3

Comparing Cultures

Systematically Describing Cultural Differences

All people are the same. It is only their habits that are so different.

—Confucius

Culture can be best expressed in the complex interactions of values, attitudes, and behavioral assumptions of a society. However, for culture to be a useful concept in management studies, we must be able to unpack the culture concept (Schwartz, 1994). Although alternative definitions and theoretical perspectives are as numerous as the disciplines that use culture as a fundamental concept, much of our understanding of cultural variation has been achieved by reducing our analysis to the study of values. That is, the essence of culture is described by the content and structure of the basic mental representations members of particular social groups share. As noted in Chapter 2, these value differences arise from the solutions different social groups have devised for dealing with the finite number of problems with which all people must deal. Because there are a limited number of ways in which a society can manage these problems (Kluckhohn & Strodtbeck, 1961), it is possible to develop a system that categorizes and compares societies on this basis. By examining the choices social groups make, we can infer their preferences for such fundamental human issues as their relationships to their environment and to each other. This provides the ability to categorize a social group according to these shared assumptions about the way things ought to be or the way one should behave.

This chapter reviews the major frameworks that have been devised for categorizing and comparing cultures and the concept of cultural distance. Despite being applied at widely different times and with different methods, these frameworks have identified some very similar sets of cultural dimensions. This similarity leads to a more in-depth description of individualism

and collectivism and their relationship to other elements of the sociocultural system. Finally, a recent alternative to a value-based view of cultural variation is reviewed, as are the uses to which the systematic descriptions of culture are put.

Kluckhohn and Strodtbeck Framework

Early work in comparative anthropology produced a framework with a good theoretical basis that has influenced how the management literature has conceptualized cultural variation (Maznevski, DiStefano, & Nason, 1993). This categorization identified six dimensions along which a society can be categorized (Kluckhohn & Strodtbeck, 1961):

- *Relationships to nature.* People have a need or duty to control or master nature (domination), to submit to nature (subjugation), or to work together with nature to maintain harmony and balance (harmony).
- *Beliefs about human nature.* People are inherently good, evil, or a mixture of good and evil.
- *Relationships between people.* The greatest concern and responsibility is for one's self and immediate family (individualist), for one's own group that is defined in different ways (collateral), or for one's groups that are arranged in a rigid hierarchy (hierarchical).
- *Nature of human activity.* People should concentrate on living for the moment (being), striving for goals (achieving), or reflecting (thinking).
- *Conception of space.* The physical space we use is private, public, or a mixture of public and private.
- *Orientation to time.* People should make decisions with respect to traditions or events in the past, events in the present, or events in the future.

Figure 3.1 shows the variation in preferences that people across cultures exhibit on these six dimensions. Because many readers will be familiar with the U.S. culture, this preference pattern is highlighted in the figure.

In this conceptualization of cultural variation, the six value orientations are not bipolar dimensions. That is, a high preference for one assumption does not necessarily imply a low preference for the other two assumptions in the same value orientation. All preferences can be represented in a society, but with a rank order of the preferred alternatives. For example, people from the United States might exhibit a preference for a present time orientation, but a future orientation might be a close second choice.

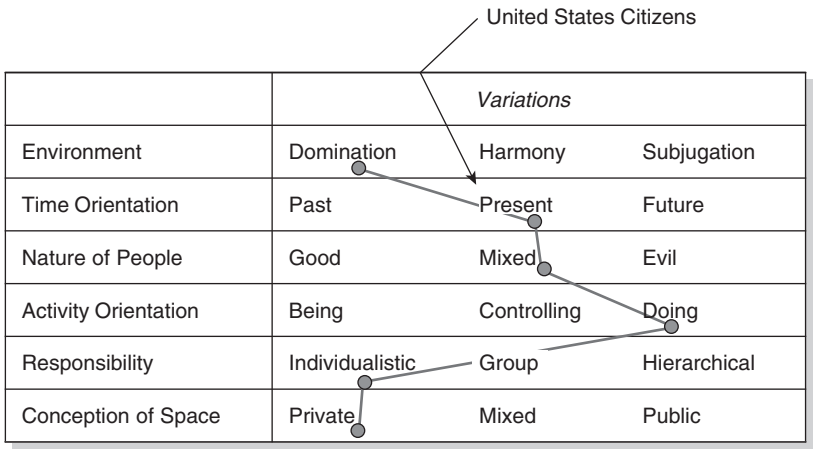

Figure 3.1 Cultural Variation in Value Orientations

SOURCE: Adapted from Kluckhohn & Strodtbeck (1961).

Despite the validity of this framework, which was demonstrated in extensive field research (Kluckhohn & Strodtbeck, 1961), and the obvious management behavior implications for a particular preference (e.g., a *doing* orientation suggests that employees would be motivated to achieve goals, whereas a *being* orientation suggests that employees would work only as much as needed to support their lifestyle), very few management studies have used this theoretical orientation. This is probably because of the lack of a psychometric instrument that measured these dimensions in a fashion applicable to the managerial context. Recent efforts at scale development (Maznevski, DiStefano, Gomez, Noorderhaven, & Wu, 2002) confirm the validity of four of the dimensions and show promise as a useful tool to describe cultural variation in a way that will be useful to management researchers.

Hofstede's Study

A framework that has received a great deal of research attention is Hofstede's (1980) classic study of work values. Based on attitude surveys of 117,000 employees of a large U.S. multinational corporation (later identified as IBM), Hofstede extracted four dimensions with which he could classify the 40 different countries represented. These dimensions were named *individualism–collectivism, power distance, uncertainty avoidance,* and *masculinity–femininity.*

Individualism–collectivism is the extent to which one's self-identity is defined according to individual characteristics or by the characteristics of the groups to which the individual belongs on a permanent basis, and the extent to which individual or group interests dominate. Power distance is the extent to which power differences are accepted and sanctioned in a society. Uncertainty avoidance is the extent to which societies focus on ways to reduce uncertainty and create stability. Masculinity–femininity is the extent to which traditional male orientations of ambition and achievement are emphasized over traditional female orientations of nurturance and interpersonal harmony. By giving each of the 40 countries a score ranging from 0 to 100 on each of the four dimensions, Hofstede derived a classification of national cultures. The original sample was later expanded to include 50 countries. The scores given to the countries are shown in Table 3.1.

