



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”**

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List of abbreviations

| | |
|--------|---|
| M&A | Mergers and Acquisitions |
| a.o. | and others |
| e.g. | for example (Latin: <i>exempli gratia</i>) |
| ed. | editor |
| et al. | et alii |
| etc. | et cetera |
| fig. | figure |
| i.e. | that is (Latin: <i>id est</i>) |
| NB | take notice (Latin : <i>nota bene</i>) |
| n.d. | no date |
| no. | number |
| N.A. | not announced |
| p. | page |
| pp. | pages |
| tab. | table |

1. Introduction

Throughout history there have been always waves of globalization. International trading has a wide tradition that extends beyond birth of Jesus Christ. Origins of multinational business can be traced back to 1900 B.C. by Assyrian trade with Anatolia and around the Phoenician sea trade in the Mediterranean around 800 B.C., Greek exporting industries around 500 B.C., and Roman family corporations around 100 B.C. (Moore& Lewis, 1999, p. 278 cited in Hofstede, 2001, p. 440)

The mutual exchange of goods fostered the wealth of nations and contributed to higher standards of living. To assure trade relations, employees were sent to countries far from home; intercultural competence was a crucial trait that was expected in order to conduct business successfully.

Even though the beginnings reach back thousands of years, comprehensive international trade had for long time been the exception. This changed significantly in the 20th century: First, the post-war peace enabled increasing and continuing intertwined trade relationships all over the world that spread out to Eastern Europe after the fall of the iron curtain. The entry into the information age, which made it possible to send messages around the globe within seconds, together with a significant reduction of transport and communication costs, which enabled enhanced possibilities of international trade (UNDP, Human Development Report 1999, p. 30) that in turn led to the increased trade interdependencies among nations, as we see them today.

One effect is that managers of international firms face constantly changing business environments with increased competition. With respect to international business architecture, there has been a shift from supplying overseas markets, building domestic bases by establishing subsidiaries in numerous countries, acquiring or

merging with foreign firms or establishing international joint ventures (House, Javidan, Dorfman, 2001, p. 489).

But with increasing internationalization, uncertainty increase, too: “In some cultures there are severe constraints on what leaders can and cannot do” (House, 2011, p. 10). Therefore there exists a need for research of intercultural management that supplies practical advice based on empirical evidence on how to obtain and expand intercultural competence.

For example, among others, the question needs to be addressed of how to behave in intercultural negotiations and how to interpret behavior that doesn't reflect familiar patterns, in order to assess it and react accordingly. Even though there is plenty of literature that provides models for measuring cultural differences, there is a lack of clear practical advice that can be applied. Or on the other end there is literature that reflects practical experience without a link to empirical research. This gap needs to be closed in order to answer the question: How should one deal with other cultures in critical business situations, in order to achieve a successful outcome?

The goal of this work is to provide managers and employees working in multicultural or international business environments with practical guidelines to help them increase their intercultural competence. Following on from the statement of Hofstede that, “The business of international business is culture” (Hofstede, 1984), we want to explore what culture is exactly, what cultural measurement models exist, and how they can be transferred into practice.

Within this framework selected theoretical models of measuring national cultural differences will be applied to two nations, which, from the author's point of view, are distinguishable from the European value system and are of importance for

business. The first culture is Japan, which is one of the world's leading economic nations, and the second is India, which represents a strong emerging market.

1.1 Relevance

Although some observers dismiss the topic of cultural differences as an abstract and intangible issue, it becomes very tangible and relevant when e.g. international cooperation fails and incur losses.

There are prominent examples of failed Mergers and Acquisitions (M&As) which were due to corporate and national cultural differences. Many studies came to the conclusion that the failure rate of M&As is extremely high at over 50% (Carleton, Lineberry, 2004, p. 8). The corporate culture is held especially to account for the M&A failures (Carleton, Lineberry, 2004, p. 13). Once M&As cross borders, intercultural differences become even more important in the corporate culture context. Especially International mergers have a very low success rate (Hofstede, 2001, p. 445).

Fons Trompenaars even concludes that it will be never possible to understand other cultures. While answers are found to complex problems in one culture, there is little chance that successful concepts work in other cultures. The belief that there is one best way of managing an organization isn't correct. In every culture, phenomena such as leadership, bureaucracy, creativity, and accountability are defined in different ways (Trompenaars, Hampden-Turner, 1997, pp. 1-3). Business people need to understand what those, and other aspects of management mean in different cultures. In the traditional dichotomy of international companies balancing international standardization of methods, concepts and behavioral guidelines

between headquarter and its international subsidiaries it has been observed that just transferring them into other cultures has turned out badly (Trompenaars, Hampden-Turner, 1997, pp. 1-3). The functioning of multinational business organizations depends crucially on intercultural communication and cooperation (Hofstede, 2001, p. 440).

Also, cultural aspects dominate areas where they are not normally to be expected, for example the differences in US and European industry design culture: The Airbus aircraft product family originates from an uncertainty-avoiding design culture, resulting in automatic flight-control capabilities, whereas Boeing respects the pilot's low Power Distance and their need to feel in command without yielding most of the control to the autopilot (Hofstede, 2001, p. 448).

Another important aspect of intensive contact with other cultures is sending employees to other countries for long-term assignments where they will be particularly exposed to other cultures: "It is my impression the failure rate of non-home cultural executives and multinational business organizations is much higher than that of home culture executives" (Hofstede, 2001, p. 440).

On the other hand, the personal development of employees to become globally aware is also necessary in order to work successfully in an international environment; it assists the preparation when encountering other cultures. Also, there are numerous challenges within an organization: The design of multinational organizational structures, manager selection appropriate to cultures in which they will be functioning, companies with multinational employees, as well as cross-border negotiations and sales (House, Hanges, Javidan, Dorfman, Gupta, 2004, p. 11).

Despite the importance of the financial and accountability aspects, economics cannot only consider hard facts, especially if it seeks to address issues of leadership. Therefore it needs to be open to topics that appear ‘soft’, ‘vague’ and ‘ambiguous’, but that nevertheless are of extreme relevance (Kutschker, Schmid, 2011, pp. 702-703).

“Given the increasing globalization of industrial organizations and the growing interdependencies among nations, the need for a better understanding of cultural influences on leadership and organizational practices has never been greater” (House et al., 2004, p. 10). Germany in particular, with its highly industrialized export-oriented industry, yields a natural demand for intercultural Dos and Don’ts, providing information, which is easy to access and simple to use.

For all the portrayed topics of international business, this work delivers guidelines of what is important in practice, derived from the largest and latest empirical studies of research of national cultural differences. If it furthermore contributes to improve cross-cultural cooperation, especially with business partners from the focus areas of Japan and India, then it might be considered to be a successful contribution to international business.

1.2 Procedure and Scope

The topic of intercultural differences in business has been addressed firstly by defining why the intercultural topic is relevant. Now we approach the question of what culture actually is and why it is needed. Then the current state of science of the five most internationally recognized studies of measuring cultural differences is explored. After we focus on the three most important models from the author’s point of view; we shall compare them, discuss their advantages and disadvantages, and apply them to India and Japan, using Germany as a benchmark.

Each model will empirically deliver differences among the cultures, which are analyzed and, based on each model's measured differences, practical recommendations will be derived. Those recommendations are compressed and made applicable by bullet points for German businessmen and managers for fast and easy application. Finally the thesis will conclude with a summary.

Given the scope of an MBA Master's Thesis, there are certain boundaries regarding the comprehensiveness of this work. Whole books could be filled on the sole topic of intercultural management, however here only some aspects can be treated by subjective selection of the author. However it is possible to provide an overview of the models most used for measuring cultural differences and to focus on the author's selection of countries for practical application.

2. Intercultural Context

2.1 Definition of culture

Hofstede, the most known author of cross-cultural research, defines culture as collective programming of the mind that distinguishes members of one social group of people from others (Hofstede, 1997, pp. 2-3). However it isn't simply about comparing the programming of the human mind, since we "cannot directly observe mental programs. All we can observe is behavior: words and deeds. When we observe behaviour" (Hofstede, 2001, p. 2) we can measure and analyze it, and find out what varies or what is similar across different cultures.

Hofstede and other researchers divide the complex term of ‘culture’ into dimensions, which may be regarded as sub-factors, or parameters, that can be measured. Each model displayed in this work uses different dimensions in quantity and exact definition. For example in order to define a national culture, Hofstede uses the following five dimensions:

- Power Distance
- Uncertainty Avoidance
- Individualism/ Collectivism
- Masculinity/ Feminism
- Long-term vs. Short-term Orientation

Other models, as we will see, use up to nine dimensions in very similar or different definitions.

Another way of perceiving culture and reducing its complexity is to describe culture as consisting of two levels: a concepta level and a percepta level. Concepta consists of cultural values and norms whereas percepta consists of the empirical measurable phenomena through which concepta expresses itself in reality. In simpler terms, culture can be regarded as an iceberg with percepta as the observable peak, whereas concepta is the invisible part underneath the surface that forms and defines the surface (Kutschker, Schmid, 2011, p. 675).

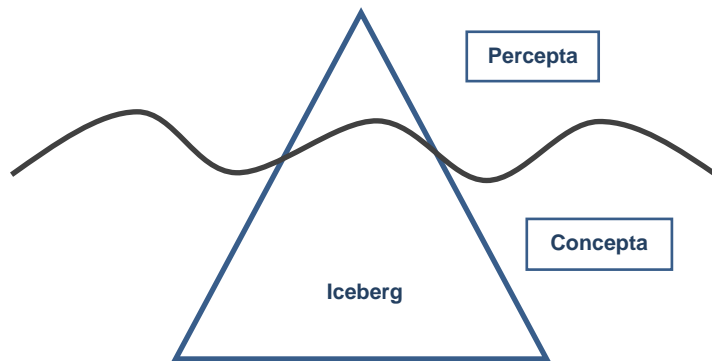


Fig. 1: Iceberg metaphor.

Source: Own Illustration, following Kutschker, Schmid, (2011), p. 675.

This separation is of importance because most of the described models in the continuation of this work focus on measuring cultural dimensions on the percepta level with its expressions onto cultural practices, with the exception of the GLOBE study, which expands its focus on the concepta level by evaluating cultural values of the dimensions of each culture. This allows not only for a comparison among cultures/ nations or even sub-cultures, but also it allows conclusions on individual cultures as to what they aspire 'to be' (values - concepta) and the features of a culture in reality (practice - percepta).

2.2 Function of culture

In the literature, the function of culture is defined as providing identity for individuals, serving as bonding factor within a certain geographical entity or group that separates it towards others. Culture also smooths the social interaction of individuals by channeling actions and communication, using cultural filters. Furthermore, culture fulfils the function of integrity and coordination for a society or a group, as it provides the bond that coordinates the norms and behaviour of

individuals so that there is an orientation in terms of which behavior is right and which is wrong (Kutschker, Schmid, 2011, pp. 676 - 677). However that implies inversely that an individual in other countries believes that its behavior and words are correct and understood, might be wrong regarded and misinterpreted by the eyes of other cultural norms.

2.3 Individual versus cultural behavior

Defining culture does help us in the context of embracing cultural behavior, but we still need to distinguish individual behavior from cultural behavior. There are several models that show the difference between cultural and individual influences on behavior. One such explanation is as follows:

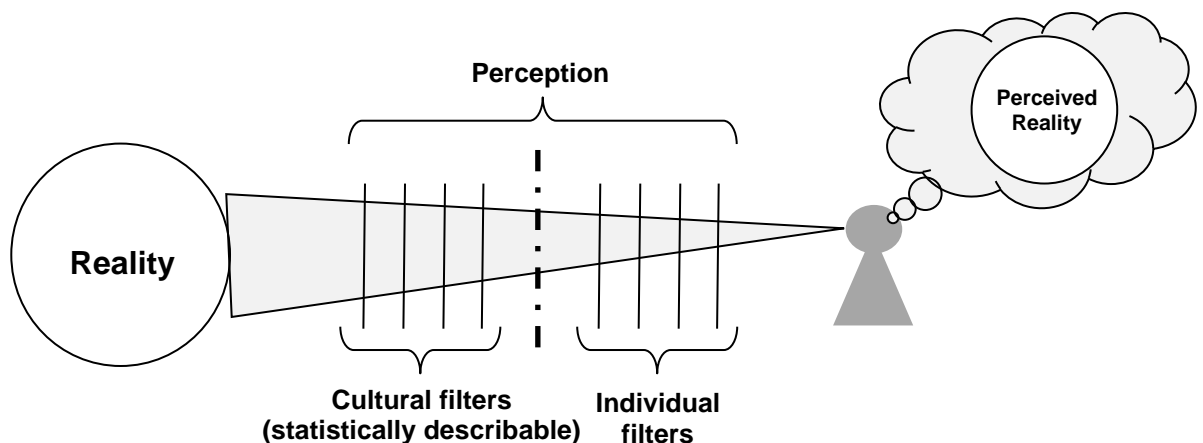


Fig. 2: Culture enhanced filter metaphor.
Source: Birkenbihl, 1999; p. 415, (Author's adaptation).

An individual doesn't see reality as it is. He or she sees reality through different filters. In simple terms, those filters can be divided into individual filters and cultural filters. Individual filters are based on personal experiences, education, that cannot be described without knowing a person, whereas cultural filters unify and synchronize the behavior of an individual to a group and can be measured.

2.4 Variations of cultural behavior

Since cultural values normalize collective behavior, as we have seen, individual behavior might differ. Therefore, of course, it isn't possible to predict the behavior of an individual in an intercultural or intra-cultural situation, but it is possible to describe tendencies of behavior, as determined by the culture to which an individual belongs. Hofstede claims that "Characterizing a national culture does not mean that every individual within that culture is mentally programmed in the same way. The national culture found is a kind of average pattern of beliefs and values, around which individuals in the country vary" (Hofstede, 1983, p. 78).

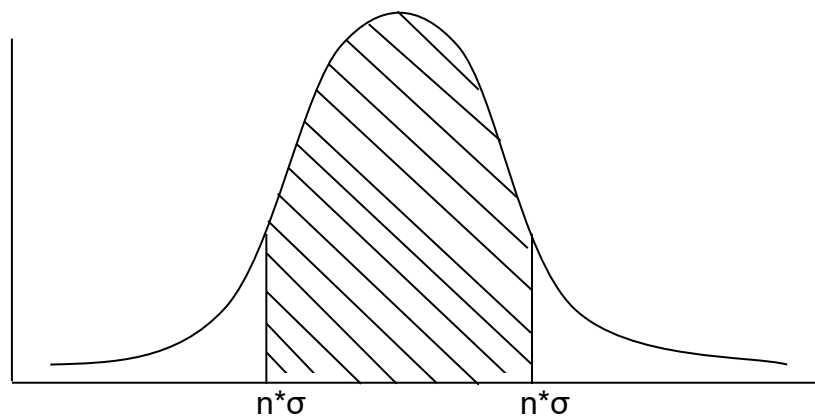


Fig. 3: Behavior shown by most individuals of a culture that is statistically measured by the models discussed in this work

Source: Trompenaars, Hampden-Turner, 1997, p. 25, (Author's adaptation)

This variation can be illustrated and generalized by the Gaussian bell curve, where measurements of cultural dimensions deliver a normal distribution, which resembles all types of behavior found in a given culture. Consequentially, the 'normal behavior' that show most individuals would be an area between ' $n^*\sigma$ ' values, which is statistically describable.

