

## Appreciating Cultural Diversity



### In a Nutshell

Our cultural backgrounds affect how we think, feel and act. In the new millennium, savvy managers will understand and appreciate cultural diversity. The purpose of this *LeaderLetter* is to review some of the frameworks for analyzing cultural differences and their implications for managers.

### In This Issue

- [When "OK" is not Okay](#)
- [The Effects of National Cultures on Organizational Behavior](#)
- [A Caveat Regarding Stereotyping](#)
- [Hofstede's Model](#)
- [Trompenaars's Model](#)
- [Other Dimensions of Culture](#)
- [About the Newsletter and Subscriptions](#)
- [A Good Clean Joke](#)
- [LeaderLetter Web Site](#)

### When "OK" is not Okay

During a cross-cultural training session, Krista Rahe demonstrates (in the photo above) a gesture that's found offensive in many cultures. The gesture, an "OK," communicates an affirmative in the US. The training is being provided to employees of the Hyatt-Regency in Savannah, Georgia (USA) as part of their preparation for hosting leaders of the Group of Eight (G8) countries and journalists during the G8 summit June 8-10. Particularly this year, Americans hosting international visitors need to be sensitive to how their words and actions can be interpreted.

Interacting effectively with people of different cultures requires careful study of differences in behavioral expectations. Such expertise will continue to become important for managers in the 21st century.

### The Effects of National Cultures on Organizational Behavior

*Intimidated by the Arab businessman standing so close, the US businessman takes a step back. The Arab comes even closer.*

*After waiting half an hour, the German account executive becomes very annoyed and makes a call to the office of the Mexican manager who had agreed to meet her at 12:30 for lunch.*

*After outlining the parameters of the project, the Canadian project leader asks the members of his Indian project team for their recommendations as to how they should proceed. The team members are bewildered.*

With the increasing globalization of business, differences among the cultures of various nations can

complicate interactions among business people from different nations. National culture can be viewed as the norms, values and beliefs shared by individuals from a particular nation that distinguish it from other nations. Our cultural environment causes us to act in ways that we believe are appropriate but that people from other cultures may not be comfortable with or may not understand.

As the illustrations above demonstrate, when individuals from different cultures interact, the behaviors that are consistent with the norms of one culture may violate the norms of another. In the first example, the Arab businessman is most comfortable having a conversation standing very close to the other man--much closer than the typical distance between two people conversing in the US. In the second example, the time that the German account executive expects the Mexican manager to arrive at their 12:30 lunch appointment is 12:30. When the Mexican manager agreed on 12:30, he didn't know that she would be annoyed by him not arriving or calling before 1:00. In the third example, the Canadian project leader intends to show his respect and confidence in his team by asking for their input. The Indian team members wonder why he's unwilling or unable to lead the team himself.

An appreciation of cultural diversity helps managers function in the increasingly global business environment. Cultures affect the way people act and what they expect from others. In the future, getting work done with and through other people will require an understanding of differences among national cultures.

[back to the top](#)

### A Caveat Regarding Stereotyping

When we talk about differences between cultures, we are speaking in generalities, and we must remember not to expect every individual to behave in a manner consistent with those generalizations in every situation. Although there's value in making predictions about human behavior based on the patterns we see in different cultures, there's also the risk of doing great harm by stereotyping. If we assume that all individuals in a certain group have exactly the same characteristics, then we are stereotyping. Of course, individuals within a country differ from each other to a certain extent, and nations have subcultures too. In addition, people often adapt their behaviors to suit their situations. Predicting individuals' attitudes and behaviors based on their nationality is imprecise, and it's better to learn each individual's beliefs and preferences when possible because they can differ from the national norm. The information below about national cultures are generalizations rather than hard-and-fast rules that apply to every individual at all times. With that caveat in mind, let's look at models of culture and their implications for organizational behavior.

### Hofstede's Model

The best-known model of national cultures as they relate to behaviors in a business context was developed by Geert Hofstede. Hofstede found that cultures differed on the dimensions of individualism versus collectivism, power distance, uncertainty avoidance, and achievement versus quality of life orientations<sup>1</sup>.

**Individualism versus collectivism.** In cultures that are highly individualistic, people are expected to be self-reliant and independent, and to focus primarily on caring for themselves and their immediate families. In cultures that are highly collectivist, people are expected to serve the groups to which they belong (e.g., extended families, businesses or churches). Employees from collectivist cultures tend to have more favorable attitudes toward teamwork, and they prefer reward systems that provide incentives for group achievement. They prefer group recognition to personal recognition for accomplishments, and may even see recognition that singles them out as a disincentive for accomplishments. Employees from individualistic cultures tend to have more trouble committing to teamwork as highly as they commit to their personal goals. Employees from individualistic cultures tend to prefer individual-based performance appraisals and incentive systems.

