted its structure to allow Johannesson to handle the Saudi account although his main responsibilities were now in a completely different field.

The Individual and the Collective in Society

The Swedes and the Saudis in this true story have different concepts of the role of personal relationships in business. For the Swedes, business is done with a company; for the Saudis, with a person whom one has learned to know and trust. As long as one does not know another person well enough it is convenient to have present an intermediary or go-between, someone who knows and is trusted by both parties. At the root of the difference between these cultures is a fundamental issue in human societies: the role of the individual versus the role of the group.

The vast majority of people in our world live in societies in which the interest of the group prevails over the interest of the individual. I will call these societies *collectivist*, using a word which to some readers may have political connotations, but it is not meant here in any political sense. It does not refer to the power of the state over the individual but to the *power of the group*. The first group in our lives is always the family into which we are born. Family structures, however, differ between societies. In most collectivist societies the 'family' within which the child grows up consists of a number of people living closely together; not just the parents and other children, but, for

example, grandparents, uncles, aunts, servants, or other housemates. This is known in cultural anthropology as the *extended family*. When children grow up they learn to think of themselves as part of a 'we' group, a relationship which is not voluntary but given by nature. The 'we' group is distinct from other people in society who belong to 'they' groups, of which there are many. The 'we' group (or ingroup) is the major source of one's identity, and the only secure protection one has against the hardships of life. Therefore one owes lifelong loyalty to one's ingroup, and breaking this loyalty is one of the worst things a person can do. Between the person and the ingroup a dependence relationship develops which is both practical and psychological.

A minority of people in our world live in societies in which the interests of the individual prevail over the interests of the group, societies which I will call *individualist*. In these, most children are born into families consisting of two parents and, possibly, other children; in some societies there is an increasing share of one-parent families. Other relatives live elsewhere and are rarely seen. This type is the *nuclear family* (from the Latin *nucleus* meaning core). Children from such families, as they grow up, soon learn to think of themselves as 'I'. This 'I', their personal identity, is distinct from other people's 'I's, and these others are not classified according to their group membership but to individual characteristics. Playmates, for example, are chosen on the basis of personal preferences. The purpose of education is to enable the child to stand on its own feet. The child is expected to leave the parental home as soon as this has been achieved. Not infrequently, children, after having left home, reduce relationships with their parents to a minimum or break them off altogether. Neither practically nor psychologically is the healthy person in this type of society supposed to be dependent on a group.

Measuring the Degree of Individualism in Society

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The new dimension is defined as follows. *Individualism* pertains to societies in which the ties be-

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

Degrees of individualism obviously vary within countries as well as between them, so it is again very important to base the country scores on comparable samples from one country to another. The IBM samples offered this comparability.

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The dimension to be identified with individualism versus collectivism was most strongly associated with the relative importance attached to the following 'work goal' items. For the individualist pole:

1. *Personal time* Have a job which leaves you sufficient time for your personal or family life.
2. *Freedom* Have considerable freedom to adopt your own approach to the job.
3. *Challenge* Have challenging work to do—work from which you can achieve a personal sense of accomplishment.

For the opposite, collectivist pole:

4. *Training* Have training opportunities (to improve your skills or learn new skills).
5. *Physical conditions* Have good physical working conditions (good ventilation and lighting, adequate work space, etc.).
6. *Use of skills* Fully use your skills and abilities on the job.

If the IBM employees in a country scored work goal (1) as relatively important, they generally also scored (2) and (3) as important, but (4), (5), and (6) as unimportant. Such a country was considered individualist. If (1) was scored as relatively unimportant, the same generally held for (2) and (3), but (4), (5), and (6) would be scored as

TABLE 1 Individualism Index (IDV) Values for 50 Countries and 3 Regions

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

relatively more important. Such a country was considered collectivist.