3. Models of measuring cultural differences

3.1 Overview

There are currently five studies that measure and describe the differences between national and sub-national cultures in business, which are relevant for management:

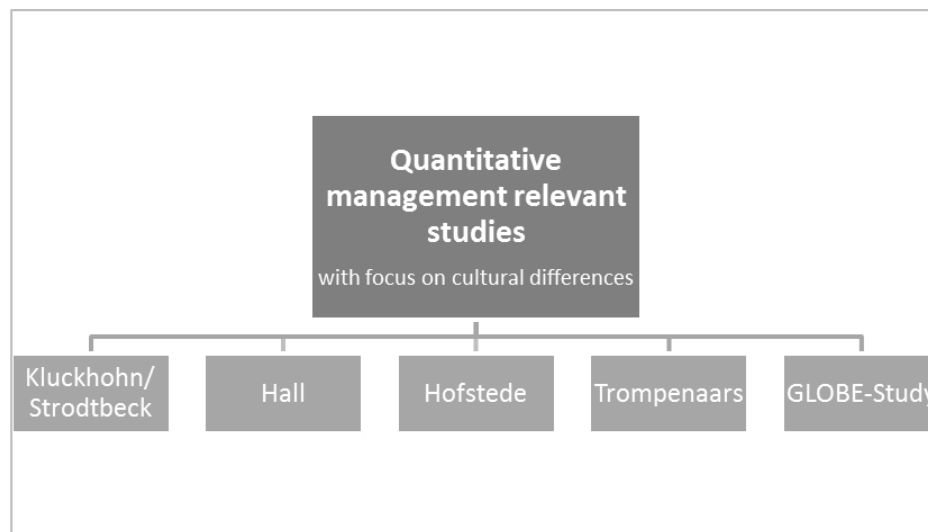


Fig. 4: Overview of relevant quantitative models of cultural differences.
Source: Kutschker, Schmid, 2011, p. 703, (Author's adaptation).

As can be seen in the following chart, the indicated time horizons of all five models of the research period and the main publication is included. The studies are sorted according to their temporal horizon from left to right:

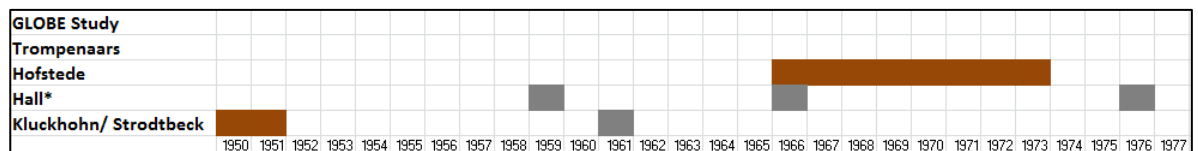


Fig. 5: Study periods (brown bars) and publications (grey bars) of the five studies major studies 1950 – 1977.

Source: Own Illustration.

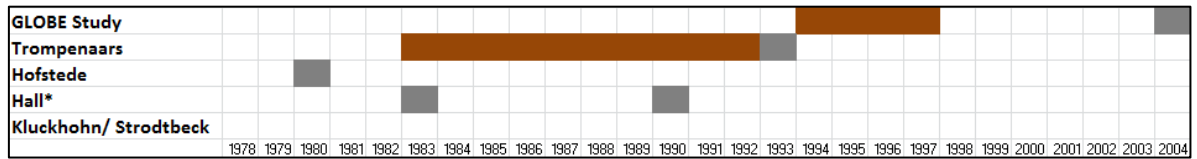


Fig. 6: Study periods (brown bars) and publications (grey bars) of the five studies major studies 1978 – 2004

Source: Own Illustration.

The studies differ significantly in the analysis depth. This graphical overview illustrates the amount of questionnaire items that were used for the definition of the dimensions:

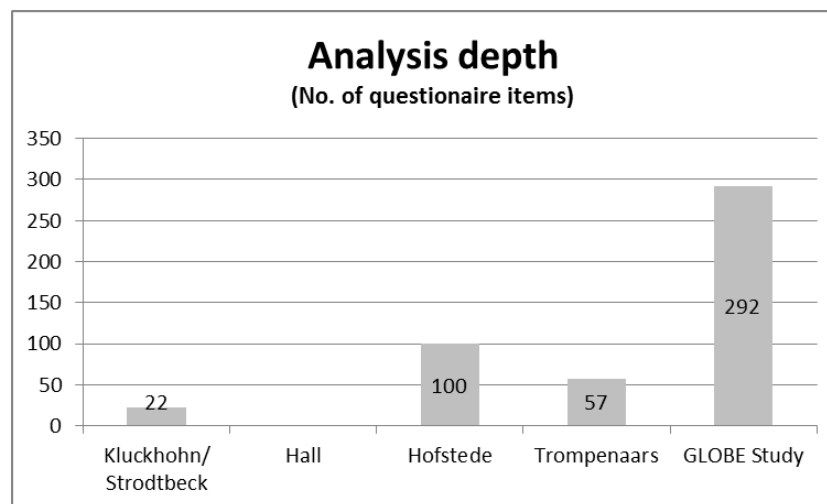


Fig. 7: Statistical overview of analysis depth by questionnaire items of the five studies.¹

Source: Own Illustration.

Also, with respect to fragmentation of culture into different dimensions, the displayed models vary significantly.

¹ Each study was designed by the displayed number of items and used for the poll; however for the analysis a reduced amount of items were applied by the authors. Nevertheless, this overview allows a good estimate of the analysis depth for definition of cultural dimensions. (For further comments see appendix: Exhibit 4) Due to the fact that Hall's dimensions did not result of one study, the count for questionnaire items of Hall remains zero.

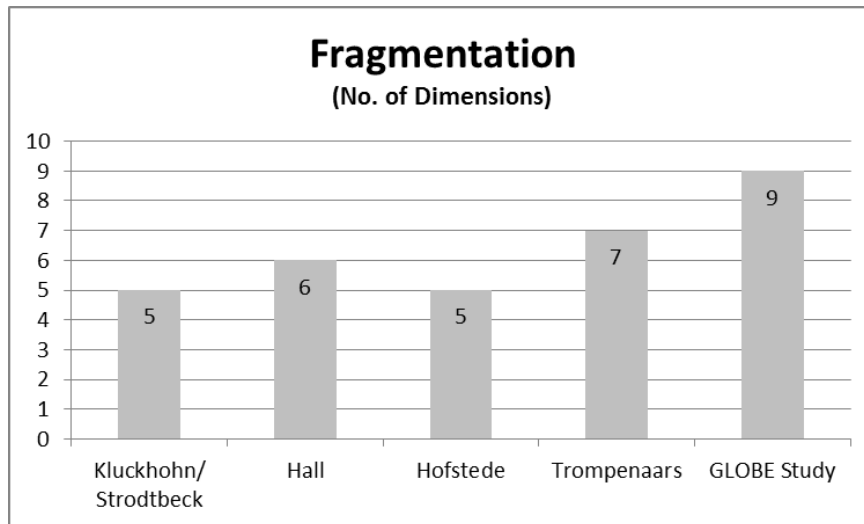


Fig. 8: Overview of the number of dimensions by which the term ‘culture’ was defined by each study.²

Source: Own Illustration.

Even more variation can be seen with the statistical base of each model. With a quick glance it is obvious that Hofstede polled the most persons in his study. Even by totaling the polling numbers of all other studies together, not even half of Hofstede’s quantity is reached.

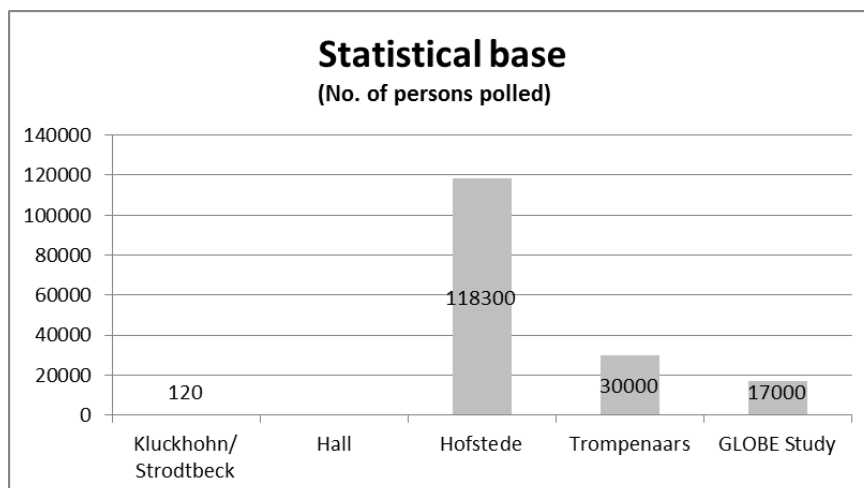


Fig. 9: Illustration of the statistical base of each study. Persons polled.³

Source: Own Illustration.

² Author’s selectin of Hall’s most important dimensions.

³ For further comments see appendix: Exhibit 4.

The next chart displays the data spread of how many companies the study was based on. GLOBE has the deepest spread of all with over 800 different companies used for their analysis, whereas it can quickly be seen that the methodology of Hofstede lacks a wide spread of companies, since it was only focused on IBM employees.

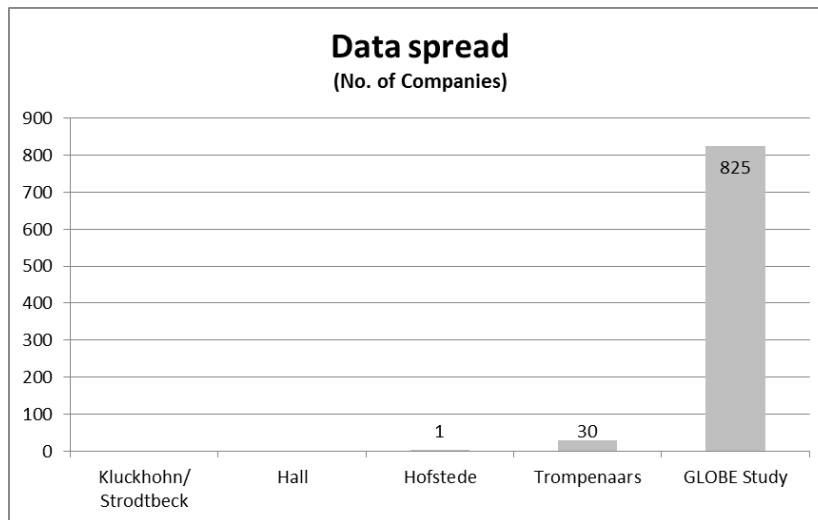


Fig. 10: Displays the companies used for the analysis of each study.⁴
Source: Own Illustration.

⁴ Hofstede's data only refers to IBM. The Asia study of Hofstede was not considered in this overview. Kluckhohn/Strodtbeck's research subject was not companies and therefore the value is stated at 0. (For further comments see appendix: Exhibit 4).

The following chart illustrates the number of cultures the studies evaluated.

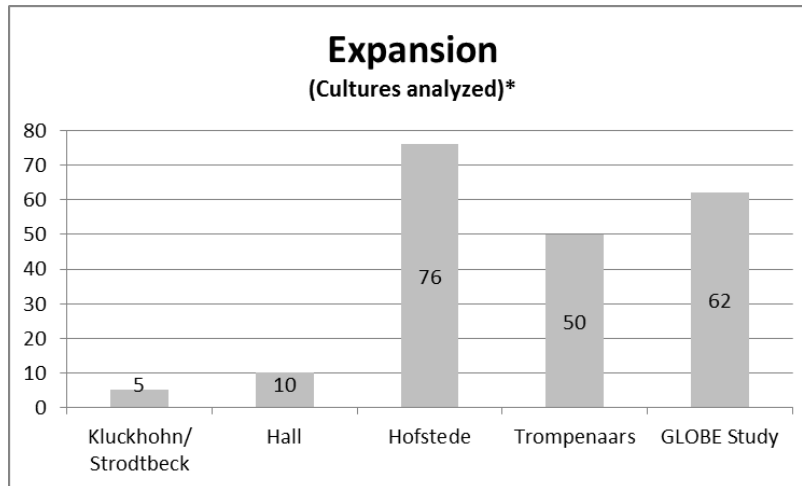


Fig. 11: Shows cultures analyzed by each study.⁵
Source: Own Illustration.

The latest three studies show the highest cultural expansion.

It can be summarized that the Hofstede and the GLOBE study are distinguished by the compelling amount of data analyzed in comparison to the other studies:

Hofstede, in the framework of his IBM study, polled more people when compared to all the other presented studies combined and had the highest country differentiation. The GLOBE study, which is the latest of all studies, clearly needs to be highlighted because of its polling methodology with almost 300 questionnaire items and its spread of data from more than 800 companies across three industries, that is unmatched by other models.

⁵ Not all cultures were used for the analysis of at least the Hofstede study due to the limited data. Approximate number of cultures analyzed by Hall (For further comments see appendix: Exhibit 4.

The next overview shows the evolution of dimensions. It can be seen that authors were inspired by others, overtook and adapted dimensions into their own concepts.

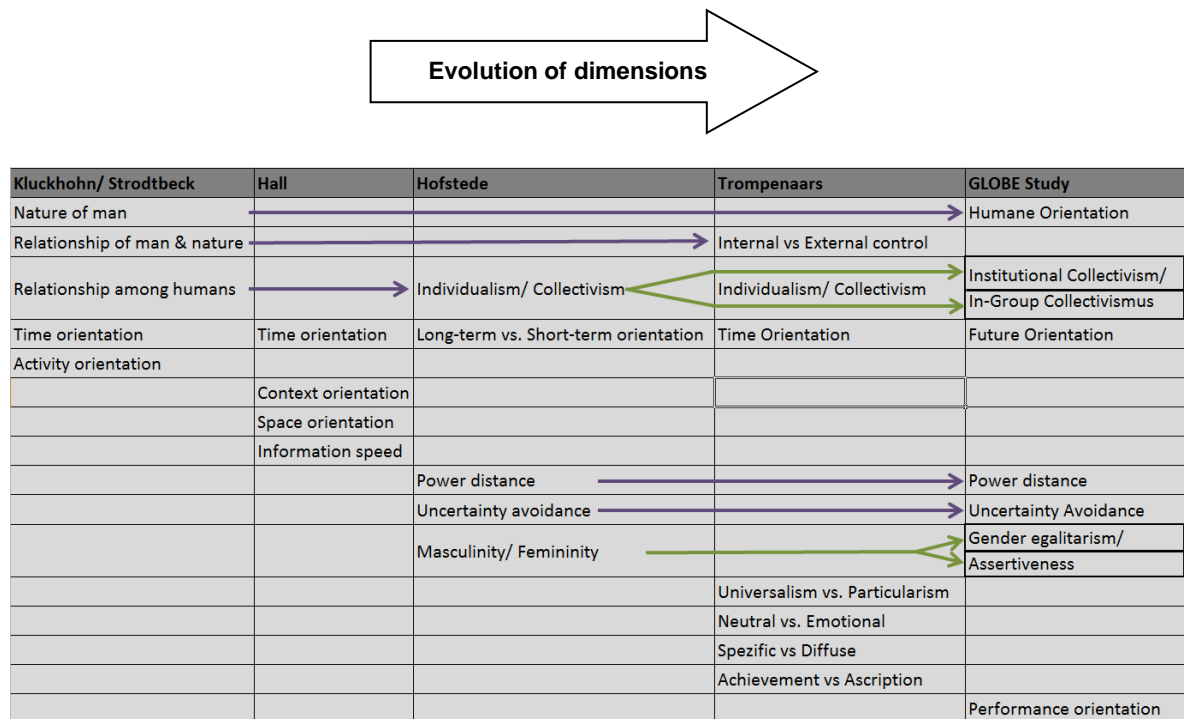


Fig. 12: Overview of evolution and origin of different cultural dimensions used by the authors.⁶
Source: Own Illustration.