It is particularly important to point out that Hofstede's scores were the average score for all participants in each country. Therefore, it is not appropriate to infer that because two nations differ on a particular value dimension that any two individuals from those countries will differ in the same way. That is, within each nation there might be variation on a particular dimension, such that a particular individual will not be at all representative of the mean score. For example, Figure 3.2 shows the hypothetical distribution of individual scores on individualism–collectivism between a collectivist country (Malaysia) and an individualist country (New Zealand).

As shown in Figure 3.2, it is entirely possible to find a person in New Zealand who scores lower on individualism than someone in Malaysia. Hofstede (1980) called making the mistake of applying the scores at the country level to individuals the *ecological fallacy*.

Consistent with the individual variation noted previously, it is also increasingly clear that the level of agreement between individuals in a society about the importance of a particular value dimension can vary systematically. That is, there can be differing degrees of consensus on any particular value orientation. Recently, researchers have measured this intranational consensus, as the opposite of variation, by examining differences in the standard deviation in measures of value orientations across cultures (Au, 1999; Schwartz & Sagie, 2000). Although systematic differences in consensus seem to exist, the implications for the degree of consensus in a society either overall or on specific value orientations are only beginning to be understood. However, some evidence suggests that value consensus is related to socioeconomic development and democratization of societies (Schwartz & Sagie, 2000), and implications are proposed for organizational behavior similar to those found for other types of heterogeneity (Au, 1999).

Table 3.1 Hofstede's Rankings

Country	*Power Distance*	*Individualism*	*Masculinity*	*Uncertainty Avoidance*
Argentina	49	46	56	86
Australia	36	90	61	51
Austria	11	55	79	70
Belgium	65	75	54	94
Brazil	69	38	49	76
Canada	39	80	52	48
Chile	63	23	28	86
Colombia	67	13	64	80
Costa Rica	35	15	21	86
Denmark	18	74	16	23
Ecuador	78	8	63	67
Finland	33	63	26	59
France	68	71	43	86
Germany (F.R.)	35	67	66	65
Great Britain	35	89	66	35
Greece	60	35	57	112
Guatemala	95	6	37	101
Hong Kong	68	25	57	29
India	77	48	56	40
Indonesia	78	14	46	48
Iran	58	41	43	59
Ireland	28	70	68	35
Israel	13	54	47	81
Italy	50	76	70	75
Jamaica	45	39	68	13
Japan	54	46	95	92
Korea (S.)	60	18	39	85

(Continued)

Table 3.1 (Continued)

Country	*Power Distance*	*Individualism*	*Masculinity*	*Uncertainty Avoidance*
Malaysia	104	26	50	36
Mexico	81	30	69	82
Netherlands	38	80	14	53
New Zealand	22	79	58	49
Norway	31	69	8	50
Pakistan	55	14	50	70
Panama	95	11	44	86
Peru	64	16	42	87
Philippines	94	32	64	44
Portugal	63	27	31	104
Salvador	66	19	40	94
Singapore	74	20	48	8
South Africa	49	65	63	49
Spain	57	51	42	86
Sweden	31	71	5	29
Switzerland	34	68	70	58
Taiwan	58	17	45	69
Thailand	64	20	34	64
Turkey	66	37	45	85
United States	40	91	62	46
Uruguay	61	36	38	100
Venezuela	81	12	73	76
Yugoslavia	76	27	21	88
Regions:				
East Africa	64	27	41	52
West Africa	77	20	46	54
Arab countries	80	38	53	68

SOURCE: Adapted from Hofstede, G. (1991). *Culture and Organisations: Software of the Mind.* London: McGraw-Hill.

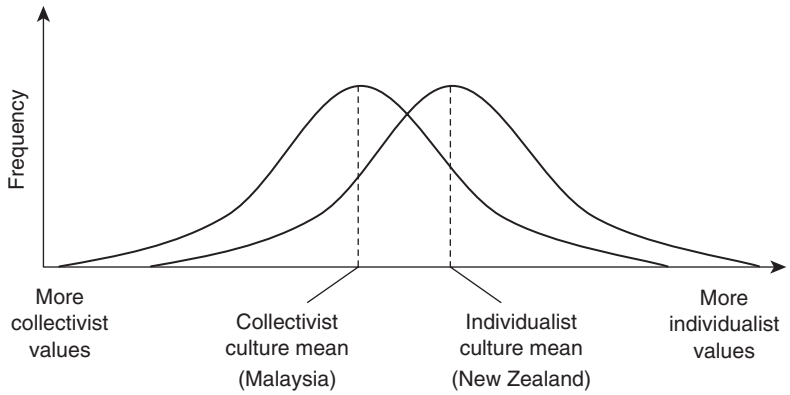

Figure 3.2 Hypothetical Distribution of Individualism–Collectivism Scores

CONFUCIAN DYNAMISM

In an effort to investigate the possibility that Hofstede's (1980) study might contain cultural bias because it was developed in the West, a group of researchers conducted a subsequent study based on Chinese values (Chinese Culture Connection, 1987). This survey was conducted in 23 countries and in a way similar to Hofstede's original study. The factors were then compared with those Hofstede obtained in the same countries. This study also indicated four underlying dimensions of cultural value orientations:

- *Integration,* examples of which included tolerance, harmony, and solidarity with others; noncompetitiveness, trustworthiness, and contentedness
- *Human-heartedness,* including kindness, patience, courtesy, and a sense of righteousness
- *Confucian work dynamism,* including order, thrift, persistence, and sense of shame
- *Moral discipline,* including moderation, being disinterested and pure, and having few desires

Even though the studies used measures based in very different cultures and were conducted with different samples, substantial similarity was found for three of the four dimensions. In addition, a new dimension, Confucian work dynamism (later called long- versus short-term orientation by Hofstede [1991]) was found to be important in the Chinese culture. The dimensions of individualism–collectivism, masculinity–femininity, and power distance describe

cultural variations that held up under this additional analysis. That is, they were correlated with dimensions found in the Chinese Culture Connection (1987) study. However, the fact that the dimensions of uncertainty avoidance and Confucian dynamism did not correlate as highly with dimensions derived in the other culture suggests these dimensions might be less universally applicable.

