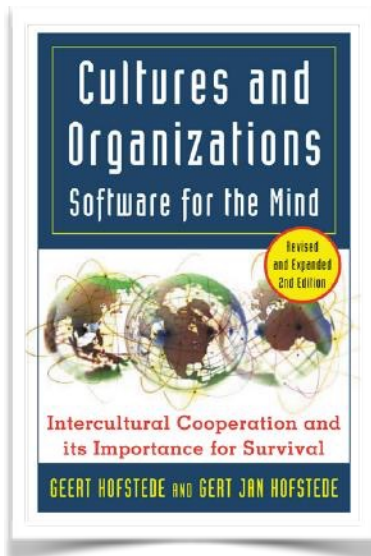


# Cultures and Organizations: Software of the Mind

*by Geert Hofstede & Gert Jan Hofstede*



## Introduction

Culture plays a significant role in forming our ways of feeling, thinking, and acting. In the globe sense, cultures differ from nations and regions. Built on empirical studies, The Hofstedes developed the cultural dimensions theory to explain national cultural differences. Through these dimensions, we will understand how national cultures work as the mental programming and the reason behind cross-cultural social misunderstandings

and conflicts. As for organizations, its configurations and management are also influenced by the national cultures, especially under globalization. Meanwhile, organizational cultures have their own characteristics and dimensions. This book discussed the key conceptions of intercultural dynamics and provides insightful and sincere advice for individuals and organizations to help them build and improve intercultural communication and cooperation.

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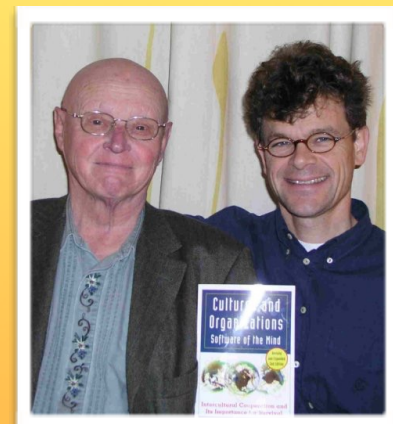
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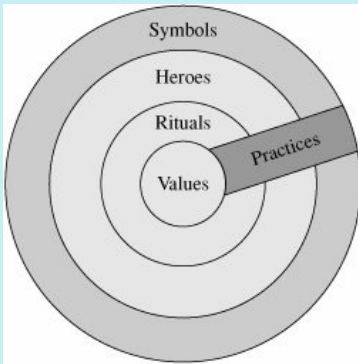
## ABOUT THE AUTHOR

**Geert Hofstede:** Ph.D. in social psychology, professor emeritus of Organizational Anthropology and International Management at Maastricht University, The Netherlands; Co-founder of IRIC (Institute for Research on Intercultural Cooperation); Most cited non-American in the field of Management in the U.S. Social Sciences Citation Index.

**Gert Jan Hofstede:** son of Geert Hofstede, professor of Information Systems at Wageningen University.



## MANIFESTATIONS OF CULTURE



Cultural differences manifest themselves in several ways - symbols, heroes, rituals, and values.

### Symbols

words, gestures, pictures or objects that carry a particular meaning which is only recognized by those who share the culture.

### Heroes

persons who possess characteristics which are highly prized in a culture, and who thus serve as models for behavior.

### Rituals

collective activities in reaching desired ends which are considered as socially essential.

### Values

broad tendencies to prefer certain states of affairs over others.

# Understanding Culture

## Culture as mental programming

### Definition of culture:

- In the **narrow** sense: *civilization or refinement of the mind.*
- In the **broader** sense (as used throughout this book, corresponding to social anthropology): *Culture is the collective programming of the mind that distinguishes the members of one group or category of people from others.* (p. 4)
- Culture is learned, not innate. It should be distinguished from human nature and from an individual's personality.
- Culture traits have often been attributed to heredity, sometimes the role of heredity is exaggerated in pseudotheories of race, which have been responsible for the Holocaust.

## Cultural relativism

There are no scientific standards for considering one group as intrinsically superior or inferior to another.

*“Cultural relativism affirms that one culture has no absolute criteria for judging the activities of another culture as ‘low’ or ‘noble’ ...[E]very culture can and should apply such judgement to its own activities, because its members are actors as well as observers.” —Claude Levi-Strauss (p.6)*

## Layers of culture

- national level
- regional/ethnic/religious/linguistic level
- gender level
- generation level
- social class level
- organizational level

In modern society the mental programs from these various levels are often partly conflicting, which makes it difficult to anticipate people's behavior in a new situation. (p. 11)

## Culture as a phoenix

Changes in culture can be fast for the visible practice part as shown in the onion diagram. Values as the core of culture remains relatively stable overtime.

