

Problems Remain, But Theories Will Change: The Universal and the Specific in 21st-Century Global...

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PROBLEMS REMAIN, BUT THEORIES WILL CHANGE: THE UNIVERSAL AND THE

SPECIFIC IN 21ST-CENTURY GLOBAL MANAGEMENT

Management in the 21st Century will not be basically different from management in the 20th Century, but we can expect a breakthrough in the development of theories of management which will become more adapted to national cultural value systems in different parts of the world.

Do management processes change over time? Will there be anything new about management in the 21st century?

Most of the popular literature suggests that management processes do change over time: One should always follow the latest trends. At the same time, most of the same popular literature implicitly assumes that management processes are universal and can be applied across the world. Today's management fads--say privatization or Total Quality Management--apply anywhere, whether in North America, France, Brazil, Russia, Thailand, or China. If they don't work somewhere, this is the fault not of the principles on which they are based but of the people who implement these principles.

Against these alleged popular assumptions I defend the opposite viewpoint: Management processes basically have changed little over time, and this will remain so. They differ less from period to period than from part of the world to part of the world, and even from country to country.

What is management? I prefer the general definition of "getting things done through other people," or, more specifically, "coordinating the efforts of people towards common goals." The "other people" involved may be subordinates, clients, customers, suppliers, authorities, or the public in general. Important is that management is always about people. Jobs in which no other people are involved are technical, not management.

Because management is always about people, its essence is dealing with human nature. Since human nature seems to have been extremely stable over recorded history, the essence of management has been and will be equally stable over time.

THE PERENNIAL NATURE OF MANAGEMENT PROBLEMS

Management in the 21st century will not be basically different from management in the 20th. In fact, similar management problems have existed as long as human societies have existed. Examples of management problems, even if they were not called that, can be found throughout the world's literature, from the oldest sources onwards.

A case study may illustrate this: A group of refugees, about ten thousand strong, follow their charismatic leader in search of a safe haven. A powerful friend sends a consultant to help them. The consultant notices that the leader tries to handle all problems and conflicts of his people himself. People queue up before his office; because he is overworked, he cannot handle all the business. So the consultant has a private talk with the leader and tells him to structure his organization by delegating authority: to nominate able men as managers of thousands, hundreds, fifties, and tens. Candidates should be selected not only on their leadership abilities but also on their character: They should be law-abiding, truthful, not driven by material gain. The management structure should resolve all daily issues at the lowest possible level; only the big and difficult issues should be brought before the leader. He should focus on strategy--on dealing with the supreme authority, on establishing new rules and laws and teaching these to the people, on showing them the way to go and the work to be done. The case states that the leader listens to the consultant and carries out the re-organization which is a success, and the consultant returns home.

Asian readers may think that this is a reference to the Long March of Chairman Mao. The refugees in this case, however, were Jews and their

leader was called Moses, and he led them from Egypt to Palestine. The Supreme Authority was God, and the consultant, Jethro, was Moses' father-in-law, a fact which definitely helped in making Moses listen to him. The case is codified in the book Exodus, of the Old Testament of the Bible (Exodus 18:13-27). It is one of the oldest source books of Western Civilization, recognized by Jewry, Christianity, and Islam alike. The migration is supposed to have taken place in the 12th century BC, over 3,000 years ago.

The case shows many elements that look very modern. We see the important role of the management consultant. His advice deals with managerial stress, delegation of authority, management by exception, and span of control. New and charismatic leaders even today try to do too much themselves. The consultant turns Moses into a Chief Executive with a strategic task; he should stay out of operational details. The selection criteria for the appointment of middle managers are also specified: They should be male, able, God-fearing, truthful, and free from greed. Jethro here gets into what we would now call "agency theory."

All of this happened more than 3,000 years ago. Many problems in modern management are not so modern at all; they are basic human dilemmas, and every generation anew has had to cope with them.

