

NOTES

1. Extract from *Race and History*, first published in *The Race Question in Modern Science*, Paris, UNESCO, 1952.

2. Extract from "Race and Culture," published in UNESCO's *International Social Science Journal*, Vol. XXIII, No. 4, 1971.

Claude Lévi-Strauss is a French social anthropologist and university teacher whose work has exerted considerable influence on the development of contemporary social sciences.

Reading 1.2

Business Cultures

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EVERY ORGANIZATION HAS ITS SYMBOLS, RITUALS, AND HEROES

Management means getting things done through (other) people. This is true the world over. In order to achieve this, one has to know the people involved. Understanding people means understanding their background, from which their present and future behaviour can be predicted.

Their background has provided them with a certain culture, the word *culture* being used in the sense of "the collective programming of the mind which distinguishes the members

of one category of people from another." The "category of people" may be a nation, a region or an ethnic group, women or men (gender culture), old or young (age group and generation culture), a social class, a profession or occupation (occupational culture), a type of business, a work organization or part of it (organizational culture), or even a family.

Culture is composed of many elements which may be classified in four categories: symbols, heroes, rituals and values.

Symbols are words, objects and gestures which derive their meaning from convention.

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At the level of national cultures, symbols include the entire area of language. At the level of organizational culture, symbols include abbreviations, slang, modes of address, dress codes and status symbols, all recognized by insiders only.

Heroes are real or imaginary people, dead or alive, who serve as models for behaviour within a culture. Selection processes are often based on hero models of "the ideal employee" or "the ideal manager." Founders of organizations sometimes become mythical heroes later on, and incredible deeds are ascribed to them.

Rituals are collective activities that are technically superfluous but, within a particular culture, socially essential. In organizations they include not only celebrations but also many formal activities defended on apparently rational grounds: meetings, the writing of memos, and planning systems, plus the informal ways in which formal activities are performed: who can afford to be late for what meeting, who speaks to whom, and so on.

Values represent the deepest level of a culture. They are broad feelings, often unconscious and not open to discussion, about what is good and what is bad, clean or dirty, beautiful or ugly, rational or irrational, normal or abnormal, natural or paradoxical, decent or indecent. These feelings are present in the majority of the members of the culture, or at least in those persons who occupy pivotal positions.

Nationality (and gender as well) is an involuntary attribute; we are born within a family, within a nation, and are subject to the mental programming of its culture from birth. Here we acquire most of our basic values. Occupational choice is partly voluntary (dependent on the society and family); it leads to choice of schools, and at school we are socialized to the values and the practices of our chosen occupation.

When we enter a work environment, we are usually young or not-so-young adults, with

most of our values firmly entrenched, but we will become socialized to the practices of our new work environment. National cultures, therefore, differ mostly at the level of basic values, while occupational and, even more, organizational cultures differ more superficially (in their symbols, heroes and rituals).

NATIONAL CULTURE DIFFERENCES

Results from a number of research projects have led me to classify national cultures along five dimensions. The first four were found by comparing the values of employees and managers in fifty-three different national subsidiaries of the IBM Corporation. They have been labeled:

1. *Power distance*, or the degree of inequality among people which the population of a country considers as normal: from relatively equal to extremely unequal.
2. *Individualism*, or the degree to which people in a country have learned to act as individuals rather than as members of cohesive groups: from collectivist to individualist.
3. *Masculinity*, or the degree to which "masculine" values like assertiveness, performance, success and competition prevail over "feminine" values like the quality of life, maintaining warm personal relationships, service, caring, and solidarity: from tender to tough.
4. *Uncertainty avoidance*, or the degree to which people in a country prefer structured over unstructured situations: from relatively flexible to extremely rigid.

The table . . . lists for twenty-five out of the fifty-three countries studied the scores for these dimensions (the table also contains a fifth dimension that will be explained later). All scores are relative: the scales have been

Table 1 Score for 25 Countries on Five Dimensions of National Values

Country	Power Distance		Individualism		Masculinity		Uncertainty Avoidance		Long-term Orientation	
	Index (PDI)	Rank	Index (IDV)	Rank	Index (MAS)	Rank	Index (UAI)	Rank	Index (LTO)	Rank
Austria	11	53	55	18	79	2	70	24-25		
Belgium	65	20	75	8	54	22	94	5-6		
Brazil	69	14	38	26-27	49	27	76	21-22	65	5
Denmark	18	51	74	9	16	50	23	51		
Finland	33	46	63	17	26	47	59	31-32		
France	68	15-16	71	10-11	43	35-36	86	10-15		
Germany	35	42-44	67	15	66	9-10	65	29	31	11-12
Greece	60	27-28	35	30	57	18-19	112	1		
Hong Kong	68	15-16	25	37	57	18-19	29	49-50	96	1
India	77	10-11	48	21	56	20-21	40	45	61	6
Ireland	28	49	70	12	68	7-8	35	47-48		
Israel	13	52	54	19	47	29	81	19		
Italy	50	34	76	7	70	4-5	75	23		
Japan	54	33	46	22-23	95	1	92	7	80	3
Mexico	81	5-6	30	32	69	6	82	18		
Netherlands	38	40	80	4-5	14	51	53	35	44	9
Norway	31	47-48	69	13	8	52	50	38		
Portugal	63	24-25	27	33-35	31	45	104	2		
Spain	57	31	51	20	42	37-38	86	10-15		
Sweden	31	47-48	71	10-11	5	52	29	49-50	33	10
Switzerland	34	45	68	14	70	4-5	58	33		
Taiwan	58	29-30	17	44	45	32-33	69	26	87	2
Turkey	66	18-19	37	28	45	31-33	85	16-17		
United Kingdom	35	42-44	89	3	66	9-10	35	47-48	25	15-16
U.S.A.	40	38	91	1	62	15	46	43	29	14

Note: Ranks: 1 = highest; 53 = lowest. For LT Orientation, 20 = lowest.

chosen so that the distance between the lowest and highest scoring country on each dimension is about 100 points.