# The Five Dimensions of National Culture

## Dimension 1– Power Distance

Power distance stands for the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. (p. 46)

### Key Differences Between Small- and Large-Power-Distance Societies

	Small Power Distance	Large Power Distance
General Norm	Inequalities should be minimized. There should be interdependence between less and more powerful people.	Inequalities are expected and desired. Less powerful people should be dependent; they are polarized between dependence and counterdependence.
Family	Parents treat children as equals. Children treat parents and elders as equals.	Parents teach children obedience. Respect for parents and elders is a basic and lifelong virtue.
	Children play no role in old-age security of parents.	Children are a source of old-age security to parents.
Education	Teachers are experts who transfer impersonal truths. Students treat teachers as equals.	Students should respect teachers, even outside of class. Teachers are gurus who transfer personal wisdom.
	Teachers expect initiative from students in class.	Teachers take initiative in class.
	Quality of learning depends on two-way communication and excellence of students.	Quality of learning depends on excellence of teacher.
	Educational policy focuses on secondary schools.	Educational policy focuses on university.
Organization	Hierarchy in organizations means an inequality of roles, established for convenience. Decentralization is popular.	Hierarchy in organizations reflects the existential inequality between higher-ups and lower-downs. Centralization is popular.



### Measuring Culture Differences



The five dimensions are based on the questionnaire survey conducted to employees from more than fifty countries around the world who worked in the local subsidiaries of the large multinational corporation : IBM

### Power Distance Index (PDI)

A measure for the degree of power distance. High PDI value stands for large power distance.

*“Power tends to corrupt, and absolute power corrupts absolutely.” (p. 63)*

## Dimension 2 – Individualism and Collectivism

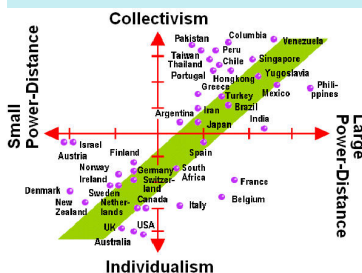


Individualism stands for a society in which the ties between individuals are loose: one is expected to look after oneself and one's immediate family. Collectivism stands for a society in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty. (p.76)

### Individualism Index (IDV)

A measure for the degree of individualism. High IDV represents a more individualist society.

### IDV vs. PDI



Negative correlated: large-power-distance countries are also likely to be more collectivist; small-power-distance countries to be more individualist.

### Key Differences Between Collectivist and Individualist Societies

#### Collectivist

People are born into extended families or other in-groups which continue to protect them in exchange for loyalty.

Children learn to think in terms of 'we'.

Harmony should always be maintained and direct confrontations avoided.

Trespassing leads to shame and loss of face for self and group.

Students only speak up in class when selected by group.

Purpose of education is learning how to do.

Diplomas provide entry to higher status groups.

Relationship employer-employee is perceived in moral terms, like a family link.

Relationship prevails over task.

#### Individualist

Everyone grows up to look after him/herself and his/her immediate (nuclear) family only.

Children learn to think in terms of 'I'.

Speaking one's mind is a characteristic of an honest person.

Trespassing leads to guilt and loss of self-respect.

Students are expected to individually speak up in class.

Purpose of education is learning how to learn.

Diplomas increase economic worth and/or self-respect.

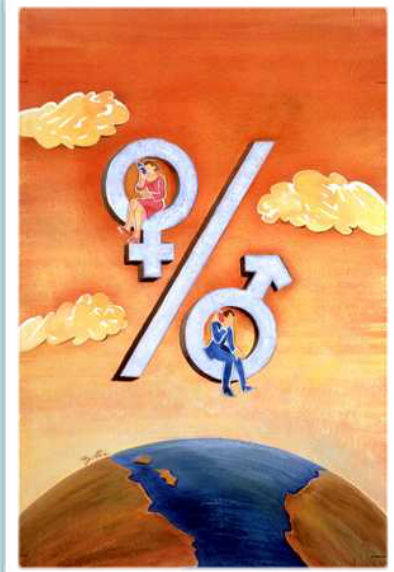
Relationship employer-employee is a contract supposed to be based on mutual advantage.

Task prevails over relationship.

## Dimension 3 – Masculinity and Femininity

Masculinity stands for a society in which emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas women are supposed to be more modest, tender, and concerned with the quality of life.

Femininity stands for a society in which emotional gender roles overlap: both men and women are supposed to be modest, tender, and concerned with the quality of life.



