"Glocal" working

Living and working across the world with cultural intelligence

edited by Barbara Bertagni,
Michele La Rosa, Fernando Salvetti

Works by B. Bertagni, S. Bresciani, L. Cantoni, M. Eppler, M. Gannon,
W. Griswold, J.-S. Guy, G. Hofstede, H. Karjalainen, B. Köhne, M. La Rosa,
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Sociology
of work

FrancoAngeli

Sociologia del lavoro

Collana diretta da **Michele La Rosa**

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Never let yourself be goaded into taking seriously problems about words and their meanings. What must be taken seriously are questions of fact, and assertions about facts: theories and hypotheses; the problems they solve; and the problems they raise.

Karl Raimund Popper

*Prophete rechts, Prophete links,
Das Weltkind in der Mitten.*

Johann Wolfgang von Goethe

*Chi non sa nulla delle altre culture,
non conosce nulla di se stesso.*

"Glocal" working: a short introduction

Barbara Bertagni, Michele La Rosa and Fernando Salvetti

To live and work in our "glocal" (global & local) world, we have to be innovative as "outsiders" able to see the same things in many different ways. Being an "outsider" is both a challenge and a competitive advantage. If we see and think differently about a business need, a problem, or a market's niche, we have a good chance of coming up with an out-of-the-box approach - one that's original, unique and competitive. So we need some cross-cultural intelligence.

Cultural intelligence is the ability to bridge and benefit from the cultural complexity of people with different nationalities, professional backgrounds and fields, personalities and organizational cultures. Cultural intelligence combines the emotional, cognitive and practical dimensions of cross-cultural encounters and ensures more effective and fulfilling cross-cultural collaboration. Cultural intelligence means being skilled and flexible about understanding a culture, learning more about it from ongoing interactions with it and gradually reshaping your thinking to be more sympathetic to the culture and your behavior to be more skilled and appropriate when interacting with others from the culture.

Today cultural intelligence is a big challenge; the cognitive paradigms, the relational schemas and the value systems among cultures have been shown to vary significantly, not only among different countries, but also among professional people working in the same corporation. For instance, people from different cultural backgrounds are likely to have different attitudes towards hierarchy, ambiguity, achievement orientation, time and working with others.

Do we know how to understand the implicit, basic assumptions that guide people's behavior in different areas of our world? Do we know how to interpret the explicit norms and values that guide a foreign society? Starting with these questions, or with similar ones, we may draw up a scheme useful in understanding a new business context and, at the same time, develop our

own cognitive maps - intellectual flexibility, creativity, ability to innovate – in the "glocal" world. We must learn to be like Proteus – flexible enough to adapt with knowledge and sensitivity to each new cultural situation that we face.

We are all becoming "glocal" people and everyone can learn to be more culturally intelligent.

Think locally, act globally: cultural constraints in personnel management

Geert Hofstede

Organization cultures and national cultures

'Culture' in general has been defined as 'the collective programming of the mind which distinguishes the members of one group or category of people from another' (Hofstede 1991: p.5). In the case of national culture, the category is the nation - keeping other things equal. In the case of organization cultures, the category is the organization as opposed to other organizations - again other things, like nationality, being equal. Next to national and organization, one can distinguish occupational cultures, business cultures, gender cultures, age group cultures (like youth culture) and so on. However, the use of the word 'culture' for all these categories does not mean that they are identical phenomena. For different kinds of social systems, their 'cultures' may well be of a different nature. This is particularly the case for organization cultures versus national cultures, if only because membership of an organization is usually partial and voluntary, while the 'membership' of a nation is permanent and involuntary.

Culture as collective programming of the mind manifests itself in several ways. From the many terms used to describe manifestations of culture, the following four together cover the total concept rather neatly - symbols, heroes, rituals and values. These can be imagined as the skin of an onion, symbols representing the most superficial and values the deepest manifestations of culture, with heroes and rituals inbetween.

Symbols are words, gestures, pictures or objects which carry a particular meaning only recognized as such by those who share the culture. The words in a language or jargon belong to this category, as do dress, hair-do, Coca-Cola, flags and status symbols. New symbols are easily developed and old ones disappear; symbols from one cultural group are regularly copied by

others. This is why symbols represent the outer, most superficial layer of culture.

