Many of the differences in employee motivation, management styles, and organizational structures of companies throughout the world can be traced to differences in the collective mental programming of people in different national cultures.

Motivation, Leadership, and Organization: Do American Theories Apply Abroad?

Geert Hofstede

A well-known experiment used in organizational behavior courses involves showing the class an ambiguous picture—one that can be interpreted in two different ways. One such picture represents either an attractive young girl or an ugly old woman, depending on the way you look at it. Some of my colleagues and I use the experiment, which demonstrates how different people in the same situation may perceive quite different things. We start by asking half of the class to close their eyes while we show the other half a slightly altered version of the picture—one in which only the young girl can be seen—for only five seconds. Then we ask those who just saw the young girl’s picture to close their eyes while we give the other half of the class a five-second look at a version in which only the old woman can be seen. After this preparation we show the ambiguous picture to everyone at the same time.

The results are amazing—most of those “conditioned” by seeing the young girl first see only the young girl in the ambiguous
picture, and those “conditioned” by seeing the old woman tend to see only the old woman. We then ask one of those who perceive the old woman to explain to one of those who perceive the young girl what he or she sees, and vice versa, until everyone finally sees both images in the picture. Each group usually finds it very difficult to get its views across to the other one and sometimes there’s considerable irritation at how “stupid” the other group is.

Cultural Conditioning

I use this experiment to introduce a discussion on cultural conditioning. Basically, it shows that in five seconds I can condition half a class to see something different from what the other half sees. If this is so in the simple classroom situation, how much stronger should differences in perception of the same reality be between people who have been conditioned by different education and life experience—not for five seconds, but for twenty, thirty, or forty years?

I define culture as the collective mental programming of the people in an environment. Culture is not a characteristic of individuals; it encompasses a number of people who were conditioned by the same education and life experience. When we speak of the culture of a group, a tribe, a geographical region, a national minority, or a nation, culture refers to the collective mental programming that these people have in common; the programming that is different from that of other groups, tribes, regions, minorities or majorities, or nations.

Culture, in this sense of collective mental programming, is often difficult to change; if it changes at all, it does so slowly. This is so not only because it exists in the minds of the people but, if it is shared by a number of people, because it has become crystallized in the institutions these people have built together: their family structures, educational structures, religious organizations, associations, forms of government, work organizations, law, literature, settlement patterns, buildings and even, as I hope to show, scientific theories. All of these reflect common beliefs that derive from the common culture.

Although we are all conditioned by cultural influences at many different levels—family, social, group, geographical region, professional environment—this article deals specifically with the influence of our national environment: that is, our country. Most countries’ inhabitants share a national character that’s more clearly apparent to foreigners than to the nationals themselves; it represents the cultural mental programming that the nationals tend to have in common.

National Culture in Four Dimensions

The concept of national culture or national character has suffered from vagueness. There has been little consensus on what represents the national culture of, for example, Americans, Mexicans, French, or Japanese. We seem to lack even the terminology to describe it. Over a period of six years, I have been involved in a large research project on national cultures. For a set of 40 independent nations, I have tried to determine empirically the main criteria by which their national cultures differed. I found four such criteria, which I label dimensions; these are Power Distance, Uncertainty Avoidance, Individualism–Collectivism, and Masculinity–Femininity. To understand the dimensions of national culture, we can compare it with the dimensions of personality we use when we describe individuals’ behavior. In recruiting, an organization often tries to get an impression of a candidate’s dimensions of personality, such as intelligence (high-low); energy
The Research Data

The four dimensions of national culture were found through a combination of theoretical reasoning and massive statistical analysis, in what is most likely the largest survey material ever obtained with a single questionnaire. This survey material was collected between 1967 and 1973 among employees of subsidiaries of one large U.S.-based multinational corporation (MNC) in 40 countries around the globe. The total data bank contains more than 116,000 questionnaires collected from virtually everyone in the corporation, from unskilled workers to research Ph.D.s and top managers. Moreover, data were collected twice—first during a period from 1967 to 1969 and a repeat survey during 1971 to 1973. Out of a total of about 150 different survey questions (of the pre-coded answer type), about 60 deal with the respondents' beliefs and values; these were analyzed for the present study. The questionnaire was administered in the language of each country; a total of 20 language versions had to be made. On the basis of these data, each of the 40 countries could be given an index score for each of the four dimensions.

I was wondering at first whether differences found among employees of one single corporation could be used to detect truly national culture differences. I also wondered what effect the translation of the questionnaire could have had. With this in mind, I administered a number of the same questions in 1971-1973 to an international group of about 400 managers from different public and private organizations following management development courses in Lausanne, Switzerland. This time, all received the questionnaire in English. In spite of the different mix of respondents and the different language used, I found largely the same differences between countries in the manager group that I found among the multinational personnel. Then I started looking for other studies, comparing aspects of national character across a number of countries on the basis of surveys using other questions and other respondents (such as students) or on representative public opinion polls. I found 13 such studies; these compared between 5 and 19 countries at a time. The results of these studies showed a statistically significant similarity (correlation) with one or more of the four dimensions. Finally, I also looked for national indicators (such as per capita national income, inequality of income distribution, and government spending on development aid) that could logically be supposed to be related to one or more of the dimensions. I found 31 such indicators—of which the values were available for between 5 and 40 countries—that were correlated in a statistically significant way with at least one of the dimensions. All these additional studies (for which the data were collected by other people, not by me) helped make the picture of the four dimensions more complete. Interestingly, very few of these studies had even been related to each other before, but the four dimensions provide a framework that shows how they can be fit together like pieces of a huge puzzle. The fact that data obtained within a single MNC have the power to uncover the secrets of entire national cultures can be understood when it's known that the respondents form well-matched samples from their nations: They are employed by the same firm (or its subsidiary); their jobs are similar (I consistently compared the same occupations across the different countries); and their age categories and sex composition were similar—only their nationalities differed. Therefore, if we look at the differences in survey answers between multinational employees in countries A, B, C, and so on, the general factor that can account for the differences in the answers is national culture.

level (active-passive); and emotional stability (stable-unstable). These distinctions can be refined through the use of certain tests, but it's essential to have a set of criteria whereby the characteristics of individuals can be meaningfully described. The dimen-
sions of national culture I use represent a corresponding set of criteria for describing national cultures.

