



The Cultural Dimension

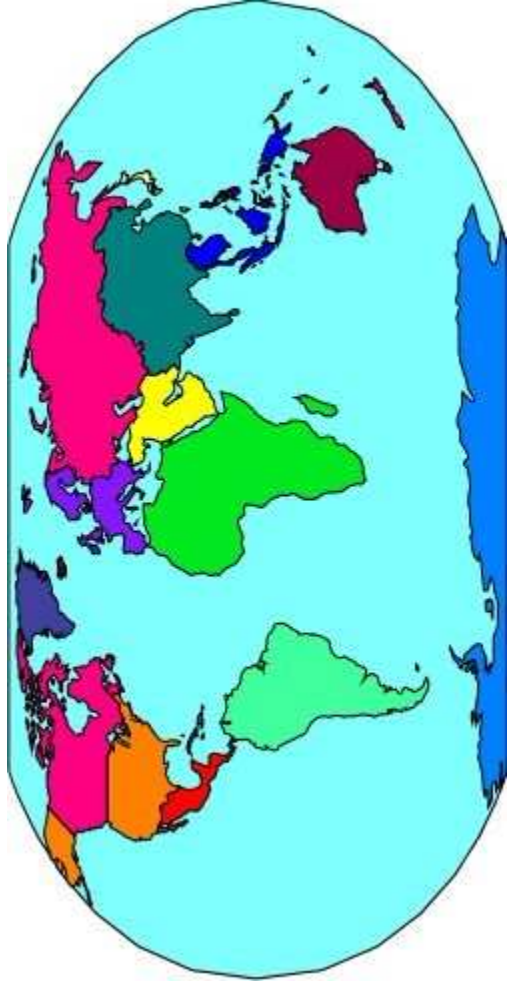
John Hooker
Carnegie Mellon University

University of Pittsburgh
January 2009



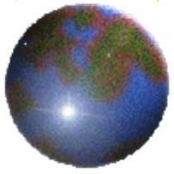
Outline

- ✚ A cross-cultural perspective
- ✚ Relationships vs. rules
- ✚ Competition and risk





A Cross-Cultural Perspective



*What culture is **not***

- ☉ Culture is **not** primarily about food, language, dress, customs, holidays.





What culture is

- 📍 Culture is about **how we think**.
- 📍 It determines our deepest assumptions, most of which we not even aware.
 - 📍 Like an iceberg, culture lies mostly beneath the surface.





Language Dress, hairstyle Pop culture
Cuisine Overt religion

**Concept of
authority**

Concepts
of space
and time

**Guilt vs.
shame**

**Rule-based
vs.
relationship
-based**

Apollonian
vs.
Dionysian

Management
of information

Universalizing
rationality?

**Stress
management**

Covert religion

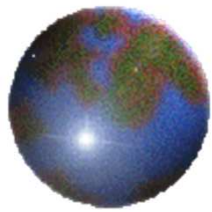
Fundamental
conception of
reality



Culture vs. personality

- ✚ Every culture contains the **full range** of human personalities.
 - ✚ Culture is about the framework into which these personalities fit, **not** about “national character.”
 - ✚ However, different personalities succeed in different cultures.





