

# *Cultural Acumen for the Global Manager:* Lessons from Project GLOBE

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There is ample evidence that cultures of the world are getting more and more in contact. The business world is becoming increasingly global. The United States exports around \$850 billion every year, over 70% of American industry are facing stiff foreign competition within the U.S. market, and the U.S. is also the largest recipient of foreign investment in the world.

Although globalization opens many opportunities, it also creates many complex challenges. That is why a survey of Fortune 500 firms showed that having competent global leaders is the most important factor in business success. The same survey showed that 85% of executives do not think they have an adequate number of global leaders.

In this paper we present important findings from the GLOBE project that can enhance global managers' cultural acumen. GLOBE is a research program consisting of 150 researchers who for the past several years have been collecting data from 18,000 middle managers in 62 countries.

We compare some of the participating countries on nine critical cultural dimensions: performance orientation, future orientation, assertiveness, uncertainty avoidance, power distance, collectivism, family collectivism, gender differentiation, and humane orientation. We also discuss the implications of the cultural similarities and differences for global managers.

*"The Jack Welch of the future cannot be me. I spent my entire career in the United States. The next head of General Electric will be somebody who spent time in Bombay, in Hong Kong, in Buenos Aires. We have to send our best and brightest overseas and make sure they have the training that will allow them to be the global leaders who will make GE flourish in the future.—Jack Welch, in a speech to GE employees*

## THE GLOBAL WORLD OF BUSINESS

We are living in an increasingly interconnected world. Between 1998 and 2005, world exports of goods and services are expected to double and exceed \$11 trillion. In fact, by the end of this decade, trade between nations is expected to exceed total business transactions within nations. The United States is the world's largest exporter. It has been exporting close to \$850 billion each year for the past few years. American industry exports more than 20% of its manufacturing output. But U.S. companies are not just facing foreign competitors in overseas markets. Over 70% of American industry now faces stiff foreign competition within the U.S. market.

There are other aspects to globalization besides foreign customers and competitors. Travel and tourism is expected to account for 383 million jobs by 2002, almost 50% more than in 1997. At no time in our history were



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people so active in traveling to other countries. The Internet has also played a major role in getting people connected. Dataquest reports that by the end of this year, over 260 million personal computers will be connected to one another.

In the 1990s, global flows of investment have more than trebled. Investment in developing countries has grown six-fold. In 1999, inward investment into OECD reached \$684 billion. Outward investment amounted to \$768 billion. The U.K. is the largest source of foreign direct investment. The U.S. is the largest home for foreign investment. Inflow of investment into the U.S. was up by 50% in 1999. China is the second largest recipient of foreign investment.

According to a recent Deloitte & Touche study of 1,600 institutional investors, the proportion of U.S. pension fund assets invested in international equities is around 12% in 2000, compared with just over 6% in 1993.

Most large corporations have also been actively pursuing investment in other countries. According to *The Economist*, the number of mergers and acquisitions increased from 11,300 in 1990 to 26,200 in 1998. During this period, Western Europe was the world's leading region for cross-border mergers and acquisitions, representing over 70% of all cross-border deals. The U.K. was the most active source of M&A investment. U.S. companies purchased \$20 billion worth of Asian companies and \$43 billion worth of Latin American companies last year. Foreign assets account for 55% of McDonald's, 62% of Gillette's, 35% of Motorola's, and 37% of Coca-Cola's total assets.

Another important piece of evidence for the extent of globalization is the worldwide expansion of U.S. law firms. Between 1989 and 1994, the number of U.S. law firms increased from one to 10 in Mexico City, from one to 11 in Frankfurt, from one to 11 in Budapest, from 7 to 27 in Brussels, from one to 13 in Moscow, and from 13 to 29 in Hong Kong.

A significant consequence of globalization is the reduced dominance of American

corporations in the world markets. In 1963, 67 of the world's largest industrial corporations were U.S.-based. In 1996, only 24 American companies were on the top 100 list. Japan, in contrast, had 29 of the world's largest corporations.