NATIONAL TRADITIONS IN MANAGEMENT: D'IRIBARNE

Because management is about people, it is part of the culture of the society in which it takes place. Culture is "the collective programming of the mind that distinguishes the members of one group or category of people from another." The core element in culture are values. Values are "broad tendencies to prefer certain states of affairs over others." They are about what is evil and what is good, dirty and clean, immoral and moral, irrational and rational. Relationships between people in a society are affected by the values that form part of the collective programming of people's minds in that society. So management is subject to cultural values. Cultural values differ among societies, but within a society they are remarkably stable over time. This is why I claim that management processes, which are embedded in a culture, differ from society to society but within each society show strong continuity.

The historical stability of the national component in management has recently been convincingly demonstrated by the French management researcher Philippe d'Iribarne. In the 1980s, he did in-depth interviews in three production plants of a French-owned aluminum company, one in France, one in the US (in Maryland), and one in the Netherlands. The plants were technically identical, but interpersonal interactions on the shop floor differed dramatically between them. D'Iribarne in his book identifies three different "logics"--philosophies--that control the interpersonal interactions at the sites: honor in France, the fair contract in the US, and consensus in the Netherlands. These philosophies represent patterns of thinking, feeling, and acting distinguishable in the histories of these three societies for centuries.

In France, d'Iribarne refers to the Ancien R'gime (the 17th and 18th century monarchy before Napoleon), and he cites Montesquieu (1689-1755)--in particular his book *The Spirit of the Laws*, written in 1748--as a suitable authority on present-day French management. The most important feature is that France was and still is a class society--d'Iribarne even compares it to the caste society of India. Within the plant, different classes meet. There are at least three levels: the cadres (managers and professionals), the *maitrise* (first-line supervisors), and the non-cadres (the levels below). Within each of these there are further status distinctions, such as between higher and lower cadres and between skilled craft workers and production personnel. The relationship between the classes is governed by antagonism; in one of my courses for French managers a participant once remarked "Cadres think in terms of efficiency; non-cadres in terms of protest." At the same time, a sense of respect prevails for the honor concomitant to each class. The system is profoundly hierarchical, yet the kinds of orders a supervisor can give are constrained by a need to respect the honor of the subordinates, which implies their autonomy for certain tasks.

There is no evidence at all that the French are about to change the class nature of their society. It is deeply embedded in their institutions, in their family structure, in their educational system, and in their political landscape.

In the US, on the contrary, everybody is supposed to be equal; the relationship between management and workers is contractual. Within the limits of the contract, managers can give orders and subordinates will carry them out. Paradoxically, while this system is basically less hierarchical than in France, American management can get away with demanding things from their workers that in France would be

impossible. In practice, some people are still more "equal" than others, and the freedom of the contract may be that of "freeing the fox to roam in the chicken-pen." D'Iribarne attributes the US practices on the country's immigrant past, on the heritage of the Pilgrim Fathers and other 17th and 18th century (white) settlers.

As there was no traditional aristocracy like in France, the immigrants developed a middle-class society which sought a free association of equal citizens, related by contractual agreements. D'Iribarne calls them "pious merchants." As "merchants," they hold their contracts to be holy; if necessary, they will ruthlessly enforce them. The "pious" element is the simultaneous need for moral rectitude, inspired by the religious communities to which the settlers have a strong need to belong. In the shop floor situations observed by d'Iribarne, both elements contractual and moral thinking, are amply represented. As a foreign observer, d'Iribarne is astonished about the extent to which the daily practice of employer-employee relations is influenced by endless rules that should guarantee "fairness."

D'Iribarne finds he shares the surprises of the French traveller Alexis de Tocqueville (1805-1859) in his 1835 book Democracy in America. De Tocqueville was struck by the individualism and egalitarianism he found in America. About the relationship between masters and servants in the US, as opposed to France, de Tocqueville wrote: "The masters, from their side, only demand that their servants faithfully and rigorously execute their contract; they do not ask for their respect; they expect neither their love nor their devotion; it suffices them to find them punctual and honest." As partners to a contract, employer and employee were and are more equal in the US than in the French system. At the same time, according to William Graham Sumner (1840-1910), the founder of American sociology, they were also quite antagonistic. He remarked that to say that employer and employee "are partners in an enterprise is only a delusive figure of speech." As the new millennium nears, there is no evidence that the Americans are about to change their ways toward less litigation about contractual relationships or toward less moralism; in fact, many Americans believe in a historical necessity for the rest of the world eventually to become like them.

