

## Specific Approaches in Cross Cultural Management Research in Geert Hofstede's Studies

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**Abstract.** The emergence of Cross Cultural Management is a natural consequence of the realities brought about by globalization, technological explosion and competition between the growing number of international corporations, plus the free movement of persons, goods and capital. The aim of this article is to present that the observations and studies of Geert Hofstede offer both cross cultural management specialists and those interested in this phenomenon, a very valuable image regarding the dynamics of cross cultural relations.

**Keywords:** cultural dimensions, uncertainty, individualism, collectivism, organization.

*"The masterpiece is the guarantee of a genius." (A. Malraux)*

### 1 Introduction

Hofstede is the first dedicated specialist who treats culture as a collective mental programming, programming through which the members of a group differ from the members of another group. In his view, individual/group culture underlies the way of thinking, feeling and acting for individuals, organizations and countries. Therefore, the differences in management practices and economic success of the companies are mainly explained by the cultural differences between the groups in the organization (business or otherwise).

The significant effort of Hofstede began in 1980, his study includes 116.000 questionnaires, answered by 60.000 people, all were members of IBM Company (then Hermes). His study was prompted by the desire to understand why the subsidiaries of a company from one country have superior results to other subsidiaries (branches) from another country, in terms of belonging to the same organizational culture. Its general conclusion was the following: the employees

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learn the practice of the organization, but they keep part of the cultural values from the country they were born in.

Addressed as a collective mental programming of thinking, the culture comes from the person's social environment and not from his genes, so, we need to distinguish – Hofstede says – between human nature, which is inherited through genetic information, and the very notion of culture, and also between the individual's personality, which is partly inherited and partly formed through learning.

## **2 Cross Cultural Approach Proposed by Geert Hofstede**

Hofstede's research was based on "a reasonable mix of methods, techniques and research tools, a combination of survey, questionnaire, and direct observation on the field, interpretive analysis and statistical and mathematical model, between holism and individualism. But the research is mostly synchronous and is constantly analyzing human behavior in similar situations. (Zait, 2002, p. 151).

He identified four bipolar cultural dimensions (distance versus power, collectivism versus individualism, avoiding uncertainty, femininity versus masculinity), adding to these with the help of professor Bond, a fifth dimension called "Confucian dynamism" or short-term orientation versus long-term orientation. Hofstede's research had a remarkable effect on both academic environment, as well as on the practical one.

Distance vs. power, from narrow to wide it concerns the eternal phenomenon of inequality between human beings. The great distance versus power is shown by the responses: "the distance is great and it's desirable to exist", the opposite views are: "inequality should be avoided as much as possible."

Collectivism vs. individualism, refers to interpersonal relations within a society. The individualism is guided by the phrase "every man for himself", on the other side collectivism, that must not be confused with communism, is the principle of "belonging, attachment to a group for life".

Uncertainty avoidance, refers to the anxiety that can occur in the case of an unknown future. Fear is the characteristic of a high degree of uncertainty control, while in countries where uncertainty avoidance is low, people give the impression of being calm and quiet. Most countries with a high degree of control over uncertainty, also present a great distance versus power and vice versa.

Femininity versus masculinity. In masculine societies the values are: subordination, obtaining money and indifference, and the social roles based on sex must be fully differentiated. Feminine societies emphasize on collaboration among peers, on the preservation of life and on the overlapping of social roles.

Long-term orientation vs. short-term orientation. It concerns the position that an individual adopts towards time. Long-term orientation emphasizes on perseverance and frugality, and at the opposite pole are immediate prospect and stability.

According to Hofstede, in an organized structure, business (company) or otherwise, two questions are always being asked:

- “Who has the power to decide?”
- “What rules/procedures will be followed in order to achieve the desired goal?”

The concrete way to respond to these two questions differ greatly from one firm to another, from one country/region to another, equally it differs the business success obtained by companies and the economic growth registered by countries – the explanation being given in a significant extent (not totally) by the cultural differences that characterize countries/groups of people.

According to Hofstede, no part of our life is excepted from the influences of culture, it affects our daily practices, lifestyle, how we are raised, how we lead and how are being led, how we die and the theories that we are able to develop. The whole influence of culture over the individual is being stored and it directly reflects in the organizational framework, of a company or institution where he works.

Through organization/corporate culture, Hofstede understands the following six aspects:

- the organizational culture is holistic, it means it includes an “all” that is more than the sum of its parts;
- it is historically determined, it means it reflects the evolution in time of the corporation;
- it has a connection with the issues studied by the anthropologists, such as rituals and symbols;
- it has a social foundation, meaning that is created/kept by a group of people (from the organization);
- organizational culture is easy, although Peters and Wateman say that “what is easy is difficult”;
- organizational culture is hard to change/adapt.

By analogy with the general definition given, Hofstede considers that the notion of organizational culture is a collective mental programming that differs the members of an organization from the members of another organization.

Between national culture and organizational culture exist differences of substance, meaning that for the second term are mostly compared the practices accumulated through socialization at the workplace by individuals and not values that have been already mentally programmed in school or family.

- Orientation towards process vs. orientation towards results: case in which are structure a “BAD” pole and a “GOOD” pole, meaning orientation towards results is preferable;
- Orientation (focus) on employees in relation to orientation towards work: it makes a distinction between the top manager’s concerns to improve the qualification of human resources, and the concerns of improving work conditions; the culture inclines in time towards one direction, employees or work;
- Limited in relation to professional is the size that distinguishes between the culture in which employees do not separate personal life from work and consider that the company takes care of their personal future, and the culture in which employees treat their personal life like their own business;
- Open system in relation to the closes one: is the size that describes the organizational climate towards the exterior and/or towards the newcomers;
- Limited control in relation to intense scrutiny: reflects the internal structure of the organization, meaning a weak/solid control over costs, discipline, punctuality etc.
- Prescriptive/normative in relation to pragmatic: reflects how the organization reports to the customer/market; the normative units emphasize on the rules and ethical standards, and the pragmatic ones emphasize on the customer and on the results obtained and less on the procedures.