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... The factor scores for the individualism dimension were multiplied by 25 and a constant number of 50 points was added. This puts all scores in a range from close to 0 for the most collectivist country to close to 100 for the most individualist one.¹

The individualism index (IDV) scores can be

read from Table 1. . . . The scores represent the relative positions of countries. What can immediately be recognized by inspecting Table 1 is that nearly all wealthy countries score high on IDV while nearly all poor countries score low. There is a strong relationship between a country's national wealth and the degree of individualism in its culture; it will be further explored later in this chapter.

Sweden scores 171 on IDV and the group of Arab-speaking countries to which Saudi Arabia

belongs scores an average of 38, which demonstrates the cultural roots of Johannesson's dilemma. Of course, the Arab countries differ among themselves, and impressionistically the Saudis within this region are even more collectivist than some other Arabs like Lebanese or Egyptians. In the IBM sample the latter were more strongly represented than the Saudis. Sweden's rank among 53 countries and regions is 10-11 and the Arab countries' rank 26-27, so there are still a lot of countries scoring more than the Arab average. As stated above, collectivism is the rule in our world, and individualism the exception.

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Individualism and Collectivism in the Family

At the beginning of this chapter individualism was associated with a nuclear family structure and collectivism with an extended family structure, the latter leading to the distinction between ingroup and outgroups. The relationship between the individual and the group, like other basic elements of human culture, is first learned in the family setting. The fact that Japan scores halfway in Table 1 (rank 22/23, IDV 46) can at least partly be understood from the fact that in the traditional Japanese family only the oldest son continues to live with his parents, thus creating a 'lineal' structure which is somewhere in between nuclear and extended.

There is a correlation between the degree of collectivism in a society as measured by the IDV and the likelihood that sons will share the occupation of their fathers (Hofstede, 1980, p. 257; 1984, pp. 169-170). In more individualist societies the chances are greater that sons of fathers in manual occupations will move to nonmanual occupations and vice versa. In more collectivist societies this happens more rarely, an obvious outcome of sons staying within the extended family sphere.

The child who grows up among a number of elders, peers, and juniors learns naturally to conceive of itself as part of a 'we'; much more so than the nuclear family child. An extended family child is seldom alone during the day or at night. An African student who came to a Belgian university

to study told us that this was the first time in his life she had ever been alone in a room for an sizeable length of time.

In a situation of intense and continuous social contact the maintenance of *harmony* with one's social environment becomes a key virtue which extends to other spheres beyond the family. In most collectivist cultures direct confrontation of another person is considered rude and undesirable. The word 'no' is seldom used, because saying no is a confrontation; 'you may be right' or 'we will think about it' are examples of polite ways of turning down a request. In the same vein, the word 'yes' should not necessarily be seen as an approval, but as maintenance of the communication line: 'yes, I heard you' is the meaning it has in Japan.

In individualist cultures, on the other hand, speaking one's mind is a virtue. Telling the truth about how one feels is the characteristic of a sincere and honest person. Confrontation can be salutary; a clash of opinions is believed to lead to a higher truth. The effect of communications on other people should be taken into account, but it does not, as a rule, justify changing the facts. Adult individuals should have learned to take direct feedback constructively. In the family, children are told one should always tell the truth, even if it hurts. Coping with conflict is a normal part of living together as a family.

A former Dutch missionary in Indonesia (a country with IDV 14, rank 47/48) told about his parishioners' unexpected exegesis of the following parable from the Bible: 'A man had two sons. He went to the first and said "Son, go and work in the vineyard today"; he replied "I will go, sir", but he did not go. The man went to the second and said the same to him. He replied "I will not", but afterwards he changed his mind and did go. Which of the two did the will of the father?' (St. Matthew 21: 28-31; Moffatt translation). The biblical answer is 'the last', but the missionary's Indonesian parishioners chose the first; for this son observed the formal harmony and did not contradict his father. Whether he actually went was of secondary importance.

