



## Reading 74

*Read the text and answer questions 26–40 below.*

I. Geert Hofstede is a Dutch academic born in 1928 who has spent a lot of time at IBM. He is famous for pioneering research on national and organisational cultures. Much of his subsequent work was based on a monumental research project in the late 1960s and early 1970s into the working of a giant international corporation, originally known as HERMES and later transformed into IBM. The rise of global business - leading to an increase in the number of joint ventures and cross-border partnerships and the need to employ people from various ethnic backgrounds and cultures, have all contributed to the need to develop cultural sensitivity. Ignorance or insensitivity in cultural matters can cause serious problems to international operations. Corporate culture and management policies may need modifying to suit local conditions. Hofstede's study has provided a framework for understanding cultural differences.

II. According to Hofstede, culture distinguishes one group, organisation, or nation from another. In his view, it is made up of two main elements: internal values, which are invisible, and external elements, which are more visible and are known as practices. The cultures of different organisations can be distinguished from one another by their practices, while national cultures can be differentiated by their values. Values are among the first things that are programmed into children. They are then reinforced by the local environment at school and at work. It is, therefore, difficult for an individual to change them in later life, and this is the reason why expatriate workers often experience difficulties when faced with another national culture.

III. The original Hofstede's theory proposed four dimensions along which cultural values could be analyzed: individualism-collectivism; uncertainty avoidance; power distance and masculinity-femininity. The power distance index is defined as the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. A higher degree of the index indicates that hierarchy is clearly established and executed in society, without doubt or reason. A lower degree of the index signifies that people question authority and attempt to distribute power.

IV. The index of individualism-collectivism explores the degree to which people in a society are integrated into groups. Individualistic societies have loose ties that often only

relate an individual to his/her immediate family. Its counterpart, collectivism, describes a society in which tightly-integrated relationships tie extended families and others into in-groups. These in-groups are laced with undoubted loyalty and support each other when a conflict arises with another in-group.

V. The uncertainty avoidance index is defined as a society's tolerance for ambiguity, in which people accept or reject an event of something unexpected, unusual or unknown. Societies that score a high degree in this index opt for stiff codes of behavior, guidelines and laws. They usually rely on absolute Truth and believe they know what it is. A lower degree in this index shows more acceptance of differing thoughts and beliefs. Such societies tend to impose fewer regulations, and people are more accustomed to ambiguity.

VI. In the fourth, masculinity-femininity dimension, masculinity is defined as a preference in a society for achievement, heroism, assertiveness and material rewards for success. Its counterpart represents a preference for cooperation, modesty, caring for the weak and quality of life. Women in societies with high degree of femininity share modest and caring views equally with men. In more masculine societies, women are more emphatic and competitive, though they still recognize the gap between male and female values.

VII. Hofstede is eager to emphasise that his dimensions (or characteristics) are not a prescription or formula but merely a concept or framework. They equip us with an analytical tool to help us understand intercultural differences. All of Hofstede's dimensions represent two ends of a scale. For example, in India, China and Japan, which are strong collectivist cultures, people need to belong to and have loyalty to a group. In other societies, such as the UK, individualism is more important and there is a lower emphasis on loyalty and protection. In strong collectivist countries, companies often have stronger obligations towards their employees and their families.

VIII. Multi-national companies building international teams can make use of Hofstede's framework to make sense of the cultural differences they encounter in their practical experience. Knowing about such differences can help to avoid conflict in international management. His framework has been used to determine the suitability of certain management techniques for various countries and to make comparisons between countries to understand cultural differences in various areas of business. Hofstede's work established a major research tradition in cross-cultural psychology and has also been drawn upon by researchers and consultants in many fields relating to international business and communication. It has inspired a number of other major cross-cultural studies of values, as well as research on other aspects of culture, such as social beliefs.

### QUESTIONS 26-28

*Match the paragraphs (I-III) with the headings below (A- F). There are three extra headings you do not need to use.*

26 Paragraph I

27 Paragraph II

28 Paragraph III

#### **List of headings**

A Cultures and values

B Distribution of power

C Local environment

D Joint ventures

E Life and career

F Power distance

### QUESTIONS 29-33

*Match the paragraphs (IV-VIII) with the statements below (A-G). There are two extra statements you do not need to use.*

29 Paragraph IV

30 Paragraph V

31 Paragraph VI

32 Paragraph VII

33 Paragraph VIII

#### **List of statements**

A In some societies ambition and competitiveness are shared by men and women almost equally.