CULTURAL DISTANCE

One of the benefits of quantitative measures of cultural dimensions, such as those described previously, is the ability to construct indexes of *cultural distance* between countries. That is, it is possible to address the question of how different national cultures are from each other, based on the value orientations measured. For example, a measure of national cultural distance was developed using Hofstede's four cultural dimensions (Kogut & Singh, 1988). The measure is an index, which is corrected for differences in the variances of each dimension and then arithmetically averaged. The algebraic formula for the index is as follows:

$$\text{Cultural distance} = \sum_{i=1}^{4} [(I_{ij} - I_{iu})^2 / V_i]/4$$

I_{ij} = index for the ith cultural dimension for the jth country

I_{iu} = index for the ith cultural dimension for the uth country

V_i = variance for the ith cultural dimension

This index represents the relative distance of nations from each other in the multidimensional space defined by the four cultural dimensions. Thus, it transcends the specific value orientations of the cultures represented to indicate the overall degree of similarity or dissimilarity between different nationalities. For example, using this index, the cultural distance between the United States and Japan is 2.6325, whereas the cultural distance between the United States and Canada is 0.247. Although indexes such as this can have some use in assessing the overall similarity or dissimilarity of nations on the dimensions measured, care must be taken in their interpretation. They are meaningful only as a very broad comparison at the national level and thus are subject to all the caveats associated with equating nation and culture, as described in Chapter 2. In addition, it is important to treat such indexes with caution because they are far removed from and depend on the accuracy of measurement of the mental representations from which they were derived (see Usunier, 1998).

CRITICISM OF HOFSTEDE'S STUDY

Hofstede's conceptualization of culture as a finite number of dimensions has found favor with management researchers and has led to numerous studies

using one or more of the dimensions to explain observed differences across nations. However, it is not without critics (e.g., Dorfman & Howell, 1988; Roberts & Boyacigiller, 1984). Hofstede's arguments about the existence of dimensions of cultural variation were consistent with other conceptions of cultural variation. However, problems with the work focus on how he operationalized these constructs (Dorfman & Howell, 1988). For example, Hofstede's framework was developed from two surveys conducted in 1968 and 1972 inside IBM, which limits the ability to generalize to other organizations whose members might be systematically different. More serious, perhaps, is that the items in the survey were not developed from any theoretical base but extracted from a broader survey designed to assess employee satisfaction, perception of work, and personal beliefs and goals (Hofstede, 1991). Other methodological criticisms associated with the approach used include the following: (a) A technical problem is associated with the mathematics of the factor analysis in that there were too few data points for the number of questionnaire items; (b) two of the Hofstede dimensions were separated arbitrarily; (c) on the face of them, many of the items within dimensions seem to be unrelated to each other; and (d) many of the items related to several of the dimensions (Dorfman & Howell, 1988; Maznevski et al., 1993). Notwithstanding the criticism of Hofstede's study, the four cultural dimensions seem to make sense and have been validated in subsequent work.

Schwartz Value Survey

Since Hofstede's (1980) study, several large-scale surveys of values have been conducted. Each of these studies adds something new to our understanding of cultural differences. The first of these is the Schwartz Value Survey (SVS). Based on a review of previous theory and research, Shalom Schwartz and his colleagues (Sagiv & Schwartz, 1995; Schwartz, 1992, 1994; Schwartz & Bilsky, 1990) conducted a series of studies on the content and structure of human values. The content of values refers to the criteria people use to evaluate events and select courses of action. Structure is the organization of these values based on their similarities and differences. Initially, Schwartz and his colleagues identified three universal human requirements. The first issue was the nature of the relationship between the individual and the group. The second issue is the preservation of the society itself, and the final problem related to the relationship of people to the natural world. From these requirements that all societies share, they derived 56 values that reflected various ways of satisfying these needs. Respondents in 20 (later an additional 40) countries were asked the extent to which each value was a guiding principle in their lives. The results were mapped separately for each country through a statistical procedure called smallest space analysis. This analysis showed which items clustered together.

With some exceptions (e.g., China and Zimbabwe), the resulting maps were very similar across countries. A typical map for a student sample is shown in Figure 3.3.

As shown in Figure 3.3, the values clustered into 10 groups called *value types.* Of the 56 original values, 45 were determined to have meanings that were consistent across cultures. That is, they appeared in the same cluster in all cultures. The results of this study strongly suggest that the structure of values is consistent across cultures. That is, there is a similar relationship between values in all cultures. On close examination, these 10 value types can be seen as a refinement of Hofstede's earlier work (Smith & Bond, 1999). On the left side of Figure 3.3 are value types that are consistent with collectivism, such as tradition, security, and conformity, whereas on the right are value types of achievement, self-direction, and hedonism, representative of individualism. In addition, Hofstede's notion of power distance is captured in the two opposing value types of power and universalism, and masculinity–femininity is represented as achievement versus benevolence. This framework does not indicate which value dimensions are most important in each culture. However, it captures a broad range of value dimensions that are important in all cultures and establishes that the meanings of these values are consistent across cultures.