The US, Czechoslovakia, Australia, and countries of the former Soviet Union are examples of highly individualist cultures. Most Asian cultures are highly collectivist.

**Power distance.** Power distance is the degree to which people accept large differences between the most and least powerful members of society in terms of privileges, wealth and well-being. Countries high in power distance are more accepting of disparities in wealth and authority between high and low status members of a group or organization. In high power distance cultures, it is expected that leaders will use the privileges inherent in their position to give orders, and therefore the use of a participative leadership style may be viewed as a sign of incompetence or irresponsibility. In high power distance cultures, subordinates would tend not to be comfortable with a management-by-objectives (MBO) system or other forms of participative goal setting.

Countries low in power distance expect all members of society to have comparable wealth and authority. They have more egalitarian values. Subordinates in low power distance cultures tend to appreciate being asked for their input in decision making, and they often expect to be consulted about decisions that affect them.

France and India are examples of countries that are high in power distance. The Netherlands is an example of a country that is low in power distance. The US is closer to the average than either extreme, but slightly lower than average.

**Uncertainty avoidance.** Watch for the "double negative" on this one. Countries that are low in uncertainty avoidance are relatively comfortable with events and people that are unpredictable. They are relatively comfortable with risk taking and nonconformist behavior, which in turn help promote creativity, innovation and entrepreneurship. Countries that are high in uncertainty avoidance are less comfortable with events and people that are unpredictable. They are less comfortable with risk taking and nonconformist behavior. They develop elaborate formal and informal systems to control their environments and have strict behavioral norms.

Japan is an example of a country that is high in uncertainty avoidance. India and the US are examples of countries that are low in uncertainty avoidance.

**Achievement versus quality of life.** Cultures that are high on the achievement end of this dimension value competition, assertiveness and materialism. Whether competing as individuals or as members of a group (i.e., individualistic versus collectivist), achievement-oriented cultures value winning and the rewards that accompany success. Cultures that are high on the quality of life end of this dimension value other's well-being, positive relationships among people and the quality of their work life more than they value achievement and wealth. Employees from countries at opposite ends of this continuum respond differently to various types of rewards such as bonuses, promotions, a sense of meaningfulness in one's work and relief from stress.

Japan and the US are examples of countries high on the achievement end of the continuum, and the Netherlands is an example of a country high on the quality of life end.

[back to the top](#)

### Trompenaars's Model

While similar to Hofstede's findings in many ways, the dimensions of culture identified by Fons Trompenaars provide additional insights into cultural differences. Trompenaars found that cultures also differed on universalism versus particularism, neutral versus affective, and achievement versus ascription dimensions.

**Universalism versus particularism.** Universalism is the degree to which people believe that various ideas and practices can be effective in all circumstances. People who are high in universalism believe they can develop rules and standards that can be reasonably applied to everyone in every situation. They tend to use contracts, formal systems, and procedures to convey what they expect from others. People who are low in universalism (i.e., high in particularism) develop their expectations of others based on their personal relationships with them and their trust in them rather than on rules. When negotiating deals, people from highly particularistic cultures will want to develop a relationship with the other party before having substantive discussions toward making an agreement. People from highly universalistic cultures are prepared to proceed with substantive discussions much more quickly, but then expect to document their agreement with an enforceable contract.

The US, Australia, Germany and Switzerland are examples of countries high in universalism. Venezuela, the former Soviet Union's countries, Indonesia and China are examples of nations high in particularism.

**Affective versus neutral.** In highly affective cultures, people tend to openly express their feelings. In highly neutral cultures, emotions are not expressed as openly and naturally. People from highly affective cultures are more likely to smile, talk loudly when excited, and greet each other enthusiastically. People from highly neutral cultures experience the same emotions, but are less inclined to express them, and they express them more subtly. Implications for behavior in the workplace include how demonstrative people are when showing appreciation and affection for each other and when celebrating successes.

Mexico, the Netherlands, Switzerland and China are examples of highly affective cultures. Japan, Britain and Singapore are examples of highly neutral cultures. (Is "highly neutral" an oxymoron?) The US is average.

**Achievement versus ascription.** In highly achievement-oriented cultures, social status is largely derived from a person's achievements. In highly ascription-oriented cultures, social status is largely derived from personal attributes such as age, experience, social connections, or gender. In organizations, a person's status is reflected in his or her privileges such as access to resources and perks, deferential treatment, and input in

decision making.

Australia, the US, Switzerland and Britain are examples of highly achievement-oriented cultures. Venezuela, Indonesia and China are examples of highly ascription-oriented cultures.

[back to the top](#)

### Other Dimensions of Culture

Other dimensions on which cultures differ include high and low context, interpersonal space, monochronic versus polychronic time, and orientations toward the past, present and future.

