

International Strategy and Leadership

Cross-Cultural Frameworks

Culture and Structure: Findings of Hofstede

- Power distance
- Uncertainty avoidance
- Individualism/collectivism
- Masculinity/femininity

Low Power Distance

- Less centralization
- Flatter organization pyramids
- Managers seen as making decisions after consulting with subordinates
- Close supervision negatively evaluated by subordinates
- Managers like to see themselves as practical and systematic; they admit a need for support
- Hierarchy means an inequality of roles, established for convenience
- Superiors are accessible
- The system is to blame
- The way to change a social system is to redistribute power

High Power Distance

- Greater centralization
- Steep organization pyramids
- Managers seen as making decisions autocratically and paternalistically
- Close supervision positively evaluated by subordinates
- Managers like to see themselves as benevolent decision-makers
- Power holders are entitled to privileges
- Status and power are motivators
- The way to change the system is to dethrone those in power
- Those in power should try to look as powerful as possible

Low Uncertainty Avoidance

- Greater readiness to live by the day
- Less emotional resistance to change
- Less hesitation to change employers
- Loyalty to employer is not seen as a virtue
- Managers should be selected on other criteria than seniority
- More risk-taking
- Hope of success
- Conflict in organizations is natural
- Delegation to subordinates can be complete
- Role of leadership is facilitating activities of others

High Uncertainty Avoidance

- More worry about the future
- More emotional resistance to change
- Tendency to stay with same employer
- Loyalty to employer is seen as a virtue
- Managers should be selected on the basis of seniority
- Less risk-taking
- Fear of failure
- Conflict in organizations is undesirable
- Initiative of subordinates should be kept under control
- Role of leadership is planning, organizing, coordinating, and controlling

Low Individualism

- More frequent use of “we”
- Decisions typically referred back by delegate to the organization
- People ideally achieve in groups which assume joint responsibility
- Consensus and cooperation highly valued
- Motivation derives from a sense of belonging, and rewards are based on being part of the group (loyalty and tenure)
- Holidays taken in organized groups or with extended family
- Promotion from inside and based on seniority

High Individualism

- More frequent use of “I” and “me”
- In negotiations, decisions typically made on the spot by a representative
- People ideally achieve alone and assume personal responsibility
- Individual initiative and effort highly valued
- Holidays taken in pairs, or even alone
- Role of leadership is to foster initiative and independent behaviors
- Employees are expected to defend their own interests
- Promotion from inside and outside, and based on market value

High Masculinity

Career Success

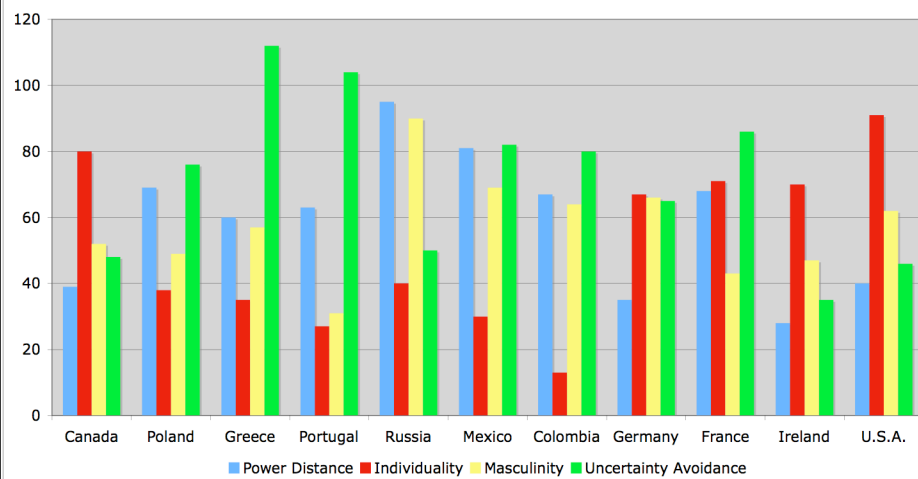
- Management more likely to be concerned with task accomplishment
- Motivation based on the acquisition of money and things
- Role of leadership is to ensure bottom-line profits in order to satisfy shareholders or to set demanding targets
- Good leaders are considered strong and aggressive
- Gender roles distinct