Characterizing a national culture does not, of course, mean that every person in the nation has all the characteristics assigned to that culture. Therefore, in describing national cultures we refer to the common elements within each nation—the national norm—but we are not describing individuals. This should be kept in mind when interpreting the four dimensions explained in the following paragraphs.

**Power distance**

The first dimension of national culture is called **Power Distance**. It indicates the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally. It's reflected in the values of the less powerful members of society as well as in those of the more powerful ones. A fuller picture of the difference between small Power Distance and large Power Distance societies is shown in Figure 1. Of course, this shows only the extremes; most countries fall somewhere in between.

**Uncertainty avoidance**

The second dimension, **Uncertainty Avoidance**, indicates the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid these situations by providing greater career stability, establishing more formal rules, not tolerating deviant ideas and behaviors, and believing in absolute truths and the attainment of expertise. Nevertheless, societies in which uncertainty avoidance is strong are also characterized by a higher level of anxiety and aggressiveness that creates, among other things, a strong inner urge in people to work hard. (See Figure 2.)

**Individualism–Collectivism**

The third dimension encompasses **Individualism** and its opposite, **Collectivism**. Individualism implies a loosely knit social framework in which people are supposed to take care of themselves and of their immediate families only, while collectivism is characterized by a tight social framework in which people distinguish between in-groups and out-groups; they expect their in-group (relatives, clan, organizations) to look after them, and in exchange for that they feel they owe absolute loyalty to it. A fuller picture of
Figure 1
THE POWER DISTANCE DIMENSION

<table>
<thead>
<tr>
<th>Small Power Distance</th>
<th>Large Power Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inequality in society should be minimized.</td>
<td>There should be an order of inequality in this world in which everybody has a rightful place; high and low are protected by this order.</td>
</tr>
<tr>
<td>All people should be interdependent.</td>
<td>A few people should be independent; most should be dependent.</td>
</tr>
<tr>
<td>Hierarchy means an inequality of roles, established for convenience.</td>
<td>Hierarchy means existential inequality.</td>
</tr>
<tr>
<td>Superiors consider subordinates to be “people like me.”</td>
<td>Superiors consider subordinates to be a different kind of people.</td>
</tr>
<tr>
<td>Subordinates consider superiors to be “people like me.”</td>
<td>Subordinates consider superiors as a different kind of people.</td>
</tr>
<tr>
<td>Superiors are accessible.</td>
<td>Superiors are inaccessible.</td>
</tr>
<tr>
<td>The use of power should be legitimate and is subject to the judgment as to whether it is good or evil.</td>
<td>Power is a basic fact of society that antedates good or evil. Its legitimacy is irrelevant.</td>
</tr>
<tr>
<td>All should have equal rights.</td>
<td>Power-holders are entitled to privileges.</td>
</tr>
<tr>
<td>Those in power should try to look less powerful than they are.</td>
<td>Those in power should try to look as powerful as possible.</td>
</tr>
<tr>
<td>The system is to blame.</td>
<td>The underdog is to blame.</td>
</tr>
<tr>
<td>The way to change a social system is to redistribute power.</td>
<td>The way to change a social system is to dethrone those in power.</td>
</tr>
<tr>
<td>People at various power levels feel less threatened and more prepared to trust people.</td>
<td>Other people are a potential threat to one’s power and can rarely be trusted.</td>
</tr>
<tr>
<td>Latent harmony exists between the powerful and the powerless.</td>
<td>Latent conflict exists between the powerful and the powerless.</td>
</tr>
<tr>
<td>Cooperation among the powerless can be based on solidarity.</td>
<td>Cooperation among the powerless is difficult to attain because of their low-faith-in-people norm.</td>
</tr>
</tbody>
</table>

this dimension is presented in Figure 3.

Masculinity

The fourth dimension is called Masculinity even though, in concept, it encompasses its opposite pole, Femininity. Measurements in terms of this dimension express the extent to which the dominant values in society are "masculine"—that is, assertiveness, the acquisition of money and things, and not caring for others, the quality of life, or people. These values were labeled “masculine” because, within nearly all societies, men scored higher in terms of the values’ positive sense than of their negative sense (in terms of assertiveness, for example, rather than its lack)—even though the society as a whole might veer toward the "feminine" pole. Interestingly, the more an entire society scores
### Figure 2
The Uncertainty Avoidance Dimension