In the collectivist family children learn to take their bearings from others when it comes to opinions. 'Personal opinions' do not exist: they are predetermined by the group. If a new issue comes up

on which there is no established group opinion, some kind of family conference is necessary before an opinion can be given. A child who repeatedly voices opinions deviating from what is collectively felt is considered to have a bad character. In the individualist family, on the contrary, children are expected and encouraged to develop opinions of their own, and a child who only ever reflects the opinions of others is considered to have a weak character. The behavior corresponding with a desirable character depends on the cultural environment.

The loyalty to the group which is an essential element of the collectivist family also means that resources are shared. If one member of an extended family of 20 persons has a paid job and the others have not, the earning member is supposed to share his or her income in order to help feed the entire family. On the basis of this principle a family may collectively cover the expenses for sending one member to get a higher education, expecting that when this member subsequently achieves a well-paid job the income will also be shared.

In individualist cultures parents will be proud if children at an early age take small jobs in order to earn pocket-money of their own, which they alone can decide how to spend. In the Netherlands, as in many other individualist Western European countries, the government contributes substantially to the living expenses of students. Recently the system has been changed from an allowance to the parents to an allowance directly to the students themselves, which stresses their independence. From now on the government will consider both boys and girls as independent economic players from age 18 onwards. In the USA it is quite normal for students to pay for their own study by temporary jobs and personal loans; without government support they too are less dependent on their parents and not at all on more distant relatives.

Obligations to the family in a collectivist society are not only financial but also ritual. Family celebrations like baptisms, marriages, and, especially, funerals are extremely important and should not be missed. Expatriate managers from individualist societies are often surprised by the family reasons given by employees from a collectivist host society who apply for a special leave;

the expatriates think they are being fooled but most likely the reasons are authentic.

In an individualist culture when people meet they feel a need to communicate verbally. Silence is considered abnormal. Social conversations can be depressingly banal, but they are compulsory. In a collectivist culture the fact of being together is emotionally sufficient; there is no compulsion to talk unless there is information to be transferred. Raden Mas Hadjiwibowo, an Indonesian businessman from a Javanese noble family, recalls the family visits from his youth as follows:

'Visits among Javanese family members needed no previous appointment. Actually that could easily be done, for although the telephone had not come into common use yet, one could always send a servant with a letter asking for an appointment. But it was not done, it never occurred to one that a visit would not suit the other party. It was always convenient. Unexpected visitors did not exist. The door was (and still is) always open.

The visitors were welcomed with joyful courtesy and would be asked to take a seat. The host and hostess hurriedly withdrew to change into more suitable attire than their workaday clothes. Without asking, a servant brought in coffee or tea. Cookies were offered, while in the meantime the host and hostess had joined the party.

There we sat, but nobody spoke. We were not embarrassed by this silence; nobody felt nervous about it. Every now and then, thoughts and news were exchanged. But this was not really necessary. We enjoyed being together, seeing each other again. After the first exchange of news, any other communication was utterly redundant. If one did not have anything to say, there was no need to recite platitudes. After an hour or so, the guests would ask permission to leave. With mutual feelings of satisfaction, we parted. In smaller towns on the island of Java life is still like this.'²

US anthropologist and popular author Edward T. Hall distinguishes cultures on the basis of their way of communicating along a dimension from 'high-context' to 'low context' (Hall, 1976). A high-context communication is one in which little

has to be said or written because most of the information is either in the physical environment or within the person, while very little is in the coded, explicit part of the message. This type of communication is frequent in collectivist cultures; Hadjiwibowo's family visit is a case example. A low-context communication is one in which the mass of information is vested in the explicit code, which is typical for individualist cultures. Lots of things which in collectivist cultures are self-evident must be said explicitly in individualist cultures. American business contracts are much longer than Japanese business contracts.

Next to harmony another important concept in connection with the collectivist family is *shame*. Individualist societies have been described as *guilt* cultures: persons who infringe upon the rules of society will often feel guilty, ridden by an individually developed conscience which functions as a private inner pilot. Collectivist societies, on the contrary, are *shame* cultures: persons belonging to a group from which a member has infringed upon the rules of society will feel ashamed, based upon a sense of collective obligation. Shame is social in nature, guilt individual; whether shame is felt depends on whether the infringement has become known by others. This becoming known is more of a source of shame than the infringement itself. Such is not the case for guilt, which is felt whether or not the misdeed is known by others.

