

## Cross-Cultural-Management

# **Authors revisited: A Global Endeavor to a worldwide challenge**

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## **The Globe Study**

### Excerpt of MASTER'S THESIS

“Managing International Cooperations: Evaluation of models measuring national cultural differences and their implications for business, illustrated with the examples of India, Japan & Germany”

[The Title of this publication deviates from the original title of the chapter in the master's thesis]

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## 1.1 The GLOBE Study

Persons polled	Cultures analyzed	Questionnaire items	Dimensions
17,000	62	735	9

Fig. 19: Brief overview of the GLOBE study.<sup>13</sup>

Source: Own Illustration.

The dimensions of the GLOBE study are the following:

- 1) Uncertainty Avoidance
- 2) Power Distance
- 3) Institutional Collectivism
- 4) In-Group Collectivism
- 5) Gender Egalitarianism
- 6) Assertiveness
- 7) Future Orientation
- 8) Performance Orientation
- 9) Humane Orientation

As the latest study, conducted between 1994 and 1997, the GLOBE study (Global Leadership and Organizational Behavior Effectiveness research program) of measuring differences in the intercultural context, did not only evaluate cultural, but also leadership dimensions. It is very strongly connected to the work of Hofstede (Kutschker, Schmid, 2011, p. 744). Its aim was to “examine the relationship between cultures and management styles, including leadership” (House, Wright & Aditya, 1997 cited in House, 2001, p. 490). It was initiated by Robert J. House of the Wharton School and it involved approximately 150 co-researchers (House, 2001, p. 492). In contrast to previous models, the GLOBE study eliminated several methodological flaws inherent in other studies:

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● It eliminates mostly the problem of subcultures splitting some but not all

<sup>13</sup> Data source: House, et al., 2004, p. 11.

(East and West), German and French speaking Switzerland, and English speaking Canada were addressed (House, et al., 2004, p. 2).

- The study differentiates between cultural values and practices, whereas Hofstede, Trompenaars, et al. focus on practices only. Therefore the data allows deriving statements about the differentiation between cultural values, i.e. aspiration of a culture: How it wants to be and practices: As the culture really is (House, 2001, p. 496).
- The western cultural dependency of the questionnaires had been eliminated by developing, translating and/or adapting it through intercultural teams (co-researchers), originating from the country to be investigated.
- Additional dimensions were added which are of a certain relevance for management: E.g. Performance Orientation
- Data was sourced from three industries that had a high likelihood of existence in all cultures to be examined: The food industry, telecommunication and finance industry, in order to make it most comparable (Kutschker, Schmid, 2011, p. 763).

Now we regard each of the nine GLOBE dimensions in detail:

**Uncertainty Avoidance:** The uncertainty avoidance dimension was derived from the identical dimension of Hofstede and describes how cultures avoid uncertain situations (House, 2001, pp. 495-496). It refers to the extent to which collectives desire order, consistency, and structure and formalized procedures to cover situations in their daily lives. Uncertainty avoidance determines the extent to which ambiguous situations are threatening to individuals, to which rules and order are preferred, and to which uncertainty is tolerated in a society (House, et al., 2004, pp. 602-603).

**Power Distance:** This dimension was first defined by Hofstede and inspired the GLOBE authors to incorporate it into their model (House, 2001, pp. 495-496). This dimension “reflects the extent to which a community accepts and endorses authority,

power differences, and status privileges” (House, et al., 2004, p. 513). High power distance is clearly dysfunctional as it prevents members of a society or company staff from questioning things and learning openly, as there is little opportunity for debate and bringing up different points of view (House, et al., 2004, p. 559). Asking questions may be interpreted as criticizing and blaming. In contrast, within low power distance cultures, the flexible distribution of power is expected to facilitate entrepreneurial innovation (House, et al., 2004, p. 559).

One result of the measurement of power distance is that one consensus seems to exist across all measured cultures – the existence of relatively rigid power structures that are felt by all cultures as uncomfortable (House, et al., 2004, pp. 538 – 539).

**In-Group Collectivism:** Originally described by Triandis (Triandis, 1995), this dimension is used by all studies, except Hall’s. It describes how members of a group, e.g. an organization or company, show pride, loyalty or group affiliation (Kutschker, Schmid, 2011, p. 751). The data measured by GLOBE doesn’t correlate to Hofstede’s Individualism dimension. Furthermore it is inversely correlated. Therefore the Institutional Collectivism Scale was introduced as an additional dimension by the GLOBE authors (House, et al., 2004, p. 502).