To define cultural dimensions at the level of national culture, Schwartz and colleagues (Sagiv & Schwartz, 1995; Schwartz, 1992, 1994; Schwartz & Bilsky, 1990) performed a multidimensional scaling analysis on the correlations between the average ratings of the 45 universal values (shown previously) in a number of different samples in 63 countries (Sagiv & Schwartz, 2000). This analysis yielded seven value types:

- *Egalitarianism:* recognition of people as moral equals
- *Harmony:* fitting in with the environment
- *Embeddedness:* people as embedded in the collective
- *Hierarchy:* legitimation of unequal distribution of power
- *Mastery:* exploitation of the natural or social environment
- *Affective autonomy:* pursuit of positive experiences
- *Intellectual autonomy:* independent pursuit of own ideas

Although this process used the same measures of values described earlier, it is important to emphasize that the analysis is at the national culture level. Having defined these dimensions of national culture, they went on to compare samples from 57 countries on this profile of values. Then, using a technique called a co-plot, they constructed a profile of differences between all pairs of countries in the sample. This procedure generates a two-dimensional graphic representation of the relationship between countries on all seven dimensions simultaneously (see Sagiv & Schwartz, 2000). An example of a comparison of samples of teachers is shown in Figure 3.4.

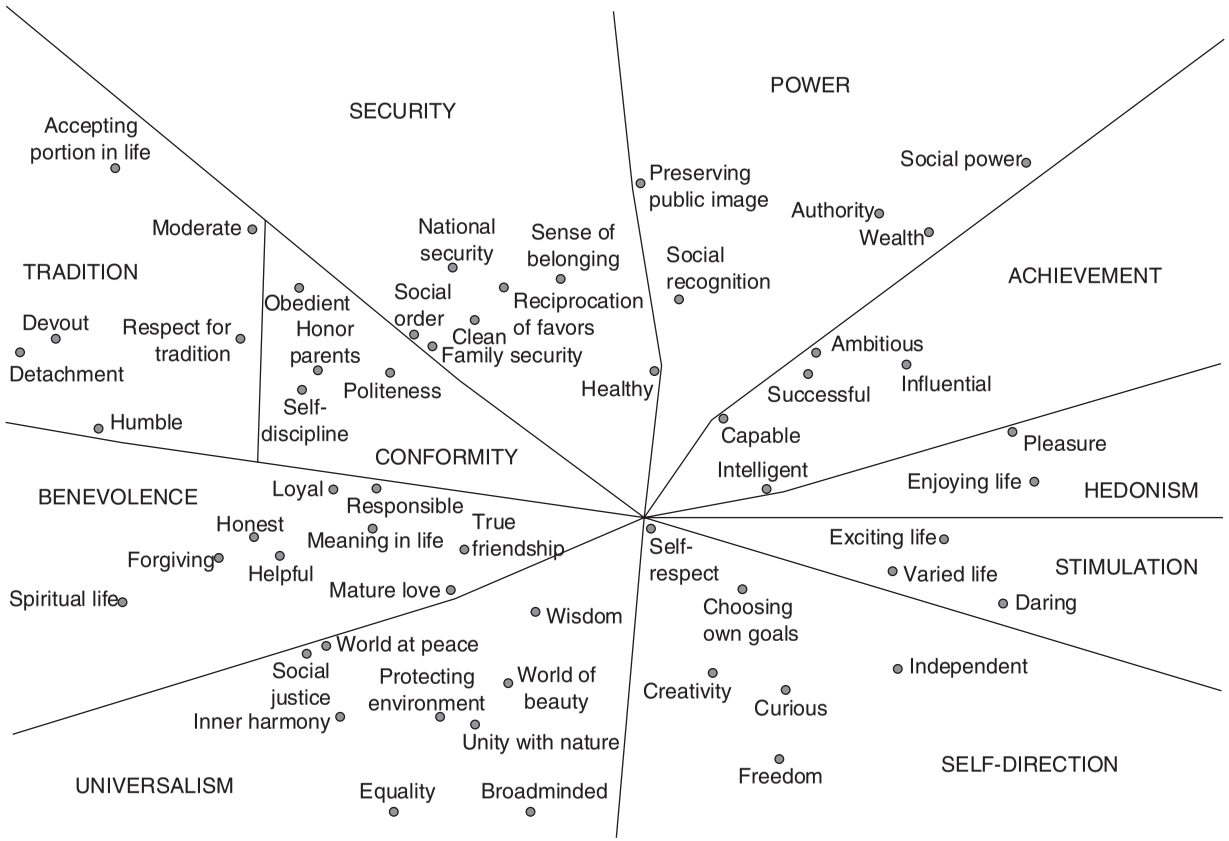

Figure 3.3 Individual-Level Value Structure, Student Sample

SOURCE: Schwartz (1992). Reprinted with permission of Academic Press.