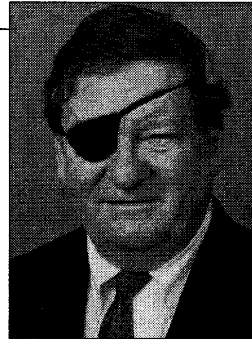
### THE NEED FOR GLOBAL LEADERS

The reality for American corporations is that they are facing increasingly global employees, customers, suppliers, competitors, and creditors, best described by the following passage:

"So I was visiting a businessman in downtown Jakarta the other day and I asked him for directions to my next appointment. His exact instructions were: "Go to the building with the Armani Emporium upstairs—you know, just above the Hard Rock café—and then turn right at McDonalds." I just looked at him and laughed, "Where am I?"—*Thomas Friedman, New York Times, July 14, 1997*

But the increasing connection between countries does not mean that cultural differences are disappearing or diminishing. On the contrary, as Doug Ivestor, the former CEO of Coca-Cola, pointed out, "As economic borders come down, cultural barriers go up, presenting new challenges and opportunities in business." When cultures come into contact, they may converge on some aspects, but their idiosyncrasies will likely amplify. McDonald's serves wine and salads with its burgers in France. In India, where beef products are taboo, it created a mutton burger: The Maharajah Mac. Middle Easterners prefer toothpaste that tastes spicy. The Japanese like herbs in their medicines.

Globalization opens many opportunities for business, but it also creates major challenges. An important challenge is understanding and appreciating cultural values, practices, and subtleties in different parts of the world. All experts in international business agree that to succeed in global business,



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managers need the flexibility to respond positively and effectively to practices and values that may be drastically different from what they are accustomed to. It requires the ability to be open to others' ideas and opinions. Being global is not just about where you do business. It is also about how you do it. As Percy Barnevik, the CEO of the Swedish firm Asea Brown Boveri, put it:

Global managers have exceptionally open minds. They respect how different countries do things, and they have the imagination to appreciate why they do them that way... Global managers are made, not born.

But this is easier said than done. Managers who work in the international arena are steeped in their own culture. They have lived many years of their lives in their own countries, have been educated there, and have spent years working there. It is not easy for many of them to understand and accept practices and values that vary from their own personal experiences. As an experienced executive search expert pointed out:

Global business makes sense, but it is much more difficult to do it than talk about it. The American manager prides himself or herself on directness, frankness, being in your face, being accountable. But that's almost unique in the world.

It is this complexity that prompted Alfred Zeien, the now retired CEO of Gillette Co., to suggest that globally literate leaders were his company's scarcest resource. And he is not alone. In a recent survey of Fortune 500 firms, having competent global leaders was rated as the most important factor for business success. In the same survey, 85% of executives do not think they have an adequate number of global leaders and over 65% believe that their existing leaders need additional skills and knowledge before they can meet or exceed the key requirements.

## CULTURAL ACUMEN FOR GLOBAL LEADERS

In the opening passage of this article, Jack Welch is looking for managers who have lived and worked in different corners of the world. There is no question that living and working abroad is a powerful way of building cultural awareness and understanding. This is particularly true in light of the fact that historically, there has not been a reliable body of knowledge to help improve managers' familiarity with other cultures. Although there is no shortage of suggestions that executives should be culturally sensitive, there is a big shortage of information to help managers do that.

To be successful in dealing with people from other cultures, managers need knowledge about cultural differences and similarities among countries. They also need to understand the implications of the differences and the skills required to act and decide appropriately and in a culturally sensitive way.

Cultures evolve over time as societies try to adapt to their environments and find ways of managing their internal relationships. Culture is a set of beliefs and values about what is desirable and undesirable in a community of people, and a set of formal or informal practices to support the values. The criteria for that determination evolve over a long period of time, based on the society's experiences in successfully adapting to their external pressures and solving their internal problems. For example, an important reason why Japan is a collectivist country is that its environment has been harsh and unsupportive for the survival of its population. It takes a minimum of 20 people to successfully cultivate, grow and harvest a rice paddy. People in some societies and in some selected natural environmental conditions have learned that their survival depends on strong cooperation. If they don't help each other, very few may survive. This recognition over time becomes an inherent part of their culture because it has facilitated survival. To the extent that different communities face different types of survival challenges, their collective

learning in the form of culture may be different. This is the process that leads to cultural differences.

The GLOBE (Global Leadership and Organizational Behavior Effectiveness) research program is intended to be an important source of assistance to global managers. GLOBE is a team of 150 researchers who have been working together for seven years and have collected data on cultural values and practices and leadership attributes from 18,000 managers in 62 countries. The participating managers are employed in food, banking, and telecommunications industries. These industries were selected because they are universal, and collectively provide a wide variety of external organizational environments, organizational sizes, and dominant organizational technology. GLOBE is a rigorous research effort intended to provide the kind of cultural understanding and sensitivity that help global managers succeed in their endeavors.