<table>
<thead>
<tr>
<th>Weak Uncertainty Avoidance</th>
<th>Strong Uncertainty Avoidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The uncertainty inherent in life is more easily accepted and each day is taken as it comes.</td>
<td>The uncertainty inherent in life is felt as a continuous threat that must be fought.</td>
</tr>
<tr>
<td>Ease and lower stress are experienced.</td>
<td>Higher anxiety and stress are experienced.</td>
</tr>
<tr>
<td>Time is free.</td>
<td>Time is money.</td>
</tr>
<tr>
<td>Hard work, as such, is not a virtue.</td>
<td>There is an inner urge to work hard.</td>
</tr>
<tr>
<td>Aggressive behavior is frowned upon.</td>
<td>Aggressive behavior of self and others is accepted.</td>
</tr>
<tr>
<td>Less showing of emotions is preferred.</td>
<td>More showing of emotions is preferred.</td>
</tr>
<tr>
<td>Conflict and competition can be contained on the level of fair play and used constructively.</td>
<td>Conflict and competition can unleash aggression and should therefore be avoided.</td>
</tr>
<tr>
<td>More acceptance of dissent is entailed.</td>
<td>A strong need for consensus is involved.</td>
</tr>
<tr>
<td>Deviation is not considered threatening; greater tolerance is shown.</td>
<td>Deviant persons and ideas are dangerous; intolerance holds sway.</td>
</tr>
<tr>
<td>The ambiance is one of less nationalism.</td>
<td>Nationalism is pervasive.</td>
</tr>
<tr>
<td>More positive feelings toward younger people are seen.</td>
<td>Younger people are suspect.</td>
</tr>
<tr>
<td>There is more willingness to take risks in life.</td>
<td>There is great concern with security in life.</td>
</tr>
<tr>
<td>The accent is on relativism, empiricism.</td>
<td>The search is for ultimate, absolute truths and values.</td>
</tr>
<tr>
<td>There should be as few rules as possible.</td>
<td>There is a need for written rules and regulations.</td>
</tr>
<tr>
<td>If rules cannot be kept, we should change them.</td>
<td>If rules cannot be kept, we are sinners and should repent.</td>
</tr>
<tr>
<td>Belief is placed in generalists and common sense.</td>
<td>Belief is placed in experts and their knowledge.</td>
</tr>
<tr>
<td>The authorities are there to serve the citizens.</td>
<td>Ordinary citizens are incompetent compared with the authorities.</td>
</tr>
</tbody>
</table>

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to the masculine side, the wider the gap between its "men's" and "women's" values (see Figure 4).

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A Set of Cultural Maps of the World

Research data were obtained by comparing the beliefs and values of employees within the subsidiaries of one large multinational corporation in 40 countries around the world. These countries represent the wealthy countries of the West and the larger, more prosperous of the Third World countries. The Socialist block countries are missing, but data are available for Yugoslavia (where the corporation is represented by a local, self-managed company under Yugoslavian
### Figure 3
**The Individualism Dimension**

<table>
<thead>
<tr>
<th>Collectivist</th>
<th>Individualist</th>
</tr>
</thead>
<tbody>
<tr>
<td>In society, people are born into extended families or clans who protect them in exchange for loyalty.</td>
<td>In society, everybody is supposed to take care of himself/herself and his/her immediate family.</td>
</tr>
<tr>
<td>“We” consciousness holds sway.</td>
<td>“I” consciousness holds sway.</td>
</tr>
<tr>
<td>Identity is based in the social system.</td>
<td>Identity is based in the individual.</td>
</tr>
<tr>
<td>There is emotional dependence of individual on organizations and institutions.</td>
<td>There is emotional independence of individual from organizations or institutions.</td>
</tr>
<tr>
<td>The involvement with organizations is moral.</td>
<td>The involvement with organizations is calculative.</td>
</tr>
<tr>
<td>The emphasis is on belonging to organizations; membership is the ideal.</td>
<td>The emphasis is on individual initiative and achievement; leadership is the ideal.</td>
</tr>
<tr>
<td>Private life is invaded by organizations and clans to which one belongs; opinions are predetermined.</td>
<td>Everybody has a right to a private life and opinion.</td>
</tr>
<tr>
<td>Expertise, order, duty, and security are provided by organization or clan.</td>
<td>Autonomy, variety, pleasure, and individual financial security are sought in the system.</td>
</tr>
<tr>
<td>Friendships are predetermined by stable social relationships, but there is need for prestige within these relationships.</td>
<td>The need is for specific friendships.</td>
</tr>
<tr>
<td>Belief is placed in group decisions.</td>
<td>Belief is placed in individual decisions.</td>
</tr>
<tr>
<td>Value standards differ for in-groups and out-groups (particularism).</td>
<td>Value standards should apply to all (universalism).</td>
</tr>
</tbody>
</table>

law). It was possible, on the basis of mean answers of employees on a number of key questions, to assign an index value to each country on each dimension. As described in the box on page 44, these index values appear to be related in a statistically significant way to a vast amount of other data about these countries, including both research results from other samples and national indicator figures.

Because of the difficulty of representing four dimensions in a single diagram, the position of the countries of the dimensions is shown in Figures 5, 6, and 7 for two dimensions at a time. The vertical and horizontal axes and the circles around clusters of countries have been drawn subjectively, in order to show the degree of proximity of geographically or historically related countries. The three diagrams thus represent a composite set of cultural maps of the world.

Of the three “maps,” those in Figure 5 (Power Distance × Uncertainty Avoidance) and Figure 7 (Masculinity × Uncertainty Avoidance) show a scattering of countries in all corners—that is, all combinations of index values occur. Figure 6 (Power Distance × Individualism), however, shows one empty corner: The combination of Small Power Distance and Collectivism does not occur. In fact, there is a tendency for Large Power Distance to be associated with Collectivism and for Small Power Distance with Individualism. However, there is a third
factor that should be taken into account here: national wealth. Both Small Power Distance and Individualism go together with greater national wealth (per capita gross national product). The relationship between Individualism and Wealth is quite strong, as Figure 6 shows. In the upper part (Collectivist) we find only the poorer countries, with Japan as a borderline exception. In the lower part (Individualism), we find only the wealthier countries. If we look at the poorer and the wealthier countries separately, there is no longer any relationship between Power Distance and Individualism.

**The Cultural Relativity of Management Theories**

Of particular interest in the context of this discussion is the relative position of the United States on the four dimensions. Here is how the United States rates:

- **On Power Distance** at rank 15 out of the 40 countries (measured from below), it is below average but it is not as low as a number of other wealthy countries.
- **On Uncertainty Avoidance** at rank 9 out of 40, it is well below average.
- **On Individualism** at rank 40 out of 40, the United States is the single most individualist country of the entire set (followed closely by Australia and Great Britain).
- **On Masculinity** at rank 28 out of 40, it is well above average.