Some of the dimensions need to be highlighted. As can be seen, an important dimension for example is time orientation, which originated from Kluckhohn/ Strodtbeck and was taken over or adapted by authors of all the other models. Another interesting example is the communication context orientation of Hall that was never used by the other authors for their dimensions, which might be due to the special focus of Hall onto communication.

Finally, the dimension of performance orientation that was introduced first by the GLOBE study is important to mention, as it emerged relatively late within the research of cultural differences. The GLOBE study also divided dimensions originating from Hofstede into two dimensions, namely Masculinity/ Femininity

⁶ Simplified overview: There are partial deviations in the exact definition; respectively, the questionnaire items, which led to the dimensions, were not exactly equal. Author's selection of Hall dimensions, displayed here.

into Gender Egalitarianism and Assertiveness and Individualism/ Collectivism into Institutional Collectivism and In-Group Collectivism.

Let us focus now on the five different models being used to quantitatively measure cultural differences and how they define their dimensions.

3.2 Florence Kluckhohn/ Fred L. Strodbeck

| Persons polled | Cultures analyzed | Questionnaire items | Dimensions |
|----------------|-------------------|---------------------|------------|
| 120 | 5 | 22 | 5 |

Fig. 13: Brief overview of the cultural study of Kluckhohn/ Strodbeck.⁷

Source: Own Illustration.

Florence Kluckhohn and Fred L. Strodbeck created a measurement model for the differences of indigenous cultures of the Rimrock communities of Southwest USA (Kluckhohn & Strodbeck, 1961, p. 49). One might argue about the relevance of indigenous societies for management, however Kluckhohn/ Strodbeck can be considered to be the early ground-breaking pioneers who not only created the idea of splitting a culture into measurable dimensions, an approach which was later adopted by all later models, but also in terms measuring cultural differences in societies at all. In later studies by other authors, Kluckhohn/ Strodbeck's work was directly connected with US- management relevant questions (e.g. Adler/ Gundersen 2007, p. 22-35, cited in Kutschker, Schmid, 2011, pp. 676-677).

In order to describe cultural differences, Kluckhohn/ Strodbeck defined five dimensions:

Nature of man: There are two ways of considering this dimension. Firstly, as a static dimension, i.e. the nature of man never changes during his life, and secondly as dynamic dimension, which relates to the changes of a human being over time.

⁷ Approximation. Not stated exactly in the original source. Data source: Kluckhohn, Strodbeck, 1961, p. 49.

Since there has been significant differences among the investigated cultures it leads to the conclusion that apart from individual tendencies, cultural tendencies of either confidence or mistrust towards others also exist (Kutschker, Schmid, 2011, p. 705).

Relationship of man and nature occurs in the range of three expressions. First is Subjugation-to-Nature, second in Harmony-with-Nature and third Mastery-over-Nature, i.e. the tendency to dominate nature (Kluckhohn & Strodtbeck, 1961, p. 13). With respect to management this dimension becomes relevant to company goals, whether they are targeted dependently or independently of external influences. Goals in enterprises, specifically those with the tendency of control of nature, are presented in a quantitative way, whereas goals for companies in societies that show tendencies of subordination to nature are expressed more vaguely (Kutschker, Schmid, 2011, pp. 706-707).

Relationship among humans: Differentiates individualistic and collectivistic cultures. The importance to the human resources policies of enterprises needs to be mentioned here in particular, where a job applicant's individual performance is regarded in terms of his fitting into the existing collective of a company. In decision-making processes individualistic societies also tend to be taken by one person in comparison to collective societies, where they are taken in groups, which increases the complexity but may ease the execution of the process after the decision has been taken (Kutschker, Schmid, 2011, pp. 707-708).

Time orientation: This dimension describes a society generally as past, present or future oriented. In the literature, examples are given of the Spanish-American society, which is present oriented, does not consider what happened in the past and lacks the tendency to plan for the future, regarding it as vague and unpredictable. In comparison to historical China where the value preference has been past oriented, by worshipping ancestors and maintaining family traditions. But also European countries are mentioned as past oriented (e.g. Great Britain), whereas the U.S.

society has a high future orientation tendency: A desire to make things bigger and better, with a high tendency of change that isn't felt to be a threat to its own value system (Kluckhohn & Strodtbeck, 1961, pp. 13-15).

Activity orientation illustrates how individuals in activity driven cultures tend to aim to achieve as much as possible in life. Kluckhohn/ Strodtbeck differentiate between "being", "being-in-becoming", and "doing". "Being" is described as having similarities to the indulgent components of living life as it is presented, and taking the most out of it. "Being-in-becoming" resembles, according to the authors, a type of personality that contains and controls desires with a clear goal of personal development. "Doing" reflects an activity orientation that is very dominant e.g. in US, which is dominated by the impulse to achieve accomplishments that are clearly measurable by defined standards (Kluckhohn & Strodtbeck, 1961, pp. 15-17).

To summarize, Kluckhohn/ Strodtbeck can be considered as pioneers, preparing the ground for more management oriented cultural studies that were yet to come.

3.3 Edward T. Hall

| Persons polled | Cultures analyzed | Questionnaire items | Dimensions |
|----------------|-------------------|---------------------|------------|
| n.a. | 10 | n.a. | 6 |

Fig. 14: Brief overview of the cultural study of Hall.⁸

Source: Own Illustration.

The next model of comparison and measurement of cultural differences is the model of the anthropologist Edward T. Hall. He focused mainly on two aspects of the cross-cultural topic. The first focus is communication: “Culture is communication and communication is culture” (Hall, 1959/ 1990, p. 186) and secondly information: “Culture [...] is primarily a system for creating, sending, storing, and processing information” (Hall, Hall, 1990, p. 179). In his studies he presented several dimensions which are not the result of one project and depend partly on each other (Kutschker, Schmid, 2001 p. 711). In this overview the four most important dimensions are evaluated:⁹

Context orientation represents high context orientation vs. low context orientation. In high context cultures, individuals are embedded in a dense network of relationships, which leads to the effect that verbal content does not need to be detailed explicitly. It expresses the degree of which communication can be clearly understood without being linked to a certain context. Hall describes Asiatic, Arabic and Mediterranean cultures as high-context oriented cultures, whereas US-Americans as well as Germans, Swiss and Northern Europeans belong to low-context cultures (Hall, Hall, 1990, pp. 6-7). Regarding information transfer, in practice this leads to the phenomenon that “high context people are apt to become impatient and irritated when low-context people insist on giving them information they don’t need. Conversely, low-context people are at a loss when high-context people do not provide enough information” (Hall, Hall, 1990, p. 9).

With respect to dependency on context, a classic example for a high context culture would be Japan, where only a vague hint of a proposal of an executive is

⁸ For further comments see appendix exhibit 4. Data source: Hall, Hall, 1990, pp. 3-31.

⁹ Author’s selection of dimensions following Kutschker, Schmid, 2011, p.710.

immediately interpreted as an order to be transformed into action by its subordinates. On the other hand nationals used to low-context communication (e.g. Germans) get directly to the point expressing clearly what they expect. An overview of ranking nations with respect to context orientation and information transfer orientation can be seen below:

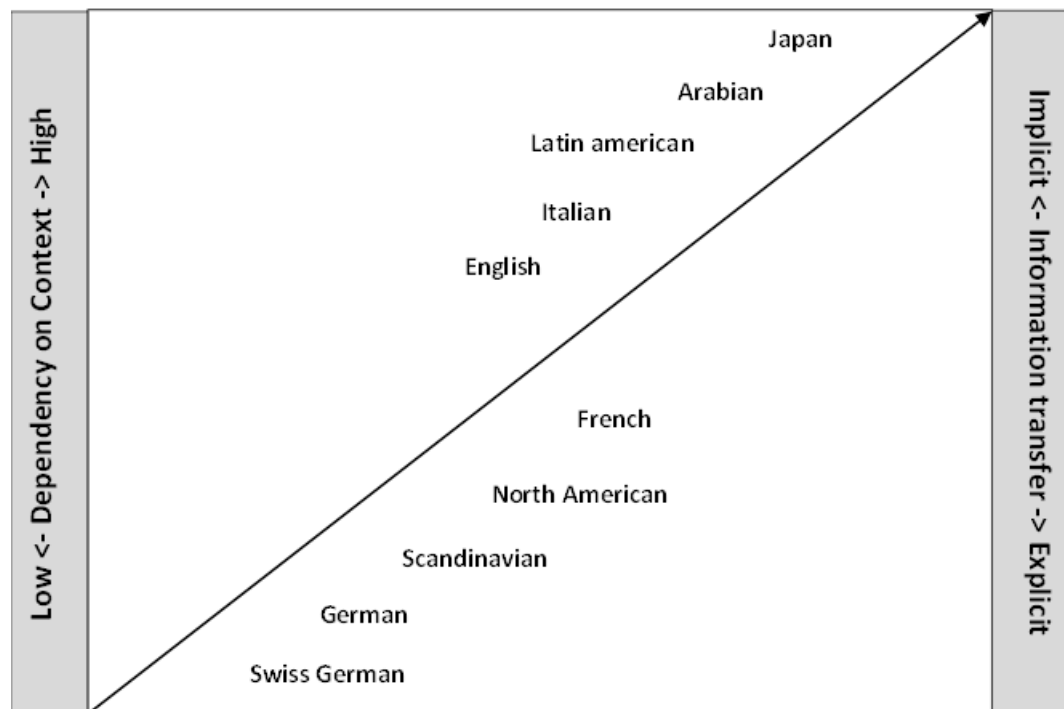


Fig. 15: Low Context/ High Context Cultures.

Source: Rösch & Segler, 1987, p. 56-67 cited in Kutschker, Schmid, 2011, p. 712.

Space orientation: Each person is surrounded by an invisible bubble of space, which are larger or smaller depending on cultural characteristics. Changes to this bubble, caused by a too close or unusually distant proximity of other persons make people feel uncomfortable or aggressive (Hall, Hall, 1990, p. 11).

The expression of the bubble seems to form two clusters of countries. The first one is the Central and North-European countries with UK and the US, that need a larger sphere of space and on the other end of the scale there is the Mediterranean European and the Latin Americans, which are used to a smaller surrounding personal space (Hall, Hall, 1990, p. 11).

Time orientation is expressed by Hall in monochronic versus polychronic. In cultures with monochronic orientation, time is regarded as linear, where work related activities are arranged in a way that they can be carried out sequentially, extending from the past to the future, whereas in polychronic cultures time is considered more intangible and blurred, whereby more activities can be carried out simultaneously (Hall, Hall, 1990, p. 13).

According to Hall the US and many middle European countries (Germanic and Scandinavian) are considered as monochronic, whereas Latin American, Arabic and Mediterranean cultures are polychronic oriented by trend (Kutschker, Schmid, 2011, p. 714). Conclusively it is important when people with different time orientations work together, each needs to understand the concept of the other in order to avoid needless frictions in the workflow.

Information speed deals with the different velocities of information transfer and by which complexity is coded (to be sent) and decoded (to be received) in communication. For example, the North-American culture is regarded as a culture with a high information speed, in contrast to the French culture which tends to be known as one with a low information speed (Kutschker, Schmidt, 2001, p. 716). In practice this leads to the situation that French people perceive US Americans as unbelievably friendly, but also as superficial (Hall, Hall, 1990, p. 5-6).

The circles below illustrate the difference of information speed. The lines represent confidence levels of trust when speaking to unknown people. The outer line in the American culture is perforated, signifying that it is easy to start a conversation or get in touch with Americans, but they have a 'solid' inner line that represents deeper areas of confidence, which are harder to penetrate.

On the other hand in France the outer line is solid, which represents that it is more difficult to enter into conversations and to earn trust, but once penetrated people open themselves totally.

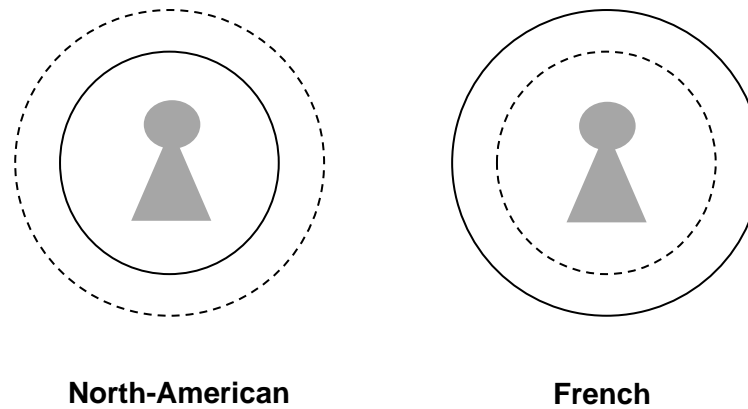


Fig. 16: Different confidence layers.
Source: Birkenbihl, (2006), p. 59, (Author's adaptation).

3.4 Geert Hofstede

| Persons polled | Countries analyzed | Questionnaire items | Dimensions |
|----------------|--------------------|---------------------|------------|
| 118,300 | 76 | 180 | 5 |

Fig. 17: Brief overview of the cultural study of Hofstede.¹⁰
Source: Own Illustration.

Geert Hofstede, a psychologist that had been employed by IBM, conducted what is so far the largest intercultural study. For his measurement of national differences he polled about 116,000 employees of IBM across approximately 53 countries in his first study. He regarded culture as a subject that can be expressed and defined in 4 dimensions. However, following criticism that his study was western centered he carried out the Asia-study where he polled additional 2,300 students in 23 countries, which led to a fifth dimension. He also developed over 100 questionnaire items for

¹⁰ Both studies counted together: The original survey and the Asian study. Values from the original study. Exact values of countries differ from source to source. Data source: Hofstede, 2001, pp. 41-46.

his study (Kutschker, Schmid, 2011, pp. 718-719). After his publications he became associated with intercultural management and one of the most cited researchers of his field (Kutschker, Schmid, 2011, pp. 733-734). Until today there is no comparable study that matches this comprehensiveness in terms of persons being polled.