In this paper, we will show the cultural similarities and differences among many of the 62 countries and will explain some of their implications for global managers. The 62 countries in our sample represent all major geographic regions of the world and all different types of economic, political, and business institutional systems.

### Cultural Dimensions

The starting point in comparing different cultures concerns how to define culture and what cultural dimensions to study. There is no standard definition of culture and no universal set of cultural dimensions. There are potentially many ways that cultures can be different.

GLOBE has defined culture as a set of shared values and beliefs. Beliefs are people's perceptions of how things are done in their countries. They are the reported *practices* in a particular culture. Values are people's aspirations about the way things should be done. They are their reported preferred practices. So to understand a culture, we need to know what the cultural practices

and people's aspirations are. For example, Americans are individualistic, while Koreans are more collectivist oriented. If you ask how the economic system in the U.S. works, the typical American is likely to respond that it rewards individual initiative. If you ask a Korean about the economic system, he or she is likely to say that people are rewarded for working together rather than alone. Furthermore, if you ask them about their preferences, the American is likely to prefer an individualistic system, while the Korean is likely to prefer a collective system.

The major thrust of project GLOBE concerned the study of nine cultural attributes. We quantified these attributes and refer to them as cultural dimensions. These are aspects of a country's culture that distinguish one society from another and have important managerial implications. Because of space limitations, we will only show the results on cultural practices in each country and will concentrate on practices rather than values. The following is a brief explanation of each cultural dimension:

**Assertiveness.** Assertiveness is the extent to which a society encourages people to be tough, confrontational, assertive and competitive versus modest and tender. The following is a sample question measuring assertiveness:

Table 1 shows the least assertive countries, the most assertive countries, and those with middle-range scores on this dimension. As shown in the sample question above, the range is from one to seven. The countries in each category of "least," "middle-range" and "highest" in the following tables are similar to those in their own category and different from those in other categories. For example, the U.S. and Austria are similar in the extent of their assertiveness, even though their scores are a little different. They are, however, different from the countries in other categories in the table.

Highly assertive societies such as the U.S. and Austria tend to have a "can-do" attitude and tend to value competition. They have sympathy for the strong and the win-

*In This Society, People are Generally:*

Tender

1

2

3

4

5

6

7

Tough

ner. The less assertive societies such as Sweden and New Zealand tend to prefer warm and cooperative relations and harmony. They have sympathy for the weak and emphasize loyalty and solidarity.

**Future orientation.** This dimension refers to the extent to which a society encourages and rewards future-oriented behaviors such as planning, investing in the future, and delaying gratification. A sample question is provided:

Table 2 shows the most and the least future-oriented countries in GLOBE and those with a middle-range score.

Countries with a strong future orientation, such as Singapore, Switzerland, and the Netherlands, are associated with a higher propensity to save for the future and longer thinking and decision-making time frames.

Countries with weak future orientation, such as Russia, Argentina, and Italy, are associated with shorter thinking and planning horizons and greater emphasis on instant gratification.

**Gender differentiation.** Gender differentiation is the extent to which a society maximizes gender role differences. A sample question is provided below:

Table 3 below shows the country rankings on this dimension.

Countries such as Hungary, Poland, and Denmark are reported to have the least gender-differentiated practices. Such societies tend to accord women a higher status and a stronger role in decision-making. They have a higher percentage of women participating in the labor force and more women in positions of authority. Men and women in these

**TABLE 1 COUNTRY RANKINGS ON ASSERTIVENESS**

LEAST ASSERTIVE COUNTRIES IN GLOBE		MEDIUM ASSERTIVE COUNTRIES IN GLOBE		MOST ASSERTIVE COUNTRIES IN GLOBE	
Sweden	3.38	Egypt	3.91	Spain	4.42
New Zealand	3.42	Ireland	3.92	U.S.	4.55
Switzerland	3.47	Philippines	4.01	Greece	4.58
Japan	3.59	Ecuador	4.09	Austria	4.62
Kuwait	3.63	France	4.13	Germany (Former EAST)	4.73

*In This Society, Social Gatherings are:*

Spontaneous (planned less than an hour in advance)

- 1
- 2
- 3
- 4
- 5
- 6
- 7

Planned well in advance (2 or more weeks in advance)

cultures tend to have similar levels of education. In contrast, such countries as South Korea, Egypt, and China are reported to have high degrees of gender differentiation. They tend to accord men higher social status and have relatively few women in positions of authority.