At last concept bred in the collectivist family is *face*. 'Losing face', in the sense of being humiliated, is an expression which penetrated into the English language from the Chinese; the English had no equivalent for it. David Yau-Fai Ho, a Hong Kong social scientist, defines it as follows: 'Face is lost when the individual, either through his action or that of people closely related to him, fails to meet essential requirements placed upon him by virtue of the social position he occupies' (Ho, 1976, p. 867). The Chinese also speak of 'giving someone face', in the sense of honor or prestige. Basically, 'face' describes the proper relationship with one's social environment, which is as essential to a person (and that person's family) as the front part of his/her head. The importance of face is the consequence of living in a society that is very conscious of social contexts. The languages of other collectivist cultures have words

with more-or-less similar meanings. In Greece for example, there is a word *philotimo*; Harry Triandis, a Greek-American psychologist, writes

A person is *philotimos* to the extent in which he conforms to the norms and values of his ingroup. These include a variety of sacrifices that are appropriate for members of one's family, friends, and others who are 'concerned with one's welfare'; for example, for a man to delay marriage until his sisters have married and have been provided with a proper dowry is part of the normative expectations of traditional rural Greeks as well as rural Indians (and many of the people in between). (Triandis, 1972, p. 38)

In the individualist society the counterpart characteristic is 'self-respect', but this again is defined from the point of view of the individual, whereas 'face' and 'philotimo' are defined from the point of view of the social environment.

Collectivist societies usually have ways of creating family-like ties with persons who are not biological relatives but who are socially integrated into one's ingroup. In Latin America, for example, this can be done via the institution of *compadres* and *comadres* who are treated as relatives even if they are not. In Japan younger sons in past times became apprentices to craftsmasters through a form of adoption. Similar customs existed in medieval Central Europe.

Individualism and Collectivism at School

The relationship between the individual and the group which has been established in a child's consciousness during its early years in the family is further developed and reinforced at school. This is very visible in classroom behavior. In the context of development assistance it often happens that teachers from a more individualist culture move to a more collectivist environment. A typical complaint from such teachers is that students do not speak up in class, not even when the teacher puts a question to the class. For the student who conceives of him/herself as part of a group, it is illogical to speak up without being sanctioned by

the group to do so. If the teacher wants students to speak up, she or he should address a particular student personally.

Collectivist culture students will also hesitate to speak up in larger groups without a teacher present, especially if these are partly composed of relative strangers: outgroup members. This hesitation decreases in smaller groups. Personally I obtained broad participation when teaching a collectivist class by asking students to turn around in their seats so that groups of three were formed. I asked the students to discuss a question for five minutes, and to decide who would report their joint answer to the class. Through this device students had an opportunity to develop a group answer and felt comfortable when speaking up before the class because they acted as the small group's representative. I also noticed that in subsequent exercises the students arranged for the spokespersons to rotate. Taking turns in group activities is a habit which exists in many collectivist cultures.

The desirability of having students speak up in class is more strongly felt in individualist than in collectivist cultures. Because most collectivist cultures also maintain large power distances, their education tends to be teacher-centered with little two-way communication. . . .

In the collectivist society ingroup-outgroup distinctions springing from the family sphere will continue at school, so that students from different ethnic or clan backgrounds often form subgroups in class. In an individualist society the assignment of joint tasks leads more easily to the formation of new groups than in the collectivist society. In the latter, students from the same ethnic or family background as the teacher or other school officials will expect preferential treatment on this basis. In an individualist society this would be considered nepotism and intensely immoral, but in a collectivist environment it is immoral *not* to treat one's ingroup members better than others.