For about 60 years, the United States has been the world’s largest producer and exporter of management theories covering such key areas as motivation, leadership, and organization. Before that, the centers of theorizing about what we now call “management” lay in the Old World. We can trace the history of management thought as far back as we want—at least to parts of the Old Testament of the Bible, and to ancient Greece (Plato’s *The Laws* and *The Republic*, 350 B.C.). Sixteenth-century European “management” theorists include Niccolò Machiavelli (Italy) and Thomas More (Great Britain); early twentieth-century theorists include Max Weber (Germany) and Henri Fayol (France).
Today we are all culturally conditioned. We see the world in the way we have learned to see it. Only to a limited extent can we, in our thinking, step out of the boundaries imposed by our cultural conditioning. This applies to the author of a theory as much as it does to the ordinary citizen: Theories reflect the cultural environment in which they were written. If this is true, Italian, British, German, and French theories reflect the culture of Italy, Britain, Germany, and France of their day, and American theories reflect the culture of the United States of its day. Since most present-day theorists are middle-class intellectuals, their theories reflect a national intellectual middle-class culture background.

Now we ask the question: To what extent do theories developed in one country and reflecting the cultural boundaries of that country apply to other countries? Do American management theories apply in Japan? In India? No management theorist, to my knowledge, has ever explicitly addressed himself or herself to this issue. Most probably assume that their theories are universally valid. The availability of a conceptual framework built on four dimensions of national culture, in conjunction with the cultural maps of the world, makes it possible to see more clearly where and to what extent theories developed in one country are likely to apply elsewhere. In the remaining sections of this article I shall look from this viewpoint at most popular American theories of management in the areas of motivation, leadership, and organization.

Motivation

Why do people behave as they do? There is a great variety of theories of human motivation. According to Sigmund Freud, we are impelled to act by unconscious forces within us, which he called our id. Our conscious conception of ourselves—our ego—tries to control these forces, and an equally unconscious internal pilot—our superego—criticizes the thoughts and acts of our ego and causes feelings of guilt and anxiety when the ego seems to be giving in to the id. The superego is the product of early socialization, mainly learned from our parents when we were young children.

Freud’s work has been extremely influential in psychology, but he is rarely quoted in the context of management theories. The latter almost exclusively refer to motivation theories developed later in the United States, particularly those of David McClelland, Abraham Maslow, Frederick
Figure 5
The Position of the 40 Countries
On the Power Distance and Uncertainty Avoidance Scales

Power Distance Index
Figure 6

The Position of the 40 Countries on the Power Distance and Individualism Scales

Power Distance Index

11  28  44  61  77  94

12  14  16  18  20  22  24  26  28  30  32  34  36  38  40  42  44  46  48

(1) Large Power Distance/Collectivist

PAK  COL  VEN
TAI  PER  THA
THA  CHL
POR  HOK
YUG
MEX
PHI
GRE
TUR
IRA
ARG
JAP
IND

Individualism Index

50  52  54  56  58

(2) Large Power Distance/Individualist

SPA
SAF
FRA
ITA
BEL

(3) Small Power Distance/Individualist

NZL  CAN
NET
GBR
AUL
USA

52
Herzberg, and Victor Vroom. According to McClelland, we perform because we have a need to achieve (the achievement motive). More recently, McClelland has also paid a lot of attention to the power motive. Maslow has postulated a hierarchy of human needs, from more "basic" to "higher": most basic are physiological needs, followed by security, social needs, esteem needs and, finally, a need for "self-actualization." The latter incorporates McClelland’s theory of achievement, but is defined in broader terms. Maslow’s theory of the hierarchy of needs postulates that a higher need will become active only if the lower needs are sufficiently satisfied. Our acting is basically a rational activity by which we expect to fulfill successive levels of needs. Herzberg’s two-factor theory of motivation distinguishes between hygienic factors (largely corresponding to Maslow’s lower needs—physiological, security, social) and motivators (Maslow’s higher needs—esteem, self-actualization); the hygienic factors have only the potential to motivate negatively (demotivate—they are necessary but not sufficient conditions), while only the motivators have the potential to motivate positively. Vroom has formalized the role of "expectancy" in motivation; he opposes "expectancy" theories and "drive" theories. The former see people as being pulled by the expectancy of some kind of result from their acts, mostly consciously. The latter (in accordance with Freud's theories) see people as pushed by inside forces—often unconscious ones.

Let us now look at these theories through culture-conscious glasses. Why has Freudian thinking never become popular in U.S. management theory, as has the thinking of McClelland, Maslow, Herzberg, and Vroom? To what extent do these theories reflect different cultural patterns? Freud was part of an Austrian middle-class culture at the turn of the century. If we compare present-day Austria and the United States on our cultural maps, we find the following:

- Austria scores considerably lower on Power Distance.
- Austria scores considerably higher on Uncertainty Avoidance.
- Austria scores considerably lower on Individualism.
- Austria scores considerably higher on Masculinity.

We do not know to what extent Austrian culture has changed since Freud’s time, but evidence suggests that cultural patterns change very slowly. It is, therefore, not likely to have been much different from today’s culture. The most striking thing about present-day Austrian culture is that it combines a fairly high Uncertainty Avoidance with a very low Power Distance (see Figure 5). Somehow the combination of high Uncertainty Avoidance with high Power Distance is more comfortable (we find this in Japan and in all Latin and Mediterranean countries—see Figure 5). Having a powerful superior whom we can both praise and blame is one way of satisfying a strong need for avoiding uncertainty. The Austrian culture, however (together with the German, Swiss, Israeli, and Finnish cultures) cannot

"For strong Uncertainty Avoidance countries like Austria, working hard is caused by an inner urge—it is a way of relieving stress."
Figure 7
The Position of the 40 Countries
On the Uncertainty Avoidance and Masculinity Scales

Masculinity Index

(1) Weak Uncertainty Avoidance/Masculine

(2) Strong Uncertainty Avoidance/Masculine

(3) Strong Uncertainty Avoidance/Feminine

(4) Weak Uncertainty Avoidance/Feminine
rely on an external boss to absorb its uncertainty. Thus Freud's superego acts naturally as an inner uncertainty-absorbing device, an internalized boss. For strong Uncertainty Avoidance countries like Austria, working hard is caused by an inner urge—it is a way of relieving stress. (See Figure 2.) The Austrian superego is reinforced by the country's relatively low level of Individualism (see Figure 6). The inner feeling of obligation to society plays a much stronger role in Austria than in the United States. The ultrahigh Individualism of the United States leads to a need to explain every act in terms of self-interest, and expectancy theories of motivation do provide this explanation—we always do something because we expect to obtain the satisfaction of some need.