In his research he was inspired by Kluckhohn/ Strodtbeck and Hall, took over and adapted several dimensions, and was the first that explicitly aimed to investigate the impact of culture and its implications on management (Kutschker, Schmid, 2011, p. 720). Critics to Hofstede's study claim that it has been only conducted at IBM and only in the management context, and as such that the study was distorted and does not represent the general characteristics of a country's culture (Kutschker, Schmid, 2011, pp. 731-732).

We now regard the different dimensions of Hofstede.

Power Distance: With Hofstede's work it is the first time that Power Distance is defined and measured. Neither Kluckhohn/ Strodtbeck nor Hall used this dimension for their studies. Hofstede defines Power Distance as "the extent to which the less powerful members of organizations [...] accept and expect that power is distributed equally" (Hofstede, 2001, p. 19).

High Power Distance therefore signifies a high inequality of power, which is shown in management with the existence of many hierarchical levels, where at the same time it is not tolerated to circumvent those levels. Also, in management with high Power Distance, decisions are usually taken centrally; unpopular tasks are delegated to lower hierarchy levels, while important decisions remain in top management. Additionally, in companies with a high Power Distance, a strong differentiation of tasks is found, i.e. certain tasks are assigned to each hierarchy level (Kutschker, Schmid, 2011, pp. 721-722).

Low power distance consequently means flat hierarchies, people participate in important questions, open door culture is frequently found and power symbols are rare. People are involved in decisions which can be more balanced, but may also need more time to be taken (Kutschker, Schmid, 2011, pp. 721-722).

Uncertainty Avoidance: Hofstede was also the first to introduce Uncertainty Avoidance as a cultural dimension. Uncertainty Avoidance is defined as the “the extent to which a culture programs its members to feel either uncomfortable or comfortable in unstructured situations” (Hofstede, 2001, pp. 19-20).

In some cultures persons feel threatened by uncertain situations. In management there are clearly defined attributes for example in decision making processes. In companies with high Uncertainty Avoidance, decisions need to be precise and unambiguous, in order to avoid conflicts. Individuals aim not only to influence the future, but to control it via rules, processes and structures, which shows a high degree of formality and are standardized. The upside of high Uncertainty Avoidance is the security felt by employees; whereas the downside might be that there is little space for innovation and creativity in problem solving processes (Kutschker, Schmid, 2011, p. 722).

Individualism/ Collectivism “describes the relationship between the individual and the collective that prevails in a given society” (Hofstede, 2001, p. 209). Individualism/ Collectivism are value neutral, which means being extreme in one or the other direction is not considered to be negative. There are both examples of successful individualistic cultures, like the US, as well as of collectivistic cultures, such as can be found in Japan. However, there is a strong tendency towards one orientation, where e.g. “individualism is seen as a blessing and a source of well-being; in others, it is seen as alienating” (Hofstede, 2001, p. 209).

In individualistic societies, relationships between individuals are relatively loose in comparison to collectivistic societies where the individual is embedded in a family, clan or society from birth. In management a collective tendency is shown when the group takes preference before an individual and loyalty to a company is relatively high with low fluctuation of staff.

On the other hand, in high individualistic societies the task has priority over the relationship between individuals. Frequently in individualistic countries, according to Hall, low-context-communication can be found (Kutschker, Schmid, 2011, p. 724). This dimension was divided by the GLOBE authors, as it can be seen in 3.6, into Institutional Collectivism and In-Group Collectivism.

Masculinity/ Femininity: This dimension describes how different cultures deal with the duality of the sexes (Hofstede, 2001, p. 279). One expression of this dimension seems to be that “almost universally women attach more importance to social goals such as relationships, helping others, and the physical environment, and men attach more importance to ego goals such as career and money” (Hofstede, 2001, p. 279). This dimension was also split into two dimensions by the GLOBE study - Gender Egalitarianism and Assertiveness (see also 3.6).

According to Hofstede, this dimension differentiates between masculine and feminine societies. In masculine societies in companies there is an obvious division of roles of women and men, where men are responsible for more complex tasks. Leadership positions are frequently filled with men, whereas women are tend to be responsible for simpler tasks (Kutschker, Schmid, 2011, pp. 725-726).

However, in masculine societies women can be also found in exposed leadership positions. Those women are strong and tough by trend, since they needed to fight hard in order to prevail against their male rivals.

Long-Term vs. Short-Term Orientation (Asia study): This dimension was first defined by Kluckhohn/ Strodbeck and later adapted by Hall. Hofstede also adopted

this dimension as a reaction towards critics of the western centrism of his original study with its four dimensions. In continuation he conducted the Asian study polling approximately 2,300 students across 23 countries and developed the fifth dimension: Long-/ short-term orientation. This dimension is inspired by the long-term aspects of Confucian thinking, where persistence and patience dominate ones actions (Hofstede, 2001, pp. 351-352).

In 2010 a sixth dimension was defined as Indulgence vs. Restraint, based on the work of the Bulgarian sociologist Michael Minkov. Indulgence is defined as a society that allows relatively free gratification of basic and natural human drives related to enjoying life, whereas restraint is defined for societies that inhibits gratification by social norms (Hofstede, Hofstede, Minkov, 2010).

Hofstede's work had been exposed to further critique, namely the narrow framework that limited the study to IBM and its particular company culture, which might have distorted the results by possibly also having measured IBM company culture related imprints. Also his selection of countries without any regard to sub-cultural clusters had been subject to criticism, for example Switzerland with its German/French/ Italian sub-cultures, South-Africa and Canada (Kutschker, Schmid, 2011, pp. 731-733).

But finally, despite all the critics, the Hofstede study nevertheless can be regarded as a milestone of cultural studies (Kutschker, Schmid, 2011, p. 734).

3.5 Fons Trompenaars

| Persons polled | Countries analyzed | Questionnaire items | Dimensions |
|----------------|--------------------|---------------------|------------|
| 30,000 | 55 | 57 | 7 |

Fig. 18: Brief overview of the cultural study of Trompenaars.¹¹

Source: Own Illustration.

As next important concept of cultural study, we will focus the work of Fons Trompenaars. He postulated seven dimensions and developed its questionnaire items together with Charles Hampden-Turner, focusing especially on the aspects of cultural dimensions in combination with management related topics. As with Hofstede he doubts the strong unifying forces of culture, where as a consequence not all individuals dispose of the same collective programming (Kutschker, Schmid, 2011, p. 735).¹²

Trompenaars' and Charles Hampden-Turner's approach for developing their dimensions is to put the respondents of the questionnaires into dilemmas, which emerge from universal problems. Hence culture, according to Trompenaars, is the way in which these dilemmas are resolved. These dilemmas address relationships with people, the relationship to time, and the relationship among people. For management relevant issues each culture resolves those dilemmas in their own particular way (Trompenaars, 1996, pp. 51-52).

Universalism vs. Particularism: This dimension measures the inclination of the individual towards general or specific orientation. Universalists tend to feel that general rules and obligations are a moral reference. Universalists are inclined to follow rules even when friends are involved (Trompenaars, 1996, pp. 52-53). Whereas particularists value the special circumstances and personal backgrounds of decisions more than existing rules (Kutschker, Schmid, 2011, p. 735). Hence by this cultural trait either the clear judgment of situations is influenced, or the individual is conscious about his decision, disregarding its moral implications.

¹¹ Data source: Trompenaars, Hampden-Turner, 1997, pp. 1-2.

¹² See also bell curve approach p. 13.

Individualism vs. Collectivism: Trompenaars defines what he conceives as being Individualism vs. Collectivism as, “The conflict between what each of us wants as an individual and the interests of the group we belong to” (Trompenaars, 1996, pp. 52-53). Trompenaars measures individualistic and collectivistic tendencies in a society and follows Kluckhohn/ Strodtbeck and Hofstede by including this dimension in his cultural value system.

However the question arises how the managers, being polled by his study see themselves, more as individuals or more as belonging to a certain group? Trompenaars points out that, apart from individual imprints, individualistic or collectivistic tendencies can emerge at the same time (Kutschker, Schmid, 2011, p. 739).

Neutral vs. Emotional: This dimension mainly focuses on the predominant trait of expression of sensations. In relationships between people, both prudence and emotions play a role. Which of them is dominant depends on whether we are affective, showing emotions or whether we are emotionally neutral by suppressing emotions. This dimension can be also regarded as behavior which is impulsive at one end of the spectrum and disciplined at the other, where the measured cultures populate the scale between both extremes (Trompenaars, 1996, p. 57).

Specific vs Diffuse: This dimension shows the degree of separation between work and family life. In diffuse cultures work and family cannot be separated whereas in specific cultures a division of life and work can be observed (Kutschker, Schmid, 2011, p. 739). Specific cultures have an inclination for direct speech that might be interpreted by diffuse culture as offending. In diffuse cultures also exists the concept of losing face, i.e. something that is made public that should be held private. Therefore diffuse cultures take their time to come to the point in conversations (Trompenaars, 1996, p.86).

Achievement vs. Ascription: In business, in some societies respect and status is accorded to persons, independent of their actual achievements. This respect is ascribed due to age, gender, academic title and class. This dimension measures the tendency as to whether individuals tend to accept achieved status in societies by performance or accept ascribed status (Trompenaars, 1996, pp. 60-61).

Time orientation is an important aspect within strategic considerations. Is strategy linked to the future? Or is strategy oriented to the future by mere linear extrapolation of time, originating from the past (Trompenaars, 1996, p. 63)? With this dimension Trompenaars follows other cultural studies. He combines the static time definition of Kluckhohn/ Strodtbeck, i.e. the inclination of an individual towards past, present or future, with Hall's interpretation of monochronic workflows, which is undertaking sequentially one task after another, versus the polychronic tendency: several tasks simultaneously.

Internal vs. External control (Subjugation): The dimension of internal control versus external control is inspired mainly by the work of Kluckhohn/ Strodtbeck on the relationship of man to nature. Trompenaars defines it as the inclination of man to control nature and externally imposed circumstances. More precisely the meaning the actor assigns to his environment as an internal or an external locus of control (Trompenaars, 1996, p. 64).

When individuals tend to yield the control of their actions to the environment as a sort of subjugation, they search e.g. for responsible external factors to account for their failures, whereas if they tend to fully control the environment individuals take full responsibility for their own actions.

In summary, Trompenaars' work had been, compared to others, subject to relatively harsh criticism. Similar to criticism to which Hofstede has been exposed to, was that due to the selection of the persons being polled, mainly managers, that results are systematically distorted and do not reflect the real profile of a culture, rather the

profile of the managers of an average company culture in certain industries (Kutschker, Schmid, 2011, pp. 740-741).

However, from the author's point of view, that may be an issue when one generalizes his results. As a matter of fact his results are, for his target group (mainly management related employees), even more representative, but they shouldn't be used to generally describe the behavior of an entire culture.

Another point of criticism has been that Trompenaars never showed exactly how he developed and used his dimensions and did not detail the methodology of his study sufficiently (Kutschker, Schmid, 2011, p. 742). Finally nevertheless Trompenaars manages to guide the question of cultural behavior to another approach of putting his respondents into dilemmas, which they need to resolve and furthermore connects the intercultural aspect with company, industry, job-related, and gender cultures (Trompenaars, Hampden-Turner, 1997, pp. 221-242). In conclusion, Trompenaars' work has been, from the author's point of view, despite of all criticism a significant contribution to research of cultural aspects of management.

3.6 The GLOBE Study

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

Fig. 19: Brief overview of the GLOBE study.¹³

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

¹³ Data source: House, et al., 2004, p. 11.

- 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:

- It eliminates mostly the problem of subcultures, splitting some but not all relevant cultures into subcultures. South-Africa (Black and White), Germany (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 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).

4. Application of models onto India and Japan, compared to Germany

In this chapter the models of Hofstede, Trompenaars and the GLOBE study are applied to Japan and India, using Germany as a benchmark. The numerical values of the target countries are taken and compared for each dimension. The comparison of the values deliver differences which are analyzed and, based on the analysis, practical implications for business are drawn, which are directly derived from the measured data. In order to maximize the usefulness for practitioners it deliberately uses brief descriptions for the analysis of the measured results and summarizes the implications for business in bullet points, immediately usable for German business managers.

Since culture is just one aspect of complex individual behavior, the given recommendations must be regarded as a trend or tendency of behavior that are statistically describable in one culture, but might differ significantly at an individual level.

4.1 Model selection criteria

After the general introduction of the different models and concepts of displaying cultural differences the next step is the selection of appropriate models that can be applied to the selected nations.

The following selection criteria were applied:

- Quantity of data: Number of people in the poll that enables a sufficient statistical base of the results for interpretation.
- Number of countries analyzed: Ensures that the nations, that are subject to the comparison, were part of the studies.
- Number of questions for a sufficiently broad base for deriving the

dimensions.

- Number of dimensions, in order to have sufficient analytical criteria to divide a culture into its important elements that characterizes it.

Based on the criteria, the following cultural studies had been selected as best suited for an analysis of the target countries.

- **The Hofstede model:** Because of his compelling quantity of data of approx. 118,300 persons and the amount of countries analyzed (76).
- **Trompenaars' Model:** The quantity of data, (30,000 people polled) in combination with the number of countries (55) and the methodological dilemma approach of his survey, which delivers an alternative and complementary approach of carving out its dimensions.
- **The GLOBE study:** Because it is the most recent study with 17,000 persons polled across 62 cultures. Also compelling reasons however, have been the application and validation of new important dimensions, e.g. Performance Orientation and finally the large questionnaire item base that led to its nine dimensions (292).

4.2 Hofstede Model

4.2.1 Comparison Germany/ Japan

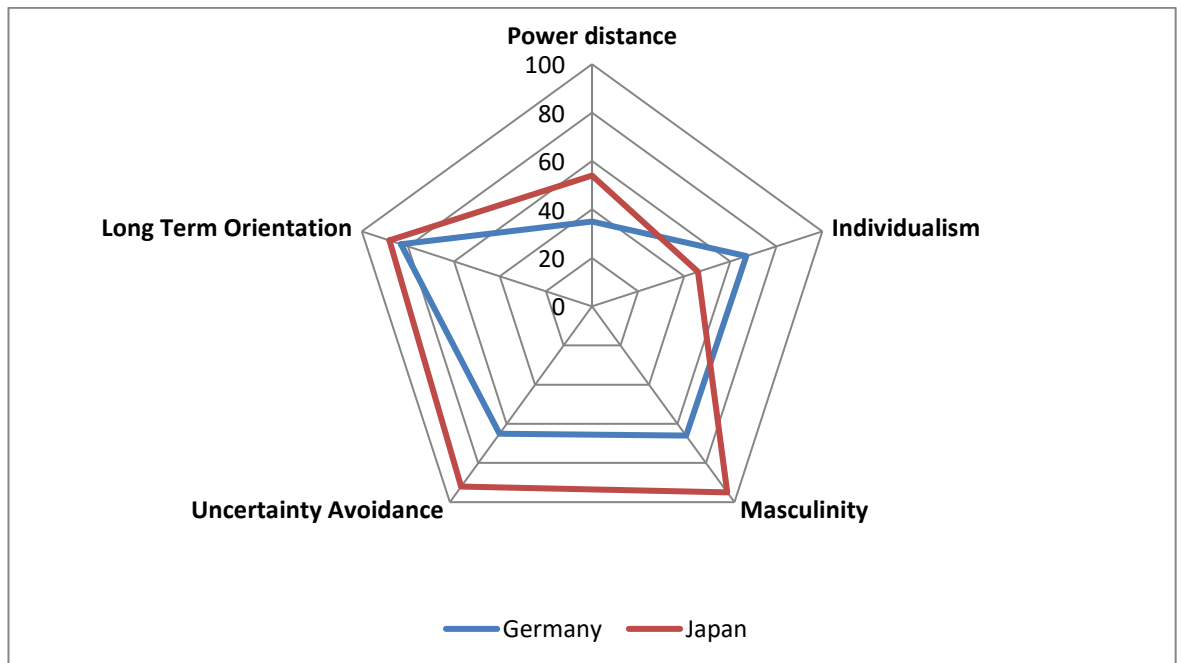


Fig. 20: Overview of comparison of Germany to Japan by the Hofstede model.¹⁴
Source: Own Illustration.