In the collectivist classroom the virtues of harmony and the maintenance of 'face' reign supreme. Confrontations and conflicts should be avoided, or at least formulated so as not to hurt anyone; even students should not lose face if this can be avoided. Shaming, that is invoking the group's honor, is an effective way of correcting offenders: they will be put in order by their ingroup

members. At all times the teacher is dealing with the student as part of an ingroup, never as an isolated individual.

In the individualist classroom, of course, students expect to be treated as individuals and impartially, regardless of their background. Group formation among students is much more *ad hoc*, according to the task, or to particular friendships and skills. Confrontations and open discussion of conflicts is often considered salutary, and face-consciousness is weak or nonexistent.

The purpose of education is perceived differently between the individualist and the collectivist society. In the former it aims at preparing the individual for a place in a society of other individuals. This means learning to cope with new, unknown, unforeseen situations. There is a basically positive attitude towards what is new. The purpose of learning is less to know how to do, as to know *how to learn*. The assumption is that learning in life never ends; even after school and university it will continue, for example through recycling courses. The individualist society in its schools tries to provide the skills necessary for 'modern man'.

In the collectivist society there is a stress on adaptation to the skills and virtues necessary to be an acceptable group member. This leads to a premium on the products of *tradition*. Learning is more often seen as a one-time process, reserved for the young only, who have to learn *how to do* things in order to participate in society.

The role of diplomas or certificates as a result of successful completion of study is also different between the two poles of the individualism-collectivism dimension. In the individualist society the diploma not only improves the holder's economic worth but also his or her self-respect: it provides a sense of achievement. In the collectivist society a diploma is an honor to the holder and his or her ingroup which entitles the holder to associate with members of higher-status groups; for example, to obtain a more attractive marriage partner. It is to a certain extent 'a ticket to ride'. The social acceptance that comes with the diploma is more important than the individual self-respect that comes with mastering a subject, so that in collectivist societies the temptation is stronger to obtain diplomas in some irregular way, such as on the black market.

Individualism and Collectivism in the Workplace

Employed persons in an individualist culture are expected to act according to their own interest, and work should be organized in such a way that this self-interest and the employer's interest coincide. Workers are supposed to act as 'economic men', or as people with a combination of economic and psychological needs, but in either case as individuals with their own needs. In a collectivist culture an employer never hires just an individual, but a person who belongs to an ingroup. The employee will act according to the interest of this ingroup, which may not always coincide with his or her individual interest: self-effacement in the interest of the ingroup belongs to the normal expectations in such a society. Often earnings have to be shared with relatives.

The hiring process in a collectivist society always takes the ingroup into account. Usually preference is given to hiring relatives, first of all of the employer, but also of other persons already employed by the company. Hiring persons from a family one already knows reduces risks. Also, relatives will be concerned about the reputation of the family and help to correct misbehavior of a family member. In the individualist society family relationships at work are often considered undesirable as they may lead to nepotism and to a conflict of interest. Some companies have a rule that if one employee marries another, one of them has to leave.

The workplace itself in a collectivist society may become an ingroup in the emotional sense of the word. In some countries this is more the case than in others, but the feeling that it should be this way is nearly always present. The relationship between employer and employee is seen in moral terms. It resembles a family relationship with mutual obligations of protection in exchange for loyalty. Poor performance of an employee in this relationship is no reason for dismissal; one does not dismiss one's child. Performance and skills, however, do determine what tasks one assigns to an employee. This pattern of relationships is best known from Japanese organizations. In Japan it applies in a strict sense only to the group of permanent employees which may be less than half of

the total work force. Japan scores halfway on the IDV scale. In individualist societies the relationship between employer and employee is primarily conceived as a business transaction, a calculative relationship between buyers and sellers on a 'labor market'. Poor performance on the part of the employee or a better pay offer from another employer are legitimate and socially accepted reasons for terminating a work relationship.

