Hofstede's consequences: The impact of his work on consulting and business practices

An Executive Commentary by John W. Bing

Encountering Hofstede's Work

The ocean liner Queen Mary is perhaps an odd place to run into the ideas of Geert Hofstede, but that is where I first encountered them, in March of 1982 at a conference of the Society for Intercultural Training, Education and Research (SIETAR). (The Queen Mary is now, and was then, a floating convention center docked off the coast of Southern California.)

I attended a session run by Robert Moran and George Renwick, who introduced the basics of Hofstede's research, and the implications of that research, to participants. I remember that my reaction was one of astonishment: Here was someone who had analyzed the world of cultures through large-scale and careful quantitative research. Because of the scope of Hofstede's research-over 115,000 questionnaires in over 50 countries-the findings had a very broad foundation. The results were obtained from surveys conducted within a large multinational business, IBM; therefore, the findings could be applied, I thought, to businesses in general. When I grasped how Hofstede's twosided matrixes - for example, comparing the relative scores for countries on both individuality and power distance - organized his dimensions into a set of mental geographies, I was just plain amazed. These mental geographies had both similarities with and differences from the world's physical geographies. The research suggested that country cultures in physical proximity (say France and Belgium) both resembled and were different from each other in expected and sometimes wholly unexpected ways.

I came away from that session convinced that I had seen the future of the field and recommitted to my work.

At the time I first learned of Hofstede's work, I had already played a small role (with Al Wight and Ann Hammonds Roberts) in the development of the prototype of the first Peace Corps crosscultural

manual, so I was familiar with the research in the field. Little of that research was quantitative so I recognized the pioneering nature of Hofstede's work.

Hofstede's study was groundbreaking in other ways as well. Survey research had been used before, in fields such as sociology, political science, and business studies, but had not been significantly employed in cross-cultural comparisons, certainly not across a large number of countries. It is no exaggeration to say that Hofstede helped to create the field of comparative intercultural research. From its original publication date in 1980, Culture's Consequences sold steadily over a twenty-year period. In 1988, citations referencing Culture's Consequences jumped. From that time, Hofstede's influence has grown steadily.

During the mid-1980s I came across a simple cross-cultural assessment (now called the Culture in the Workplace Questionnaire™) developed by Hofstede to help individuals understand their own cultural preferences, contacted Hofstede for a license, and began using it in my own practice. Countless other professionals have benefited from studying his work and applying its principles.

Hofstede's Influence

Hofstede is the most-cited Dutch author and the ninth-most cited European in the 2001 Social Science Citation Index. Over time Hofstede's influence has become so pervasive, and his work has developed so many offshoots, that even those who don't agree with his theory or conclusions must at least acknowledge his work. Debates within the field are an expected part of the process of theory building, testing, and questioning which characterizes modern science. What is clear is that Hofstede designed the architecture that has characterized much of contemporary cross-cultural quantitative research; and his is the standard to which

others must make reference. It would be easier for caravans to cross the desert without touching sand than it would be for researchers and practitioners in this field to avoid Hofstede's work.

His work has been equally influential on practitioners. When it was first published in 1980, Culture's Consequences and its younger offspring, the more practically oriented *Cultures and Organizations: Software of the Mind*, which first appeared in the UK in 1991, knit together a group of concepts from the disciplines of sociology, psychology, philosophy, and political science and related these to Hofstede's country-based research. Through the quantitative research generated from Hofstede's work with IBM, country cultures were defined in an original and powerful way, through four specific dimensions of culture - power distance, individualism, uncertainty avoidance, and masculinity. Later, short- and long-term orientation was added as a fifth dimension. The quantitative map of culture was thus created - certainly not in its final form, but in a form similar to the maps of pioneer explorers discovering new worlds.[1]

Practical Applications

Practical applications were developed almost immediately. Professionals in the field of crosscultural training and development began experimenting with how the dimensions and country comparisons could help people work more effectively in more than one culture. The original four (now five) dimensions became teaching lenses through which could be diffracted many different situations specific to two or more cultures.