The table shows that European countries vary widely on all four dimensions. Power distances are large in France and Portugal; collectivism prevails over individualism in Portugal and Greece; Austria and Italy are very masculine, while Sweden and the Netherlands are very feminine; Belgium and France are uncertainty-avoiding, while Denmark and the United States easily accept uncertainty.

All these differences affect ways of management in these countries. Large power distances favour centralization, while small power distances favour decentralization. Collectivism favours group rewards and family enterprises, while individualism favours easy job-hopping and individual rewards. Masculinity favours competition and survival of the fittest while femininity favours solidarity and sympathy for the weak. Uncertainty avoidance favours strict rules and principles, while its opposite favours opportunism and tolerance of deviant behaviour.

THE FIFTH DIMENSION

In subsequent research, a fifth dimension of national culture differences has been found. Professor Michael H. Bond of the Chinese University of Hong Kong studied value differences among students in twenty-three different countries using a questionnaire originally designed in the Chinese language by Chinese scholars. Analysis of the data produced four dimensions, three of them very similar to three of the IBM dimensions (all except uncertainty avoidance), the fourth entirely new and very meaningful.

This fifth dimension was called "long-term orientation" (LTO) as against "short-term orientation." Values positively rated in LTO are thrift and perseverance; values negatively related are respect for tradition, and fulfilling social expectations, "keeping up with the Joneses."

The last column in the table lists the LTO scores by country, this time based on the data collected by Bond. The highest scores on the fifth dimension are all found in East Asian countries: Hong Kong, Taiwan, Japan. As these are also the countries with the world's fastest rates of economic growth in the past twenty-five years, we can say that long-term orientation is strongly related to recent economic growth.

Not only values and practices, but even theories are products of culturally determined socialization. This has far-reaching consequences for management training in a multicultural organization. Not only our techniques but even the categories in which we think may be unfit for a different environment.

ORGANIZATIONAL CULTURES

Research data on differences in organizational cultures within a given country were collected in 1985 and 1986 in twenty work organizations or parts of organizations in Denmark

and the Netherlands. The units studied varied from a toy company to two municipal police forces.

Analysis of the data showed large differences between units in symbols, heroes and rituals (we labeled the three together "practices"), but only modest differences in values. Different organizations within the same countries can maintain very different practices on the basis of fairly similar employee values.

Six independent dimensions made it possible to describe the larger part of the variety in organizational practices:

1. *Process-oriented* as opposed to *results-oriented* units, the former being dominated by technical and bureaucratic routines, the latter by a concern for outcomes. This dimension was associated with the degree of homogeneity of the unit's culture: in results-oriented units, everybody perceived their practices in about the same way; in process-oriented units, there were vast differences in perception within the unit. We consider the homogeneity of a culture as a measure of its "strength"; strong cultures are more results-oriented than weak ones, and vice versa.

2. *Job-oriented* as opposed to *employee-oriented* units. Job-oriented cultures assume responsibility for the employees' job performance only, and nothing more; employee-oriented cultures assume a broader responsibility for their members' well-being. A unit's position on this dimension seems to be largely the result of historical factors, such as the philosophy of its founder(s) and the presence or absence in its recent history of economic crises with collective layoffs.

3. *Professional* as opposed to *parochial* units. In the former, the (usually highly educated) members identify primarily with their profession; in the latter, the members derive their identity from the organization for which they work.

4. *Open systems* as opposed to *closed systems*. This dimension refers to the style of internal and external communication, and to the ease with which outsiders and newcomers are admitted.

5. *Tight internal control* as opposed to *loose internal control*. This dimension deals with the degree of formality and punctuality within the organization. It is partly a function of the unit's technology: banks and pharmaceutical companies can be expected to show tight control, research laboratories and advertising agencies loose control; but even with the same technology, units still differ on this dimension.

6. A *pragmatic* as opposed to a *normative* way of dealing with the environment, in particular with customers. Service units should be found towards the pragmatic (flexible) side, units involved in the application of legal rules towards the normative (rigid) side, but reality does not always correspond to this pattern.

According to this research, what a person has to learn when (s)he joins a work organization is mainly a matter of practices. Employee values have been developed in the family and the school; they play a role in the selection and self-selection process for the job. The workplace can only change people's values to a limited extent. In the popular literature, organization cultures are often presented as a matter of values. The confusion arises because this literature does not distinguish between the values of the founders and leaders and those of the bulk of employees.

Founders and leaders, on the basis of *their* values, create the symbols, the heroes and the

rituals that constitute the daily practices of the organization's members. However, members only to a limited extent have to adapt their personal values to the organization's needs. A work organization, as a rule, is not a "total institution" like a prison or mental hospital. Organizational cultures according to our data reside at a more superficial level of mental programming than the things learned previously in the family and at a school. In spite of their more superficial nature, organizational cultures are still hard to change because they have developed into collective habits. Changing them is a top management task that should be based on a strategy and a cost-benefit analysis. Here again there is no single formula for success.

All statements in this article should be seen as only "statistically" true: they are common trends, but individuals may differ from them. Within each country there is a wide range of individuals, and this fact too should be taken into account in order to manage successfully. However, an insight into cultural differences will prevent us from attributing to an individual's personality forms of behaviour which are normal in his or her country, and from trying to apply supposedly universal success formulas to people who are not universal.

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