**High context versus low context.** The high- versus low-context dimension of culture relates to norms of communication. In low-context countries, communication relies more heavily on the literal meaning of the words used. Meanings of written and spoken communication are more explicit. To people from high-context cultures, the bluntness and directness of low-context communication styles can seem insulting or aggressive. In high-context cultures, much more of the context surrounding the written or spoken communication is involved in conveying the message. Factors such as the social status of the communicators and the nature of the relationship between them are key. The meaning of everything said in high-context communication has to be interpreted in the context of the social relationship between the individuals.

Interpersonal space is also related to the high-context versus low-context dimension of national cultures. In low-context cultures, people tend to be uncomfortable standing closer than three feet from each other when conversing. In high-context cultures, people tend to stand relatively close when conversing. They perceive a distance of three feet between communicators as something that interferes with their communication, and they will tend to step closer in order to be more comfortable. A range of one foot is the norm in Latin America and Asia. Arabs prefer to be even closer.

Germany, Switzerland and the US are examples of low-context countries. China, Korea, Japan and most Latin American countries are examples of high-context countries.

**Monochronic versus polychronic time.** In cultures where a monochronic view of time is prevalent, people tend to do only one activity at a time, keep a strict schedule of their appointments, and show a strong resistance to deviating from plans. In cultures where a polychronic view of time is the norm, people tend to do more than one activity at a time, appointments are approximate and may be changed at any time, and schedules are not as important as relationships.

Inflexible adherence to schedules and plans is only as beneficial as the quality of those schedules and plans. In the turbulent environments that many managers are now working in, such inflexibility can be a liability because unforeseeable events often necessitate changing plans. Similarly, the habit of working on multiple tasks at once may also help in coping with rapid change.

North Americans and Northern Europeans tend to have a monochronic view of time. Mediterranean, Latin American, and Arab cultures tend to have a polychronic view.

**Past, present and future orientations.** Cultures differ in the emphasis that they place on the past, present, and future. North American countries tend to focus more on the present and the immediate future than other countries do. Most European countries have a more balanced focus on past, present and future. Many Asian countries focus heavily on what North Americans would consider the distant future.

The implications of differing emphases on past, present and future may be most apparent in planning. North American managers primarily focus on achieving results within five years. Their long-term plans cover 5-10 years. In addition, employees hired in North America normally have from a few weeks to a couple of years to prove that they'll be successful. Employees who are unsuccessful in that time frame are normally asked to find another job or simply fired. In contrast, Japanese firms are more likely to hire employees with the intention of having a life-long employee.

### In Summary ...

Managers must work with and through others in order to be effective. However, the most effective way to work with and through others really depends on the cultural norms of the parties involved to a great extent. People from different national cultures have different expectations for how a person should act.

[back to the top](#)

## Note

<sup>1</sup> Hofstede used the terms "masculinity versus femininity" rather than "achievement versus quality of life." However, other authors and I believe the terms "achievement" and "quality of life" are less confusing.

## Sources

Kreitner, R. & Kinicki, A. (2001). *Organizational behavior*, (5th ed.). New York: Irwin McGraw-Hill.

Luthans, F. (2002). *Organizational behavior*, (9th ed.). New York: Irwin McGraw-Hill.

Putting a foreign accent on Southern hospitality: Savannah readies itself for G8 summit. CNN.com, posted May 17, 2004, accessed May 28, 2004. <http://www.cnn.com/2004/TRAVEL/05/15/g8.savannah.ap/index.html>

[back to the top](#)

## About the Newsletter and Subscriptions

*LeaderLetter* is written by Dr. Scott Williams, Department of Management, [Raj Sooin College of Business](#), Wright State University, Dayton, Ohio. It is a supplement to my MBA 751 - Managing People in Organizations class. It is intended to reinforce the course concepts and maintain communication among my former MBA 751 students, but anyone is welcome to subscribe. In addition, subscribers are welcome to forward this newsletter to anyone who they believe would have an interest in it. To [subscribe](#), simply send an e-mail message to me requesting subscription. Of course, subscriptions to the newsletter are free. To [unsubscribe](#), e-mail a reply indicating that you would like to unsubscribe.

[back to the top](#)

## E-mail Your Comments

Whether you are one of my former students or not, I invite you to share any insights or concerns you have regarding the topic of this newsletter or any other topic relating to management skills. Please [e-mail](#) them to me. Our interactions have been invaluable. **I learn a lot from *LeaderLetter* subscribers!** Let's keep the conversation going.

## A Good, Clean Joke

US News Headlines May 28, 2035

- Ozone created by electric cars killing millions in California
- Spotted owl plague threatens northwestern crops, livestock
- Baby conceived naturally: Scientists stumped
- Couple petitions court to reinstate heterosexual marriage
- Cuba's Castro dies at age 112
- 30 year study: Diet and exercise key to weight loss
- Average weight of Americans dips to 250 lbs.
- IRS cuts tax rate to 75%.

[back to the top](#)

**RAJ SOIN**  
College of Business  
**WRIGHT STATE**  
UNIVERSITY