Low Masculinity

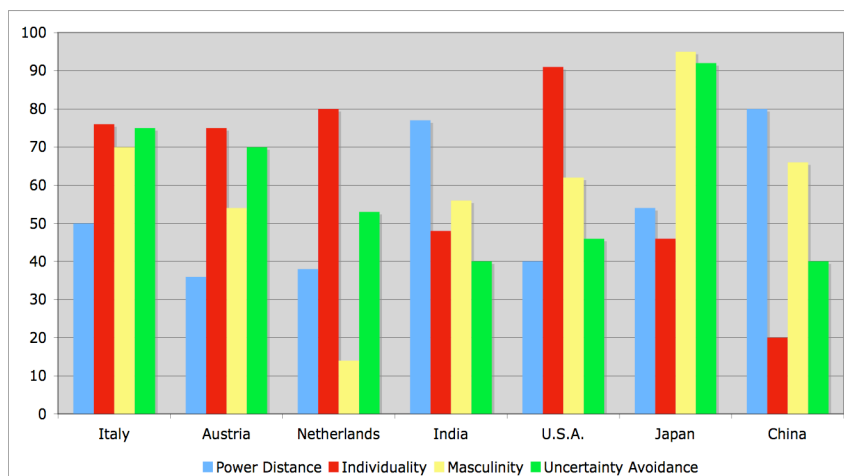
Quality of Life

- Management more likely to be concerned with nurturing social relationships
- Motivation based on improving the quality of life
- Role of leadership would be to safeguard employee well-being, and to demonstrate concern for social responsibility
- Leadership is valued for understanding and nurturing
- Social gender roles overlap

Hofstede Cultural Dimensions



Hofstede Cultural Dimensions



Hofstede's Rankings

(selected country rankings 1=highest, 53 - lowest)

Country	Power distance	Individualism	Masculinity	Uncertainty Avoidance
Argentina	41	2	16	37
Brazil	14	26-27	27	21-22
Colombia	17	49	11-12	20
Ecuador	8-9	52	13-14	28
France	15-16	10-11	35-36	10-15
Germany	42-44	15	9-10	29
Greece	27-28	30	18-19	1
England	42-44	3	9-10	47-48
Hong Kong	15-16	37	18-19	49-50
Italy	34	7	4-5	23
Japan	33	22-23	1	7
Malaysia	1	36	25-26	46
Mexico	5-6	32	6	18
Peru	21-23	45	37-38	9
Spain	31	20	37-38	10-15
Sweden	47-48	10-11	52	49-50
United States	38	1	15	21-22

Culture and Structure: Findings of Tromenaars

- Relationship with nature
- Relationships with people
 - - Universalism vs. particularism
 - - Individualism vs collectivism
- - Affectivity
- - Diffuse vs. specific
- Relationship with time

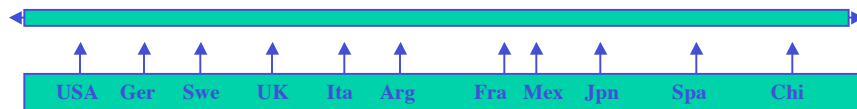
Universalistic versus Particularistic

Universalistic

- Rules
- Legal systems
- Contracts
- “Higher” obligations
- Objectivity
- One right way

Particularistic

- Relationships
- Personal systems
- Interpersonal trust
- Duty to friends, family, etc.
- ‘Relativity’
- Many ways



Achievement versus Ascription

Achievement

- Status based on competency and achievements
- Women and minorities visible at more levels
- Newcomers, young people and outsiders can gain respect if they can “prove themselves”

Ascription

- Status based on position, age, schooling, or other criteria
- More homogenous workforce, primarily male
- Deference based on specific criteria required



Company is: “set of tasks” or “set of relationships”

Tasks

- Positions defined by task
- Relationships between positions are defined as being ordered in any way instrumental to achieving organizational objectives
- Superior-subordinate relationships are defined as impersonal and implying equality of persons involved; subordination is the acceptance of the impersonal, rational, and legal order of the organization
- Goal attainment has primacy over power acquisitions

Relationships

- Positions are defined in terms of social status and authority
- Relationships defined as being ordered by a hierarchy
- Authority comes from status; it can extend beyond the function and cannot be challenged on rational grounds
- Superior-subordinate relationships are personal implying superiority of one person over the other; subordination is loyalty and deference to the superior
- Achievement of objectives is secondary to the acquisition of power



Examples of Country Ratings on Trompenaars' Dimensions

Country	Universalism Particularism	Individualism Collectivism	Neutral Affective	Specific Diffuse	Achievement Ascription
Argentina	Particularism	Individualism	High A	Diffuse	Middle
China	High P	Collectivism	Affective	Extreme D	Ascription
France	Middle	Collectivism	Low A	Specific	Middle
Germany	High U	Collectivism	Middle	Middle	Achievement
Japan	Middle	High C	Extreme N	Low D	Low Ascription
Mexico	Low P	Individualistic	Extreme A	Low D	Achievement
Russia	Extreme P	Individualistic	Affective	Diffuse	Ascription
Spain	Middle	Low I	Affective	Diffuse	Low Ascription
USA	Extreme U	Extreme I	Low A	High S	Extreme Ascription

Kluckhohn and Strodebeck's Value Orientation

- Relationship with time
- Human activity
- Human nature
- Relationships with people
- Time

Hall

- Space: personal/physical
- Time: monochronic/polychronic
- Language: high context/low context