Management processes in the Netherlands, as d'Iribarne describes them, are again of a different nature. Management is less based on orders and more on consensus--on convincing the other, subordinate or superior, about what should be done. This calls for a lot of talking, either person-to-person or in meetings. In the Dutch aluminum plant, d'Iribarne is struck by everybody's respect for facts, which he finds stronger than either in France or in the US: In France, status and power often prevail over facts; Americans often want facts to yield to moral principles. The Dutch, like the Americans, have their pious merchant ancestors; they were the founders of the Republic of the Seven United Provinces (1579-1795). In the Dutch case, however, relationships have always been based on compromise rather than on contract. The Republic was born from a revolt against the Spanish overlords. In order to survive, the former rebels learned to cooperate across religious and ideological lines. The Dutch tradition has room for contracts as well, but negotiations may be re-opened the day after conclusion, if new facts emerge. Employer-employee relations in the Netherlands need not be antagonistic, contrary to the French and the US case. The Dutch consensus in a way resembles the well-known Japanese consensus, but it has very different ancestral roots. Japanese consensus is based on group interest, on collectivist integration within the work group and the enterprise. Dutch consensus is based on the concern of individuals' quality of life, which should not be harmed by avoidable conflicts with other individuals. To date, the Dutch "polder" consensus model has been resilient to influences of international business and of European integration.

D'Iribarne combines solid knowledge of contemporary practices of management in the three countries with profound historical insight. He refutes a superficial belief in the universality of management fads by showing how life in each country follows a line of historical continuity that affects many facets of society, of which management is one.

CULTURE AND TECHNOLOGY IN MANAGEMENT: VALUES AND PRACTICES

You may object, "The Pilgrim Fathers did not produce aluminum." Of course not; the technical content of the management processes has changed completely, and it keeps changing today. Just think of the influence different forms of electronic communication have had on management processes. But I would argue that these are changes to which the French dictum applies "Plus ça change, plus ça reste la même chose" The more things change, the more they stay the same (attributed to Alphonse Karr, 1808-1890). That means that there are different orders of change.

When studying manifestations of culture, in general and in management, it is useful to distinguish values from practices. Values, as defined earlier in this article, are broad tendencies to prefer certain states of affairs over others. These are invisible except in their effects on people's behavior. Practices, on the contrary, are visible to an observer. They are ways of behaving as well as artefacts. Practices are more superficial and easier to change than values. Values are cultural and resilient against technological influences. Practices can be purely social, purely technical, or mixed ("socio-technical"). Management deals with all three. D'Iribarne studied technically identical plants so the purely technical component in its management was kept constant, which made the social and socio-technical influences stand out clearly. Technology keeps changing but it normally affects only management practices, not the underlying values. People in different countries use the same computer programs but the purposes to which they put them vary according to the programming of their minds, not of their computers.

In the past decades I was involved in two large research projects on cultural differences: the first on different national cultures within the same multinational organization (IBM), the second on different organizational cultures across a variety of public and private organizations within the same nations (Denmark and the Netherlands). The first project showed that national cultures affected mainly people's values, which were considerably different from country to country in spite of the similarities in job practices among IBM employees in similar jobs. The second project, which compared otherwise similar people in different organizations within the same countries, showed considerable differences in practices but much smaller differences in values. Cultural differences at the country level resided mostly in values, less in practices (as long as we compared otherwise similar people). At the organizational level, "culture" differences consisted mostly of different practices, not of different values. Using the word culture for both levels suggested that the two kinds of culture are identical phenomena but this was clearly false. A nation is not an organization, and the two types of "culture" are of a different kind.