Global Analysis:

Japan and Germany differ significantly by applying the Hofstede model in basically all dimensions except long-term orientation, where just slight differences were measured.

The details of the analysis and its implications for business are as follows:

¹⁴ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

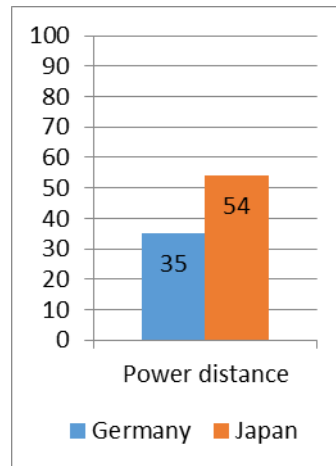
Power Distance:

Fig. 21: Power Distance value of Germany compared to Japan.¹⁵
Source: Own Illustration.

Focus Analysis: The value for Germany is significantly under average, whereas the value for Japan resides slightly over average. Hence Power Distance in Japan is more pronounced than in Germany.

Implications for business:

- Respect Japanese hierarchy by all means, especially with focus on its levels
- In decision making processes: There are no short-cuts to save time or gain efficiency. The procedure needs to be respected.
- Show respect to all managers located in the hierarchy above you.

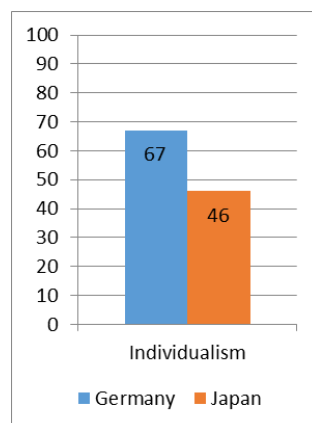
Individualism:

Fig. 22: Individualism value of Germany compared to Japan.¹⁵
Source: Own Illustration.

¹⁵ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

Focus Analysis: The German value is significantly over average, whereas the value for Japan resides slightly under average. Germany shows the higher value for Individualism. The delta value between Germany and Japan is 21%, hence: Japanese have a stronger sense of collectivism.

Implications for business:

- Try to participate in social gatherings with Japanese colleague and customers in your free time.
- Respect the Japanese sense of belonging to a group and foster it.
- Be harmonic with your peers.
- Motivate Japanese subordinates by recognition in front of the group.
- Japanese identify themselves with the company and work hard for it.
- Be prepared to be asked for an organigram, which shows your status in the collective.

Masculinity:

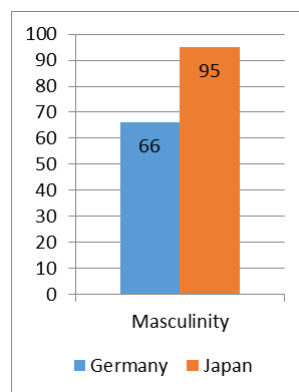


Fig. 23: Masculinity value of Germany compared to Japan.¹⁶
Source: Own Illustration.

Focus Analysis: Both values over average. Japan shows a very high value of Masculinity compared to Germany and needs to be considered as clearly more masculine oriented.

¹⁶ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

Implications for business:

- Work as hard as your Japanese peers do.
 - Be competitive towards the company's competition and other departments in your company, but harmonic to your direct peers.
 - Japanese customers like to scan your competitors, too, in order to get the best product. Be prepared for it.
-

Uncertainty Avoidance:

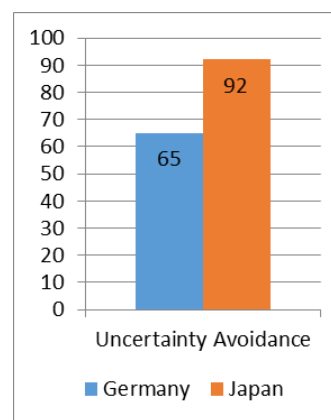


Fig. 24: Uncertainty Avoidance value of Germany compared to Japan.¹⁷
Source: Own Illustration.

Focus Analysis: Both values over average, indicates a clear Uncertainty Avoidance tendency of both nations. The Japanese show a significantly higher Uncertainty Avoidance than Germans.

Implications for business:

- The Japanese always have plans, agendas and procedures. Respect and stick to it.
- Help Japanese to fulfill their procedures. Provide them details and all necessary information, regardless as to how unimportant it may seem to you.
- Don't expect the Japanese to adopt new procedures as fast as you might do.

¹⁷ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

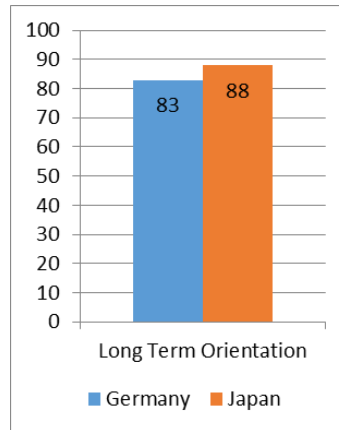
Long Term Orientation:

Fig. 25: Long-Term Orientation value of Germany compared to Japan.¹⁸
Source: Own Illustration.

Focus Analysis: Both nations show very high values on Long-Term Orientation. Japanese are slightly more long-term oriented than Germans.

Implications for business:

- Be prepared that procedures and processes take more time and last longer than in Germany.
- Disregard short-term gains.
- Note that investment in long-term projects is very frequent.
- Value sustainability.

¹⁸ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

4.2.2 Comparison Germany/ India

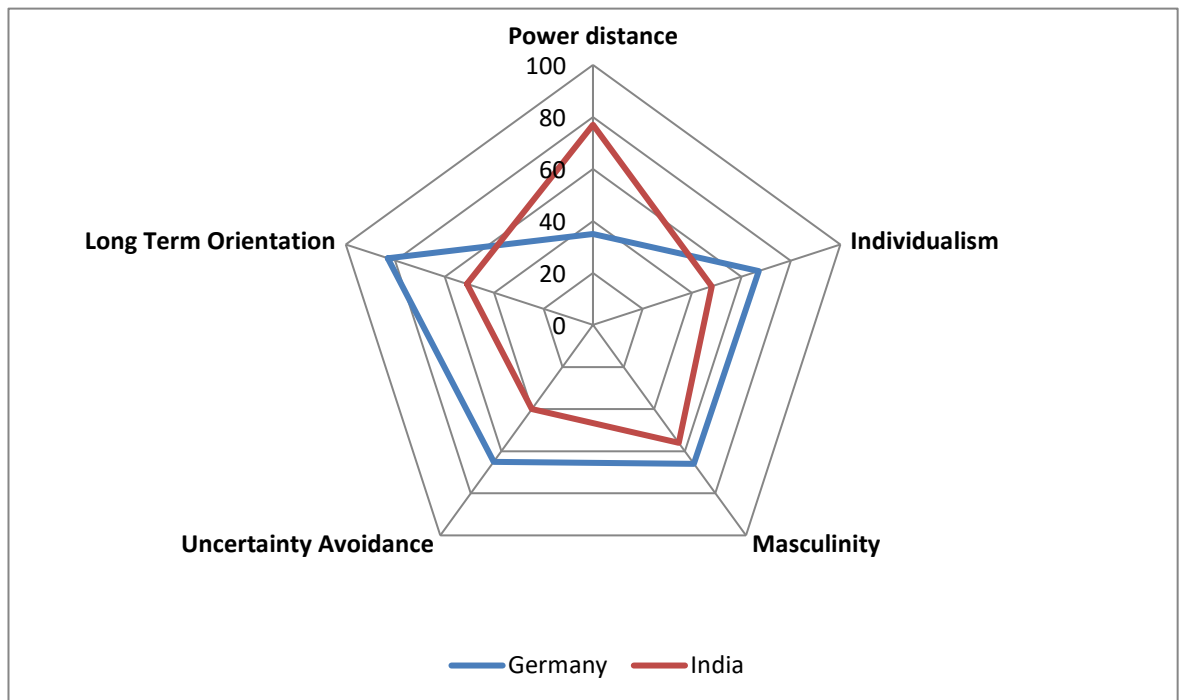


Fig. 26: Fig. 20: Overview of comparison of Germany to India by the Hofstede model.¹⁹
Source: Own Illustration.

Global Analysis:

India and Germany differ also significantly by applying the Hofstede model in all dimensions. The highest delta value between both nations shows Power Distance.

¹⁹ Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

The details of the analysis and its implications for business are as follows:

Power Distance:

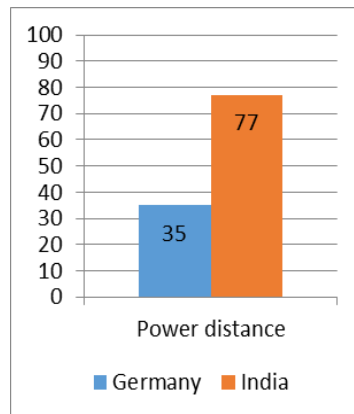


Fig. 27: Power Distance value of Germany compared to India.²⁰
Source: Own Illustration.

Focus Analysis: The Power Distance value for India is clearly over average and for Germany under average: Delta value between both nations of 42 points. Hence India is significantly more power distant than Germany.

Implications for business:

- Treat Indian superiors with the appropriated respect as sub-ordinates will treat you accordingly.
- Be prepared that it might be possible that your Indian superior does not value the open door policy as you are used to it in Germany.
- Your Indian subordinates tend not to show their disagreement with your decisions.
- Decisions are used to be taken in India in upper hierarchy levels and less by involvement of subordinates.
- There are more privileges and status symbols in business than in Germany.
- It is expected by your subordinates that your decisions, as a superior, are taken by yourself. They don't expect to participate in the decision making process.

²⁰ Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

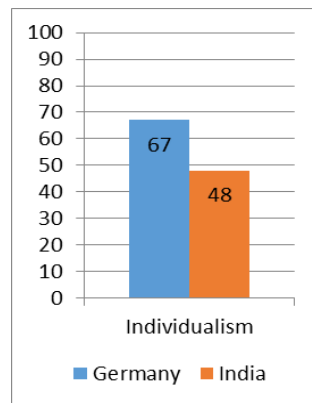
Individualism:

Fig. 28: Individualism value of Germany compared to India.²¹
Source: Own Illustration.

Focus Analysis: High Individualism value for Germany. The Indian value meets almost the average. Hence Indians are relatively more collectivistic than Germans.

Implications for business:

- Respect the Indian sense for family and their relations.
- Try to establish a close relationship with your Indian counterparts.
- Prevalence of relations over tasks: Emphasize on relations with your business partners.
- Indians appreciate a harmonic working environment.

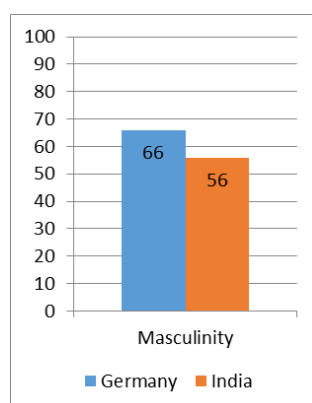
Masculinity:

Fig. 29: Masculinity value of Germany compared to India.²¹
Source: Own Illustration.

²¹ Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

Focus Analysis: High Masculinity value for Germany. The Indian value is still over average, but 10 points less than Germany. Thus Indians are less masculine than Germans.

Implications for business:

- Indians focus on good relations to their superior and to their peers.
- Relative prevalence of relationships over tasks. Focus more on relationships to achieve your goals.
- Tendency of less competition orientation than in Germany.
- Tendency of less ambition, toughness and career focus compared to Germany.

Uncertainty Avoidance:

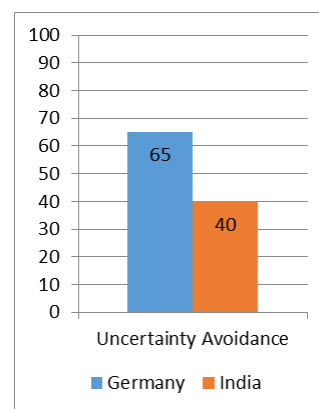


Fig. 30: Uncertainty Avoidance value of Germany compared to India.²²
Source: Own Illustration.

Focus Analysis: Relative high value for Germany, whereas India is with a delta value of 25 points significantly less Uncertainty Avoidant than Germany.

Implications for business:

- Less standardized processes than in Germany.
- Accept the spontaneous way of how Indians solve problems.
- Note that Indians value improvisation.
- Be prepared that processes are more intuitive and less planned.
- Indians show a high degree of flexibility. Make use of it.

²² Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

- Higher possibility that your business partner doesn't avoid conflicts in order to achieve the desired outcome.

Long Term Orientation:

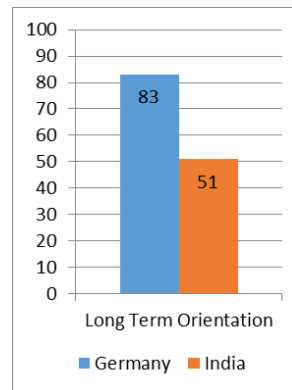


Fig. 31: Long-Term Orientation value of Germany compared to India.²³
Source: Own Illustration.

Focus Analysis: Germany shows a very high value. Indians almost meet the average value of 50 points. Thus Indians are significantly less Long-Term oriented (32 points delta value) than Germans.

Implications for business:

- Accept that Indians don't think as much in the long-term wise as you might do.
- Note that processes are not 100% defined. There is space for deviations from the plan.
- Be prepared that Indians adapt and change their plans spontaneously. Don't dismiss them for being unprofessional. It's another way of organization that works in India.
 - Traditions tend to be more respected than in Germany.
 - Prevalence of tactical and operative over strategic considerations.