**Uncertainty avoidance.** This dimension is defined as the society's reliance on social norms and procedures to alleviate the unpredictability of future events. It refers to the extent to which its members seek orderliness, consistency, structure, formalized procedures and laws to cover situations in their daily lives. A sample question is provided:

Table 4 shows the country rankings on this dimension. Societies that are high on uncertainty avoidance, such as Switzerland,

Sweden, and Germany, have a stronger tendency toward orderliness and consistency, structured lifestyles, clear specification of social expectations, and rules and laws to cover situations. In contrast, in countries such as Russia, Greece, and Venezuela, there is strong tolerance of ambiguity and uncertainty. People are used to less structure in their lives and are not as concerned about following rules and procedures.

**Power distance.** Power distance is defined as the degree to which members of a society expect power to be unequally shared. It represents the extent to which a community maintains inequality among its members by stratification of individuals and groups with respect to power, authority, prestige, status, wealth, and material possessions. It also re-

**TABLE 2 COUNTRY RANKINGS ON FUTURE ORIENTATION**

LEAST FUTURE ORIENTED COUNTRIES IN GLOBE		MEDIUM FUTURE ORIENTED COUNTRIES IN GLOBE		MOST FUTURE ORIENTED COUNTRIES IN GLOBE	
Russia	2.88	Slovenia	3.59	Denmark	4.44
Argentina	3.08	Egypt	3.86	Canada (English-speaking)	4.44
Poland	3.11	Ireland	3.98		
Italy	3.25	Australia	4.09	Netherlands	4.61
Kuwait	3.26	India	4.19	Switzerland	4.73
				Singapore	5.07

**TABLE 3 COUNTRY RANKINGS ON GENDER DIFFERENTIATION**

MOST GENDER DIFFERENTIATED COUNTRIES IN GLOBE		MEDIUM GENDER DIFFERENTIATED COUNTRIES IN GLOBE		LEAST GENDER DIFFERENTIATED COUNTRIES IN GLOBE	
South Korea	2.50	Italy	3.24	Sweden	3.84
Egypt	2.81	Brazil	3.31	Denmark	3.93
Morocco	2.84	Argentina	3.49	Slovenia	3.96
India	2.90	Netherlands	3.50	Poland	4.02
China	3.05	Venezuela	3.62	Hungary	4.08

flects the establishment and maintenance of dominance and control of the less powerful by the more powerful. A sample question is provided:

Table 5 shows the country rankings on this dimension. Societies that are high on power distance, such as Russia, Thailand, and Spain, tend to expect obedience towards superiors and clearly distinguish between those with status and power and those without it. In contrast, countries like Denmark and the Netherlands practice low power distance, expecting less differentiation between those with power and those without it. They tend to be more egalitarian and favor stronger participation in decision-making.

*Institutional emphasis on collectivism versus individualism.* This dimension reflects the degree to which individuals are encouraged by societal institutions to be integrated into groups within organizations and the society. Institutional emphasis on collectivism consists of allocating resources and making opportunities available for members of the society to participate in societal legislative, economic, social, and political processes. This is accomplished through the use of economic incentives such as lenient criteria for organizations to gain nonprofit status and therefore be exempt from taxes, and a provision of public organizations such as athletic clubs, senior citizen social organiza-

*In This Society, Societal Requirements and Instructions are spelled out in Detail so Citizens Know What They are Expected to Do.*

- Strongly disagree
- 1
- 2
- 3
- Neither agree nor disagree
- 4
- 5
- 6
- 7
- Strongly agree