### Key Differences Between Masculine and Feminine Societies

Masculine	Feminine
Challenge, earnings, recognition, and advancement are important.	Relationships and quality of life are important.
Men should be assertive, ambitious, and tough.	Both men and women should be modest.
Women are supposed to be tender and take care of relationships.	Both men and women can be tender and focus on relationships.
Being responsible, decisive, and ambitious is for men ; Being caring and gentle is for women.	Being responsible, decisive, ambitious, caring, and gentle is for women and man.
Double standards ; Men are subjects, women are objects.	Single standards ; Both sexes are subjects.
Aggression by children is acceptable.	Children are socialized to be nonaggressive.
People live in order to work.	People work in order to live.
There is a lower share of working women in professional jobs.	There is a higher share of working women in professional jobs.
Performance society ideal – Support for the strong.	Welfare society ideal – Help for the needy.
Environment – Big is beautiful.	Environment – Small is beautiful.

## Dimension 4 – Uncertainty Avoidance

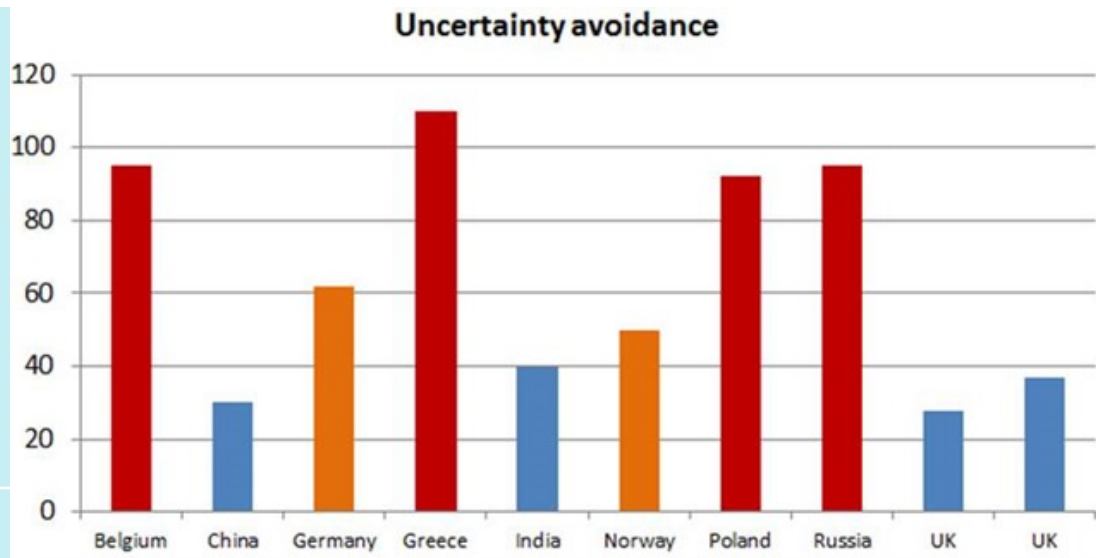


Uncertainty avoidance is the extent to which the members of a culture feel threatened by ambiguous or unknown situations. (p.167)

Weak Uncertainty Avoidance	Strong Uncertainty Avoidance
The uncertainty inherent in life is accepted and each day is taken as it comes	The uncertainty inherent in life is felt as a continuous threat that must be fought
Ease, lower stress, self-control, low anxiety	Higher stress, emotionality, anxiety, neuroticism
Higher scores on subjective health and well-being	Lower scores on subjective health and well-being
Tolerance of deviant persons and ideas: what is different is curious	Intolerance of deviant persons and ideas: what is different is dangerous
Comfortable with ambiguity and chaos	Need for clarity and structure
Teachers may say 'I don't know'	Teachers supposed to have all the answers
Changing jobs no problem	Staying in jobs even if disliked
Dislike of rules - written or unwritten	Emotional need for rules – even if not obeyed
In politics, citizens feel and are seen as competent towards authorities	In politics, citizens feel and are seen as incompetent towards authorities
In religion, philosophy and science: relativism and empiricism	In religion, philosophy and science: belief in ultimate truths and grand theories

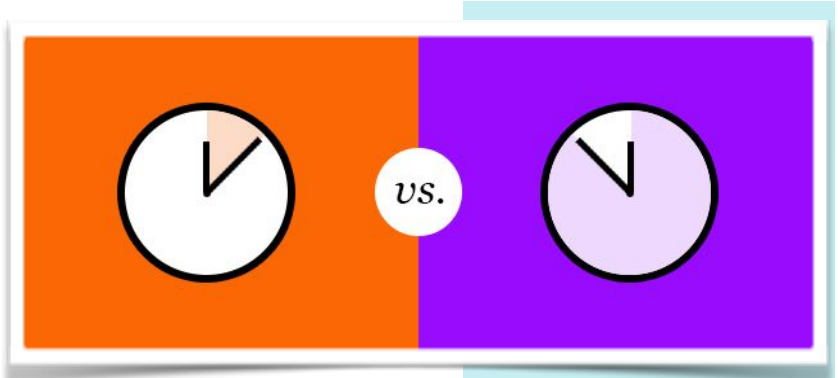
### Uncertainty Avoidance Index (UAI)

A measure for the degree of uncertainty avoidance in a country's culture. High PDI stands for strong uncertainty avoidance.



