The Business of International Business is Culture

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Abstract — National cultures are distinguished from organizational cultures. The first have been studied from over 50 countries, and described with the help of five dimensions. The differences shown set limits to the validity of management theories across borders. Special attention is paid to characteristics of East Asian cultures that help explain the recent economic success of these countries. Organizational cultures were studied across 20 organizational units in Denmark and the Netherlands; this research identified six dimensions of organizational cultures. The findings lead to a number of suggestions for the management of organizational cultures. Managing international business means handling both national and organizational culture differences at the same time. Organizational cultures are somewhat manageable while national cultures are given facts for management; common organizational cultures across borders are what keeps multinationals together.

Key Words — National Cultures, Organizational Cultures.

Culture Defined
Management is getting things done through (other) people. This is true the world over. In order to achieve this, one has to know the “things” to be done, and one has to know the people who have to do them. Understanding people means understanding their background, from which present and future behavior can be predicted. Their background has provided them with a certain culture. The word “culture” is used here in the sense of “the collective programming of the mind which distinguishes the members of one category of people from another”. The “category of people” can be a nation, region, or ethnic group (national etc. culture), women versus men (gender culture), old versus young (age group and generation culture), a social class, a profession or occupation (occupational culture), a type of business, a work organization or part of it (organizational culture), or even a family.

National Culture Differences
In three different research projects, one among subsidiaries of a multinational corporation (IBM) in 64 countries and the other two among students in 10 and 23 countries, respectively, altogether five dimensions of national culture
Table 1
Distances According to Power Distance

<table>
<thead>
<tr>
<th>Small power distance societies</th>
<th>Large power distance societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the family:</td>
<td></td>
</tr>
<tr>
<td>Children encouraged to have</td>
<td>Children educated towards</td>
</tr>
<tr>
<td>a will of their own</td>
<td>obedience to parents</td>
</tr>
<tr>
<td>Parents treated as equals</td>
<td>Parents treated as superiors</td>
</tr>
<tr>
<td>At school:</td>
<td></td>
</tr>
<tr>
<td>Student-centered education</td>
<td>Teacher-centered education</td>
</tr>
<tr>
<td>(initiative)</td>
<td>(order)</td>
</tr>
<tr>
<td>Learning represents</td>
<td>Learning represents personal</td>
</tr>
<tr>
<td>impersonal &quot;truth&quot;</td>
<td>&quot;wisdom&quot; from teacher</td>
</tr>
<tr>
<td>At work place:</td>
<td></td>
</tr>
<tr>
<td>Hierarchy means an inequality</td>
<td>Hierarchy means existential</td>
</tr>
<tr>
<td>of roles, established for</td>
<td>inequality</td>
</tr>
<tr>
<td>convenience</td>
<td></td>
</tr>
<tr>
<td>Subordinates expect to be</td>
<td>Subordinates expect to be</td>
</tr>
<tr>
<td>consulted</td>
<td>told what to do</td>
</tr>
<tr>
<td>Ideal boss is resourceful</td>
<td>Ideal boss is benevolent</td>
</tr>
<tr>
<td>democrat</td>
<td>autocrat (good father)</td>
</tr>
</tbody>
</table>


(1) **Power Distance**
This is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from below, not from above. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. Power and inequality, of course, are extremely fundamental facts of any society and anybody with some international experience will be aware that “all societies are unequal, but some are more unequal than others”.

Table 1 lists some of the differences in the family, the school, and the work situation between small and large power distance cultures. The statements refer to extremes; actual situations may be found anywhere in between the extremes. People’s behavior in the work situation is strongly affected by their previous experiences in the family and in the school: the expectations and fears about the boss are projections of the experiences with the father — or mother — and the teachers. In order to understand superiors, colleagues and subordinates in another country we have to know something about families and schools in that country.