**TABLE 4 COUNTRY RANKINGS ON UNCERTAINTY AVOIDANCE**

LOWEST UNCERTAINTY AVOIDANCE COUNTRIES IN GLOBE		MEDIUM UNCERTAINTY AVOIDANCE COUNTRIES IN GLOBE		HIGHEST UNCERTAINTY AVOIDANCE COUNTRIES IN GLOBE	
Russia	2.88	Israel	4.01	Austria	5.16
Hungary	3.12	U.S.	4.15	Denmark	5.22
Bolivia	3.35	Mexico	4.18	Germany	
Greece	3.39	Kuwait	4.21	(Former WEST)	5.22
Venezuela	3.44	Ireland	4.30	Sweden	5.32
				Switzerland	5.37

tions, and provision of child-care institutions for working mothers. In such societies group membership and cohesion are highly valued. Group goals and interests are more important than individual goals and interests. Important decisions are made by groups rather than individuals, and organizations take responsibility for employee welfare. A sample question is provided:

Table 6 shows the country rankings on this dimension. Societies that strongly value individualism, such as Greece, Italy, and Argentina, tend to value autonomy and individual freedom. Rewards are based on individual performance because self-interest is more strongly valued than the collective good. In contrast, in countries such as Sweden, South Korea, and Japan, group har-

mony and cooperation is paramount. Rewards are designed to recognize the group and not the individual. People in these societies tend to prefer similarity to others rather than distinctiveness. They are motivated by other members' satisfaction and cooperation rather than individual autonomy and achievement.

**In-group collectivism.** This dimension is different from the above dimension entitled Individualism/collectivism. While the former reflects the extent to which a society's institutions favor autonomy versus collectivism, this dimension refers to the extent to which members of a society take pride in membership in small groups such as their family and circle of close friends, and the organizations

*In this Society, Followers are Expected to:*

Question their leaders when in disagreement

- 1
- 2
- 3
- 4
- 5
- 6
- 7

Obey their leaders without question

**TABLE 5 COUNTRY RANKINGS ON POWER DISTANCE**

LOWEST POWER DISTANCE COUNTRIES IN GLOBE		MEDIUM POWER DISTANCE COUNTRIES IN GLOBE		HIGHEST POWER DISTANCE COUNTRIES IN GLOBE	
Denmark	3.89	England	5.15	Russia	5.52
Netherlands	4.11	France	5.28	Spain	5.52
South Africa (Black Sample)	4.11	Brazil	5.33	Thailand	5.63
Israel	4.73	Italy	5.43	Argentina	5.64
Costa Rica	4.74	Portugal	5.44	Morocco	5.80

in which they are employed. Two sample questions are provided:

Our data revealed that societies in which people take pride in their families are also societies in which people take pride in their employing organizations. Table 7 shows country rankings on this dimension. In countries like Iran, India, and China, being a member of a family and of a close group of friends, an in-group, is very important to people. Family members and close friends tend to have strong expectations from each other. Taking care of their needs and satisfying their expectations is critical to each individual. It is not unusual to forgo due diligence, or equal employment opportunity, and to favor a close friend or family member in recruiting or in allocating rewards and

promotions. Making regular references to one's family and especially one's father is quite acceptable and can go a long way in opening doors.

In contrast, in countries like Denmark, Sweden, and New Zealand, the cultural practices are quite different. Family members and close friends do not expect any form of special treatment, and people do not feel an obligation to ignore rules or procedures to take care of close friends. As an aside, it is interesting to note that Sweden is among the highest institutionally oriented collective countries and the lowest family collectivist country in GLOBE. In Sweden, relative to other countries of the world, with the exception of other Scandinavian countries, taxes are high and the government is trusted to

*The Economic System in This Society is Designed to Maximize:*

Individual interests

- 1
- 2
- 3
- 4
- 5
- 6
- 7

Collective interests

**TABLE 6 COUNTRY RANKINGS ON INDIVIDUALISM/COLLECTIVISM**

MOST INDIVIDUALISTIC COUNTRIES IN GLOBE		MEDIUM INDIVIDUALISTIC COUNTRIES IN GLOBE		MOST COLLECTIVIST COUNTRIES IN GLOBE	
Greece	3.25	Hong Kong	4.13	Denmark	4.80
Hungary	3.53	U.S.	4.20	Singapore	4.90
Germany		Egypt	4.50	Japan	5.19
(former East)	3.56	Poland	4.53	South Korea	5.20
Argentina	3.66	Indonesia	4.54	Sweden	5.22
Italy	3.68				

*In This Society, Children Take Pride in the Individual Accomplishments of their parents:*

Strongly disagree

1

2

3

Neither agree nor disagree

4

5

6

7

Strongly agree

*In This society, Employees Take Pride in the Accomplishments of Their Organizations*