**Institutional Collectivism:** Also originating and inspired by Hofstede (House, 2001, pp. 495-496) this dimension “describes how institutional practices enable collective distribution of resources and foster collective behaviour” (Kutschker, Schmid, 2011, p. 750). In contrast to all previous studies, the dimension individualism/ collectivism was separated by the GLOBE authors into In-Group Collectivism and Institutional Collectivism. A subsequent validation proved them to be correct: “In particular GLOBE’s Institutional Collectivism scale shows important societal variability that is not captured by the In-Group Collectivism scale” (House, 2001, p. 502). As an example the authors stated that in Scandinavia high Institutional Collectivism values had been measured in contrast to low In-Group Collectivism values (House, 2001, p. 502).

**Gender Egalitarianism:** This dimension originates together with the next dimension from Hofstede's masculinity dimension and has been split into two dimensions: Gender Egalitarianism and Assertiveness (House, 2001, p. 496). It is defined as "the extent to which each prescribes and proscribes different roles for women and men" (Hofstede 1998, cited in House, et al., 2004, p. 343). Other aspects of behavior related to Hofstede's masculinity dimension is the Assertiveness dimension, which is described in the next paragraph.

**Assertiveness:** As mentioned in the previous paragraph Assertiveness had been derived together with Gender Egalitarianism from Hofstede's Masculinity/Femininity dimension. Assertiveness is defined as the degree to which individuals of a culture, institution or organization are assertive, tough, dominant, and aggressive in social relationships as opposed to non-assertive, non-aggressive and tender behavior (House et al., 1999 cited in House, et al., 2004, p. 11).

Regarding the possible correlation of values with Hofstede's Masculinity dimension, Assertiveness seems to affect assertive practices rather than values. Hence the assertiveness dimension differs from the Hofstede masculinity dimension significantly. One difference is that Hofstede's masculinity dimension contains both gender inequality and success aspiration (House, et al., 2004, p. 431).

**Future Orientation:** Originating and inspired from Kluckhohn/ Strodtbeck (House, 2001, pp. 495-496) this dimension "is the degree to which a collective encourages and rewards future-oriented behaviours such as planning and delaying gratification" (House et al., 1999 cited in House, et al., 2004, p. 11). As a small excursion into the two dimensional analysis, i.e. comparing values and practices of a culture, an analysis of data revealed a strong negative correlation between future orientation practices and values (House, et al., 2004, p. 332). As an interpretation of the data, the GLOBE authors assumed that those societies that have weaker practices of future orientation

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have stronger aspirations for future orientation, whereas in a region analysis it was discovered that most Nordic and Germanic societies display strong practices, but weak values, of future orientation. Here the GLOBE authors assume that based on the already existing long forward-planning, values no longer play a role in those societies (House, et al., 2004, p. 332).

**Performance Orientation:** In the GLOBE study the performance orientation dimension first emerges within the context of cross-cultural research on nations. It was derived from McClelland's work of need for achievement (House, 2001, p. 496). "Performance orientation reflects the extent to which a community encourages and rewards innovation, high standards and performance improvements" (House, et al., 2004, p. 239).

Performance orientation is an important aspect and further completes the measureable mosaic of a culture. In the past it was not sufficiently examined by theoretical or empirical research. It needs to be considered as important at an organizational level due to its impact on the level of ambition, competitiveness, innovation and performance improvements when a community responds to challenges of change (House, et al., 2004, pp. 276-277).

**Humane Orientation** has its roots in Kluckhohn/ Strodtbeck's (1961) work on the dimension of human nature, as well as Putnam's (1993) work on the civic society and McClelland's (1985) work on conceptualism of the affiliate motive (House, 2001, p. 496). Humane orientation is defined as the degree of displaying concern, sensitivity, friendship, tolerance, and support towards others in societal, organizational and leadership situations (House, et al., 2004, p. 595).

As defined in culture theory (Triandis, 1995) values like altruism, benevolence, kindness, love, and generosity are predominant motivating factors that guide the behavior of people in societies. This characterizes a strong humane orientation. Self-fulfilment, pleasure, material possessions, and power, are considered the polar opposite of humane orientation (House, et al., 2004, p. 565).

The GLOBE study has also been exposed to criticism. According to Hofstede the GLOBE study delivers many inter-correlated dimensions, which could be reduced to a smaller amount of meta dimensions (Kutschker, Schmid, 2011, p. 761).

Also it only partly solves the dilemma of sub-cultures, since important subcultures, e.g. Belgium, French-speaking Canada and ethnical groups in USA had not been considered.

However, the reception was clearly positive as the GLOBE study contributed to improve and complete the understanding of intercultural relations, eliminating methodological flaws of previous research. It represents the latest study in this context to complement our intercultural understanding (Kutschker, Schmid, 2011, p. 763).

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