Heroes are persons, alive or dead, real or imaginary, who possess characteristics which are highly prized in a culture, and thus serve as models for behavior. Founders of companies often become cultural heroes. In this age of television, outward appearances have become more important in the choice of heroes than they were before.

Rituals are collective activities, technically superfluous to reach desired ends, but which within a culture are considered as socially essential. They are therefore carried out for their own sake. Ways of greeting and paying respect to others, social and religious ceremonies are examples. Business and political meetings organized for seemingly rational reasons, often serve mainly ritual purposes; for instance, allowing the leaders to assert themselves.

Symbols, heroes and rituals together can be labeled '*practices.*' As such they are visible to an outside observer; their cultural meaning however, is invisible and lies precisely and only in the way these practices are interpreted by the insiders.

The core of culture is formed by *values*. Values are broad tendencies to prefer certain states of affairs over others. Values are feelings with an arrow to it - a plus and a minus side. They deal with:

evil vs. good	dirty vs. clean
ugly vs. beautiful	unnatural vs. natural
abnormal vs. normal	paradoxical vs. logical
irrational vs. rational	immoral vs. moral

Values are among the first things children learn - not consciously, but implicitly. Development psychologists believe that by the age of ten, most children have their basic value system firmly in place and after that age, changes are difficult to obtain. Because they were acquired so early in our lives, many values remain unconscious to those who hold them. Therefore

they cannot be discussed, nor can they be directly observed by outsiders. They can only be inferred from the way people act under various circumstances.

Two large research projects, one into national and one into organizational cultural differences (Hofstede *et al.* 1990; Hofstede 1991) showed that national cultures differ mostly at the level of values, while organizational cultures differ mostly at the level of the more superficial practices - symbols, heroes and rituals.