In fact, Hofstede later was heard to complain occasionally that practitioners sometimes misunderstood or misused his research, a common problem with new theories as they make their way into the world. A common error to which practitioners may be prone involves predicting individual cultural preferences by inference from Hofstede's country scores. Merely because, for example, Chileans have a high uncertainty avoidance score does not mean that individual Chileans share that quality. They may or may not. Most populations are normal curves, and an individual may be found at one extreme or in the center. That individual's cultural preference cannot be predicted from the country scores. However, as a whole population, the group tendency is in a specific direction, and that is how Hofstede's scores are derived.

Visible Dimensions

There were other ways in which Hofstede's work helped organize not only my work with clients, but my own experiences as well. For example, in my travels to Austria, I was amused by how farmers' woodpiles were carefully created with almost perfect symmetry- large logs on the bottom, medium size stacked above, and smaller branches on topnicely illustrating the high Austrian score in Hofstede's uncertainty avoidance dimension. For creating order is an

effective way of avoiding uncertainty. (I contrasted this with the more haphazard piles of wood of my native New England.)

Similarly, the Austrian subway system, the Ubahn, not only operates typically on time, with the same clear (recorded) male voice announcing station stops everywhere in the system (again, reflecting a high need for certainty), but there are no barriers to entrance to the stations; although there are occasional ticket checkers, each passenger is generally expected to police his or her own behavior (again, mirroring the low Austrian power distance score). Contrast this to the subways of New York, in which the individual voices of conductors announce (sometimes!) station stops, and each entrance has massive barriers to entrance! And it's no accident that the members of Austria's famous Vienna Philharmonic Orchestra choose their own conductors, their leaders, another example of Hofstede's low power distance in action (Austria has the lowest score of cited countries).

While on a business trip to Tokyo some years ago, I was in a bus with a group about to disembark to tour the Imperial Palace when our guide, with a smile, informed us over the loudspeaker that she would be holding a sign, and that we were to stay in sight of this sign at all times; otherwise, if we wandered off, we might be arrested. Of course, this was to me a confirmation of Hofstede's individualism - group dimensions scores: The stronger group orientation of the Japanese contrasts to the U.S.'s highest-of-all-countries individualism scores. Americans have a tendency to wander off on their own, as our guide was no doubt aware; while in the U.S., Americans notice how Japanese often travel together, taking many group photos.

One line of application has not received as much interest as I believe it should. Very few articles have been published on the application of the dimensions to issues of war and peace. Can a light be shone through the dimensions to illuminate why countries resort to war when negotiations and other legal and moral alternatives to conflict would bring a far superior result? When one country has a high individualism score and a low power distance score, and is dealing with leaders of another country with opposing scores (as was most likely the case of the United States and Iraq), are misunderstanding, missteps, and eventually warfare inevitable? Or could such lines of thought suggest to political leaders that different approaches might yield different results? Although it is clear that such approaches will not prevent war in instances in which a nation's leadership is bent on hostilities, in cases in which there is a genuine search for alternatives, such approaches could open otherwise locked doors.

Encountering - and Countering - Stereotypes

It's important to note that sophisticated interpreters of Hofstede's research have sometimes found in certain country scores a way of countering stereotypes. For example, the German scores for power distance (like Austria's) are relatively low. In my practice, this sometimes raised eyebrows. How could the scores be so low when everyone knows that Germans are susceptible to strong leaders, to giving and taking orders? Well, what everyone knew is likely no longer applicable. Germany has changed since 1945, although the stereotypes have held on for much longer. For example, representatives of German unions not uncommonly hold positions on company boards of directors, unlike almost all of their counterparts in the United States. Although German society is highly structured, with great attention paid to hierarchy by professional degrees, occupation, and social status, this is a measure of the need for certainty rather than power distance.[2] In other words, as Hofstede states, the authority is in the role, not in the person.