This conclusion from our research contradicts a popular notion about "corporate culture" which assumes, following Tom Peters and Richard Waterman's classic *In Search of Excellence*, that shared values represent the core of a corporate culture. We found empirically that shared (perceptions of) practices should be considered the core of an organization's culture. In our cross-organizational study, employees' values differed more according to nationality, age, and education than according to their membership in the organization per se. The difference between Peters' and Waterman's and our findings can be explained from the fact that Peters and Waterman collected statements by the leaders while we interviewed and surveyed all levels in our organizations. We have thus assessed to what extent leaders' messages had come across to members. The values of founders and key leaders undoubtedly shape organizational cultures, but the way these cultures affect ordinary members is through shared practices. Founders/leaders' values become members' practices.

The fact that organizational cultures are shaped by management practices and not by cultural values, explains why such cultures can, to some extent, be managed. Values, as I define them, are shaped early in our lives, through family, school and peers. After the age of 12 such values are firmly imprinted and hardly changeable. Employers cannot change the values of their employees. The only way in which they can affect them is through selecting and promoting employees with the desired values, if candidates are available. If in order to change organizational cultures employers had to change their employees' values, it would be a hopeless task. Precisely because organizational cultures reside mainly in more superficial practices, they are somewhat manageable.

ASIAN MANAGEMENT THEORIES FOR THE 21ST CENTURY

While I argue that management in the 21st century will not be basically different from management in the 20th, I do expect a breakthrough in the development of theories of management, which will become more adapted to national cultural value systems in different parts of the world.

The study by Philippe d'Iribarne, described previously, covered matched cases in three countries in considerable detail. My own cross-national study provided information from matched samples in over 50 countries but obviously in less depth. The two approaches are complementary--mine is more quantitative, d'Iribarne's more qualitative. I provided a skeleton for the countries he studied, and he provided the flesh. The skeleton I proposed is a worldwide structure in cultural differences among countries.

This structure consists of four largely independent dimensions on

which each country could be assigned a relative position. Initially it was based on comparing similar people in different national subsidiaries of IBM; later on, validation for these dimensions was established by various researchers. Such studies compared samples across countries of students, managers, country elites, airline pilots, consumers. One of these dimensions is Individualism versus Collectivism. Individualism stands for a society in which the ties between individuals are loose: Everyone is expected to look after herself or himself and her or his immediate family only. The opposite, Collectivism, stands for a society in which people from birth onwards are integrated into strong, cohesive ingroups that throughout their lifetime continue to protect them in exchange for unquestioning loyalty. All Western countries in my research scored individualist, Asian, African and Latin American countries scored collectivist. The most individualist scorers among the 53 countries were the US, Australia, Britain, Canada, and the Netherlands, in that order.

The individualism/collectivism dimension is the only one of the four on which worldwide shifts have been noticeable in the past decades. There is a relationship between cultural individualism and economic affluence. Wealthier countries score more individualist, and countries that became wealthier also became more individualist, a process visible in recent years in Asian countries like Japan, South Korea, and Thailand. Old people in these countries, for example, are less automatically taken care of by their families than they used to be. Nevertheless, while affluence increases individualism, it does not make Asian countries as individualist as Western countries. Even when Western countries like Scotland or Sweden were still quite poor, they were already individualist. Increasing or decreasing affluence reduces but does not eliminate differences in individualism/collectivism among parts of the world.

Management as a concept originated in Britain. Adam Smith in his 1776 book *The Wealth of Nations* used the words "manage," "manager," and "management" when discussing the functioning of joint stock companies. Over a hundred years later management was promoted to a separate field of study in the US, in particular by Frederick W. Taylor in his books *Shop Management* (1903) and *The Principles of Scientific Management* (1911). Both Britain and the US were already strongly individualist societies, and all theories of management that were developed subsequently betray their individualist roots. They are based on assumptions about the behavior of detached individuals; on values that are not shared by the vast majority of the world's population. Few management textbooks deal, for example, with the role of employee loyalty to employers, of employers' responsibility towards employees and their families, and of family and/or ethnic loyalties among employers and/or employees.