Figure 1

The mix of values and practices in culture for different social systems:

```
LEVEL OF CULTURE      PLACE OF SOCIALIZATION
                 +---------------------+---+
GENDER           |                      /  |   FAMILY
NATION           |                     /   |
                 |    VALUES          /    |
CLASS            |                   /     |
                 |                  /      |
                 |                 /       |
OCCUP-           |                /        |   SCHOOL
ATION            |               /         |
                 |              /          |
BUSI-            |             /           |
 NESS            |            /            |
                 |           /   PRACTICES |
ORGANI-          |          /              |   WORKPLACE
ZATION           |                         |
                 +-----.-------------------+
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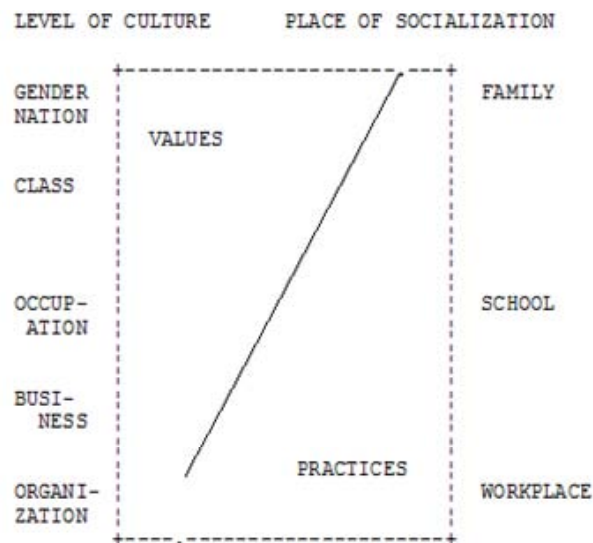
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Figure 1 illustrates the different mixes of values and practices for the national and the organization levels of culture, as well as for gender, (social) class, occupation and business. These differences can be explained by the different places of socialization (learning) for values and for practices; these have been listed on the right side of the diagram. Values are acquired in one's early youth, mainly in the family and in the neighborhood and later at school. The two characteristics present at birth are gender and nationality. By the time a child is ten years old, most of its basic values have been programmed into its mind. The school as a socializing place relates to the student's future occupation. Organization cultures are only learned through socialization at the work place, which most people enter as adults - that is, with the bulk of their values firmly in place. A business culture level (like the culture of banking or of tourism) is placed somewhere between occupation and organization.

Figure 1 illustrates that national cultures and organization cultures are phenomena of a different order. Using the same term 'cultures' for both can be misleading.

In 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. Members do not have to adapt their personal values to the organization's needs. A work organization, as a rule, is not a 'total institution' like a prison or a mental hospital.

Members' values depend primarily on criteria other than membership in the organization, like their gender, nationality, class and occupation. The way these values enter the organization is through the hiring process; an organization recruits people of a certain gender, nationality, class, education and age. Their subsequent socialization in the organization is a matter of learning the practices - symbols, heroes and rituals. Personnel officers who pre-select the people to be hired, play an important role in maintaining an organization's values (for better or for worse).

The fact that organizational cultures are composed of practices rather than values makes them *somewhat* manageable. They can be managed by changing the practices. The values of employees once hired, can hardly be changed by an employer because they were acquired when the employees were children. Sometimes an employer can activate latent values which employees possess but were not allowed to show earlier, such as a desire for initiative and creativity by allowing practices which before were forbidden.

Dimensions of national cultures

The large research project into national culture differences referred to took place across subsidiaries of a multinational corporation (IBM) in 64 countries. Subsequent studies covered students in 10 and 23 countries respectively and elites in 19 countries (Hofstede 1991; Hofstede and Bond 1988; Hoppe 1990). These studies together identified five independent dimensions of national culture differences:

1. *Power Distance*: that 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

Consequences at the work place of differences in national culture:

Small Power Distance societies	Large Power Distance societies
Hierarchy means an inequality of roles, established for convenience	Hierarchy means existential inequality
Subordinates expect to be consulted	Subordinates expect to be told what to do
Ideal boss is resourceful democrat	Ideal boss is benevolent autocrat (good father)

Collectivist societies	Individualist societies
Value standards differ for in-group and out-groups: particularism	Same value standards apply to all: universalism
Other people are seen as members of their group	Other people seen as potential resources
Relationship prevails over task	Task prevails over relationship
Moral model of employer-employee relationship	Calculative model of employer-employee relationship

Feminine societies	Masculine societies
Assertiveness ridiculed	Assertiveness appreciated
Undersell yourself	Oversell yourself
Stress on life quality	Stress on careers
Intuition	Decisiveness

Weak Uncertainty Avoidance societies	Strong Uncertainty Avoidance societies
Dislike of rules – written or unwritten	Emotional need for rules – written or unwritten
Less formalization and standardization	More formalization and standardization
Tolerance of deviant persons and ideas	Intolerance of deviant persons and ideas

Table 1 at the top lists some of the differences at the work place between small and large Power Distance cultures. The statements refer to extremes;

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actual situations may be found anywhere inbetween the extremes. People's behavior in their work situation is strongly affected by their previous experiences in their family and in their school. The expectations and fears about the boss are projections of the experiences with their father - or mother - and their 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* on the one side versus its opposite *Collectivism*; that 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 and 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 uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word 'collectivism' in this sense has no political meaning. It refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.

Table 1 also shows some differences at the work place between collectivist and individualist cultures; most real cultures will be somewhere inbetween these extremes. The words 'particularism' and 'universalism' are common sociological categories. 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 its opposite *Femininity*; refers to the distribution of roles between the sexes which is another fundamental issue for any society in 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 are maximally different from women's values on the one side, to modest and caring and are 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 1 also lists some of the differences at the work place between feminine and masculine cultures.

4. *Uncertainty Avoidance* 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 1 at the bottom lists some of the differences at the work place 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 (Hofstede and Bond, 1988). 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 are found in the teachings of Confucius, the most influential Chinese philosopher who lived around 500 B.C.; 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 composing a table of differences like those for the other four dimensions in Table 1.

Scores on the first four dimensions were obtained for 50 countries and 3 regions on the basis of the IBM study and on the fifth dimension for 23 countries on the basis of student data collected by Bond. For score values see Hofstede (1991). Power Distance scores are 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