B Companies all over the world have benefited from Hofstede's work by choosing the most suitable management methods.

C Some people and societies feel comfortable when they are guided by strict rules even in their beliefs, while others prefer to have more choice and may have different views and lifestyles.

D Some societies consider problem-solving to be pragmatic and circumstantial.

E This dimension is essentially a measure of happiness, whether or not simple joys are fulfilled.

F People in some societies are closely related with their immediate families, while extended families bring more people together in some other cultures.

G In some countries, companies must take more care of their employees and even their families.

#### QUESTIONS 34-40

*Read the whole text. Mark the statements 34-40 as true (A), false (B) or not given (C).*

34 As Hofstede's model allows international comparison between cultures, it is called comparative research.

35 There is a higher emphasis on loyalty and protection in individualistic cultures.

36 Now that business is more international, cultural incompetence can lead to wrong decisions.

37 In Hofstede's opinion, organisational cultures differ from each other by their visible elements, while ethnic cultures can be differentiated by their invisible features.

38 Companies often have to adapt their management style to the country they are functioning in.

39 One more dimension introduced by Hofstede later is long-term orientation.

40 Hofstede has always believed that his dimensions have prescriptive character and should be adopted by companies.

# Reading 74 — Keys

- 26 E
- 27 A
- 28 F
- 29 F
- 30 C
- 31 A
- 32 G
- 33 B
- 34 C
- 35 B
- 36 A
- 37 A
- 38 A
- 39 C
- 40 B

## EXPLANATION

I. Geert Hofstede is a Dutch academic born in 1928 who has spent a lot of time at IBM. He is famous for pioneering research on national and organisational cultures. Much of his subsequent work was based on a monumental research project in the late 1960s and early 1970s into the working of a giant international corporation, originally known as HERMES and later transformed into IBM. The rise of global business - leading to an increase in the number of joint ventures and cross-border partnerships and the need to employ people from various ethnic backgrounds and cultures, have all contributed to the need to develop cultural sensitivity. Ignorance or insensitivity in cultural matters can cause serious problems to international operations. Corporate culture and management policies may need modifying to suit local conditions. Hofstede's study has provided a framework for understanding cultural differences. 36

II. According to Hofstede, culture distinguishes one group, organisation, or nation from another. In his view, it is made up of two main elements: internal values, which are invisible, and external elements, which are more visible and are known as practices. The cultures of different organisations can be distinguished from one another by their practices, while national cultures can be differentiated by their values. Values are among the first things that are programmed into children. They are then reinforced by the local environment at school and at work. It is, therefore, difficult for an individual to change them in later life, and this is the reason why expatriate workers often experience difficulties when faced with another national culture. 37

III. The original Hofstede's theory proposed four dimensions along which cultural values could be analyzed: individualism-collectivism; uncertainty avoidance; power distance and masculinity-femininity. The power distance index is defined as the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. A higher degree of the index indicates that hierarchy is clearly established and executed in society, without doubt or reason. A lower degree of the index signifies that people question authority and attempt to distribute power.

IV. The index of individualism-collectivism explores the degree to which people in a society are integrated into groups. Individualistic societies have loose ties that often only relate an individual to his/her immediate family. Its counterpart, collectivism, describes a society in which tightly-integrated relationships tie extended families and others into in-groups. These in-groups are laced with undoubted loyalty and support each other when a conflict arises with another in-group. (these = collectivist groups)

V. The uncertainty avoidance index is defined as a society's tolerance for ambiguity, in which people accept or reject an event of something unexpected, unusual or unknown. Societies that score a high degree in this index opt for stiff codes of behavior, guidelines and laws. They usually rely on absolute Truth and believe they know what it is. A lower degree in this index shows more acceptance of differing thoughts and beliefs. Such societies tend to impose fewer regulations, and people are more accustomed to ambiguity.

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experience. Knowing about such differences can help to avoid conflict in international management. His framework has been used to determine the suitability of certain management techniques for various countries and to make comparisons between countries to understand cultural differences in various areas of business. Hofstede's work established a major research tradition in cross-cultural psychology and has also been drawn upon by researchers and consultants in many fields relating to international business and communication. It has inspired a number of other major cross-cultural studies of values, as well as research on other aspects of culture, such as social beliefs.

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