Christopher Earley, a management researcher from the USA, has illustrated the difference in work ethos between an individualist and a collectivist society very neatly with a laboratory experiment. In the experiment, 48 management trainees from southern China and 48 matched management trainees from the USA were given an 'in-basket task'. The task consisted of 40 separate items requiring between two and five minutes each, like writing memos, evaluating plans, and rating job candidates' application forms. Half of the participants in either country were given a group goal of 200 items to be completed in an hour by 10 people; the other half were given each an individual goal of 20 items. Also, half of the participants in either country, both from the group goal and from the individual goal subset, were asked to mark each item completed with their name, the other half turned them in anonymously.

The Chinese, collectivist, participants performed best when operating with a group goal, and anonymously. They performed worst when operating individually and with their name marked on the items produced. The American, individualist, participants performed best when operating individually and with their name marked, and abysmally low when operating as a group and anonymously. All participants were also given a values test to determine their personal individualism or collectivism: a minority of the Chinese scored individualist, and these performed according to the US pattern; a minority of the Americans scored collectivist and these performed like the Chinese (Earley, 1989).

In practice there is a wide range of types of employer-employee relationships within collectivist and individualist societies. There are employers in collectivist countries who do not respect the societal norm to treat their employees as

ingroup members, but then the employees in turn do not repay them in terms of loyalty. Labor unions in such cases may replace the work organization as an emotional ingroup and there can be violent union-management conflicts, as in parts of India. There are employers in individualist societies who have established a strong group cohesion with their employees, with the same protection-versus-loyalty balance which is the norm in the collectivist society. Organization cultures can to some extent deviate from majority norms and derive a competitive advantage from their originality. . . .

Management in an individualist society is management of individuals. Subordinates can usually be moved around individually; if incentives or bonuses are given, these should be linked to an individual's performance. Management in a collectivist society is management of groups. The extent to which people actually feel emotionally integrated into a work group may differ from one situation to another. Ethnic and other ingroup differences within the work group play a role in the integration process and managers within a collectivist culture will be extremely attentive to such factors. It often makes good sense to put people from the same ethnic background into one crew, although individualistically programmed managers usually consider this dangerous and want to do the opposite. If the work group functions as an emotional ingroup, incentives and bonuses should be given to the group, not to individuals.

Within countries with a dominant individualist middle-class culture, regional rural subcultures have sometimes retained strongly collectivist elements. The same applies to the migrant worker minorities which form majorities among the work force in some industries in some individualist countries. In such cases a culture conflict is likely between managers and regional or minority workers. This conflict expresses itself, among other things in the management's extreme hesitation to use group incentives in cases when they are the only things that really suit the culture of the work force.

Management techniques and training packages have almost exclusively been developed in individualist countries, and they are based on cul-

tural assumptions which may not hold in collectivist cultures. A standard element in the training of first-line managers is how to conduct 'appraisal interviews': periodic discussions in which the subordinate's performance is reviewed. These can form part of MBO [management by objectives] . . . , but even where MBO does not exist, conducting performance appraisals and the ability to communicate 'bad news' are considered key skills for a successful manager. In a collectivist society discussing a person's performance openly with him or her is likely to clash head-on with the society's harmony norm and may be felt by the subordinate as an unacceptable loss of face. Such societies have more subtle, indirect ways of communicating feedback: for example by the withdrawal of a normal favor or verbally via an intermediary. I know of a case in which an older relative of the poorly performing employee, also in the service of the employer, played this intermediary role. He communicated the bad news to his nephew, avoiding the loss of face which a formal appraisal interview would have provoked.

The Sensitivity Training (T-Group) fashion of the 1960s, the encounter group fashion of the 1970s, and the transactional analysis fashion of the 1980s have all been developed in the USA, the country with the highest individualism index score in Table 1. Each of them is based on honest and direct sharing of feelings about other people. Such training methods are unfit for use in collectivist cultures. There, sensitivity training is felt to be training in *insensitivity*; daily life is filled with encounters so that no special groups have to be formed to this purpose. Relationships between people are never seen as 'transactions' between individuals: they are moral in nature, not calculative.