²³ Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

4.3 Trompenaars Model

4.3.1 Comparison Germany/ Japan/ India

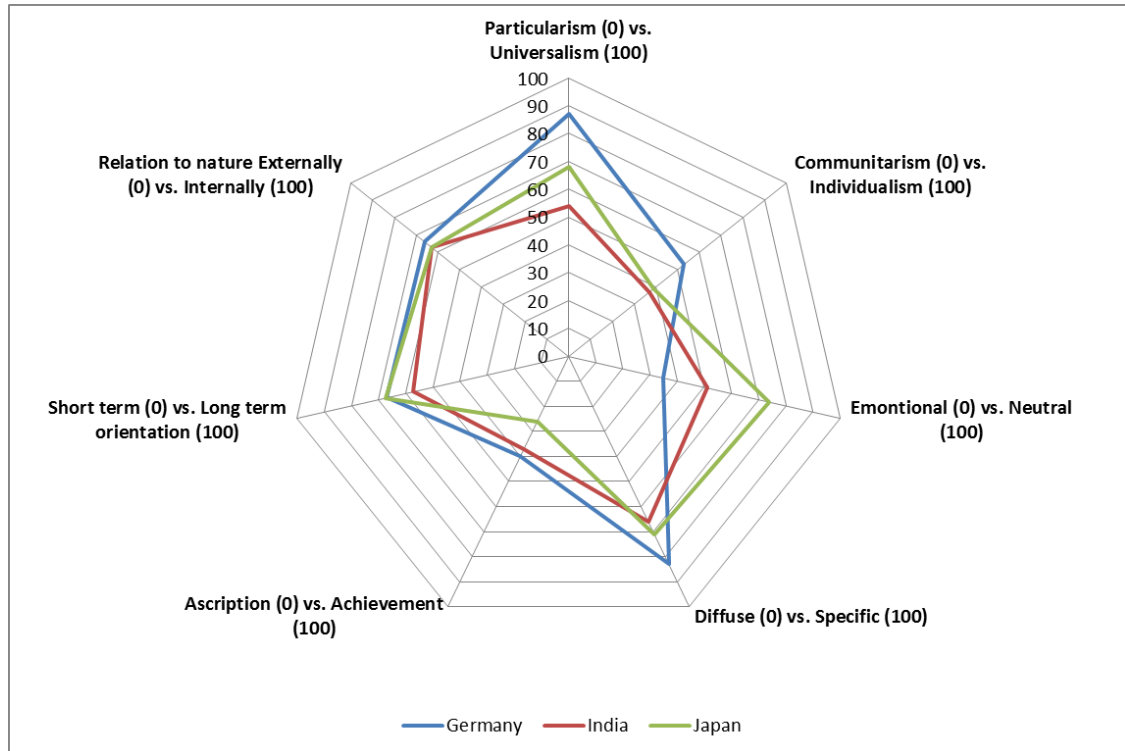


Fig. 32: Overview of comparison of Germany to Japan and India by Trompenaars.²⁴
Source: Own Illustration.

Global Analysis:

With the Trompenaars Model there is also significant differences on Japanese and Indian culture, compared to Germany. Analysis details can be found in continuation. With respect to implications for business, Trompenaars, in contrast to Hofstede and GLOBE, delivers them, too. He formulates those recommendations looking from one end of the pole of a dimension to the other end (e.g. Advices for Universalists, how to deal with Particularists and vice-versa). It isn't possible to differentiate between strong and weak expressions of values. Hence the given recommendations are identical for both, India and Japan, if they are in trend, seen from the perspective of Germany:

²⁴ Scale: 0-100; Time orientation scale of questionnaire from 0 to 7 has been calculated in % in order to compare it to the other dimensions. Data source: Trompenaars, Hampden-Turner, 1997.

Particularism vs. Universalism:

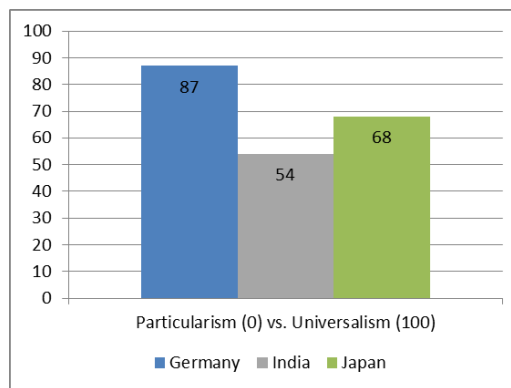


Fig. 33: Particularism vs. Universalism value of Germany compared to Japan and India.²⁵
Source: Own Illustration.

Focus Analysis: All measured countries are above average. Japan is clearly less particularistic (68%) than Germany (87%) whereas India (54%) is the least particularistic country of our selection.

Implications for business:

- Build informal business networks.
- Focus on relationships, foster and change them towards your goal.
- When getting to know people, be prepared for small talk and also for irrelevancies that doesn't seem to make sense.
- Use your influence privately.

(Trompenaars, Hampden-Turner, 1997, pp. 48-49)

Communitarianism vs. Individualism:

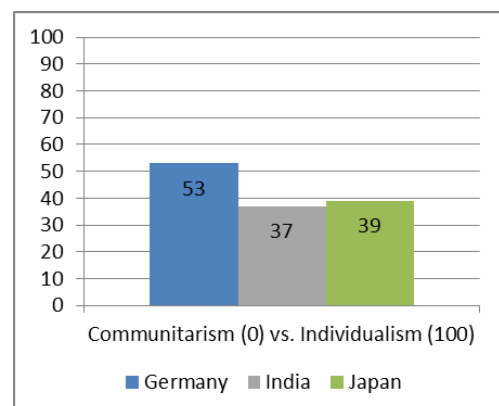


Fig. 34: Communitarianism vs. Individualism value of Germany compared to Japan and India.²⁶
Source: Own Illustration.

²⁵ Data source: Trompenaars, Hampden-Turner, 1997, p.35.

²⁶ Data source: Trompenaars, Hampden-Turner, 1997, p.51.

Focus Analysis: Germans are more individualistic (above average with 54%) whereas Japan (39%) and India (37%) show communitarianism tendencies.

Implications for business:

- Use the “we” form.
- Look for achievements in groups.
- Be patient in terms of the time required to take decisions.
- Negotiations might be interrupted in order to consult with superiors.
- Give attention to “esprit de corps”.
- Be prepared for a long lasting assignment.
- Praise the group, don’t apply favoritism.

(Trompenaars, Hampden-Turner, 1997, pp. 67-68)

Emotional vs. Neutral:

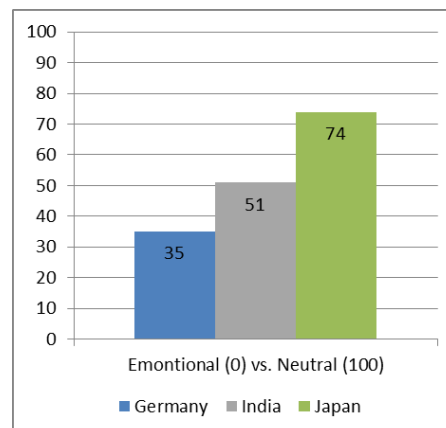


Fig. 35: Emotional vs. Neutral value of Germany compared to Japan and India.²⁷
Source: Own Illustration.

Focus Analysis: India hits almost the average value and hence needs to be regarded as, neither neutral nor emotional (51%). Germany (35%) shows a strong emotional tendency and Japan (74%) is clearly neutral oriented. In comparison to the benchmark of Germany, the delta value to India is still 16%. Therefore India needs to be considered as relatively neutral in comparison to Germany. The same recommendations for India are valid as for Japan, however less extreme as for the Japanese.

²⁷ Data source: Trompenaars, Hampden-Turner, 1997, p.70.

Implications for business:

- Don't show emotions, but be friendly.
- A cool and self-contained attitude is admired.
- Avoid physical contact.
- Ask for time-out in long meetings or negotiations to strengthen the cohesiveness of your group.
- Be well prepared for meetings and make notes. This expresses respect to your counterpart.
- Be ready for monotone voices. It doesn't signify disrespect to you.
- Negotiations are focused on the matter, not on persons.

(Trompenaars, Hampden-Turner, 1997, pp. 79-80)

Diffuse vs. Specific:

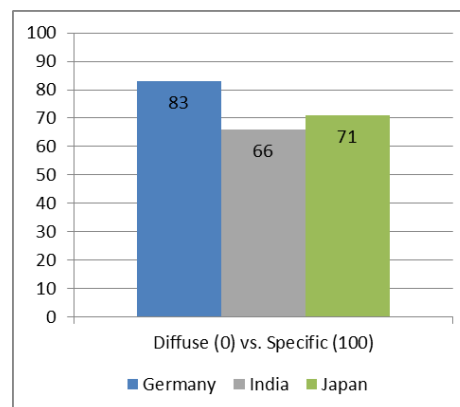


Fig. 36: Diffuse vs. Specific value of Germany compared to Japan and India.²⁸
Source: Own Illustration.

Focus Analysis: All values are clearly over average. Germany (83%) needs to be regarded as relatively specific. India (66%) and Japan (71%) in comparison are still above average, but less specific than Germany.

Implications for business:

- Be prepared to be surrounded by evasive, tactful and ambiguous persons.
- Take time and be prepared that there are “many ways to Rome”.

²⁸ Data source: Trompenaars, Hampden-Turner, 1997, p.88.

- Let meetings flow. Push indirectly and soft in the direction needed.
- Private and business is intertwined.
- Consider an employee's whole situation before assessing him.
- End reports with a summary.

(Trompenaars, Hampden-Turner, 1997, pp. 100-101)

Ascription vs. Achievement:

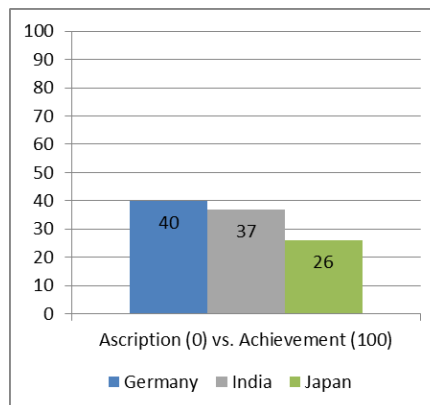


Fig. 37: Ascription vs. Achievement value of Germany compared to Japan and India.²⁹
Source: Own Illustration.

Focus Analysis: All countries are below average. Germany (40%) is a little more achievement oriented than India (37%) and significantly more than Japan (26%). Since the delta value to India is negligible, the implications for practice are focused on Japan.

Implications for business:

- Clearly display your title and hence your status in your organization.
- Respect your superior.
- Assemble your negotiation team with superiors and senior persons, in order to impress your counterpart.
- Always respect your counterparts. If they lack detailed knowledge, do not let them know that you are aware of it.
- Only challenge a decision if you possess higher authority.

(Trompenaars, Hampden-Turner, 1997, pp. 118-119)

²⁹ Data source: Trompenaars, Hampden-Turner, 1997, p.105.

Short-term vs. Long-term orientation:

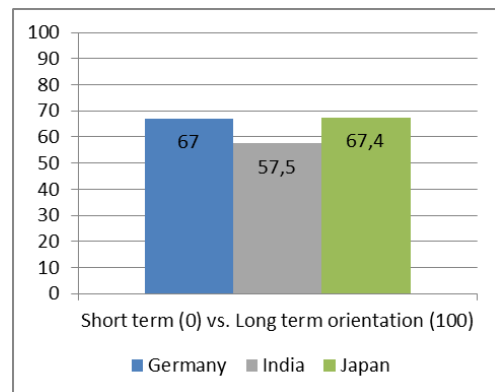


Fig. 38: Short-term vs. long-term orientation value of Germany compared to Japan and India.³⁰
Source: Own Illustration.

Focus Analysis: All measured countries above average. Germany with 67% and Japan with 67.4% shows a slightly higher value. India is clearly more short-term oriented (57.5%). Since there is almost no measured difference between Germany and Japan, only India needs to be considered by the implications below.

Implications for business:

- Be aware: The moment is important - the 'here and now'.
- Agree to plans, but don't take them for granted. They are rarely executed and everything is viewed with regard to its impact on now.
- If you pursue change, involve relationships.
- Study the history of your business partner's company and try to re-establish the myth of it.

(Trompenaars, Hampden-Turner, 1997, pp. 138-140)

³⁰ Data source: Trompenaars, Hampden-Turner, 1997, p.128.

Relation to nature: Externally controlled vs. internally controlled:

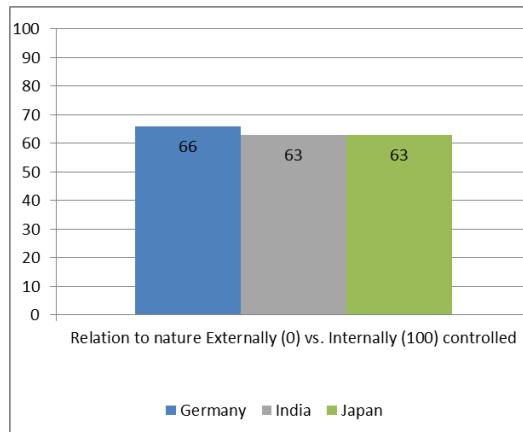


Fig. 39: Relation to nature Externally vs. Internally controlled value of Germany compared to Japan and India.³¹

Source: Own Illustration.

Focus Analysis: All countries are above average and are clearly internally controlled. Germany (66%) has a little higher value than Japan and India (both 63%).

Implications for business:

- Be harmonic with your counterpart, don't challenge him.
- Focus on your counterpart.
- Softness, persistence, politeness and patience will be rewarded.
- Maintain your relationship.
- Win together, loose apart.

(Trompenaars, Hampden-Turner, 1997, pp. 155-156)

³¹ Data source: Trompenaars, Hampden-Turner, 1997, p.143.

4.4 GLOBE Model

In continuation the GLOBE values for India, Japan and Germany are compared. For extraction of implications for practice only the practical values of the GLOBE study were considered. Thereby the separate measurement values of East and West Germany were combined by an arithmetic mean, in order to compare one value that represents the whole of Germany. At similar values (less than 0.20) of the cultures to be compared, there are no implications for business.

