

Levels of Analysis and Hofstede's Theory of Cultural Differences: The Place of Ethnic Culture in Organizations

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Abstract. The Hofstede's cultural framework is one of the most famous studies performed in the field of the national cultures effect on organizational culture. In this article, one of the main hypotheses of Hofstede's theory, choosing countries as the unit of culture analysis, is being criticized. The main purpose of the study is to mention that the results of Hofstede can have greater validity at the ethnical level of analysis. Thus, it is discussed that Hofstede's dimensions are appropriate for countries without high Ethnic variety, but aren't satisfactory for comparative study of countries with high cultural varieties.

Keywords: Organizational culture, levels of analysis, variety management, ethnics.

1. Introduction

In studies of Ethnic Culture in Organizations, the effects of society's cultural beliefs and values of organizations culture have been examined. In this regard, there have been various frameworks for systematically studying the organizational cultures. All of these frameworks provide dimensions for cultural studies which based on these dimensions, the organizational culture of different countries are comparable. One of the most important studies in the organizational culture studies is the IBM study which performed by Geert Hofstede [1]. In his famous book "cultures consequences", Hofstede presented the results of his extended study. In his study, Hofstede examined the attitudes and working values of more than 116000 employers of IBM within more than 40 countries. Using factor analysis of gathered data (average points of each country), Hofstede shows that there are 5 main dimensions which could not be described with other factors like as job level, economic development of the country; these dimensions can best describable by factors like cultural features [2]. Based on these results, He argues that national culture have major impact on the attitudes and values related to employees or workers.

Although every country choose a specific management system, but it cannot reflect the cultural priorities of nation. This system may prevailed by a powerful subculture, because of ability to locate its staff at the high levels of the organization. Therefore, a predominant subculture is able to create a cultural imperialism. This subject was discussed by cross-cultural researchers only from the perspective of one country's cultural dominance over the other country, not from the perspective of on cultures dominance over the other culture. Hence, a Management system doesn't reflect its subcultures at all, but is imposed by a dominant culture.

The issue of choosing the appropriate level of analysis is of the most important challenges facing Hofstede's theory. Theories should be built based on the detailed description of levels. Any falling in determining the levels within which the theories are applicable, often cause the inaccuracy of theory and being confused during gathering and analyzing data in order to test the hypotheses. The basis of Hofstede's work is comparative study which needs to scrutiny and controls multiple variables; he attempted to control

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the excessive variables, and determine his independent variable called national culture, and examine its impact on dependent variable: the organizational culture. In fact, Hofstede was imposed to consider the national culture homogeneity in order to be able to explore it. This issue resulted in creation of fundamental challenge in hypotheses designed by Hofstede. The cultures and nations can't mapped one to one [3]; In social sciences, the studies in which the nations were chose as the level of analysis, in first step level they should insure us that difference between social institutions is matched with the differences in national features. But, when nation selected as the analysis unit by Hofstede, he faced this problem that how he could be able to consider national features as a variable for determining the business institutions or organizational behaviors.

The level of analysis which isn't chose in Hofstede study is the ethnical culture level of a country. The ethnicity as a basic subculture, affects both personality and behaviors of people. Ethnicity is defined as a political self-conscious of different linguistic, religious and racial groups of a land regarding their identities, which differentiating them from other resident groups in the same region. Most cross-cultural researches reveal the depth of human behavior because of different ethnic groups [4]. Ethnicity is a way to group identification that creates the concepts of "we" and "they" and have a social construct indicating the culture [5].

2. Hofstede's theory of organizational cultural

The research findings of Hofstede, describe the cultural features, and assists in clarification of some cultural and behavioral paradigms in organizations in different countries. Five cultural dimensions which based on them Hofstede classified the countries are as follows:

2.1. Power distance

Based on this dimension, there is difference between nations in the way which they treat inequality. Inequality exists in every society; some of these societies allow people to grow so that these inequalities result in the difference in power and wealth. At this time, the inequality becomes a norm in society and lasts [6]. The power distance reveals the dependents relationships; in countries with low power distance, the subordinates have limited dependence to the superiors and there is the intendency to consultation, and this issue means mutual dependency. In these cultures, subordinates easily disagree with superiors. In countries with high power distance, subordinates have high dependency to superiors and don't disagree with superiors directly. The power distance dimension is described with valuing system of lower power members.

2.2. Uncertainty avoidance

Uncertainty avoidance Index (UAI) dimension is regarded with how society members deal with the future risk possibilities. In fact, this dimension describes the attempts of society members to attain a certain position and certainty they feel in conflicting situation [7]. In cultures with high UAI, people try to be structured, and behave what they are expected and want to know that will happen In the future.

2.3. Individualism versus collectivism

This dimension is regarded with the degree of people feeling belonged to a group and the identity of relations between group and people. Individualism is regarded with societies which the people's relations are weak; everybody is expected to only watch for himself or his family. On the other hand, collectivism is regarded to societies which theirs people join powerful and integrated groups. These groups, preserves their members because of theirs unlimited faith in groups [6].