The distinction between ingroup and outgroups which is so essential in the collectivist culture pattern has far-reaching consequences for business relationships, beyond those between employers and employees. It is the reason behind the cultural embarrassment of Mr Johannesson and his Swedish superiors in Saudi Arabia related at the beginning of this chapter. In individualist societies the norm is that one should treat everybody alike. In sociological jargon this is known as *universalism*. Preferential treatment of one

TABLE 2 Key Differences Between Collectivist and Individualist Societies. . . .

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

customer over others is considered bad business practice and unethical. In collectivist societies the reverse is true. As the distinction between 'our group' and 'other groups' is at the very root of people's consciousness, treating one's friends better than others is natural and ethical, and sound business practice. Sociologists call this way of thinking *particularism*.

A consequence of particularist thinking is that in a collectivist society a relationship of trust should be established with another person before any business can be done. Through this relationship the other is adopted into one's ingroup and from that moment onwards is entitled to preferential treatment. In Johansson's case this process of adoption took two years. During this period the presence of the Swedish businessman as an intermediary was essential. After the adoption had taken place it became superfluous. However, the relationship was with Johansson personally and not with his company. To the collectivist mind only natural persons are worthy of

trust, and via these persons their friends and colleagues, but not impersonal legal entities like a company. In summary: in the collectivist society *the personal relationship prevails over the task* and should be established first; in the individualist society *the task is supposed to prevail over any personal relationships*. The naive Western businessman who tries to force quick business in a collectivist culture condemns himself to the role of outgroup member and to negative discrimination.

Table 2 summarizes the key differences between collectivist and individualist societies described so far.

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Individualism, Collectivism, and Ideas

Individualist societies not only practice individualism but also consider it superior to other forms of mental software. Most Americans feel that in

individualism is good, and at the root of their country's greatness. On the other hand, the late Chairman Mao Tse Tung of China identified individualism as evil. He found individualism and liberalism responsible for selfishness and aversion to discipline; they led people to placing personal interests above those of the group, or simply to devoting too much attention to one's own things. Table 1 contains no data for the People's Republic of China but the countries with a predominantly Chinese population all score very low on the individualism index (25 for Hong Kong, 20 for Singapore, 17 for Taiwan).

Economics as a discipline was founded in Great Britain in the eighteenth century; among the founding fathers Adam Smith (1723-1790) stands out. Smith assumed that the pursuit of self-interest by individuals through an 'invisible hand' would lead to the maximal wealth of nations. This is a highly individualist idea from a country which even today ranks near the top on individualism. Economics has remained an individualist science and most of its leading contributors have come from strongly individualistic countries like the UK and the USA. However, because of the individualist assumptions on which they are based, economic theories as developed in the West are unlikely to apply in societies in which not individual interest, but group interests prevail. Unfortunately there are few alternative economic theories yet to deal with collectivist economies. The Dutch sociologist Cas Vroom, describing the situation of Indonesia, contrasts the Western orientation towards 'return on investment' with an Indonesian 'return on favors' (Vroom, 1981).

The French Revolution, the bicentennial celebration of which took place in 1989, had as its slogan *liberté, égalité, fraternité*: freedom, equality, brotherhood. This was the slogan of political idealists who wanted to have their cake and eat it, for it does not recognize that in politics there is an inescapable trade-off between freedom and equality, and very little brotherhood. Not much of the revolutionary ideal was realized in France, as we know: it led to the Reign of Terror and subsequently to the dictatorship and military adventures of Napoleon. . . .

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The degree of individualism or collectivism of a society will affect the conceptions of human nature produced in that society. In the USA the ideas of Abraham Maslow (1908-70) about human motivation have been and are still quite influential, in particular for the training of management students and practitioners. Maslow formulated his famous 'hierarchy of human needs' in 1943. It states that human needs can be ordered in a hierarchy from lower to higher, as follows: physiological, safety, belongingness, esteem, and self-actualization. In order for a higher need to appear it is necessary that the lower needs have been satisfied up to a certain extent. A starving person, that is, one whose physiological needs are not at all satisfied, will not be motivated by anything other than the quest for food, and so forth. At the top of Maslow's hierarchy, which is often pictured as a pyramid, there is the motive of self-actualization: realizing to the fullest possible extent the creative potential present within the individual. This means 'Doing one's own thing', as it was called in the US youth culture of the 1960s. It goes without saying that this can only be the supreme motivation in an individualist society. In a collectivist culture, what will be actualized is the interest and honor of the ingroup which may very well ask for self-effacement from many of the ingroup members. As the interpreter for a group of American visitors to China remarked, the idea of 'doing your own thing' is not translatable into Chinese.