Strongly disagree

1

2

3

Neither agree nor disagree

4

5

6

7

Strongly agree

**TABLE 7 COUNTRY RANKINGS ON IN-GROUP COLLECTIVISM**

LEAST IN-GROUP COLLECTIVE COUNTRIES IN GLOBE		MEDIUM IN-GROUP COLLECTIVE COUNTRIES IN GLOBE		MOST IN-GROUP COLLECTIVE COUNTRIES IN GLOBE	
Denmark	3.53	Japan	4.63	Egypt	5.64
Sweden	3.66	Israel	4.70	China	5.80
New Zealand	3.67	Qatar	4.71	Morocco	5.87
Netherlands	3.70	Austria	4.85	India	5.92
Finland	4.07	Italy	4.94	Iran	6.03

spend the tax income for the social good. At the same time, Sweden has more single person apartments and houses than any other nation in the world.

**Performance orientation.** This dimension refers to the degree to which a society encourages and rewards group members for performance improvement and excellence. A sample question is provided:

Table 8 shows the country rankings on this dimension. Singapore, Hong Kong, and the U.S. have the highest reported scores on this dimension. In these countries, training and development is highly valued. People have a "can-do" attitude and believe in tak-

ing initiative. They prefer a direct and explicit style of communication and tend to have a sense of urgency.

In contrast, countries like Russia, Italy, and Argentina, have the lowest reported scores on this dimension. They tend to emphasize loyalty and belonging, view feedback as discomforting, emphasize tradition, and pay attention to one's family and background rather than performance. They associate competition with defeat and value sympathy.

**Humane orientation.** This dimension is defined as the degree to which a society en-

*In This Society, Students are Encouraged to Strive for Continuously Improved Performance.*

Strongly disagree

1

2

3

Neither agree nor disagree

4

5

6

7

Strongly agree

**TABLE 8 COUNTRY RANKINGS ON PERFORMANCE ORIENTATION**

LEAST PERFORMANCE ORIENTED COUNTRIES IN GLOBE		MEDIUM PERFORMANCE ORIENTED COUNTRIES IN GLOBE		MOST PERFORMANCE ORIENTED COUNTRIES IN GLOBE	
Russia	2.88	Sweden	3.72	USA	4.49
Argentina	3.08	Israel	3.85	Taiwan	4.56
Greece	3.20	Spain	4.01	New Zealand	4.72
Venezuela	3.32	England	4.08	Hong Kong	4.80
Italy	3.58	Japan	4.22	Singapore	4.90

courages and rewards individuals for being fair, altruistic, generous, caring, and kind to others. A sample question is provided:

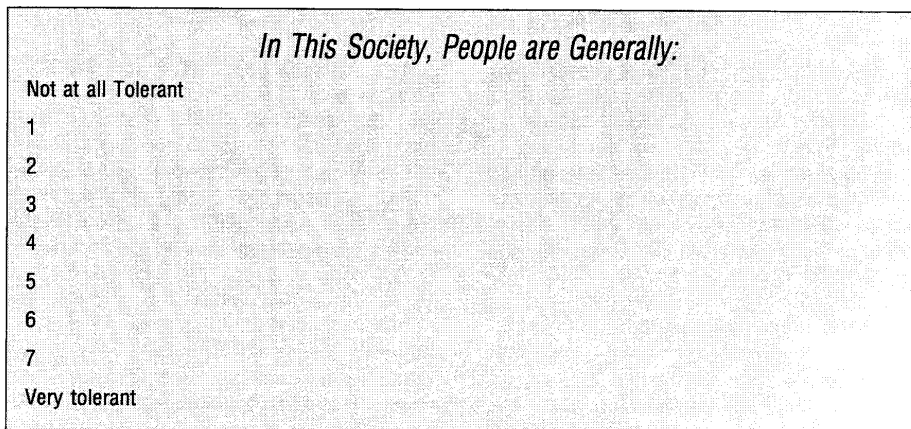
Table 9 shows the country rankings on this dimension. Malaysia, Ireland, and the Philippines are among the highest scoring countries in terms of humane orientation. In these countries, human relations, sympathy, and support for others—especially the weak and the vulnerable—are highly valued. Belongingness and sympathy are very important. Individuals are expected to care for the well-being of the others. Paternalistic and patronage relationships are valued. People are usually friendly, sensitive and tolerant, and value harmony. Parents are expected to closely monitor their children, and children are expected to be obedient.