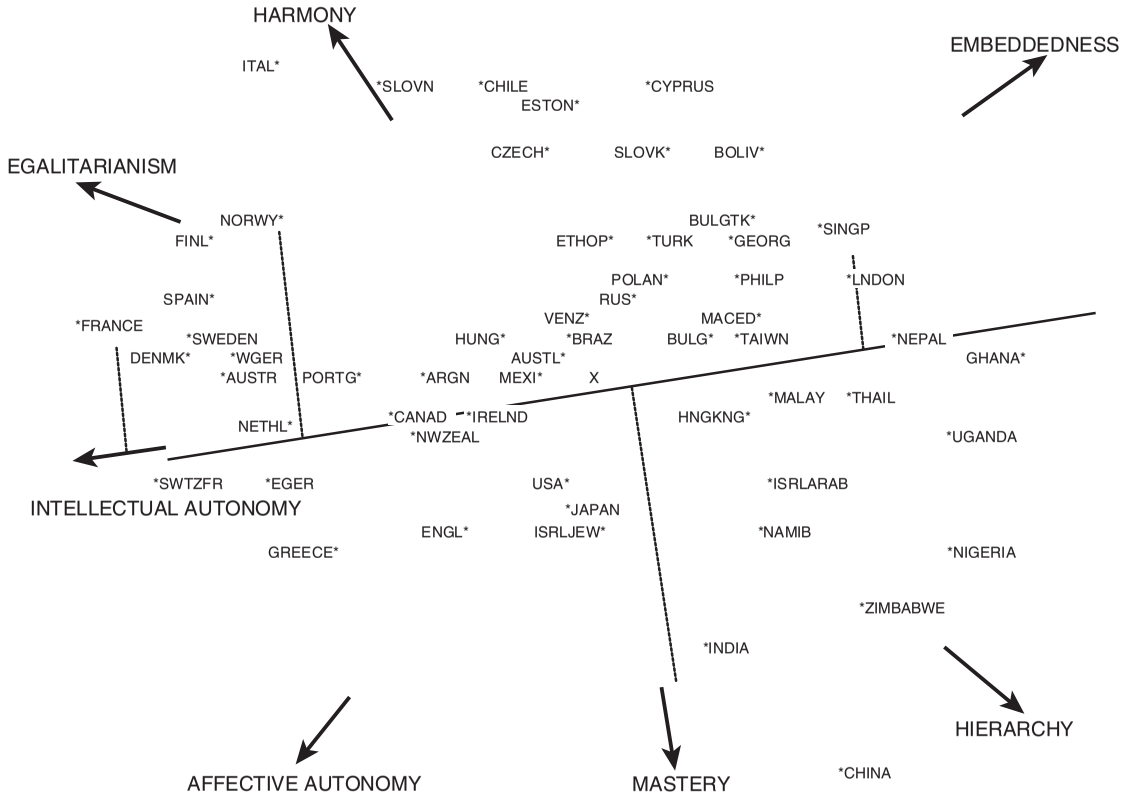

Figure 3.4 Co-Plot of Value Dimensions Across 57 National Cultures

SOURCE: Sagiv & Schwartz (2000). Reprinted with permission of Sage Publications, Inc.

As shown in Figure 3.4, the location of country samples along the seven value vectors indicates their relationship to each other. The direction of the vector indicates the increasing importance of the value type in relationship to the center of the diagram, marked by the X. For example, the line drawn on Figure 3.4 indicates the importance each sample attributes to *intellectual autonomy.* To locate a country sample on this dimension, a perpendicular is drawn from the position of the country to the vector. The lines drawn on the figure indicate that this dimension is very important in France, less so in Norway, India, and Singapore, and very unimportant in Ghana. Because the co-plot summarizes the position of countries on seven value types on only two dimensions, the graphic location of each country is not perfect. Overall, however, it generally provides an accurate representation of the relationship of countries to each other (Sagiv & Schwartz, 2000), and studies with other samples have shown very similar patterns of relationships (Schwartz, 1992).

Trompenaars's Dimensions

Another broad-based study of value orientations was conducted by Fons Trompenaars. Over a 10-year period, he administered a value questionnaire to more than 15,000 managers in 28 countries. Subsequently, it was used in a much larger number of countries (Trompenaars, 1993) including a number of former Soviet bloc countries not included in previous studies of values. His seven value dimensions were derived primarily from the prior work of North American sociologists and anthropologists (Kluckhohn & Strodtbeck, 1961; Parsons & Shils, 1951). The first five of these dimensions concern relationships between people.

- *Universalism–particularism:* Universalism is a belief that what is true and good can be discovered and applied universally, whereas particularism is a belief that unique circumstances determine what is right or good.

- *Individualism–collectivism:* Similar to Hofstede's definition, this dimension concerns the extent to which people plan their actions with reference to individual benefits versus those of the group.

- *Neutral–affective:* In neutral cultures, emotion should be held in check, and maintaining an appearance of self-control is important, whereas in affective cultures, it is natural to express emotions.

- *Specific–diffuse:* This dimension refers to the extent to which individuals allow access to their inner selves to others. In specific cultures, people separate the private part of their lives from the public, whereas in diffuse cultures, these aspects of the individual overlap.

- *Achievement–ascription:* This dimension is about how status and power are determined in a society. In an ascription society, status is based on who a person is, whereas in an achievement society, status is based on what a person does.

The final two dimensions are similar to Kluckhohn and Strodtbeck's (1961) categorization and are about orientations toward time and the environment:

- *Time:* This dimension is about past versus future orientations and about the extent to which time is viewed as linear versus holistic and integrative with past and present together with future possibilities.
- *Environment:* This dimension is the extent to which people feel that they themselves are the primary influence on their lives. Alternatively, the environment is seen as more powerful than they are, and people should strive to achieve harmony with it.

A subsequent analysis of Trompenaars's data yielded two main dimensions of cultural variation at the national level (Smith, Dugan, & Trompenaars, 1996):

- *Loyal involvement–utilitarian involvement,* representing varying orientations toward group members
- *Conservatism–egalitarian commitment,* representing orientations toward obligations of social relationships

These two dimensions can be seen as extensions and refinements of Hofstede's (1980) individualism–collectivism and power distance dimensions, respectively. This refinement is also consistent with the relationship found between the SVS and Hofstede's dimensions. That is, the most important relationships between the SVS value types and the Hofstede dimensions are for the dimensions of individualism–collectivism and power distance (Schwartz, 1994).

The GLOBE Study

The most recent study of cultural differences in value orientations was undertaken as a part of the Global Leadership and Organizational Behavior Effectiveness (GLOBE) program (House et al., 2004). GLOBE involved 170 researchers working in 62 different societies and collected data from approximately 17,000 middle managers in 951 organizations. One of the outcomes of the GLOBE research was the construction of nine dimensions of cultural variation. The first four of these dimensions are described as direct extensions of Hofstede's (1980) work, with the exception that factor analysis revealed two dimensions of collectivism:

- *Institutional collectivism:* The degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action

- *In-group collectivism:* The degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families

- *Power distance:* The degree to which members of a collective expect power to be distributed equally

- *Uncertainty avoidance:* The extent to which a society, organization, or groups relies on social norms, rules, and procedures to alleviate unpredictability of future events

The next two dimensions can be seen as a reconceptualization of Hofstede's masculinity–femininity dimension:

- *Gender egalitarianism:* The degree to which a collective minimizes gender inequality

- *Assertiveness:* The degree to which individuals are assertive, confrontational, and aggressive in their relationships with others

The next two dimensions have their origins in the work of Kluckhohn and Strodtbeck (1961) on the nature of people and time orientation presented previously:

- *Humane orientation:* The degree to which a collective encourages and rewards people for being fair, altruistic, generous, caring, and kind to others

- *Future orientation:* The extent to which people engage in future-oriented behaviors such as delayed gratification, planning, and investing in the future

The final dimension is described by the GLOBE authors (House et al., 2004) as derived from McClelland's (1961) work on achievement motivation. However, links to Hofstede's (2001) masculinity construct can also be found (Peterson, 2004). This dimension is

- *Performance orientation:* The degree to which a collective encourages and rewards group members for performance improvement and excellence.