According to Hofstede, the organizational culture is something called “*gestalts*”, meaning a whole (an unit) that can be appreciated only by ones from the interior; the six dimensions do not offer a recipe to follow, meaning a positioning on the range of a dimension isn’t intrinsically “good” or “bad”: it depends on the specific situation of the company and on the direction the organization wants to follow.

As a partial conclusion to this paragraph we will synthesize the following ideas: organizational culture totally differs from national culture, organizational culture is a gestalt that the company has (something that the company is), the organizational

culture consists mainly in the practices gradually accumulated by the employees, and less in values.

### **3 Arguments against the Research Conducted by Geert Hofstede**

Hofstede's work has sparked heated controversy from the outset. Like other great economists (Keynes, Philips, etc) the studies of the Dutch researcher have enjoyed since the beginning apologists, but also objectors. Among the critical aspects of his work we recall the following:

**Relevance.** Many researchers allude to survey (expertise) as being an inappropriate precision tool for measurement and determination of cultural disparities. This thing is particularly obvious when the measured variable is a sensible and subjective cultural value. Hofstede argues that the expertise is not a method but only one of the methods that he uses. (Hofstede 1998, as cited in Jones, p. 4).

**National divisions.** The nations aren't appropriate units of analysis of a culture, the latter not being bounded by borders. Some studies show that actually the culture divides depending on the groups or national divisions. Hofstede points out that the national identities are the only measure we have in measuring the cultural differences. (Hofstede, 1998, p. 481 as cited in Jones, p. 6).

**Political influences.** The results, especially those referring to masculinity and to uncertainty avoidance, may refer in some cases only to the period of time in which the survey was taken. When Hofstede began his research in Europe, the threat of the Cold War still existed, and many countries in Asia and Latin America were influenced by communism.

**Approaching a company.** A study made only on one company doesn't offer the possibility of obtaining relevant information about the realities of the country (Sondergaard, 1994, p. 449 as cited in Jones, p. 7). Hofstede argued that he didn't do an absolute measurement, he presented only the differences between the cultures, and this style of cross-sectional analysis was the most appropriate one. Focusing on only a single international employer, facilitates the research because it doesn't collide at every step with the specific of the cultural-organizational realities from many companies.

**Obsolete method.** Some researchers believe that the study is too old in comparison to modern values, in relation to the rapid global changes, to internalization and to convergence. The Dutch researcher countered by saying that the cross cultural

results were based on centuries of tradition and indoctrination, and that all the recent studies show that a culture doesn't change overnight. (Hofstede, 1998, p. 481, as cited in Jones, p. 8).

**Too few cultural dimensions.** Four or five dimensions are considered by many to be too few for a cross cultural study. Hofstede himself agrees with this aspect, arguing that other additional dimensions will be added to the initial study.

#### **4. Arguments in Favor of the Research Conducted by Geert Hofstede**

However vehement would the critics be, the study realized by Hofstede is the most often used by those interested in cross cultural influence. In 1994, Sondergaard affirmed that the citations made on Hofstede's study from 1980 were 1036 in number, while another similar study realized by Miles and Snow received only 200. Many researchers agree that these figures increase the value of the Dutch researcher's study.

**Relevance.** During Hofstede's first studies, there were very few cross cultural studies, and many international companies were precisely trying to assert themselves on the international market. Hofstede's work was a very useful guide for new companies that began to impose themselves on a market increasingly open to globalization. The academic attention turned towards culture during the decade of the 80s and Hofstede began to be considered as one of the pioneers of this discipline. (Sondergaard 1994, p. 449 as cited in Jones, p. 10).

**Stringency (strictness).** The research used by Hofstede was based on a rigorous design with data collected systematically, and with a coherent theory. Some however argued that the samples were flawed. (MsSweeney 2000, p. 11 as cited in Jones).

**Accuracy of the study.** In the literature analysis of Sondergaard (1994), the samples of Hofstede's research were compared, of which 61 were reviewed. Most reanalysis confirmed Hofstede's opinion. The only dimension that wasn't fully confirmed was the one referring to individualism, Hofstede argued that some aspects of the culture can change over time. (Sondergaard 1994, p. 453 as cited in Jones, p. 11). Hofstede's model had and still has an essential role in the implementation of many business systems as well as in numerous cross cultural problems.

## 5. Conclusions

When we mention the cross cultural, we always refer to an approach, we can't talk about a cross cultural change. The cross cultural diagnosis is different from a diagnosis of enterprise, the international diagnosis refers to countries, regions, and at an enterprise level an organizational diagnosis is being done.

Cross cultural diagnosis offered by G. Hofstede is a fundamental reference for the management of the organization (it helps build the organizational culture, to set out goals, to know the customer and to sell him what he requires). In the organizational culture the management always takes into account the national cultures and adapts to them.

Hofstede's research is done through a method or a specific technique, that allows the essence of the economic, social and psychological processes to be observed. Through diagnosis he seeks to identify the main strengths or weaknesses of the area under investigation, and concludes with some recommendations aimed to eliminate the causes that generated the weaknesses and to implement those that determined the success.

Through the interest granted to cultural diagnosis, the Cross Cultural Management aims to find the optimal solutions to increase the effectiveness of an enterprise in the current global system (both at unicultural level (monoculture) as well as at the cross cultural one). The interaction between culture is as complex as that of human beings based primarily on a strong reciprocal relationship.

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