4.4.1 Comparison of Germany/ Japan

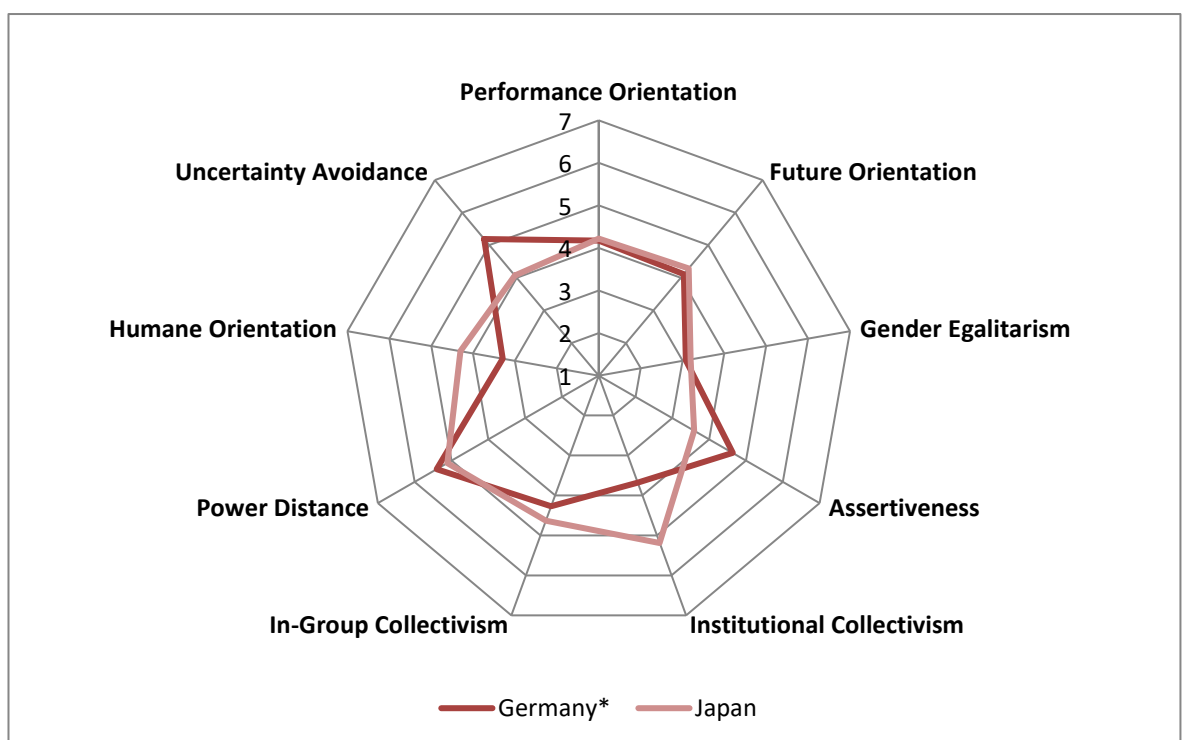


Fig. 40: Overview of the GLOBE study values of Japan compared to Germany.³²
Source: Own Illustration.

³² Scale 1 – 7 * Gender egalitarianism scale 7= highest feminine orientation, 1= highest masculine orientation. Data source: House, et al., 2004.

Global Analysis:

The results of the comparison of Japan and Germany by the GLOBE data seem to be homogeneous in several dimensions as when compared to the Hofstede model. Performance Orientation, Future Orientation, Gender Egalitarianism and Power Distance show very similar values. Due to the values of less than 0.2 the dimensions Performance Orientation, Future Orientation and Gender Egalitarianism were not evaluated. The details of the analysis and its implications for business for the other dimensions with significant delta values are as follows:

Assertiveness:

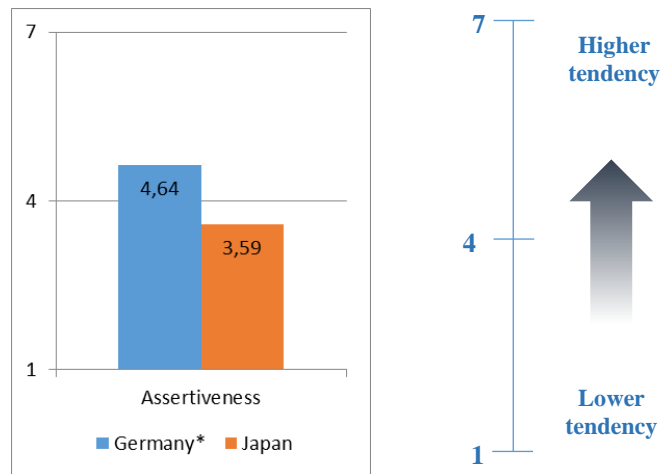


Fig. 41: Assertiveness value of Germany compared to Japan. Value explanatory illustration of tendencies.³³

Source: Own Illustration.

Focus Analysis: Clearly higher value for Germany (over average), whereas Japan is measured under average. High delta value of 1.05. Hence Germans appraise values such as assertiveness and toughness by trend more than the Japanese. The results don't correlate with Hofstede's Masculinity results (see 4.2.1).

³³ * One value for Germany East and West. Data source: House, et al., 2004.

Implications for business:

- Japanese tend to be more harmonic to their direct peers, managers and customers as Germans are.
- Be cautious with your direct German communication style, it might be too direct to your counterparts. Slight hints are understood and followed.
- Patience and respect are high valued in Japan.

Institutional Collectivism:

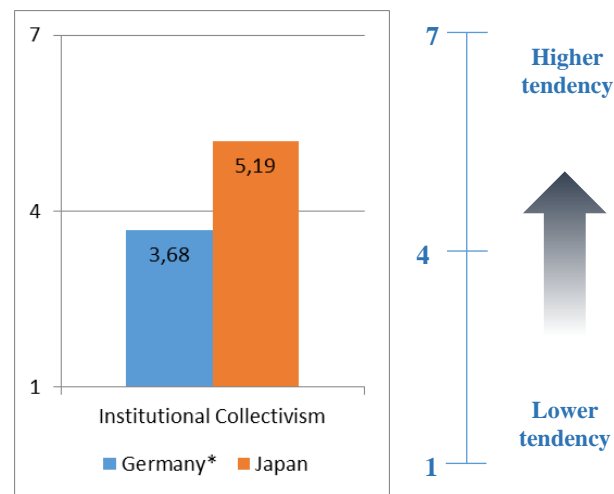


Fig. 42: Institutional Collectivism value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁴

Source: Own Illustration.

Focus Analysis: Germany is under average with 3.68 and Japan resides significantly over average with 5.19. The delta value of 1.51 is relatively high. Hence data indicates that Japan's institutions and organizations foster collectivism more than in Germany.

Implications for business:

- Don't be surprised if you find help in your company that embeds you into the collective of your peers.
- There will be by trend a higher loyalty to the organization or employer than in Germany.
- Strong group coherence is frequent.

³⁴* One value for Germany East and West. Data source: House, et al., 2004.

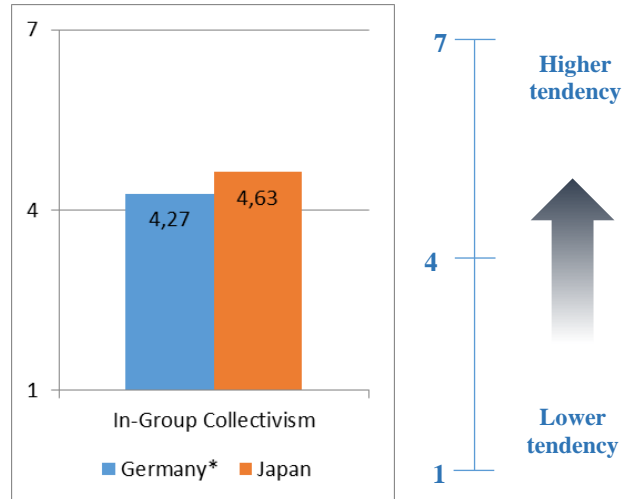
In-Group Collectivism:

Fig. 43: In-Group Collectivism value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁵

Source: Own Illustration.

Focus Analysis: Both values are over average. However the Japanese also show a higher value of in-group collectivism.

Implications for business:

- Japanese employees show more pride and loyalty towards their employer.
- There is also frequently a strong coherence among the peers in companies.

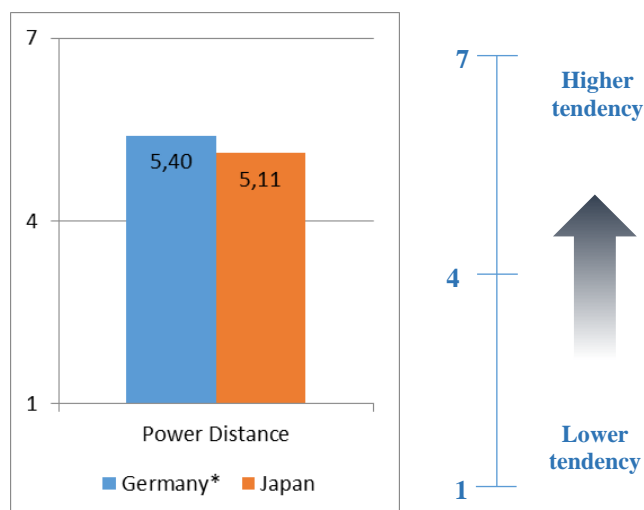
Power distance:

Fig. 44: Power Distance value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁴

Source: Own Illustration.

³⁵ * One value for Germany East and West. Data source: House, et al., 2004.

Focus Analysis: Both nations show high values of power distance. However Japan is slightly less power distant, which contradicts Hofstede's data. Therefore the implications for practice focus on the high value of Japan, but ignores the delta between Germany and Japan.

Implications for business:

- Don't criticize your manager in public.
- Try to address your doubts indirectly by the formal way of hierarchy.
- Following orders from superior is regarded as frequent.
- Clear acceptance of seniority.
- More hierarchy levels by trend than in Germany.

Humane Orientation:

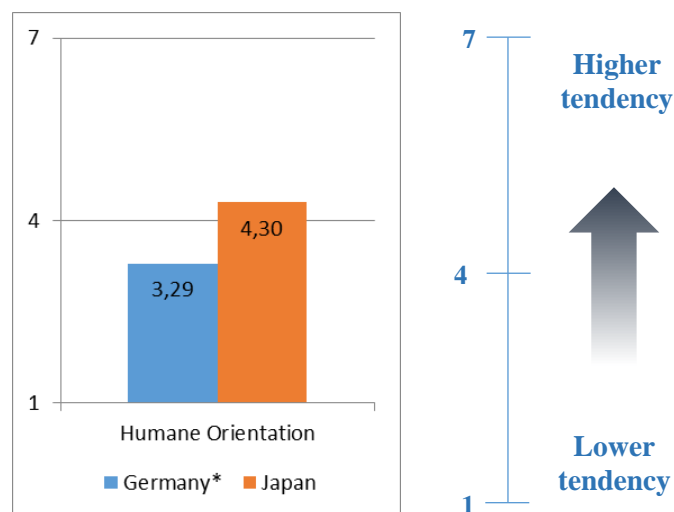


Fig. 45: Humane Orientation value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁶

Source: Own Illustration.

Focus Analysis: Germany shows one of the lowest values of all nations, whereas Japan is significantly above average. The delta value with 1.01 is relatively high.

Implications for business:

- Helping others with their work might be regarded as more positive than you

³⁶* One value for Germany East and West. Data source: House, et al., 2004.

are used to in Germany, and possibly even be rewarded by the organization.

- Altruism and friendliness are higher valued in Japan than in Germany.

Uncertainty Avoidance:

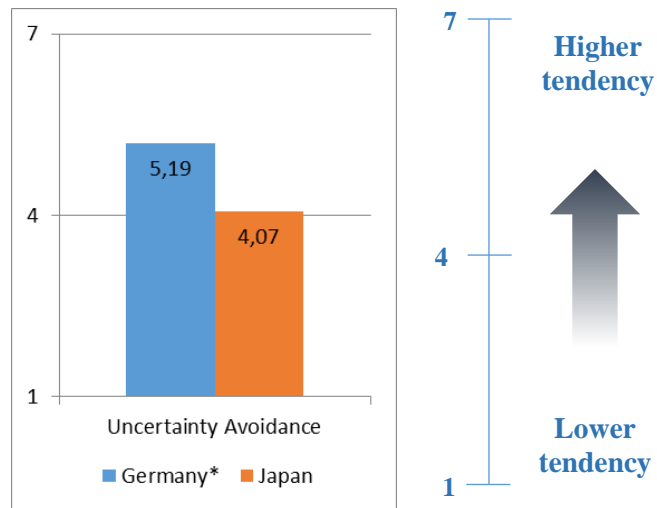


Fig. 46: Uncertainty Avoidance value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁷

Source: Own Illustration.

Focus Analysis: Delta value between both nations 1.12 and relatively high.

The GLOBE data contradict Hofstede's results. Due to this conflict there is no implications for practice.

³⁷ * One value for Germany East and West. Data source: House, et al., 2004.

4.4.2 Comparison of Germany/ India

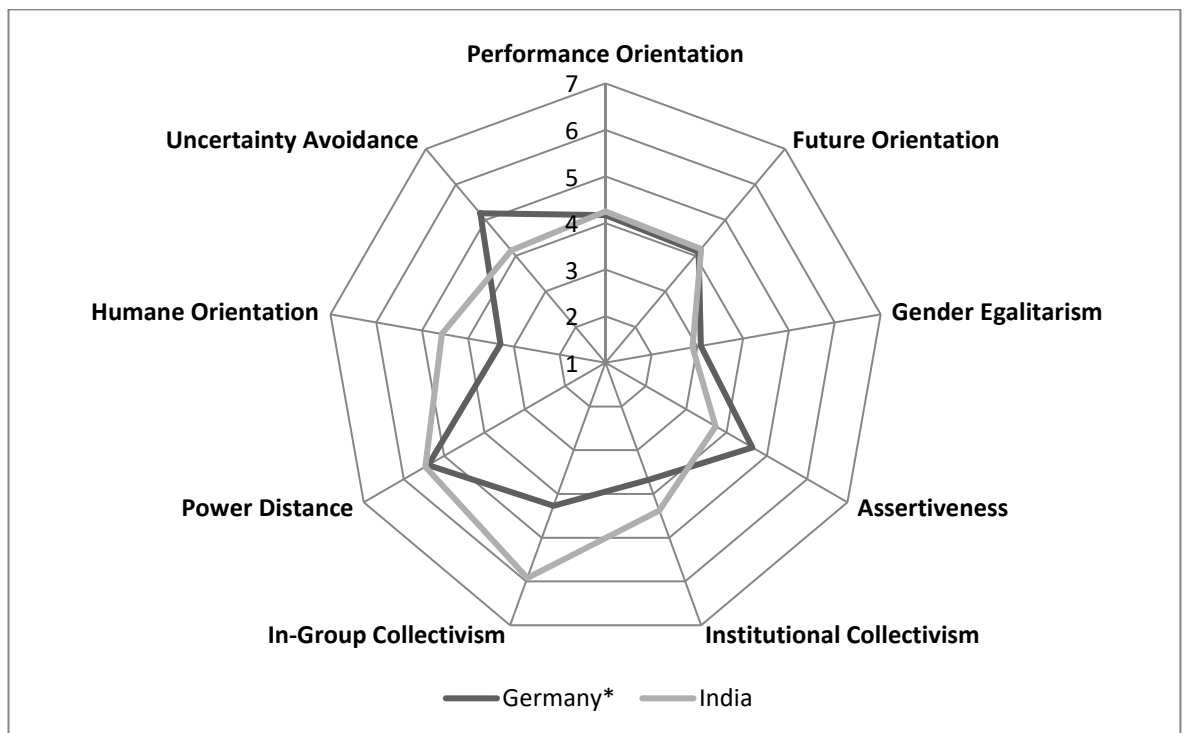


Fig. 47: Overview of the Globe study values of India compared to Germany.³⁸
Source: Own Illustration.)

Global Analysis:

The results of the comparison of India and Germany by the GLOBE model are the same as with Japan, very homogeneous in several dimensions. Performance Orientation, Future Orientation, Gender Egalitarianism and Power Distance also show similar values in the range of less than 0.2. Therefore those dimensions haven't been evaluated.