In addition to the fact that the GLOBE data were collected from middle managers in the country in which the firms were headquartered, several other aspects of this study are worth noting. Most interesting, perhaps, is that the cultural dimensions were measured both as *practices* (the way things are) and *values* (the way things should be). And for some of the dimensions these two

kinds of measures were negatively correlated. This raises some interesting questions about the attitudes of middle managers in some countries toward society (Peterson, 2004). Another important note is the failure of the GLOBE study to clearly specify the mechanism for aggregating the individual-level responses to the societal level of analysis. As shown in the discussion of the SVS discussed previously, very different measurement structures can emerge at these different levels. At present, the GLOBE study may best be viewed as complementary to Hofstede's (1980, 2001) work, its most closely linked predecessor (Peterson, 2004).

As discussed, the results of the major studies of national variation in value orientations have some remarkable similarity, despite being conducted at widely different times, with different samples, and using different methods. This consistency of findings lends validity to this approach to describing cultural variation. In addition, however, because they appear in some form in all the frameworks, individualism–collectivism and power distance are perhaps more important to understanding cultural variation. Indeed, these dimensions relate to two of the three fundamental issues that Schwartz and colleagues (Sagiv & Schwartz, 1995; Schwartz, 1992, 1994; Schwartz & Bilsky, 1990) identified as being common among societies. The first has to do with boundaries between individuals and groups and the second with the preservation of order in society.

Individualism and Collectivism

Individualism and collectivism are perhaps the most useful and powerful dimensions of cultural variation in explaining a diverse array of social behavior (Triandis, 1995). Individualism is the tendency to view oneself as independent of others and to be more concerned about the consequences for oneself of a particular behavior. Alternatively, collectivism is the tendency to view oneself as interdependent with selected others, to be concerned about the consequences of behavior for one's reference group, and to be more willing to sacrifice personal interests for the good of this group. However, individualism–collectivism should not be depicted as simply a dichotomy of self-interest and group interest. That is, collectivism does not equate with socialism. For example, collectivists can pursue self-interests as well as group interests as long as priority is given to the group (Erez & Earley, 1993), and self-interests can be instrumental in attaining group interests. In addition, as noted in Chapter 2, individualists and collectivists both derive their sense of self in part from the groups with which they identify, their in-groups. Although individualists and collectivists probably behave similarly toward members of their in-group, they differ in the ways in which they designate who is a member of this group. That is, collectivists form very few of these groups, but the groups are broad in scope, encompassing many interrelated relationships. By contrast, individualists

have many groups with which they identify, but their relationships within these groups are superficial.

A significant amount of research on a wide array of organizational topics has relied on the individualism–collectivism dimension. In fact, so much comparative management research has used this conception of cultural variation that some authors have suggested that other dimensions of culture could have been inappropriately ignored (Earley & Gibson, 1998). In addition to an overreliance on this concept of culture, its relationship to other cultural factors is often ignored. The following sections describe some refinements in the individualism–collectivism construct.

TIGHTNESS AND COMPLEXITY

The cultural patterns represented by individualism and collectivism might be affected by a number of different influences. However, according to Triandis (1995) the degrees of cultural tightness and complexity are major influences on the degree of individualism or collectivism in a society. Individualism is a result of looseness and complexity, whereas collectivism is a result of tightness and simplicity. Tightness is the extent to which members of a culture agree about what is correct behavior, believe they must behave exactly according to cultural norms, and believe they will receive or should give severe criticism for even small deviations from cultural norms (Pelto, 1968).

Japan is an example of a tight culture, whereas the United States is a loose culture (see Chan, Gelfand, Triandis, & Tzeng, 1996). Tightness is also associated with homogeneous cultures that often have high population density. Alternatively, loose cultures often have multiple and sometimes conflicting norms about appropriate behavior. Although a culture might be characterized as tight or loose overall, both tightness and looseness can occur in a society in different contexts (Triandis, 1995). For example, a culture can be tight in its political orientation but loose in terms of religion. Cultural complexity is the amount of differentiation in the various domains of individuals' lives. The numbers of different roles available to individuals, the size of communities, and the per capita gross national product of a country are suggested as measures of cultural complexity. For example, hunter–gatherer societies are less complex than modern societies in which there are thousands of different possible roles. In support of this idea, Hofstede (1980) found a high positive correlation between gross national product and individualism, with wealthier countries being more individualistic. The proposed relationships between tightness, complexity, and individualism–collectivism are presented in Figure 3.5.

As suggested in Figure 3.5, collectivism is maximized in tight, simple cultures, such as might be found in the subcultures of the kibbutz in Israel and the Amish of North America, whereas individualism is maximized in loose complex cultures such as metropolitan France and the United States. Although the