2.4. Masculinity versus femininity

This dimension evaluates the delegation of responsibilities between males and females in societies. In some societies, children regardless of their sex, are fostered with values related the both sex. There are some societies with femininity tendencies. In these societies, both women and men share some sets of values related to life quality, humility, cooperation between people and helping others.

While in masculine societies, the focus is on competition and hardship in ideas and materiality, in feminine societies, a person who is treated with injustice are paid attention to. In masculine societies,

managers who are aggressive and hard in spite of women, flexible, follower and sensitive are believed to be successful. In masculine societies, income, being famous and progress is of importance for employees. Work is the orientation of life and is defined with the wealth and professional situation. From the other hand, in societies with less masculine tendencies, cooperation and security is valuable for employees, work is of less orientation and progress is defined based on human interactions.

2.5. Long term perspective versus short term perspective

Long term perspective are societies which encourage righteous (stamina and economics) for future rewards. Short term perspective describes societies that encourage righteous regarding now and the past like as respect regarding customs and following society's necessities. Both two positive and negative perspective of this dimension are found in Confucius teachings and are applicable for all companies. Values positioned in first pole, are more future oriented (especially hardship and economy). These values are of high dynamics. These values located in opposite pole, are more past and now oriented and are stable [6].

3. Discussion and results

Hofstede argues that he created an extended conceptual framework regarding fundamental issues of human societies. But it seems that his attempts weren't in order to maximize the variety. Considering cultures and nations univalent and equal, he minimized the variety in analysis units. Although Hofstede emphasizes on his logic about the validity of equality of nationality and ethnicity, and integrity of his research method, cross-cultures researches should consider that behavior variety to some extent is determined by people ethnicities, rather than by political and national classifications. Local globalization requires having deep knowledge of local cultures, subcultures and processes which changes the cultural software of mind.

Cultural perspectives about nations will be enriched by referring to their ethnic subcultures of their countries [8]. Cultural Heterogeneity of countries is so high that some indices are developed for measuring this heterogeneity. Most countries, to some extent show heterogeneity, therefore decrease the validity of typologies like Hofstede's. A sample of these indexes is Ethno-linguistic Fractionalization Index (ELF). This index is "the possibility which two people which chose randomly from two countries, don't belong to an ethnic group". The bigger the index, the cultural homogeneity grows [8]. Perspectives not using these indexes, not only are simplified, but also ends unrecognizable.

Till now, researchers had little concerns about the cross-cultural research method. But because there is nothing meant cultural purity, it should be emphasized that in countries with different cultural combinations, people are simultaneously members of different cultural groups. Therefore, in a country with various subcultures, organizations, especially big and complicated ones, would have employees belonged to various subcultures.

Considering national governments equal to cultures is one of the reasons which most of sociologists and anthropologists disagree with Hofstede's theory makings. Facing this criticism, Hofstede persists that they (nations) are the only units which are available for comparative studies [3,9]

Therefore, organizations which have many branches country wide, like governmental institutions and organizations and educational institutions and universities, can use the results of this study and organize their management styles according to cultural differences their organization performs in.

Organizations and agencies, whether governmental or private, performing country wide, can exploit the results of this study. The results of this study which involves organizational cultures based on ethnic varieties, are applicable in organizations which because of extension of activities which are treating ethnic varieties.

The most important critic now facing Hofstede is the issue of selecting the appropriate level of analysis for culture. He chose countries as the analysis and compare unit level, while countries are composed of subcultures which have essential differences with each other. Hofstede didn't consider these natural features and used the borders defined by human as the analysis unit. It seems that the time has arrived that new researches emphasize on "appropriate cultural unit of analysis". In the past, most of important researches were based on typologies in which countries were considered as homogeneous cultural unit. Nowadays,

researchers should consider a cross-cultural management feature which has been neglected, which is culture variety exists within a country as it exists between countries.

Considering sub-cultural levels of a country in cross-cultural researches is a sign of some kind of conscious in organizational anthropology and sociology. In a generation, there are different of people which are ready to disseminate their subculture to next generations. Nowadays, one person while growing, and is in the process of socializing and self discovery, is able to expose to different human groups, and of course, these processes never end, but rather is a continues process.

Researchers of cross-cultural management are in attempt to redefine the theoretical and methodological approaches of organizational anthropology researches. It can accurately be mentioned that ethnic studies have become an important and growing field in this area. Recent Racist and ethnic studies have shown clear signs of impression from different sources like political sciences and cultural studies. The death of structuralism (especially Marxist structuralism) and the emergence of postmodernist were the conceptual tools of these progresses. The result is the re-exploring of different models and identity differences. These differences are always present, but are veiled behind difficult, abstruse and inflexible theory buildings.

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