In contrast, former West Germany, France, and Singapore received the lowest

reported score on humane orientation. In these societies, power and material possessions motivate people. Self-enhancement is a predominant value. Assertive styles of conflict resolution are preferred. People are expected to solve their own problems, and children are expected to be independent.

#### Implications for Global Managers

The above nine dimensions provide a rather comprehensive view of different countries' cultural practices. This is the type of information that global managers need to better understand cultural similarities and differences. While there are many lessons to be drawn from these findings, in this paper, we will first present a few important conclusions about some of the countries in GLOBE and



**TABLE 9 COUNTRY RANKINGS ON HUMANE ORIENTATION**

LEAST HUMANE ORIENTED COUNTRIES IN GLOBE		MEDIUM HUMANE ORIENTED COUNTRIES IN GLOBE		MOST HUMANE ORIENTED COUNTRIES IN GLOBE	
Germany (Former WEST)	3.18	Hong Kong	3.90	Indonesia	4.69
Spain	3.32	Sweden	4.10	Egypt	4.73
France	3.40	Taiwan	4.11	Malaysia	4.87
Singapore	3.49	U.S.	4.17	Ireland	4.96
Brazil	3.66	New Zealand	4.32	Philippines	5.12

then will focus on one of the most important aspects of a global manager's job: cross-cultural communication.

**Country-specific findings.** Here are a few interesting findings from our study:

- The U.S. is among the highest ranked countries on assertiveness and performance orientation. It is in the middle range on all the other dimensions.
- Spain is among the highest ranked countries on assertiveness and power distance, and among the lowest ranked on humane orientation.
- Russia is among the lowest ranked countries on future orientation, uncertainty avoidance, and performance orientation. It is among the highest ranked on power distance.
- Italy is among the lowest ranked countries on future orientation, collectivism, and performance orientation.
- Germany is among the highest ranked countries on assertiveness and uncertainty avoidance. It is among the lowest on humane orientation.
- Sweden is among the highest ranked countries on uncertainty avoidance and institutional collectivism. It is among the lowest ranked countries on assertiveness, gender differentiation, and family collectivism. It is in the middle range on humane orientation and performance orientation.

**Cross-cultural communication.** There is no question that one of the most important features of a global manager's job is to effec-

tively communicate with people from other parts of the world. These could be employees, customers, shareholders, regulators, or partners, among other groups. Effective communication requires the ability to listen, to frame the message in a way that is understandable to the receiver, and to accept and use feedback. Effective cross-cultural communication involves finding integrated solutions, or at least compromises, that allow decisions to be implemented by members of diverse cultures. While this sounds simple, it can be quite complicated in cross-cultural situations.

The U.S. is among the high performance-oriented countries. To a typical American manager, effective communication means direct and explicit language. Facts and figures and rational thinking are important pillars of communication. Economic rationale and expected outcomes are the key criteria in decision-making. To an American manager, communication is a means to an end. The end is the deliverable results.

But people from other cultures do not necessarily share these attributes. People from lower performance-oriented cultures like Russia or Greece tend to prefer indirect and vague language. They are not too comfortable with strong results-driven and explicit communication. Hard facts and figures are hard to come by and not taken as seriously even when they are available. To a typical Greek manager, effective communication does not necessarily mean a clear agreement on facts and expectations. It may mean a discussion and exploration of issues

without any commitments and explicit results.

Others from less assertive countries such as Sweden may find it too aggressive, impolite, and unfriendly to speak of explicit and ambitious expectations. They would prefer a communication process that is two-way rather than one-way from the manager. They prefer a highly involved dialogue with much discussion about the subject. The end of the communication process to people from such countries is not just deliverable results but better relations among the parties.

Highly gender-differentiated societies such as South Korea may find it quite acceptable to use different types of language with males and females. The form of communication with women in such societies tends to be paternalistic and one-way, initiated by the male. This type of communication may be totally unacceptable in a gender-egalitarian country such as Denmark. Women will take offense at being patronized or in any way being seen as different from men.