(2) **Individualism versus Collectivism**
Individualism on the one side versus its opposite, collectivism, is the degree to which individuals are integrated into groups. On the individualist side, we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with
Collectivist societies                      Individualist societies

In the family:
  Education towards “we” consciousness
  Opinions pre-determined by group
  Obligations to family or in-group:
    — harmony
    — respect
    — shame

At school:
  Learning is for the young only
  Learn how to do

At the work place:
  Value standards differ for in-group and out-groups: particularism
  Other people are seen as members of their group
  Relationship prevails over task
  Moral model of employer–employee relationship

  Education towards “I” consciousness
  Private opinion expected
  Obligations to self:
    — self-interest
    — self-actualization
    — guilt

  Permanent education
  Learn how to learn

  Same value standards apply to all: universalism
  Other people seen as potential resources
  Task prevails over relationship
  Calculative model of employer–employee relationship

Table 2 lists some of the differences between collectivist and individualist cultures; most real cultures will be somewhere in between these extremes. The words “particularism” and “universalism” in Table 2 are common sociological categories (Parsons and Shils, 1951, 1977). Particularism is a way of thinking in which the standards for the way a person should be treated depend on the group or category to which this person belongs. Universalism is a way of thinking in which the standards for the way a person should be treated are the same for everybody.

(3) Masculinity versus Femininity
Masculinity versus its opposite, femininity, refers to the distribution of roles between the sexes which is another fundamental issue for any society to which a range of solutions are found. The IBM studies revealed that: (a) women’s values differ less among societies than men’s values; (b) men’s values from one country to another contain a dimension from very assertive and competitive and maximally different from women’s values on the one side, to modest and caring and similar to women’s values on the other. The assertive pole has been called “masculine” and the modest, caring pole “feminine”. The women in feminine countries have the same modest, caring values as the men; in the masculine countries they are somewhat assertive and
competitive, but not as much as the men, so that these countries show a gap between men's values and women's values.

Table 3 lists some of the differences in the family, the school, and the workplace, between the most feminine versus the most masculine cultures, in analogy to Tables 1 and 2.

(4) Uncertainty Avoidance
Uncertainty avoidance as a fourth dimension was found in the IBM studies and in one of the two student studies. It deals with a society's tolerance for uncertainty and ambiguity: it ultimately refers to man's search for truth. It
indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising and different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute truth; "there can only be one truth and we have it". People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and not expected by their environment to express emotions.

Table 4 lists some of the differences in the family, the school, and the workplace, between weak and strong uncertainty avoidance cultures.

(5) Long Term versus Short Term Orientation
This fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars (The Chinese Culture Connection, 1987). It can be said to deal with Virtue regardless of Truth. Values associated with long term orientation are thrift and perseverance; values associated with short term orientation are respect for tradition, fulfilling social obligations, and protecting one’s “face”. Both the positively and the negatively rated values of this dimension remind us of the teachings of Confucius (King and Bond, 1985). It was originally called “Confucian dynamism”; however, the dimension also applies to countries without a Confucian heritage.

There has been insufficient research as yet on the implications of differences along this dimension to allow the composition of a table of

<table>
<thead>
<tr>
<th>Country</th>
<th>Power distance Index Rank</th>
<th>Individualism Index Rank</th>
<th>Masculinity Index Rank</th>
<th>Uncertainty avoidance Index Rank</th>
<th>Long term orientation Index Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>69</td>
<td>14</td>
<td>38</td>
<td>26-27</td>
<td>49</td>
</tr>
<tr>
<td>France</td>
<td>68</td>
<td>15-16</td>
<td>73</td>
<td>10-11</td>
<td>43</td>
</tr>
<tr>
<td>Germany</td>
<td>35</td>
<td>42-44</td>
<td>67</td>
<td>15</td>
<td>66</td>
</tr>
<tr>
<td>Great Britain</td>
<td>35</td>
<td>42-44</td>
<td>89</td>
<td>3</td>
<td>66</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>68</td>
<td>15-16</td>
<td>25</td>
<td>37</td>
<td>57</td>
</tr>
<tr>
<td>India</td>
<td>77</td>
<td>10-11</td>
<td>48</td>
<td>21</td>
<td>56</td>
</tr>
<tr>
<td>Japan</td>
<td>54</td>
<td>33</td>
<td>46</td>
<td>22-23</td>
<td>95</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>38</td>
<td>40</td>
<td>80</td>
<td>4-5</td>
<td>14</td>
</tr>
<tr>
<td>Sweden</td>
<td>31</td>
<td>47-48</td>
<td>71</td>
<td>10-11</td>
<td>5</td>
</tr>
<tr>
<td>Thailand</td>
<td>64</td>
<td>21-23</td>
<td>20</td>
<td>39-41</td>
<td>34</td>
</tr>
<tr>
<td>USA</td>
<td>40</td>
<td>38</td>
<td>91</td>
<td>1</td>
<td>62</td>
</tr>
<tr>
<td>Venezuela</td>
<td>81</td>
<td>5-6</td>
<td>12</td>
<td>50</td>
<td>73</td>
</tr>
</tbody>
</table>

Ranks: 1 = highest, 53 = lowest (for long term orientation, 23 = lowest).