Further, experienced practitioners are aware that Hofstede's numbers should never be applied in a reductionist fashion-in other words, numbers can never fully describe human behaviors. This is especially true when examining individual members of a group; individuals' preferences may be very much like, or very different from, the scores for a group. Many other factors need to be considered - age, education, exposure to other cultures, occupation, and so forth. In my own practice, I look upon Hofstede's data as would an airplane passenger looking down upon mountain ranges (in this simile, the dimensional bar charts). These represent country cultures. Smaller ranges represent subcultures within countries. But to understand individuals, you have to land at the nearest airport and meet them at ground level, taking into account their unique qualities.

The Value of Quantitative Research

Of what practical value, then, are the quantitative results of Hofstede's research? How can these results be used creatively to produce a sophisticated sense of cultural possibilities rather than stereotypes?

First, the dimensions should be used to help learners understand their own cultural tendencies. Many are not aware that they carry around their culture with them, and their preferences map on the dimensions. Once this understanding is developed, it is possible to understand that others will have different preferences. Thus a door is opened.

Second, the consequences of different preferences can be explored in specific workplace and organizational components. How are business processes, communications, and practices carried out differently by people with varying cultural preferences?

The following are examples of how Hofstede's research can be applied in various learning and business contexts. A more comprehensive example of the application of the dimensions to change strategy can be found in the Appendix.

Examples of Practical Applications

When business consultants and professionals in the field of workplace learning and development discovered Hofstede's dimensions, applications began to emerge in many areas. The following are merely a few examples of how the field has translated the abstract theory into a series of concrete approaches. The materials in italics provide examples of how the dimensions can be used in each of these areas.

Orientation and Training

1. New Employee Orientation: Offering an overview of cultural differences and how they may influence communications and other transactions between various parts of the global organizat ion. Learners can be provided with their own cultural preferences, and these can be compared to country scores or to actual scores of coworkers. Learners can then, through exercises, learn how business practices might differ between such coworkers and be provided with a common Language with which to frame the dialogue on cultural diversity.

2. Multicultural Workplaces: Providing models and examples of the specific influence of culture on transactions within multicultural work environments. Using dimension scores from each employee, discussions can take place on how each of their preferences can be taken into account in workplace situations specific to their work.

3. Relocation Training: Providing employees who are relocating internationally with an understanding of their own cultural preferences and those of the country of assignment so that they will be able to operate effectively, productively, and maintain a sense of balance. Individual dimensional scores of relocating employees can be compared to country scores; these are lenses through which the employee's actual business responsibilities can be focused.

4. Developing Nuanced Global Business Practices: For example, developing communication protocols across countries. Who gets copied on emails, how fast a response is expected, and how much content to include-these communication areas tend to align with the Hofstede dimensions. For example, in high power distance environments, employees tend to copy their supervisors on most emails-which is often misunderstood by low power distance colleagues.

Leadership Training and Development

1. Models of Leadership: Providing an understanding of how leadership practices and expectations may differ internationally and how to express the specific leadership practices of organizations in ways that can be understood by various constituencies. Providing learners with various models of leadership as obtained through a study of the dimensions and other sources will allow for sophistication in how leadership is both exemplified and accepted. "Good" leadership behavior in one culture may be considered rather poor behavior in another. So how can global leadership be developed?

2. Management Practices: Offering an understanding of the influence of culture on management practices worldwide within and between companies. Both compensation and benefit practices differ considerably across cultures, often on the individual-group dimension. What may be considered appropriate CEO compensation in a high individualistic culture may be considered larceny in a high group-oriented country.

3. Communicating Across Geographic and Institutional Boundaries: Understanding the role of leadership in translating and communicating both within and between local subsidiaries and between the corporate entity and its local subsidiaries. The study of dimensional differences can help global leaders both create and interpret policies at both local and corporate levels with a higher chance of success across company and geographic boundaries.