³⁸ Scale 0 – 7. Gender egalitarianism scale 7= highest feminine orientation, 1= highest masculine orientation. Data source: House, et al., 2004.

The details of the analysis and its implications for business are as follows:

Assertiveness:

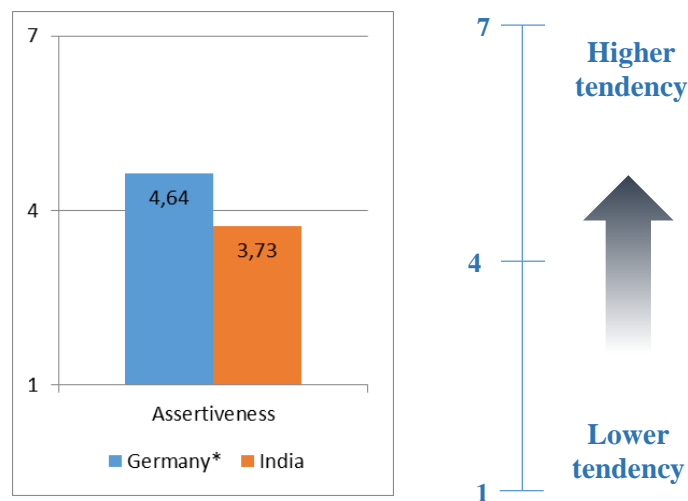


Fig. 48: Assertiveness value of Germany compared to India. Value explanatory illustration of tendencies.³⁹

Source: Own Illustration.

Focus Analysis: German value with 4.64 over average and the value for India with 3.73 under average. Thus Germans appraise values such as assertiveness and toughness more than Indians do.

Implications for business:

- Showing assertive and tough behavior in business might be regarded as negative by trend.
- Indian subordinates are likely not to show assertive behavior in business.
- Less likelihood to encounter very dominant business partners.

³⁹ One value for Germany East and West. Data source: House, et al., 2004.

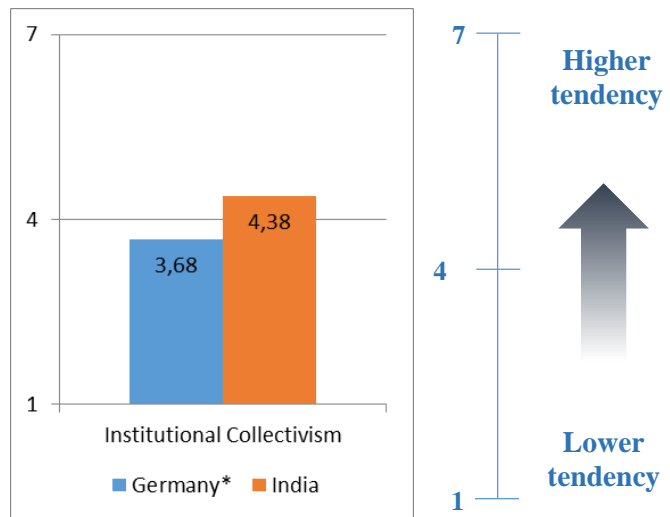
Institutional Collectivism:

Fig. 49: Institutional Collectivism value of Germany compared to India. Value explanatory illustration of tendencies.⁴⁰

Source: Own Illustration.

Focus Analysis: Clearly higher values in India, which indicates that collectivistic behavior is fostered more by Indian institutions than in comparable German institutions and organizations.

Implications for business:

- There might be a stronger sense of teamwork than in your home country.
- High loyalty to the group and coherence within the group is shown.

⁴⁰One value for Germany East and West. Data source: House, et al., 2004.

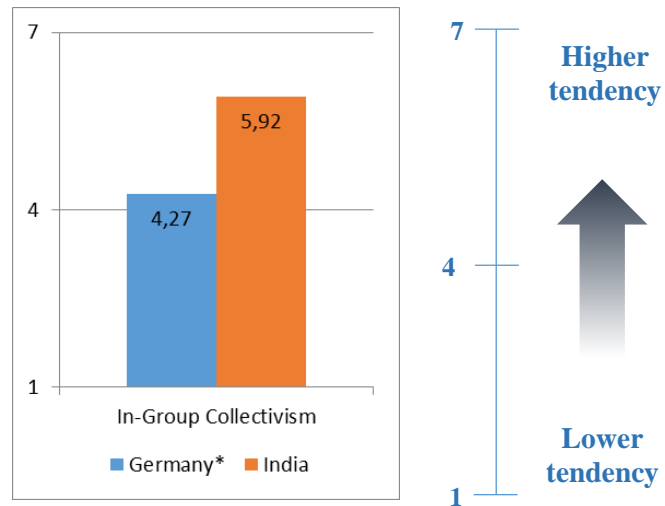
In-Group Collectivism:

Fig. 50: In-Group Collectivism value of Germany compared to India. Value explanatory illustration of tendencies.⁴¹

Source: Own Illustration.

Focus Analysis: Both show high values of above average with a significantly higher value in India and a relatively high delta value of 1.75 between both nations.

Implications for business:

- There is a high likelihood that the group coherence of your Indian counterparts is higher.
- There is an impact on decision making processes, which usually take longer, since all parties of the process need to be involved.

⁴¹ One value for Germany East and West. Data source: House, et al., 2004.

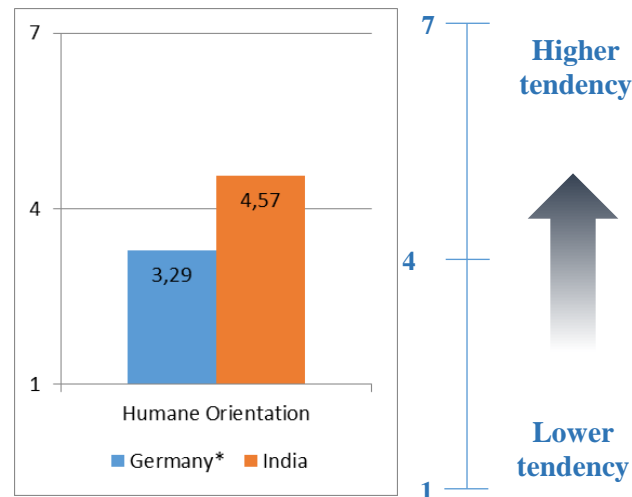
Humane Orientation:

Fig. 51: Human Orientation value of Germany compared to India. Value explanatory illustration of tendencies.⁴²

Source: Own Illustration.

Focus Analysis: The value for India with 4.57 resides above average, whereas Germany is significantly below average. The delta value between both nations is relatively high with 1.28. Hence the conclusion can be drawn that India is substantially more humane oriented than Germany.

Implications for business:

- Helping others is regarded as positive in India.
- People tend to care more for you than you are used to it in Germany.
- People in India tend to be more friendly, sensible, generous and careful than you might be used to it, however be aware that your business partners still take their decisions on hard facts and seek their advantage in negotiations.
- There is a higher tolerance against mistake of employees by trend.

⁴² One value for Germany East and West. Data source: House, et al., 2004.

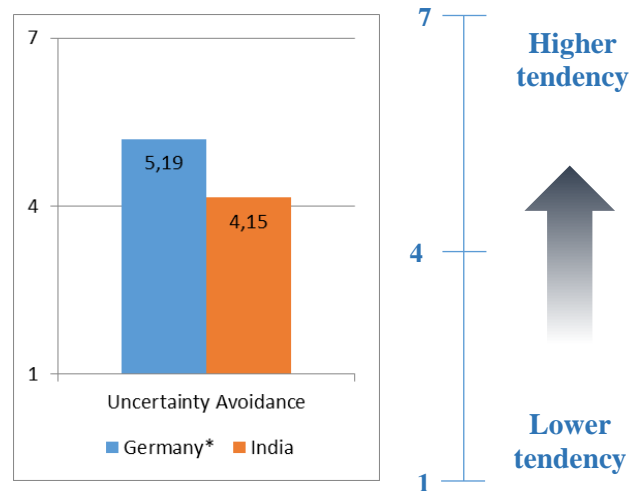
Uncertainty Avoidance:

Fig. 52: Uncertainty Avoidance value of Germany compared to India. Value explanatory illustration of tendencies.⁴³

Source: Own Illustration.

Focus Analysis: India almost meets the average value, whereas Germany is significantly over average. Delta value of 1.04 is significant. Hence it can be concluded that India deals better with uncertain situations, than Germans do. There is a correlation to Hofstede's results.

Implications for business:

- There are less rules, processes and guidelines in business.
- Processes aren't exactly defined and usually less planned.
- Tendency of a higher degree of freedom in daily business.
- People are more spontaneous than in Germany by trend.
- Be prepared that fixed plans might change suddenly.
- Be prepared that when you search for certainty in business, e.g. sales Forecast figures, appointments, order entry due dates, etc. that they might change significantly.

⁴³ One value for Germany East and West. Data source: House, et al., 2004.

5. Summary

Considering intercultural aspects within the framework of international management is vital. There exist significant differences among cultures and nations. During this work we have seen the following: Firstly, those differences are measurable, and second that we can derive recommendations for managers from the measured differences for a better understanding of our international business counterparts.

In the first chapters we had a look on how cultural imprints shape our view on reality, and how the application of intercultural research can help us explaining the collective, culturally programmed, part of our personality. At the same time we understood the limits of measuring cultural differences by taking into account that not all individuals of a culture behave the same way. Nevertheless behavior can be measured and grouped by representation of a statistical normal distribution as a valid approximation of understanding cultural driven behaviors. During the course of this work we had a look at several models and concepts that quantitatively measure cultural differences.

We first approached the early pioneers Kluckhohn & Strodtbeck that laid the foundation and influenced later studies. Then we had a closer look at Hall's focus of intercultural communication, regarding his four dimensions, before we turned to the most known researcher of intercultural differences, with the largest study so far, with over 118,000 persons being polled: Geert Hofstede. He also adapted and defined a set of dimensions, i.e. measurable parameters which a culture is divided into, that has been mostly overtaken or adapted by later studies.

Then we had a look at Fons Trompenaars' model with its more practically focused work that not only measures empirically cultural differences, but also delivers interpretations and practical advices for managers. With respect to his source of

data, he defined, together with Charles Hamden Turner, a set of questionnaire items that put the respondents into dilemmas, where each culture delivers a particular solution for its reconciliation.

Finally we regarded the latest comprehensive intercultural research, the GLOBE study that methodologically eliminated many weaknesses of previous studies and expanded the scope of measurement by adding additional dimensions. Apart of providing latest data for comparison among cultures it also delivers societal values and practices that enhances our understanding when regarding only one culture.

After this overview of theoretical measurement models, the three most suitable models for practice were selected and applied to the problem that German business managers face: How should one behave among other cultures, in order to achieve the desired results in business and to take advantage of all given opportunities? The author selected India and Japan as countries to be compared to Germany. During the application of the selected models many differences of the investigated cultures were found that enabled the analysis and forming practical advices for business.

By application of this work we dispose of a complementary tool for definition of parameters of how successfully integrating and leading multinational teams, achieving the desired results in international negotiations, and determining intercultural differences at cultural due diligence checks on international M&A's, that leads to a more complete picture of possibilities and risks of those endeavors. At the same time, business models in new markets can be developed, loss of money in existing ones avoided and the effects of conflicts mitigated by a better understanding of cultural differences.

It is hoped that by application of this knowledge, international encounters among German, Indian and Japanese managers will be fruitful and enable mutual success. If this work only contributes a fraction of the displayed possibilities it can be already regarded as a full success.

Appendix

Exhibit 1: Hofstede values on Japan, India & Germany

| | Power distance | Individualism | Masculinity | Uncertainty Avoidance | Long Term Orientation |
|----------------|----------------|---------------|-------------|-----------------------|-----------------------|
| Germany | 35 | 67 | 66 | 65 | 83 |
| India | 77 | 48 | 56 | 40 | 51 |
| Japan | 54 | 46 | 95 | 92 | 88 |

Exhibit 2: GLOBE values on Japan, India & Germany

| | Performance Orientation | Future Orientation | Gender Egalitarianism | Assertiveness |
|-----------------|-------------------------|--------------------|-----------------------|---------------|
| Germany* | 4,17 | 4,11 | 3,08 | 4,64 |
| India | 4,25 | 4,19 | 2,90 | 3,73 |
| Japan | 4,22 | 4,29 | 3,19 | 3,59 |

| | Institutional Collectivism | In-Group Collectivism | Power Distance | Humane Orientation | Uncertainty Avoidance |
|-----------------|----------------------------|-----------------------|----------------|--------------------|-----------------------|
| Germany* | 3,68 | 4,27 | 5,40 | 3,29 | 5,19 |
| India | 4,38 | 5,92 | 5,47 | 4,57 | 4,15 |
| Japan | 5,19 | 4,63 | 5,11 | 4,30 | 4,07 |

Exhibit 3: Trompenaars' values on Japan, India & Germany

| | Particularism (0) vs. Universalism (100) | Communitarism (0) vs. Individualism (100) | Emotional (0) vs. Neutral (100) |
|----------------|--|---|---------------------------------|
| Germany | 87 | 53 | 35 |
| India | 54 | 37 | 51 |
| Japan | 68 | 39 | 74 |

| | Diffuse (0) vs. Specific (100) | Ascription (0) vs. Achievement (100) | Short term (0) vs. Long term orientation (100) | Relation to nature externally (0) vs. Internally (100) |
|----------------|--------------------------------|--------------------------------------|--|--|
| Germany | 83 | 40 | 67 | 66 |
| India | 66 | 37 | 57,5 | 63 |
| Japan | 71 | 26 | 67,4 | 63 |

Exhibit 4: Quantitative model comparison

| | Kluckhohn/ Strodtbeck** | Hall [#] | Hofstede* | Trompenaars | Globe Study |
|--|-------------------------|-------------------|-----------|-------------|-------------|
| Fragmentation (No. of Dimensions) | 5 | 6 | 5 | 7 | 9 |
| Statistical base (No. of persons polled)** | 120 | | 118300 | 30000 | 17000 |
| Analysis depth (No. of questionnaire items) | 22 | | 100 | 57 | 292 |
| Expansion (Cultures analyzed)* | 5 | 10 | 76 | 50 | 62 |
| Data spread (No. of Companies) | | | 1 | 30 | 825 |

*Kluckhohn/ Strodtbeck analyzed five subcultures of the Rimrock region in the southwest of the US: Navaho Indians, Zuni Indians, Spanish-American Community of Atriscos, Mormon community, Texan & Oklahoma homesteader communities (Kluckhohn, Strodtbeck, 1961, p. 344)

**No exact number is given. According to sources approx. 100-120 persons were used for the study (Kluckhohn, Strodtbeck, 1961, p. 344)

Hall's dimensions did not originate from one project, but from various publications, mostly between 1959 and 1990. Also Hall's dimensions depend partly on each other and need to be considered as not completely separated. (Kutschker, Schmid, 2011, p. 711). Selection of the most important dimensions of Hall by the author. No data available of No. of companies, No. of persons being polled and questionnaire items.

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