Collectivism is a facet of culture in most of the world and organizations in collectivist societies are managed according to the values of those societies. However, the remarkable growth of certain non-Western economies, especially in East Asia, such as South Korea and Taiwan, in the last third of the 20th century was not due to their collectivism. Other non-Western economies, equally or more collectivist—for example, Pakistan and Venezuela—grew hardly at all. What distinguished the Asian growth economies from others was their long-term orientation.

Long- versus Short-Term Orientation was not one of the four original dimensions I had identified, but on the basis of research in the 1980s by Professor Michael Bond from Hong Kong and his collaborators, I added it as a fifth dimension. Long-Term Orientation means focusing on the future. It implies a cultural trend towards delaying immediate gratification by practicing persistence and thriftiness. Its opposite, Short-Term Orientation, means focusing on the past and present, by respecting tradition and by a need to follow trends in spending even if this means borrowing money. This dimension set the economically most successful Asian countries apart from those in the rest of the world, in the sense that these countries scored Long-Term and the others Short-Term. The top long-term oriented countries were China, Hong Kong, Taiwan, Japan, and South Korea, in that order. Asian countries scoring short-term were Pakistan, Philippines, and Bangladesh. All Western countries showed also a short-term orientation. Scores on this dimension were strongly related to the countries' economic success in the 25 years since world markets opened up, from 1965 to 1990. Countries scoring Long Term, in which thriftiness was valued, had in fact higher savings rates than countries scoring Short Term. More savings meant more money for productive investment. The Asian crisis of recent years is not related to a shift on this dimension but to institutional and political reforms lagging behind economic development.

In December 1998 the new Asia Academy of Management was inaugurated at a conference in Hong Kong. I hope, and in fact expect, that many Asian countries will succeed in reforming their institutions and continue to increase in importance and in self-confidence, in spite of their

present financial crisis. History has shown that leading economies also take a lead in selling ideas to other parts of the world; we have seen this happening in the cases of Britain, the US and Japan. In the 21st century this is likely to lead to an emancipation of management theories from their Anglo roots and to a proliferation of theories applicable to countries in Asia and maybe elsewhere in the world.

EQUAL/UNEQUAL, TOUGH/TENDER AND RIGID/FLEXIBLE IN MANAGEMENT

The three other dimensions along which I found national cultures to differ are Power Distance (large versus small), Masculinity versus Femininity, and Uncertainty Avoidance (strong versus weak).

The different management philosophies of France, the US and the Netherlands which d'Iribarne identified can be associated with Power Distance and Masculinity/Femininity. Power Distance is the extent of inequality in a society: Less powerful members of institutions and organizations within a country expecting and accepting that power are distributed unequally. Among the 53 countries around the world for which I was able to compute a Power Distance Index, France ranked 16th from the top, which is well above average, and the US and the Netherlands 38th and 40th, respectively, both below average. These positions confirm the inequality in the French system and the relative greater equality in the two other countries.

The dimension of Masculinity (versus Femininity) distinguishes tough societies focusing on performance, assertiveness, and material success from tender societies in which people focus on relationships, modesty, and quality of life. Among the same 53 countries, the US scored 15th highest on Masculinity, well above average; France 35th, somewhat below average, and the Netherlands 51th, extremely feminine. This dimension explains the toughness with which contractual relations in the US are enforced versus the Dutch concern for consensual relationships; French relations within the "honor" system are also less tough.