Table 5.
Scores of 12 Countries on Five Dimensions of National Cultures
differences in the family, the school and the work place similar to those for the other four dimensions (Tables 1–4).

Scores on the first four dimensions were obtained for 50 countries and three regions on the basis of the IBM study, and on the fifth dimension for 23 countries on the basis of the student data collected by Bond et al. All scores have been transformed to a scale from approximately 0 for the lowest scoring country to approximately 100 for the highest. Table 5 shows the scores for twelve countries. For the full list the reader is referred to Hofstede (1991).

Power distance scores tend to be high for Latin, Asian and African countries and smaller for Germanic countries. Individualism prevails in developed and Western countries, while collectivism prevails in less developed and Eastern countries; Japan takes a middle position on this dimension. Masculinity is high in Japan, in some European countries like Germany, Austria and Switzerland, and moderately high in Anglo countries; it is low in Nordic countries and in The Netherlands and moderately low in some Latin and Asian countries like France, Spain and Thailand. Uncertainty avoidance scores are higher in Latin countries, in Japan, and in German speaking countries, lower in Anglo, Nordic, and Chinese culture countries. A long term orientation is mostly found in East Asian countries, in particular in China, Hong Kong, Taiwan, Japan, and South Korea.

The grouping of country scores points to some of the roots of cultural differences. These should be sought in the common history of similarly scoring countries. All Latin countries, for example, score relatively high on both power distance and uncertainty avoidance. Latin countries (those today speaking a Romance language, i.e. Spanish, Portuguese, French or Italian) have inherited at least part of their civilization from the Roman empire. The Roman empire in its days was characterized by the existence of a central authority in Rome, and a system of law applicable to citizens anywhere. This established in its citizens' minds the value complex which we still recognize today: centralization fostered large power distance and a stress on laws fostered strong uncertainty avoidance. The Chinese empire also knew centralization, but it lacked a fixed system of laws: it was governed by men rather than by laws. In the present-day countries once under Chinese rule, the mindset fostered by the empire is reflected in large power distance but medium to weak uncertainty avoidance. The Germanic part of Europe, including Great Britain, never succeeded in establishing an enduring common central authority and countries which inherited its civilizations show smaller power distance. Assumptions about historical roots of cultural differences always remain speculative but in the given examples they are quite plausible. In other cases they remain hidden in the course of history (Hofstede, 1980, pp. 127, 179, 235, 294).

The country scores on the five dimensions are statistically correlated with a multitude of other data about the countries. For example, power distance is correlated with the use of violence in domestic politics and with income inequality in a country. Individualism is correlated with national wealth (per capita gross national product) and with mobility between social classes from
one generation to the next. Masculinity is correlated negatively with the share of gross national product that governments of wealthy countries spend on development assistance to the Third World. Uncertainty avoidance is associated with Roman Catholicism and with the legal obligation in developed countries for citizens to carry identity cards. Long term orientation is correlated with national economic growth during the past 25 years, showing that what led to the economic success of the East Asian economies in this period is their populations' cultural stress on the future-oriented values of thrift and perseverance.

The Cultural Limits of Management Theories

The culture of a country affects its parents and its children, teachers and students, labour union leaders and members, politicians and citizens, journalists and readers, managers and subordinates. Therefore management practices in a country are culturally dependent, and what works in one country does not necessarily work in another. However not only the managers are human and children of their culture; the management teachers, the people who wrote and still write theories and create management concepts, are also human and constrained by the cultural environment in which they grew up and which they know. Such theories and concepts cannot be applied in another country without further proof; if applicable at all, it is often only after considerable adaptation. Four examples follow.