4. Global Teams: Learning how to lead global teams and measure obstacles and progress. Team members can discuss how their preferences influence their work on the team and how each person can help reach the team's objectives. They can discuss why some members of teams would prefer for the team to perform like a leaderless jazz band (high individuality) and others like an orchestra with a conductor (group orientation and high power distance).3 Differences in cultural preferences can be leveraged to improve creativity and work effectiveness.

5. Development of Global Competencies: Understanding how cultural dimensions interact with global competencies. The dimensions mediate how competencies are both interpreted and rewarded.

Business Practices

1. Managing Cross-Border Mergers and Acquisitions: Helping senior leaders identify cultural and related barriers and bridges to communications and trust-building within new entities and provide solutions to speed these business transactions. According to a KPMG study, "83% of all mergers and acquisitions (M&A's) failed to produce any benefit for the shareholders, and over half actually destroyed value."[4] Cultural preferences have been identified as an often overlooked barrier to the effective implementation of mergers and acquisitions. The dimensions can be used to anticipate and reduce the culture clashes. In addition, merging companies' disparate practices must also be aligned.

2. Leveraging Joint Ventures: Helping partners leverage their differences and similarities to produce more rapid results within the joint venture.

3. Vetting Employee Surveys: To make sure they are relatively objective and culturally accessible to all employees.

4. Negotiations: Helping negotiators understand and utilize the cultures on all sides of the table; planning the specifics of negotiations such as meeting with one person (high power distance) versus many people; size of proposals, etc.

5. Content-Specific Business Practices: Understanding how the law, finance, marketing, brand identification, and related business areas are influenced by cultures.

6. Globalizing Functions: For example, human resources needs to consider training/learning approaches/methodologies (brainstorming [individualism] vs. small group discussion and presentation [collectivism]; lecture [high power distance] vs. participative approaches [group discussions]; compensation and benefits: individual vs. group rewards).

7. The Impact of Culture on Change Strategy: The change process, like others, is influenced by culture. See the Appendix for an examination of this issue in detail.

Special Applications

The varieties of uses of the research are quite wide, and sometimes surprising. A recent article employs Hofstede's five dimensions to analyze website design and contents. The author analyzes specific country websites and notes how they conform to variances based on dimensional differences. Here is an example of how he analyzes two airline web pages on the uncertainty avoidance dimensions. His supposition is that the characteristics supportive of simplicity ("limit choices and amounts of data"), results ("let users know the implications of their actions before they do anything"), comfort ("mental models should focus on reducing user error"), and clarity (design characteristics [color, typography, sound, and so on] support navigation and reduce ambiguity") should be utilized in designing websites for high uncertainty avoidance countries.

The [former] Sabena Airlines Web site (http://www.sabena.com/), based in Belgium, and the British Airways Web site (http://www.britishairways.com/), based in the United Kingdom,

illustrate the results of uncertainty avoidance differences. Both sites have a primary travel booking area with approximately the same number of selectable items (nineteen versus sixteen). However, Belgium has an uncertainty avoidance rating of 94, the highest of the cultures studied. You'll note that the Sabena Airlines site has a home page with very simple, clear layout and limited choices outside of the booking area. The United Kingdom has a rating of 35, and the British Airways site has much more complex content and more than twice the choices. What's more, user options are located in multiple groupings with a variety of input and appearance characteristics.[5]

Another unusual study, this one supported by NASA, researched the effect of national culture on automation in airline cockpits.[6] In this study, high power distance and high uncertainty avoidance predicted a high level of acceptance of cockpit automation; pilots from high individualistic cultures were reported to be less likely to accept automation. U.S. pilots were therefore more likely to resist aspects of cockpit automation than their peers from countries where acceptance of authority and structure is more prevalent.