The comparison between Austrian and U.S. culture has so far justified the popularity of expectancy theories of motivation in the United States. The combination in the United States of weak Uncertainty Avoidance and relatively high Masculinity can tell us more about why the achievement motive has become so popular in that country. David McClelland, in his book *The Achieving Society*, sets up scores reflecting how strong achievement need is in many countries by analyzing the content of children's stories used in those countries to teach the young to read. It now appears that there is a strong relationship between McClelland's need for achievement country scores and the combination of weak Uncertainty Avoidance and strong Masculinity charted in Figure 7. (McClelland's data were collected for two historic years—1925 and 1950—but only his 1925 data relate to the cultural map in Figure 7. It is likely that the 1925 stories were more traditional, reflecting deep underlying cultural currents; the choice of stories in 1950 in most countries may have been affected by modernization currents in education, often imported from abroad.)

Countries in the upper righthand corner of Figure 7 received mostly high scores on achievement need in McClelland's book; countries in the lower lefthand corner of Figure 7 received low scores. This leads us to the conclusion that the concept of the achievement motive presupposes two cultural choices—a willingness to accept risk (equivalent to weak Uncertainty Avoidance; see Figure 2) and a concern with performance (equivalent to strong Masculinity; see Figure 4). This combination is found exclusively in countries in the Anglo-American group and in some of their former colonies (Figure 7). One striking thing about the concept of achievement is that the word itself is hardly translatable into any language other than English; for this reason, the word could not be used in the questionnaire of the multinational corporation used in my research. The English-speaking countries all appear in the upper righthand corner of Figure 7.

If this is so, there is reason to reconsider Maslow's hierarchy of human needs in the light of the map shown in Figure 7. Quadrant 1 (upper righthand corner) in Figure 7 stands for *achievement motivation*, as we have seen (performance plus risk). Quadrant 2 distinguishes itself from quadrant 1 by strong Uncertainty Avoidance, which means *security motivation* (performance plus security). The countries on the feminine side of Figure 7 distinguish themselves by a focusing on quality of life rather than on performance and on relationships between people rather than on money and things (see Figure 4). This means *social motivation*: quality of life plus security in quadrant 3, and quality of life plus risk in quadrant 4. Now, Maslow's hierarchy puts self-actualization (achievement) plus esteem above social needs above security needs. This, however, is not the description of a universal human motivation process—it is the description of a value system, the value system of the U.S. middle class to which the author belonged. I suggest that if we want to
continue thinking in terms of a hierarchy for countries in the lower righthand corner of Figure 7 (quadrant 2), security needs should rank at the top; for countries in the upper lefthand corner (quadrant 4), social needs should rank at the top, and for countries in the lower lefthand corner (quadrant 3) both security and social needs should rank at the top.

One practical outcome of presenting motivation theories is the movement toward humanization of work—an attempt to make work more intrinsically interesting to the workers. There are two main currents in humanization of work—one, developed in the United States and called job enrichment, aims at restructuring individual jobs. A chief proponent of job enrichment is Frederick Herzberg. The other current, developed in Europe and applied mainly in Sweden and Norway, aims at restructuring work into group work—forming, for example, such semiautonomous teams as those seen in the experiments at Volvo. Why the difference in approaches? What is seen as a “human” job depends on a society’s prevailing model of humankind. In a more masculine society like the United States, humanization takes the form of masculinization, allowing individual performance. In the more feminine societies of Sweden and Norway, humanization takes the form of feminization—it is a means toward more wholesome interpersonal relationships in its deemphasis of interindividual competition.

Leadership

One of the oldest theorists of leadership in world literature is Machiavelli (1468–1527). He described certain effective techniques for manipulation and remaining in power (including deceit, bribery, and murder) that gave him a bad reputation in later centuries. Machiavelli wrote in the context of the Italy of his day, and what he described is clearly a large Power Distance situation. We still find Italy on the larger Power Distance side of Figure 5 (with all other Latin and Mediterranean countries), and we can assume from historical evidence that Power Distances in Italy during the sixteenth century were considerably larger than they are now. When we compare Machiavelli’s work with that of his contemporary, Sir Thomas More (1478–1535), we find cultural differences between ways of thinking in different countries even in the sixteenth century. The British More described in Utopia a state based on consensus as a “model” to criticize the political situation of his day. But practice did not always follow theory, of course: More, deemed too critical, was beheaded by order of King Henry VIII, while Machiavelli the realist managed to die peacefully in his bed. The difference in theories is nonetheless remarkable.

In the United States a current of leadership theories has developed. Some of the best known were put forth by the late Douglas McGregor (Theory X versus Theory Y), Rensis Likert (System 4 management), and Robert R. Blake with Jane S. Mouton (the Managerial Grid®). What these theories have in common is that they all advocate participation in the manager’s decisions by his/her subordinates (participative management); however, the initiative toward participation is supposed to be taken by the manager. In a worldwide perspective (Figure 5), we can understand these theories from the middle position of the United States on the Power Distance side (rank 15 out of 40 countries). Had the culture been one of larger Power Distance, we could have expected more “Machiavellian” theories of leadership. In fact, in the management literature of another country with a larger Power Distance index score, France, there is little concern with participative management American style, but great concern with who has
the power. However, in countries with smaller Power Distances than the United States (Sweden, Norway, Germany, Israel), there is considerable sympathy for models of management in which even the initiatives are taken by the subordinates (forms of industrial democracy) and with which there's little sympathy in the United States. In the approaches toward "industrial democracy" taken in these countries, we notice their differences on the second dimension, Uncertainty Avoidance. In weak Uncertainty Avoidance countries like Sweden, industrial democracy was started in the form of local experiments and only later was given a legislative framework. In strong Uncertainty Avoidance countries like Germany, industrial democracy was brought about by legislation first and then had to be brought alive in the organizations ("Mitbestimmung").