## Dimension 5 – Long- and Short-Term Orientation

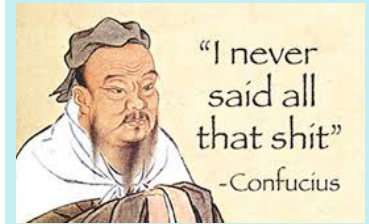
### A.K.A Confucian Dynamism



Long-term orientation stands for the fostering of virtues oriented towards future rewards, in particular perseverance and thrift.

Short-term orientation stands for the fostering of virtues related to the past and present—in particular, respect for tradition, preservation of “face”, and fulfilling social obligations. (p. 210)

### Confucian Dynamism



A dimension of national cultures found through research among student samples using the Chinese Value Survey (CVS).

Short-Term Orientation	Long-Term Orientation	<b>Long-term Orientation Index (LTO)</b> A measure for the degree of long-term orientation in a national culture.
Efforts should produce quick results.	Perseverance, sustained efforts toward slow results.	
Social pressure toward spending.	Thrift, being sparing with resources.	
Respect for tradition.	Respect for circumstances.	
Concern with personal stability.	Concern with personal adaptiveness.	
Living with in-laws is a source of trouble.	Living with in-laws is normal.	
Main work values include freedom, rights, achievement, and thinking for oneself.	Main work values include learning, honesty, adaptiveness, accountability, and self-discipline.	
Leisure time is important.	Leisure time is not important.	
Importance of this year's profits.	Importance of profits 10 years from now.	
Analytical thinking.	Synthetic thinking.	
Meritocracy, reward by ability.	Wide social and economic differences are undesirable.	

## The IRIC Project

A separate research project into organizational culture differences, conducted by Geert's institute IRIC across 20 organizational units in Denmark and the Netherlands in the 1980s, identified six independent dimensions of practices: process-oriented versus results-oriented, job-oriented versus employee-oriented, professional versus parochial, open systems versus closed systems, tightly versus loosely controlled, and pragmatic versus normative. The position of an organization on these dimensions is partly determined by the business or industry the organization is in. Scores on the dimensions are also related to a number of other "hard" characteristics of the organizations. These lead to conclusions about how organization cultures can be and cannot be managed.

# Cultures in Organizations

Organizational Culture is defined as the way in which members of an organization relate to each other, their work and the outside world in comparison to other organizations.

## Six dimensions of organizational cultures (from practices, not values)

- **Process-Oriented vs. Results-Oriented**
- **Employee-Oriented vs. Job-Oriented**
- **Parochial vs. Professional**
- **Open System vs. Closed System**
- **Loose Control vs. Tight Control**
- **Pragmatic vs. Normative**

## Implications

- **Structural Changes**
- **Process Changes**
- **Personnel Changes**
- **Cultural Training**





## CRITICAL EVALUATION

Since its original hardcover publication in 1991, this book has inspired a deep and wide response. Professor Geert Hofstede's 30 years of field research on cultural differences and the software of the mind helps us understand and appreciate culture diversity. This newly revised and expanded edition is based on the latest data from Professor Hofstede's ongoing field research, and provides detailed comparisons of cross-cultural differences among 70 nations in idea, family, education and political organizations. Professor Hofstede explains phenomena such as culture shock, ethnocentrism, stereotyping, differences in language and humor. Most importantly, he discusses the practical implications of the culture differences described in the book and how understanding these cultural differences can enable people from different cultures to work together more productively. Melding powerful intellectual analysis and hard social, cultural, and organizational research, Hofstede depicts a map of the world's differences between the businesses, organizations, cultures, and nations. *Cultures and Organizations* helps to explain the differences in the way leaders and their followers think, offering practical solutions for those in business and politics to help solve conflict between different groups.

However, there's also critiques on Hofstede's book questioning the validity and reliability of the source of the IBM research data and the data analysis methodology. Since this book has already been expanded to a third edition in 2010, some of the critiques might have been answered in the newest vision.

## Reference:

Hofstede, G., & Hofstede, G.J. (2005). *Cultures and organizations: Software of the mind, revised and expanded* (2nd ed.). New York: McGraw-Hill.