France also scored considerably higher on Uncertainty Avoidance (13th) than the Netherlands (35th) and especially the US (43th), but this difference is less evident in d'Iribarne's analysis. Uncertainty Avoidance is the extent to which the members of a culture feel threatened by uncertain or unknown situations: it opposes rigidity and is toward more flexible cultures. It implies a need for structure and absolute truths, and a feeling that "what is different, is dangerous." An important aspect of the level of Uncertainty Avoidance in a society is the amount of trust between citizens and authorities. Weak Uncertainty Avoidance stands for citizen competence; that is, a belief that ordinary citizens are able to influence their authorities, and some degree of mutual trust among them. Strong Uncertainty Avoidance implies that decisions should be left to experts; citizens and authorities mutually distrust each other. Latin, Mediterranean, and Central and East-European countries tend to score above average on Uncertainty Avoidance, along with Japan, South Korea and Pakistan. Nordic and Anglo countries as well as most other Asian and below-Sahara African countries score average or below.

THE ECONOMIC AND CULTURAL DYNAMICS OF CORRUPTION

In his 1776 book Adam Smith already raised the issue to what extent joint stock companies could function well. He doubted whether their managers, hired persons who were not owners, could be trusted with other people's money. Later the British economist John Stuart Mill (1806-1873) echoed the same concern. Recently, agency theory has produced quantitative models trying to show the extent to which self-interested agents will represent their principals' interest. "Trust" as a management concept has also gained new popularity -- for example, as a condition for successful strategic alliances.

Corruption is a taboo in the management literature, but in view of its frequency it deserves to be squarely addressed. Official and unofficial side payments to "agents" occur in many situations throughout the world. What is defined as "corruption" is partly a matter of definition. We speak of corruption when those in power use illegal means to get the collaboration of authorities or to enrich themselves. But what to say about the US practice of lobbying, and of its levels of Chief Executive compensation that, although formally legal, rest on similar motives? In Japan, China, and many other cultures, the giving of gifts is an important ritual, and the borderline between gift-giving and bribing is diffuse. To a purist, even tip-giving can be considered a form of bribing.

Since 1995 Transparency International, a non-governmental organization located in Berlin, Germany issues a yearly Corruption Perception Index (CPI) on the Internet. The CPI was developed by Johann Graf Lambsdorff, an economist at the University of Gottingen, Germany, and combines information from up to 12 different sources in business, the

press and the foreign services. The 1998 CPI covers 85 countries; the index runs from 1.0 (extremely corrupt) to 10.0 (entirely clean). The countries perceived as cleanest in the 1998 list are Denmark, Finland, Sweden, New Zealand and Iceland (in this order), and those perceived as the most corrupt are Cameroon, Paraguay, Honduras, Tanzania, and Nigeria.

In order to understand why some countries were rated more corrupt than others, I have analyzed the statistical relationships between 1998 CPI scores and economic and cultural indexes. As an economic index I used the 1997 Gross National Product per capita, published in the World Bank's 1998-99 World Development Report. As cultural indexes I used the country scores on the four dimensions identified in my IBM research: Individualism, Power Distance, Uncertainty Avoidance and Masculinity.

Across 50 countries for which all indices were available, CPI depended primarily on wealth. Sixty-six percent of the differences in CPI could be predicted from a country's wealth or rather from its poverty. Under conditions of poverty, acquiring money in unofficial ways is not just a matter of greed; it may be a matter of survival. Officials, police, and teachers in poor countries are often so ill paid that without side payments they cannot feed their families.

Poverty, however, did not fully explain all the differences among countries. Power Distance, Masculinity and Uncertainty Avoidance all added to the prediction of corruption perceptions. Adding Power Distance as a factor we could increase the share of CPI differences predicted to 73 percent: Large Power Distances increased perceived corruption. The influence of Power Distance points to the influence of checks and balances in a society on the use of power. Lord Acton, a 19th century British politician turned Cambridge professor, has written a famous aphorism: "Power tends to corrupt, and absolute power corrupts absolutely." Large Power Distances in a society mean fewer checks and balances on the use of power and stronger temptation for power holders to illegally enrich themselves. Enlightened rulers can impose checks where traditional culture does not provide them. Examples are high Power Distance countries Singapore and Hong Kong that the Transparency International list classifies as reasonably "clean." This reflects the iron hands of Senior Minister Lee Kuan Yew in Singapore and of the ICAC (Independent Commission Against Corruption) in Hong Kong.