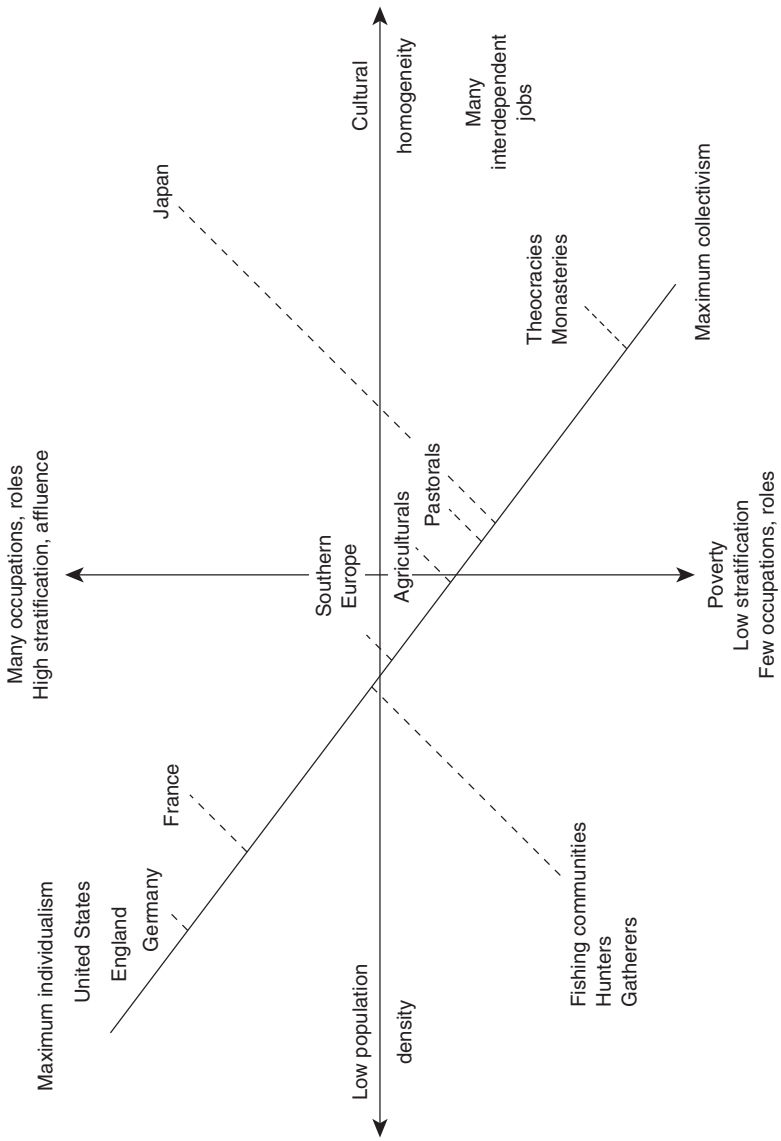

Figure 3.5 Relationship Between Tightness, Cultural Complexity, and Individualism–Collectivism

SOURCE: H. C. Triandis, *Culture and Social Behavior* (New York: McGraw-Hill, 1994). Reprinted with permission.

relationships suggested in Figure 3.5 have been subjected to only very limited empirical tests, they offer an additional and richer perspective that might help to clarify the cultural variation we observe.

VERTICAL AND HORIZONTAL DIMENSIONS

In addition to the differences in motives and in the specification of reference group members noted earlier, a number of other refinements of the individualism–collectivism concept have been suggested (Earley & Gibson, 1998). For example, Triandis (1995) identified more than 60 different culture-specific characteristics that differentiate between different kinds of individualism and collectivism. Significant among these are the vertical and horizontal dimensions that relate to the way in which people view their status relationship with others. This concept is conceptually similar to Hofstede's (1980) power distance dimension and relates to the SVS (Schwartz, 1992) value orientations of hierarchy and harmony and Trompenaars's (1993) achievement–ascription dimension. In combination with individualism and collectivism, these dimensions correspond to the four types of self: independent or interdependent (Markus & Kitayama, 1991) and same or different (Triandis, 1995).

Table 3.2 indicates how these different combinations of vertical and horizontal individualism and collectivism correspond to how people define themselves, their value orientations on the Rokeach (1973) dimensions, their dominant political systems, and their typical patterns of social behavior as defined by Fiske (1990). As shown in Table 3.2, this distinction between vertical and horizontal individualism and collectivism results in four different cultural profiles or syndromes. However, the correlation between power distance and collectivism (at $r = .67$ according to Hofstede [1980]) suggests that vertical collectivism and horizontal individualism might be the dominant cultural profiles around the world (Triandis, 1995). Triandis offers the following defining attributes of these cultural syndromes.

Vertical collectivists see themselves as an aspect of an in-group, but members of the in-group are different in terms of status. These cultures are characterized by patterns of social relationships that emphasize communal sharing according to need and authority ranking or the distribution of resources according to rank (Fiske, 1990). They typically have social systems that do not reflect the values of individual freedom or equity (Rokeach, 1973). Inequality is the accepted norm, and serving and sacrificing for the in-group feature prominently.

In horizontal individualism, the self is autonomous and people are generally equal. These cultures are characterized by patterns of social behavior that emphasize equity in resource sharing according to contribution and distribution of resources equally among members (Fiske, 1990). They have social systems that emphasize both equality and individual freedom (Rokeach, 1973).

Table 3.2 Culture, Self Orientation, and Politics

	Vertical		Horizontal	
	Collectivism	*Individualism*	*Collectivism*	*Individualism*
Kind of self	Interdependent Different from others	Independent Different from others	Interdependent Same as others	Independent Same as others
Fiske orientation	Communal sharing Authority ranking	Communal sharing Authority ranking	Communal sharing Equality matching	Communal sharing Equality matching
Rokeach values	Low equality Low freedom	Low equality High freedom	High equality Low freedom	High equality High freedom
Political system	Communalism (e.g., Indian village)	Market democracy (e.g., U.S., France)	Communal living (e.g., Israeli kibbutz)	Democratic socialism (e.g., Sweden, British Labour party)

SOURCE: Triandis, H. C. (1995). *Individualism and Collectivism.* Boulder, CO: Westview Press, a member of Perseus Book Group.

What these two dominant syndromes suggest is that verticality reinforces collectivism, and horizontalness reinforces individualism. For example, although the United States might be more vertical than, say, New Zealand or Canada, all individualistic cultures relative to collectivist cultures are horizontal.

Social Axioms

As the previous discussion indicates, value orientations have taken center stage with regard to defining and assessing cultural variation. Recently, however, researchers (Leung et al., 2002) have proposed that general beliefs or *social axioms* are a viable alternative for understanding the variability that exits across societal cultures. Social axioms are basic truths or premises (hence the term *axiom,* as in mathematics) or generalized expectancies that relate to a wide range of social behaviors across different contexts (Bond et al., 2004). The formal definition by Leung et al. (2002, p. 289) is as follows:

> Social axioms are generalized beliefs about oneself, the social and physical environment, or the spiritual world, and are in the form of an assertion about the relationship between two entities or concepts.