The crucial fact about leadership in any culture is that it is a complement to subordinateness. The Power Distance Index scores in Figure 5 are, in fact, based on the values of people as subordinates, not on the values of superiors. Whatever a naïve literature on leadership may give us to understand, leaders cannot choose their styles at will; what is feasible depends to a large extent on the cultural conditioning of a leader's subordinates. Along these lines, Figure 8 describes the type of subordinateness that, other things being equal, a leader can expect to meet in societies at three different levels of Power Distance—subordinateness to which a leader must respond. The middle level represents what is most likely found in the United States.

Neither McGregor, nor Likert, nor Blake and Mouton allow for this type of cultural proviso—all three tend to be prescriptive with regard to a leadership style that, at best, will work with U.S. subordinates and with those in cultures—such as Canada or Australia—that have not too different Power Distance levels (Figure 5). In fact, my research shows that subordinates in larger Power Distance countries tend to agree more frequently with Theory Y.

A U.S. theory of leadership that allows for a certain amount of cultural relativity, although indirectly, is Fred Fiedler's contingency theory of leadership. Fiedler states that different leader personalities are needed for "difficult" and "easy" situations, and that a cultural gap between superior and subordinates is one of the factors that makes a situation "difficult." However, this theory does not address the kind of cultural gap in question.

In practice, the adaptation of managers to higher Power Distance environments does not seem to present too many problems. Although this is an unpopular message—one seldom professed in management development courses—managers moving to a larger Power Distance culture soon learn that they have to behave more autocratically in order to be effective, and tend to do so; this is borne out by the colonial history of most Western countries. But it is interesting that the Western ex-colonial power with the highest Power Distance norm—France—seems to be most appreciated by its former colonies and seems to maintain the best postcolonial relationships with most of them. This suggests that subordinates in a large Power Distance culture feel even more comfortable with superiors who are real autocrats than with those whose assumed autocratic stance is out of national character.

The operation of a manager in an environment with a Power Distance norm lower than his or her own is more problematic. U.S. managers tend to find it difficult to collaborate wholeheartedly in the "industrial democracy" processes of such countries as Sweden, Germany, and even the Netherlands. U.S. citizens tend to consider their country as the example of democracy, and find it difficult to accept that other countries
might wish to develop forms of democracy for which they feel no need and that make major inroads upon managers' (or leaders') prerogatives. However, the very idea of management prerogatives is not accepted in very low Power Distance countries. This is, perhaps, best illustrated by a remark of a Scandinavian social scientist is supposed to have made to Herzberg in a seminar: "You are against participation for the very reason we are in favour of it—one doesn't know where it will stop. We think that is good."

One way in which the U.S. approach to leadership has been packaged and formalized is management by objectives (MBO), first advocated by Peter Drucker in 1955 in The Practice of Management. In the United States, MBO has been used to spread a pragmatic results orientation throughout the organization. It has been considerably more successful where results are objectively measurable than where they can only be interpreted subjectively, and, even in the United States, it has been criticized heavily. Still, it has been perhaps the single most popular management technique "made in U.S.A." Therefore, it can be accepted as fitting U.S. culture. MBO presupposes:

- That subordinates are sufficiently independent to negotiate meaningfully with the boss (not-too-large Power Distance).
- That both are willing to take risks (weak Uncertainty Avoidance).
- That performance is seen as important by both (high Masculinity).

Let us now take the case of Germany, a below-average Power Distance country. Here, the dialogue element in MBO should present no problem. However, since Germany scores considerably higher on Uncertainty Avoidance, the tendency toward accepting risk and ambiguity will not exist to the same extent. The idea of replacing the arbitrary authority of the boss with the impersonal authority of mutually agreed-upon objectives, however, fits the small Power Distance/strong Uncertainty Avoidance cultural cluster very well. The objectives become the subordinates' "superego." In a book of case studies about MBO in Germany, Ian R. G. Fergusson states that "MBO has acquired a different flavour in the German-speaking area, not least because in these countries the societal and political pressure towards increasing the value of man in the organization on the right to co-determination has become quite clear. Thence, MBO has been transliterated into Management by Joint Goal Setting (Führung durch Zielvereinbarung)." Ferguson's view of MBO fits the ideological needs of the German-speaking countries of the moment. The case studies in his book show elaborate formal systems with extensive ideological justification; the stress on team objectives is quite strong, which is in line with the lower individualism in these countries.

The other area in which specific information on MBO is available is France. MBO was first introduced in France in the early 1960s, but it became extremely popular for a time after the 1968 student revolt. People expected that this new technique would lead to the long-overdue democratization of organizations. Instead of DPO (Direction par Objectifs), the French name for MBO became DPPO (Direction Participative par Objectifs). So in France, too, societal developments affected the MBO system. However, DPPO remained, in general, as much a vain slogan as did Liberté, Egalité, Fraternité (Freedom, Equality, Brotherhood) after the 1789 revolt. G. Franck wrote in 1973 "... I think that the career of DPPO is terminated, or rather that it has never started, and it won't ever start as long as we continue in France our tendency to confound ideology and reality..." In a postscript to Franck's article, the editors of Le Management write: "French blue- and white-collar workers, lower-level and higher-level managers, and 'patrons' all belong to the same cultural sys-
tem which maintains dependency relations from level to level. Only the deviants really dislike this system. The hierarchical structure protects against anxiety; DPO, however, generates anxiety. . . .” The reason for the anxiety in the French cultural context is that MBO presupposes a depersonalized authority in the form of internalized objectives; but French people, from their early childhood onward, are accustomed to large Power Distances, to an authority that is highly personalized. And in spite of all attempts to introduce Anglo-Saxon management methods, French superiors do not easily decentralize and do not stop short-circuiting intermediate hierarchical levels, nor do French subordinates expect them to. The developments of the 1970s have severely discredited DPPO, which probably does injustice to the cases in which individual French organizations or units, starting from less exaggerated expectations, have benefited from it.