Maslow's main book in which he explained his theories (Maslow, 1970) is based on a concept of personality which is common in Western thinking, but which is not universal. The Chinese-American anthropologist Francis Hsu has shown that the Chinese language has no equivalent for 'personality' in the Western sense. Personality in the West is a separate entity, distinct from society and culture: an attribute of the individual. The closest translation into Chinese is *jen* (*ren* in the modern transcription), which stands for 'person' as a 'human constant', which includes not only the individual but also his or her intimate societal and cultural environment which makes his or her existence meaningful (Hsu, 1971).

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The Future of Individualism and Collectivism

The deep roots of national cultures make it likely that individualism-collectivism differences, like power distance differences, will survive for a long time. Yet if there is to be any convergence between national cultures it should be on this dimension. The strong relationship between national wealth and individualism is undeniable, with the arrow of causality directed, as shown above, from wealth to individualism. Countries having achieved fast economic development have experienced a shift towards individualism. Japan is an example: the Japanese press regularly publishes stories of breaches of traditional family solidarity. Care for the aged in the past was considered a task for the Japanese family, but provisions by the state have become necessary for cases where the family stops fulfilling its traditional duties.

Nevertheless, even at a level of per capita income equal to or larger than Western countries, Japanese society will very likely conserve distinctive collectivist elements in its family-, school-, and work-spheres. The same holds for differences among Western countries themselves. Next to a noticeable convergency towards individualism under the influence of a common economic boom, relationships between the individual and the group continue to differ between, say, the UK, Sweden, and Germany. The cultures shift, but they shift together, so that the differences between them remain intact.

As far as the poor countries of the world are concerned there is no reason why they should become more individualist as long as they remain poor. The IBM data bank allowed for measurement of the shifts in individualism during the four-year period from 1968 to 1972. Out of 20 countries which had been surveyed in both periods, 19 had become richer, and all of these had shifted towards greater individualism. The only country in the set that had become poorer, Pakistan, shifted slightly towards the collectivist end of the scale.

Differences in values associated with the individualism-collectivism dimension will continue to exist and to play a big role in international af-

fairs, for example in negotiations between rich and poor countries. Individualism versus collectivism as a dimension of national cultures is responsible for many misunderstandings in intercultural encounters. . . .

NOTES

1. Using factor scores as a basis for country indices was very easy for the initial IBM study but makes it difficult to compute index values in later follow-up studies. The scoring guide for the 1982 values survey module issued by the Institute for Research on Intercultural Cooperation (IRIC) therefore contains an approximation formula, in which the individualism index value can be computed by simple mathematics from four of the 'work goals' mean scores.

2. From a speech by R. M. Hadjiwibowo to Senator Senior Management College, the Netherlands, September 1983. Translation from the Dutch by GH with suggestions from the author.

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KEY TERMS

individualism	cultural values
collectivism	family
power distance	work
organizational communication	

DISCUSSION QUESTIONS

1. In what ways are your relationships with your friends more or less individualistic or collectivistic?
2. What advice would you give international students from collectivist cultures about making friends at a U.S. university?
3. How do you think individualistic-collectivistic behavior might vary from context to context? For example, might your behavior be more collectivistic in family contexts, less so in work contexts?
4. Hofstede's research was conducted from a social science perspective. How might an interpretive or critical research investigate national values?
5. What are the dangers (limitations) of making generalizations about behaviors based on nationality?