(1) Performance Appraisal Systems

These are recommended in the Western management literature. They assume that employees' performance will be improved if they receive direct feedback about what their superior thinks of them, which may well be the case in individualist cultures. However, in collectivist countries such direct feedback destroys the harmony which is expected to govern interpersonal relationships. It may cause irreparable damage to the employee's "face" and ruin his or her loyalty to the organization. In such cultures, including all East Asian and Third World countries, feedback should rather be given indirectly, for example through the withdrawing of a favor, or via an intermediary person trusted by both superior and employee.

(2) Management by Objectives

Management by Objectives (MBO) is a management concept developed in the USA. Under a system of MBO, subordinates have to negotiate about their objectives with their superiors. The system therefore assumes a cultural environment in which issues can be settled by negotiation rather than rules, which means a medium to low power distance and a not too high uncertainty avoidance. In the German environment it had to be adapted to the more structured culture of a stronger uncertainty avoidance; it became "Führung durch Zielvereinbarung" which is much more formal than the US model (Ferguson, 1973).
(3) Strategic Management

This is a concept also developed in the USA. It assumes a weak uncertainty avoidance environment, in which deviant strategic ideas are encouraged. Although it is taught in countries with a stronger uncertainty avoidance, like Germany or France, its recommendations are rarely followed there, because in these cultures it is seen as the top managers’ role to remain involved in daily operations (Horovitz, 1980).

(4) Humanization of Work

This is a general term for a number of approaches in different countries trying to make work more interesting and rewarding for the people who do it. In the USA, which is a masculine and individualist society, the prevailing form of humanization of work has been “job enrichment”: giving individual tasks more intrinsic content. In Sweden which is feminine and less individualist, the prevailing form has been the development of semi-autonomous work groups, in which members exchange tasks and help each other (Gohl, 1977). In Germany and German-speaking Switzerland the introduction of flexible working hours has been a very popular way of adapting the job to the worker. Flexible working hours have never become as popular in other countries; their popularity in German-speaking countries can be understood by the combination of a small power distance (acceptance of responsibility by the worker) with a relatively large uncertainty avoidance (internalization of rules).

Eastern versus Western Categories of Thinking

A study of students’ values in 23 countries using a questionnaire designed by Chinese scholars (the Chinese Value Survey, CVS) produced partly similar, but partly different results from the two other studies (among 64 IBM subsidiaries and among students in 10 countries) which used questionnaires designed by Western (European and American, respectively) minds. The CVS study did not identify a dimension like uncertainty avoidance, which deals with the search for truth. It seems that to the Chinese minds who designed the questions the search for truth is not an essential issue, so the questions necessary to identify this dimension were not included in their questionnaire.

One of the basic differences between Eastern thinking (represented by, for example Confucianism, Buddhism, and Hinduism) and Western thinking (dominant in the Judaeo–Christian–Muslim intellectual tradition) is that in the East, a qualification does not exclude its opposite, which is an essential element of Western logic (Kapp, 1983). Thus in the East the search for truth is irrelevant, because there is no need for a single and absolute truth and the assumption that a person can possess an objective truth is absent. Instead, the Eastern instrument includes the questions necessary to detect the dimension of long versus short term orientation expressing a concern for virtue: for proper ways of living (like, practising perseverance and thrift, or respecting tradition and social obligations) which is less obvious in the West where virtue tends to be derived from truth.
These findings show that not only practices, values and theories, but even the categories available to build theories from are products of culture. This has far-reaching consequences for management training in a multicultural organization. Not only our tools, but even the categories in which we think, may be unfit for the other environment.

Organizational Cultures

The use of the term “culture” in the management literature is not limited to the national level: attributing a distinct culture to a company or organization has become extremely popular. However, organizational cultures are a phenomenon of a different order from national cultures, if only because membership of an organization is usually partial and voluntary, while the “membership” of a nation is permanent and involuntary. Our field research to be described below showed that national cultures differ mostly at the level of basic values while organizational cultures differ mostly at the level of the more superficial practices: symbols, heroes, and rituals.