In the examples used thus far in this section, the cultural context of leadership may look rather obvious to the reader. But it also works in more subtle, less obvious ways. Here’s an example from the area of management decision making: A prestigious U.S. consulting firm was asked to analyze the decision-making processes in a large Scandinavian “XYZ” corporation. Their report criticized the corporation’s decision-making style, which they characterized as being, among other things, “intuitive” and “consensus based.” They compared “observations of traditional XYZ practices” with “selected examples of practices in other companies.” These “selected examples,” offered as a model, were evidently taken from their U.S. clients and reflect the U.S. textbook norm—“fact based” rather than intuitive management, and “fast decisions based on clear responsibilities” rather than the use of informal, personal contacts and the concern for consensus.

Is this consulting firm doing its Scandinavian clients a service? It follows from Figure 7 that where the United States and the Scandinavian culture are wide apart is on the Masculinity dimension. The use of intuition and the concern for consensus in Scandinavia are “feminine” characteristics of the culture, well embedded in the total texture of these societies. Stressing “facts” and “clear responsibilities” fits the “masculine” U.S. culture. From a neutral viewpoint, the reasons for criticizing the U.S. decision-making style are as good as those for criticizing the Scandinavian style. In complex decision-making situations, “facts” no longer exist independently from the people who define them, so “fact-based management” becomes a misleading slogan. Intuition may not be a bad method of deciding in such cases at all. And if the implementation of decisions requires the commitment of many people, even a consensus process that takes more time is an asset rather than a liability. But the essential element overlooked by the consultant is that decisions have to be made in a way that corresponds to the values of the environment in which they have to be effective. People in this consulting firm lacked insight into their own cultural biases. This does not mean that the Scandinavian corporation’s management need not improve its decision making and could not learn from the consultant’s experience. But this can be done only through a mutual recognition of cultural differences, not by ignoring them.

Organization

The Power Distance X Uncertainty Avoidance map (Figure 5) is of vital importance for structuring organizations that will work best in different countries. For example, one U.S.-based multinational corporation has a worldwide policy that salary-increase proposals should be initiated by the employee’s direct superior. However, the French man-
agement of its French subsidiary interpreted this policy in such a way that the superior's superior's superior—three levels above—was the one to initiate salary proposals. This way of working was regarded as quite natural by both superiors and subordinates in France. Other factors being equal, people in large Power Distance cultures prefer that decisions be centralized because even superiors have strong dependency needs in relation to their superiors; this tends to move decisions up as far as they can go (see Figure 8). People in small Power Distance cultures want decisions to be decentralized.

While Power Distance relates to centralization, Uncertainty Avoidance relates to formalization—the need for formal rules and specialization, the assignment of tasks to experts. My former colleague O. J. Stevens at INSEAD has done an interesting research project (as yet unpublished) with M.B.A. students from Germany, Great Britain, and France. He asked them to write their own diagnosis and solution for a small case study of an organizational problem—a conflict in one company between the sales and product development departments. The majority of the French referred the problem to the next higher authority (the president of the company); the Germans attributed it to the lack of a written policy, and proposed establishing one; the British attributed it to a lack of interpersonal communication, to be cured by some kind of group training.

Stevens concludes that the "implicit model" of the organization for most French was a pyramid (both centralized and formal); for most Germans, a well-oiled machine (formalized but not centralized); and for most British, a village market (neither formalized nor centralized). This covers three quadrants (2, 3, and 4) in Figure 5. What is missing is an "implicit model" for quadrant 1, which contains four Asian countries, including India. A discussion with an Indian colleague leads me to place the family (centralized, but not formalized) in this quadrant as the "implicit model" of the organization. In fact, Indian organizations tend to be formalized as far as relationships between people go (this is related to Power Distance), but not as far as workflow goes (this is Uncertainty Avoidance).

The "well-oiled machine" model for Germany reminds us of the fact that Max Weber, author of the first theory of bureaucracy, was a German. Weber pictures bureaucracy as a highly formalized system (strong Uncertainty Avoidance), in which, however, the rules protect the lower-ranking members against abuse of power by their superiors. The superiors have no power by themselves, only the power that their bureaucratic roles have given them as incumbents of the roles—the power is in the role, not in the person (small Power Distance).

The United States is found fairly close to the center of the map in Figure 5, taking an intermediate position between the "pyramid," "machine," and "market" implicit models—a position that may help explain the success of U.S. business operations in very different cultures. However, according to the common U.S. conception of organization, we might say that hierarchy is not a goal by itself (as it is in France) and that rules are not a goal by themselves. Both are means toward obtaining results, to be changed if needed. A breaking away from hierarchic and bureaucratic traditions is found in the development toward matrix organizations and similar temporary or flexible organization systems.