Those who would like to know the full range of how theory has influenced further research and practice need only consult the second edition of Culture's Consequences[7] which contains a compilation of studies based on Hofstede's work as well as research of quite different origins whose findings correlate with his.

Cultures in Motion: The Way Forward

Progress in science is often based on an intuitive leap, what Thomas Kuhn has called "an apparently arbitrary element, compounded of personal and historical accident." At some point in Hofstede's analysis of data from IBM, he must have seen that there were shifts in responses to questions that could most likely be caused by the "mental programming," the culture, of the respondents. The same curiosity that led a young Hofstede to accept employment on the factory floor in his native Holland to learn better how people work together led him to pore over the numbers which came out of his research at IBM and, finally, to see patterns in those responses which none before him had found.

Prior to this insight, cultures were usually seen in static isolation. Hofstede set them in motion relative to themselves, hovering in a kind of statistical space where meanings could be derived from their relative positions. He then aligned them, like iron filings, along the magnetic lines of the cultural dimensions.

Some implications of this related set of discoveries remain to be discovered, despite the long line of confirmatory and parallel studies that has taken place during the 40 years since the research was first reported. As an example, the relationship between culture and personality (an offshoot of the nature/nurture dilemma) is still not entirely clear. When survey questions are answered, where does personality end or culture begin? Are personality inventories entirely free of cultural contamination - in other words, do Japanese and Americans, for example, have the same personality patterns despite their very different cultures? Or is introvertism a cultural artifact? Geert Hofstede is now working on an article on this subject (with Robert R. McCrae) and will have some new ways to look at this ancient conundrum.[8]

Wherever comparative intercultural research guides practitioners in the future, we have already had many far-reaching applications. And whatever direction that is, it will begin from the coordinates established by Geert Hofstede.

Appendix

The Impact of Culture on Change Strategy[9]

Global companies experience change on an ever more frequent basis and in their global operations must navigate the cultural impact of change projects. Hofstede's dimensions offer guidelines for localizing a culturally acceptable approach to corporate activities.

Writing about managing change, Warren G. Bennis, Kenneth D. Benne, and Robert Chin (Editors of The Planning of Change [2nd Edition]. New York: Holt, Rinehart and Winston, 1969) identify three characteristics of people: rational, social, and compliant. Fred Nichols (in Change Management 101, Internet publication, January 2002) uses their strategies and adds one characteristic based on human adaptability.

When these tour characteristics identified by Bennis, Bene, Chin, and Nichols are aligned with the Hofstede four cultural dimensions, they provide some insight into how to better handle change across cultures.

1. Bennis, Bene, and Chin say, "People are rational and will follow their self-interest - once it is revealed to them. Change is based on the communication of information and the proffering of incentives." This relates to Hofstede`s Individualism dimension (Individual Orientation / Group Orientation).

CHANGE - How do you interact with those with a preference for Individual Orientation?	CHANGE - How do you interact with those with a preference for Group Orientation?
• Focus on how the change is good for them (appeal to their self-interest). • Allow individuals to formulate and ask questions.	• Focus on how change is good for the group (appeal to the common interest). • Allow the group to formulate and ask questions. • Allow the group to consult with each other and spend time working out their responses, questions, and concerns

2. Bennis, Bene, and Chin say, "People are basically compliant and will generally do what they are told or can be made to do." This relates to Hofstede s Power Distance dimension (Hierarchical Orientation / Participative Orientation).

CHANGE - How do you interact with those with a preference for High Power Distance / Hierarchical Orientation?	CHANGE - How do you interact with those with a preference for Low Power Distance / Participative Orientation?
• Use senior staff to make announcements/to communicate change. • Use legitimate power to exercise authority. • Tell subordinates what to do differently (do not leave it to them to figure out "how" to do things differently}.	• Use influencing skills. • Include them in a discussion; explain your (or the company's) position. • Allow for questions and challenges. • Provide a forum where they can be involved in discussion/framing "how" things will be different (work processes during the interim) after you provide the "what."