In the popular management literature, organization cultures have often been presented as a matter of values (e.g. Peters and Waterman, 1982). The confusion arises because this literature does not distinguish between the values of the founders and leaders and those of the ordinary employees. Founders and leaders create the symbols, the heroes and the rituals that constitute the daily practices of the organization’s members. However, members have to adapt their personal values to the organization’s needs, to a limited extent only. A work organization, as a rule, is not a “total institution” like a prison or a mental hospital. Precisely because organizational cultures are composed of practices rather than values, they are somewhat manageable: they can be managed by changing the practices. The values of employees cannot be changed by an employer, because they were acquired when the employees were children. However, sometimes an employer can activate latent values which employees were not allowed to show earlier: like a desire for initiative and creativity, by allowing practices which before were forbidden.

Dimensions of Organizational Cultures

A research project similar to the IBM studies but focusing on organizational rather than national cultures was carried out by the Institute for Research on Intercultural Cooperation (IRIC) in The Netherlands. Data were collected in twenty work organizations or parts of organizations in The Netherlands and Denmark. The units studied varied from a toy manufacturing company to two municipal police corps. As mentioned above the study found large differences among units in practices (symbols, heroes, rituals) but only modest differences in values, beyond those due to such basic facts as nationality, education, gender and age group.

Six independent dimensions can be used to describe most of the variety in organizational practices. These six dimensions can be used as a framework to describe organizational cultures, but their research base in 20 units from two
countries is too narrow to consider them as universally valid. For describing organizational cultures in other countries and in other types of organizations, additional dimensions may be necessary or some of the six may be less useful (see also Pümpin, 1984). The dimensions of organizational cultures found are:

(1) Process-oriented versus Results-oriented Cultures
The former are dominated by technical and bureaucratic routines, the latter by a common concern for outcomes. This dimension was associated with the culture's degree of homogeneity: in results-oriented units, everybody perceived their practices in about the same way; in process-oriented units, there were vast differences in perception among different levels and parts of the unit. The degree of homogeneity of a culture is a measure of its "strength": the study confirmed that strong cultures are more results-oriented than weak ones, and vice versa (Peters and Waterman, 1982).

(2) Job-oriented versus Employee-oriented Cultures
The former assume responsibility for the employees' job performance only, and nothing more; employee-oriented cultures assume a broad responsibility for their members' well-being. At the level of individual managers, the distinction between job orientation and employee orientation has been popularized by Blake and Mouton's Managerial Grid (1964). The IRIC study shows that job versus employee orientation is part of a culture and not (only) a choice for an individual manager. A unit's position on this dimension seems to be largely the result of historical factors, like the philosophy of its founder(s) and the presence or absence in its recent history of economic crises with collective layoffs.

(3) Professional versus Parochial Cultures
In the former, the usually highly educated members identify primarily with their profession; in the latter, the members derive their identity from the organization for which they work. Sociology has long known this dimension as local versus cosmopolitan, the contrast between an internal and an external frame of reference, first suggested by Tönnies (1887).

(4) Open System versus Closed System Cultures
This dimension refers to the common style of internal and external communication, and to the ease with which outsiders and newcomers are admitted. This dimension is the only one of the six for which there is a systematic difference between Danish and Dutch units. It seems that organizational openness is a societal characteristic of Denmark, much more so than of The Netherlands. This shows that organizational cultures also reflect national culture differences.
(5) Tightly versus Loosely Controlled Cultures
This dimension deals with the degree of formality and punctuality within the organization; it is partly a function of the unit's technology: banks and pharmaceutical companies can be expected to show tight control, research laboratories and adverstizing agencies loose control; but even with the same technology, units still differ on this dimension.

(6) Pragmatic versus Normative Cultures
The last dimension describes the prevailing way (flexible or rigid) of dealing with the environment, in particular with customers. Units selling services are likely to be found towards the pragmatic (flexible) side, units involved in the application of legal rules towards the normative (rigid) side. This dimension measures the degree of "customer orientation", which is a highly popular topic in the management literature.

Managing Organizational Cultures
In spite of their relatively superficial nature organizational cultures are hard to change because they have developed into collective habits. Changing them is a top management task which cannot be delegated. Some kind of culture assessment by an independent party is usually necessary, which includes the identification of different subcultures which may need quite different approaches. The top management's major strategic choice is either to accept and optimally use the existing culture or to try to change it. If an attempt at change is made it should be preceded by a cost–benefit analysis. A particular concern is whether the manpower necessary for a culture change is available.