Unlike values, social axioms do have an evaluative or "ought" component, as in "Good health is important," which is a value statement. A typical social axiom has the structure "A is related to B," and the relationship can be correlational or causal, as in "Good health leads to success." This social axiom might be endorsed to a greater or lesser degree by different people (Leung et al., 2002).

Based on a literature review, interviews, and content analysis of newspapers, books, popular songs, folklore, and so on, Leung et al. (2002) identified many thousands of social axioms. Based on their fit with four categories of *psychological attributes, orientation toward the social world, social interaction,* and *the environment,* the items were reduced to 182 axioms. Based on survey results in Hong Kong and Venezuela, and later in Japan, Germany, and the United States, the number of items was further reduced to 60, from which five factors emerged:

- *Cynicism:* a negative view of human nature, a biased view against some groups of people, a mistrust of social institutions, and a disregard of ethical means of achieving an end
- *Social complexity:* beliefs that there are no rigid rules but rather multiple ways of achieving a given outcome and that inconsistency in human behavior is common
- *Reward for application:* a general belief that effort, knowledge, and careful planning will lead to positive results
- *Spirituality:* belief in the existence of supernatural forces and the functions of religious belief
- *Fate control:* a belief that life events are predetermined and that there are some ways to influence these outcomes

Using the same 60 items, a subsequent study with 7,672 university students in 41 cultural groups derived a cultural-level structure of social axioms (Bond et al., 2004). At the cultural level, four of the five dimensions merged into one strong factor, which was labeled *dynamic externality* because it represented a cluster of beliefs that focused around religiosity and a belief that effort would ultimately lead to justice (Smith et al., 2006). A second factor, called *social cynicism,* was composed almost entirely of items that were related to the construct of social cynicism at the individual level. A comparison of these generalized beliefs with previous value-based assessments of cultural variation found that dynamic externality was closely related to but not identical with cultural collectivism. However, social cynicism appears to be a new cultural dimension in that it correlates only moderately with dimensions from previous studies of cultural variation (Bond et al., 2004).

The previous discussion has identified the main attempts that have been made to identify dimensions along which cultures could be systematically

described and compared. Each is deficient in some regard, but taken as a whole they begin to paint a reasonably clear picture that cultural variability is systematic and that cultural characteristics can be identified and described. Of the dimensions identified, the constellation of concepts encompassed by individualism and collectivism appear to be especially important in describing and comparing social behavior.

Use of the Frameworks

The significance of being able to systematically define cultural variations is that it provides a basis for explaining and predicting behavior on a comparative basis. However, the ability to profile national cultures along a limited number of dimensions also opens up the possibility for a dramatic oversimplification of the effect of culture. One of the ways in which these cultural frameworks have been used is to attempt to construct profiles of the consequences of each cultural pattern, such as individualism versus collectivism. To be accurate about these consequences, it would be necessary to randomly sample the entire world's cultures, assign them to individualist or collectivist groups, and examine differences on every outcome in which we are interested. However, it is virtually impossible to collect a truly random sample of cultures, and time and resource constraints limit the number of outcomes that can be examined. Therefore, we can really only speculate about the general consequences of particular cultural patterns based on more limited samples.

Because of the limitations mentioned, much cross-cultural management research relies on overly simplistic models of the effect of culture. This oversimplification results in stating that people from a particular type of culture behave this way, whereas those from another type of culture behave that way. Often, this is done with reference to an existing typology of attributes of national culture, very typically Hofstede's (1980) almost-30-year-old numeric ratings. In effect, by suggesting that culture works in this way, we have substituted sophisticated stereotypes of a culture for the complex reality that exists (Osland & Bird, 2000). Therefore, instead of explaining cultural effects, it can have the opposite effect of constraining the way in which people regard members of another culture. For example, we run the risk of thinking of all Japanese people as high on masculinity and uncertainty avoidance, low on individualism, and moderate on power distance. The fallacy of this approach is apparent to anyone who has encountered behavior in members of another culture inconsistent with the picture painted by the profile. These seeming paradoxes can usually be explained when the situational context or cultural history of a particular country is considered (Osland & Bird, 2000).

Subsequent chapters of this book present a more sophisticated way of thinking about cultural influence that accounts for such factors. However,

these problems do not render the systematic description of cultural variation useless. On the contrary, they can be valuable in selecting national cultures to compare when trying to assess the degree of similarity or difference on responses to particular management questions. In addition, they are useful tools, both for researchers and managers, as long as their limitations are understood. The following conditions summarize the care that should be taken when using descriptions of cultures based on a limited number of dimensions, or cultural stereotypes:

- They should be consciously held, that is, we recognize that we are dealing with limited information.
- They should be limited to describing members of the other cultural group and not contain an evaluative component.
- They should provide an accurate description of the behavioral norm of the cultural group.
- They should be used as a first best guess about the behavior of a cultural group before direct information about individuals in the group is developed.
- They should be modified based on additional information gained about the group through observation or experience. (Adler, 1997)

The underlying rationale for these simple rules of thumb becomes more apparent as a more sophisticated understanding of the influence of culture is developed. This is the subject of the next chapter.

Summary

This chapter presents the main attempts at systematically describing variations in national culture. Our understanding of cultural differences is influenced largely by studies of national differences in values, and a high degree of consistency is found in the structure of values across cultures. Each of the frameworks presented in this chapter offers useful ways to systematically describe the ways in which national cultures might differ. Of the dimensions of cultural variation described to date, the most powerful in terms of explaining and predicting behavior is individualism–collectivism. Refinements of this dimension, such as consideration of vertical and horizontal elements, might make it more useful in defining the dominant cultural profiles in the world. Finally, recent research involving generalized beliefs (social axioms) promises to broaden the array of conceptual tools available to assess cultural variation. Our ability to systematically describe cultural variation is a necessary but limited first step in understanding the effect of culture on management behavior.