A culture's level of uncertainty avoidance also influences the communication process. In countries with high levels of uncertainty avoidance, such as Switzerland and Austria, the communication needs to be clear and explicit, based on facts. The message needs to contain rules and procedures about how to get things done. The process of communication is highly structured and formal. Meetings are planned in advance, with a clear agenda. In contrast, in low uncertainty-avoidance countries like Greece or Russia, people are not used to structured or organized communication. Meetings are not planned in advance. They tend to have no agenda or a set time. They can go for hours and finish the meeting without any clear conclusions.

Effective communication also depends on the level of power distance in a society. In countries like Russia or Thailand, with highest levels of power distance, communication is almost always one way, top to bottom. The manager is always expected to know more than the subordinates. Input or feedback from subordinates is seldom solicited and in

fact may be seen as impolite and disloyal. One of the authors of this paper had a long meeting with the senior management of a very large Thai corporation on the subject of 360-degree feedback. The conclusion of the senior executive was that such a feedback process is dysfunctional in that country, because the managers who were to be evaluated would feel insulted, and the subordinates who were supposed to do the evaluation would feel out of place and very uncomfortable doing it.

In collectivist cultures, the process and content of communication is expected to help group cohesion and harmony. The language tends to be soft and indirect. Any form of communication that could lead to discomfort and conflict is avoided. The language tends to be general, and the process is highly involved, with a great deal of discussion. In contrast, in such individualistic countries as the United States, Greece, and Hungary, people are much less concerned about group cohesion and more concerned about individual response. The process tends to be simpler, with less involvement and participation.

Finally, in countries like the Philippines and Malaysia, which are very high on humane orientation, the nature of communication is more focused on avoiding conflict and being caring and paternalistic. The process of communication may be more focused on being supportive than leading to any output results. In fact, the process itself may be the end result because it helps build cohesion. On the other hand, in countries like France or Spain, which are very low on humane orientation, the process and the message tend to be simpler, more direct, and less focused on being supportive or caring. Generosity is not a key criterion in the process.

Project GLOBE provides managers with an interesting starting point for the preparation of cross-cultural communication and resolution of cross-cultural conflict. Knowing that a society is high on uncertainty avoidance, for example, helps a manager to know what to expect and do with respect to scheduling meetings, enforcing punctuality,

preparing agendas, and formalizing decisions made during meetings. However, there is much more to uncertainty avoidance than formalized rules and procedures. In high uncertainty-avoidance societies, accounting systems are more explicit and detailed. There are undoubtedly a host of other managerial and informal practices that reflect high uncertainty-avoidance tendencies on the part of members of such societies. Knowing a society is high on uncertainty avoidance provides the starting point when investigating what to expect with respect to all of the management practices associated with the various functions of organizations such as marketing, production, finance, purchasing, accounting, and human resource management.

Two companies that are considering merging, one from a high uncertainty-avoidance society and one from a low uncertainty-avoidance society would do well to investigate the management practices of each other to identify potential areas of conflict and to determine whether such conflicts can be re-

solved. This is easy to say, but where does one start? We believe that a good starting point is knowledge of the cultural distance between two merging countries with respect to the cultural dimensions described and discussed above. To summarize, GLOBE has produced useful information to help enhance global managers' cultural acumen. While it is true that cultures are very complex entities, and that one needs care in generalizing about other societies, we have strong evidence that the GLOBE findings are highly reliable and informative. Our findings are not only based on questionnaire responses of middle managers, but also on content analysis of prevailing country media, focus groups and interviews. We used cross-cultural communication as an example of an area where our findings can be of assistance to managers who work with multiple cultures. Those who are interested in knowing more about the project and its findings can consult the GLOBE web site at <http://mgmt3.ucalgary.ca/web/globe.nsf/index>.





#### SELECTED BIBLIOGRAPHY

GLOBE will publish two books in 2001/2002, both by SAGE Publishers. The first, titled *Culture, Leadership, and Organizational Practices: The GLOBE Findings*, will be published in late 2001. The second book, an anthology, will be published in 2002 and will present specific cultural and leadership information on 30 countries. Interested readers will also

find the following books useful: S. C. Schneider and J.-L. Barsoux, *Managing Across Cultures* (Englewood Cliffs, NJ: Prentice Hall, 1997); F. Trompenaars and C. Hampden Turner, *Riding the Waves of Culture* (New York: McGraw-Hill, 1998); and R. D. Lewis, *When Cultures Collide* (Nicholas Brealey Publishing, 1996).