Another INSEAD colleague, André Laurent, has shown that French managers strongly disbelieve in the feasibility of matrix organizations, because they see them as violating the "holy" principle of unit of command. However, in the French subsidiary of a multinational corporation that has a long history of successful matrix management, the French managers were quite positive
## Figure 8

**Subordinateship for Three Levels of Power Distance**

<table>
<thead>
<tr>
<th>Small Power Distance</th>
<th>Medium Power Distance (United States)</th>
<th>Large Power Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subordinates have weak dependence needs.</td>
<td>Subordinates have medium dependence needs.</td>
<td>Subordinates have strong dependence needs.</td>
</tr>
<tr>
<td>Superiors have weak dependence needs toward their superiors.</td>
<td>Superiors have medium dependence needs toward their superiors.</td>
<td>Superiors have strong dependence needs toward their superiors.</td>
</tr>
<tr>
<td>Subordinates expect superiors to consult them and may rebel or strike if superiors are not seen as staying within their legitimate role.</td>
<td>Subordinates expect superiors to consult them but will accept autocratic behavior as well.</td>
<td>Subordinates expect superiors to act autocratically.</td>
</tr>
<tr>
<td>Ideal superior to most is a loyal democrat.</td>
<td>Ideal superior to most is a resourceful democrat.</td>
<td>Ideal superior to most is a benevolent autocrat or paternalist.</td>
</tr>
<tr>
<td>Laws and rules apply to all and privileges for superiors are not considered acceptable.</td>
<td>Laws and rules apply to all, but a certain level of privileges for superiors is considered normal.</td>
<td>Everybody expects superiors to enjoy privileges; laws and rules differ for superiors and subordinates.</td>
</tr>
<tr>
<td>Status symbols are frowned upon and will easily come under attack from subordinates.</td>
<td>Status symbols for superiors contribute moderately to their authority and will be accepted by subordinates.</td>
<td>Status symbols are very important and contribute strongly to the superior's authority with the subordinates.</td>
</tr>
</tbody>
</table>

...toward it; obviously, then, cultural barriers to organizational innovation can be overcome. German managers are not too favorably disposed toward matrix organizations either, feeling that they tend to frustrate their need for organizational clarity. This means that matrix organizations will be accepted if the roles of individuals within the organization can be defined without ambiguity.

The extreme position of the United States on the Individualism scale leads to other potential conflicts between the U.S. way of thinking about organizations and the values dominant in other parts of the world. In the U.S. Individualist conception, the relationship between the individual and the organization is essentially calculative, being based on enlightened self-interest. In fact, there is a strong historical and cultural link between Individualism and Capitalism. The capitalist system—based on self-interest and the market mechanism—was “invented” in Great Britain, which is still among the top three most Individualist countries in the world. In more Collectivist societies, however, the link between individuals and their traditional organizations is not calculative, but moral: it is based not on self-interest, but on the individual's loyalty toward the clan, organization, or society—which is supposedly the best guarantee of that individual's ultimate interest. "Collectivism" is a bad word in the United States, but "indi-
vidualism” is as much a bad word in the writings of Mao Tse-tung, who writes from a strongly Collectivist cultural tradition (see Figure 6 for the Collectivist scores of the Chinese majority countries Taiwan, Hong Kong, and Singapore). This means that U.S. organizations may get themselves into considerable trouble in more Collectivist environments if they do not recognize their local employees’ needs for ties of mutual loyalty between company and employee. “Hire and fire” is very ill perceived in these countries, if firing isn’t prohibited by law altogether. Given the value position of people in more Collectivist cultures, it should not be seen as surprising if they prefer other types of economic order to capitalism—if capitalism cannot get rid of its Individualist image.

Consequences for Policy

So far we have seriously questioned the universal validity of management theories developed in one country—in most instances here, the United States.

On a practical level, this has the least consequence for organizations operating entirely within the country in which the theories were born. As long as the theories apply within the United States, U.S. organizations can base their policies for motivating employees, leadership, and organization development on these policies. Still, some caution is due. If differences in environmental culture can be shown to exist between countries, and if these constrain the validity of management theories, what about the subcultures and countercultures within the country? To what extent do the familiar theories apply when the organization employs people for whom the theories were not, in the first instance, conceived—such as members of minority groups with a different educational level, or belonging to a different generation? If culture matters, an organiza-

tion’s policies can lose their effectiveness when its cultural environment changes.

No doubt, however, the consequences of the cultural relativity of management theories are more serious for the multinational organization. The cultural maps in Figures 5, 6, and 7 can help predict the kind of culture difference between subsidiaries and mother company that will need to be met. An important implication is that identical personnel policies may have very different effects in different countries—and within countries for different subgroups of employees. This is not only a matter of different employee values; there are also, of course, differences in government policies and legislation (which usually reflect quite clearly the country’s different cultural position). And there are differences in labor market situations and labor union power positions. These differences—tangible as well as intangible—may have consequences for performance, attention to quality, cost, labor turnover, and absenteeism. Typical universal policies that may work out quite differently in different countries are those dealing with financial incentives, promotion paths, and grievance channels.

The dilemma for the organization operating abroad is whether to adapt to the local culture or try to change it. There are examples of companies that have successfully changed local habits, such as in the earlier mention of the introduction of matrix organization in France. Many Third World countries want to transfer new technologies from more economically advanced countries. If they are to work at all, these technologies must presuppose values that may run counter to local traditions, such as a certain discretion of subordinates toward superiors (lower Power Distance) or of individuals toward in-groups (more Individualism). In such a case, the local culture has to be changed; this is a difficult task that should not be taken lightly. Since it calls for a con-
scious strategy based on insight into the local
culture, it's logical to involve acculturated
locals in strategy formulations. Often, the
original policy will have to be adapted to fit
local culture and lead to the desired effect.
We saw earlier how, in the case of MBO, this
has succeeded in Germany, but generally
failed in France.

A final area in which the cultural
boundaries of home-country management
theories are important is the training of man-
gers for assignments abroad. For managers
who have to operate in an unfamiliar cul-
ture, training based on home-country the-
ories is of very limited use and may even do
more harm than good. Of more importance is
a thorough familiarization with the other
culture, for which the organization can use
the services of specialized crosscultural train-
ing institutes—or it can develop its own pro-
gram by using host-country personnel as
teachers.

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sion of it.

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U.S. management theories is still to be written, I
believe—which lack in itself indicates how difficult
it is to recognize one's own cultural biases. One of
the few U.S. books describing the process of cul-
tural conditioning for a management readership is
Edward T. Hall's *The Silent Language* (Fawcett,
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