3. Nichols says, "People oppose loss and disruption, but they adapt readily to new circumstances. Change is based on building a new organization and gradually transferring people from the old one to the new one." This relates to Hofstede's Certainty dimension (Need for Certainty / Tolerance for Ambiguity).

CHANGE - How do you interact with those with a Need for Certainty?	CHANGE - How do you interact with those with a Tolerance for Ambiguity?
• Provide specific rules/structures/interim structures. • Recognize their need for information. Have available lots of supporting data and even theory, if appropriate. Use a logical flow to your interactions. Provide them with examples of others who have used the approach successfully. • Provide them with a cost analysis to help them see the cost-benefit comparison.	• Reward creative behavior that moves the group/division/company toward the end even if it was "outside the box." • Focus on the process of learning as the employees move toward the outcome. • Share information and open many communication forums. • Provide them with an outline of information for them to use in decision-making. A return-on-investment scenario

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- Share what they need to know.
- Use channels.
- Focus on compliance with procedures and policies.

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would go a long way to helping them make a quick decision. They may not need to know how it is going to work as long as the numbers make sense.
- There is less need to prove others have tried an approach and that it works, although a case study couldn't hurt-but provide it in bullets.
- Start with the bottom line, then build your case around their questions.
- Challenge and question "the way things are done."

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4. Bennis, Bene, and Chin say, "People are social beings and will adhere to cultural norms and values. Change is based on redefining and reinterpreting existing norms and values, and developing commitments to new ones." This relates to Hofstede's Masculinity dimension (Achievement Orientation / Quality of Life Orientation).

CHANGE - How do you interact with those with a preference for Achievement Orientation?	CHANGE - How do you interact with those with a preference for Quality of Life Orientation?
- Stress and reward performance and results. - Expect that work takes precedence over family life. - Remember their focus is "Live to work." - Show drive or ambition for completion of tasks and meeting of deadlines. - Communicate and respond with a sense of urgency. - Deliver what is promised, when you promise, and give 20% more than you promised. - A good manager should be decisive.	- Stress interdependence. - Focus on continued service to the internal and external customer. - Remember these clients are more likely to "Work to live" - stress how the changes improve quality of life. - Stress solidarity and service. - Remember these employees have a family life take this into account. - Emphasize humility and modesty in your approach. - Resolve conflicts by compromise and negotiation. - A good manager should be intuitive.

These suggestions provide a framework for "local / country managers" to use in their role as change promoters. They can adapt their style to one more likely to be accepted by their employee population, while championing the organizational change.

Endnotes

1 For a rival view of cultural dimensions, see F. Trompenaars & C. Hampden-Turner. 1998. Riding the waves of culture: Understanding cultural diversity in global business (2nd ed.). New York: McGraw-Hill.

2 This is my own interpretation. In fact, Hofstede himself has stated that "Germany in my view did not change its culture after 1945, but started using it in a constructive rather than in a destructive way." (Personal communication, December 2003)

3 Drucker, P. F. There's more than one kind of team. Wall Street Journal, 2 February 1992.

4 Gitelson, G., Bing, J. W., & Laroche, L. 2001. The impact of culture on mergers & acquisitions. CMA Management, March 2001. Available online here.

5 Marcus, A. 2003. Are you cultured? Global web design and the dimensions of culture. New Architect, March. Available online at http://www.newarchitectmag.com/documents/s=2450/na0303r/.

6 Sherman, P. J., & Helmreich, R. L. 1996. Attitudes toward automation. In Proceedings of the Eighth International Symposium on Aviation Psychology. Columbus, OH: Ohio State University.

7 Hofstede, G. 2001. Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations. (2nd ed.) Thousand Oaks, CA: Sage.

8 Hofstede, G., & McCrae, R. R. Personality and culture revisited: Linking traits and dimensions of culture. To be published in Cross-Cultural Research, 2004.

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