Adding Masculinity we could further increase the share of CPI differences explained to 77 percent. Countries with masculine cultures were perceived to have more corruption than countries with feminine cultures. Masculinity stands for assertive behavior and a need to show off among leaders but also for a need to admire among followers; Femininity stands for modesty among leaders and jealousy among followers. The first stimulates corrupt behavior, the second limits it.

Adding Uncertainty Avoidance, finally, raised the total share of CPI differences explained to 80 percent. Uncertainty Avoidance means that citizens consider themselves incompetent and are felt to be incompetent by authorities; in this case, there are fewer checks on abuse of authority--and there is more suspicion of such abuse.

More insight into the reasons for corruption is gained when we split the countries into rich and poor. From the 50 countries for which we have complete data, 26 had a 1997 GNP per capita over \$10,000 and 24 below \$10,000. In this way all European Union countries were counted as rich, as well as South Korea and Taiwan; all Latin American, African, and most Asian countries were classified as poor.

Across the 26 wealthy countries, the level of perceived corruption was not related to their GNP/capita. All seem to have reached a level of affluence where corruption is no longer economically motivated. Instead, 69 percent of the (considerable) country differences in CPI could be explained by a combination of Uncertainty Avoidance and Power Distance. In 1984 the US/German researcher Michael H. Hoppe collected new dimension scores, this time from members of the political, business and scientific elite in 18 mostly wealthy countries contacted via the Salzburg Seminar, a US-founded international conference center in Salzburg, Austria. If instead of my country scores for these two dimensions which date from around 1970, I use scores from Hoppe's elites, their Power Distance index scores alone explain 81 percent of the differences in corruption perceived for these 18 countries. Mind you, the elites described their own values; the CPI, on the other hand, measured how their country was perceived by others. The values of the elites allowed to predict the perceived corruption in their countries, 14 years later, were astonishingly accurate.

Across the 24 poor countries a smaller part of differences in corruption perceptions could be explained by societal values. In this case the level of poverty still played a modest role: GNP/capita

explained 17 percent of the corruption perception differences. Power Distance and Uncertainty Avoidance did not explain corruption perception differences among poor countries. Instead, Masculinity emerged as an explaining factor: GNP/capita plus Masculinity accounted for 31 percent of the differences. The need to conspicuously assert oneself by showing material wealth evidently plays a more important role in motivating corrupt practices in poor than in wealthy countries.

THE FUNCTIONING OF MULTINATIONALS

The viewpoint that management problems remain the same over time, but that their solutions differ from country to country, isn't popular in an age in which business is supposed to be globalizing. Global business looks for global management solutions. I believe that businesses are and will remain less global than management authors think they are and their leaders would like them to be. Businesses have home countries that stand for values that are functional, even essential, for their effectiveness and corporate identity. Supra-national organizations without a home country, like various UN agencies, suffer from poor efficiency and effectiveness.

Multinational organizations--private, public, and non-governmental--stand for values that originated in their home country and that will not be shared equally with their employees and managers from other national origins. Coming back to the distinction between values and practices made above, multinational organizations are kept together by shared practices, not by shared values. Philippe d'Iribarne once remarked that international cooperation consists of doing things together, even if each partner does them for a different reason.

Values are specific to national cultures, never universal. If there is one moral principle that can be offered as a candidate for a universal value and as a must for organizations aspiring to be global, it is the principle of moderation: seeking a Middle Way.

This principle is independently found in the teachings of three contemporaries who revolutionized human thinking in the 5th Century B.C.: Buddha, Confucius, and Socrates. The rationale of the Middle Way is that any virtue becomes a sin when extended too far. Fields of application of this principle can be chosen at will: merging, privatization, outsourcing, downsizing, just-in-time management, total quality management, teleworking, lobbying, executive compensation, and whatever fad the new millennium may have in store for us.

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