Turning around an organizational culture demands visible leadership which appeals to the employees’ feelings as much as to their intellect. The leader or leaders should assure themselves of sufficient support from key persons at different levels in the organization. Subsequently, they can change the practices by adapting the organization’s structure — its functions, departments, locations, and tasks — matching tasks with employee talents. After the structure, the controls may have to be changed, based on a decision on which aspects of the work have to be co-ordinated how and by whom at what level. At the same time it is usually necessary to change certain personnel policies related to recruitment, training and promotion. Finally, turning around a culture is not a one-shot process. It takes sustained attention from top management, persistence for several years, and usually a second culture assessment to see whether the intended changes have, indeed, been attained.

Managing Culture Differences in Multinationals
Many multinational corporations do not only operate in different countries but also in different lines of business or at least in different product/market divisions. Different business lines and/or divisions often have different organizational cultures. Strong cross-national organizational cultures within a
business line or division, by offering common practices, can bridge national
differences in values among organization members. Common practices, not
common values, keep multinationals together.

Structure should follow culture: the purpose of an organization structure is
the co-ordination of activities. For the design of the structure of a
multinational, multibusiness corporation, three questions have to be answered
for each business unit (a business unit represents one business line in one
country). The three questions are: (a) which of the unit's in- and outputs
should be co-ordinated from elsewhere in the corporation? (b) where and at
what level should the co-ordination take place? and (c) how tight or loose
should the co-ordination be? In every case there is a basic choice between co-
ordination along geographical lines and along business lines. The decisive
factor is whether business know-how or national cultural know-how is more
.crucial for the success of the operation.

Matrix structures are a possible solution but they are costly, often meaning
a doubling of the management ranks, and their actual functioning may raise
more problems than they resolve. A single structural principle (geographic
or business) is unlikely to fit for an entire corporation. Joint ventures
further complicate the structuring problem. The optimal solution is nearly
always a patchwork structure that in some cases follows business and
in others geographical lines. This may lack beauty, but it follows the needs
of markets and business unit cultures. Variety within the environment in
which a corporation operates should be matched with appropriate internal
variety. Optimal solutions will also change over time, so that the periodic
reshufflings which any large organization undergoes, should be seen as
functional.

Like all organizations, multinationals are held together by people. The best
structure at a given moment depends primarily on the availability of suitable
people. Two roles are particularly crucial: (a) country business unit managers
who form the link between the culture of the business unit, and the corporate
culture which is usually heavily affected by the nationality of origin of the
corporation, and (b) "corporate diplomats", i.e. home country or other
nationals who are impregnated with the corporate culture, multilingual, from
various occupational backgrounds, and experienced in living and functioning
in various foreign cultures. They are essential to make multinational
structures work, as liaison persons in the various head offices or as temporary
managers for new ventures.

The availability of suitable people at the right moment is the main task of
multinational personnel management. This means timely recruiting of future
managerial talent from different nationalities, and career moves through
planned transfers where these people will absorb the corporate culture.
Multinational personnel departments have to find their way between
uniformity and diversity in personnel policies. Too much uniformity is
unwarranted because people's mental programmes are not uniform. It leads to
corporate-wide policies being imposed on subsidiaries where they will not
work — or only receive lip service from obedient but puzzled locals. On the
other side, the assumption that everybody is different and that people in subsidiaries therefore always should know best and be allowed to go their own ways, is unwarranted too. In this case an opportunity is lost to build a corporate culture with unique features which keep the organization together and provide it with a distinctive and competitive psychological advantage.

Increasing integration of organizations across national borders demands that managers have an insight in the extent to which familiar aspects of organizational life like organization structures, leadership styles, motivation patterns, and training and development models are culturally relative and need to be reconsidered when borders are crossed. It also calls for self-insight on the part of the managers involved, who have to be able to compare their ways of thinking, feeling and acting to those of others, without immediately passing judgment. This ability to see the relativity of one's own cultural framework does not come naturally to most managers, who often got to their present position precisely because they held strong convictions. Intercultural management skills can be improved by specific training; this should focus on working rather than on living in other countries. The stress in such courses is on recognizing one's own cultural programmes and where these may differ from those of people in other countries.

References


Received April 1993
Revised August 1993