Relationships vs. Rules

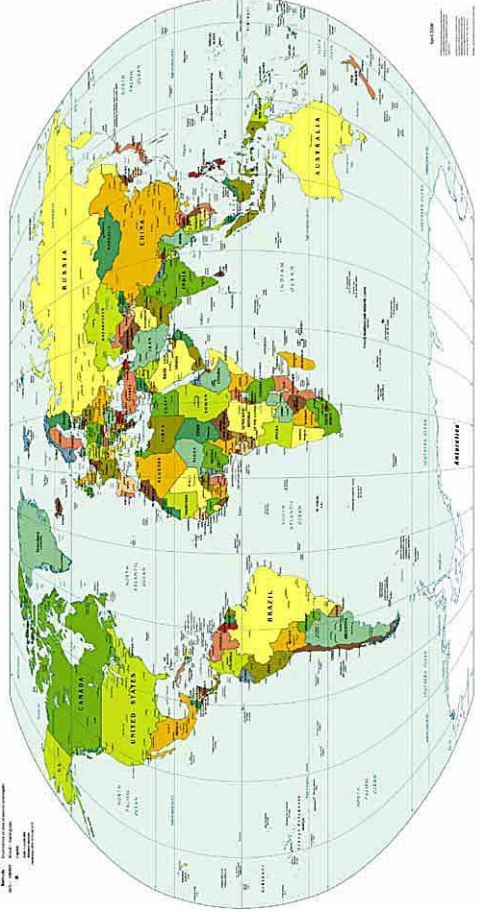




Two types of cultures

- ✪ There are 5000+ cultures in the world, all very different.
- ✪ But they can be classified roughly as:
 - ✪ **relationship-based**
 - ✪ **rule-based.**

Political Map of the World, April 2000

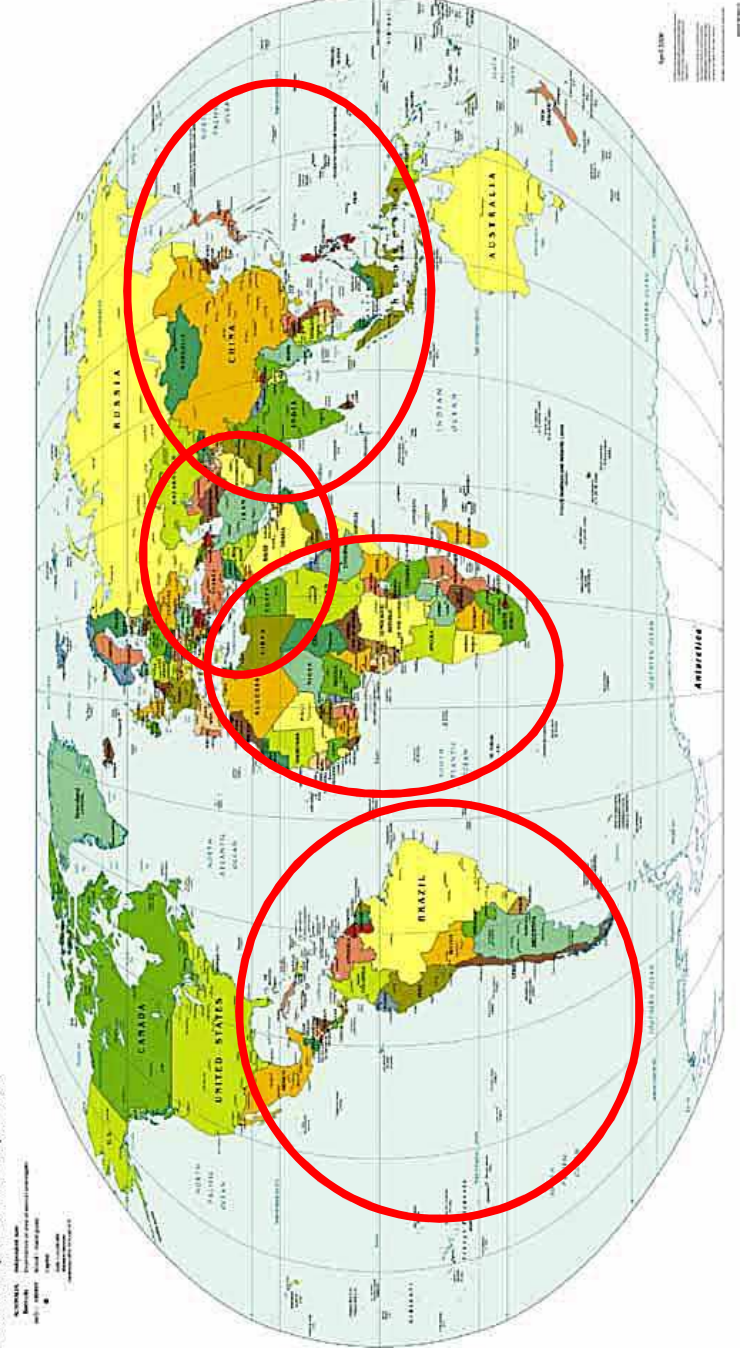




- 🌐 *Relationship-based* = life is organized primarily around **personal relationships**.

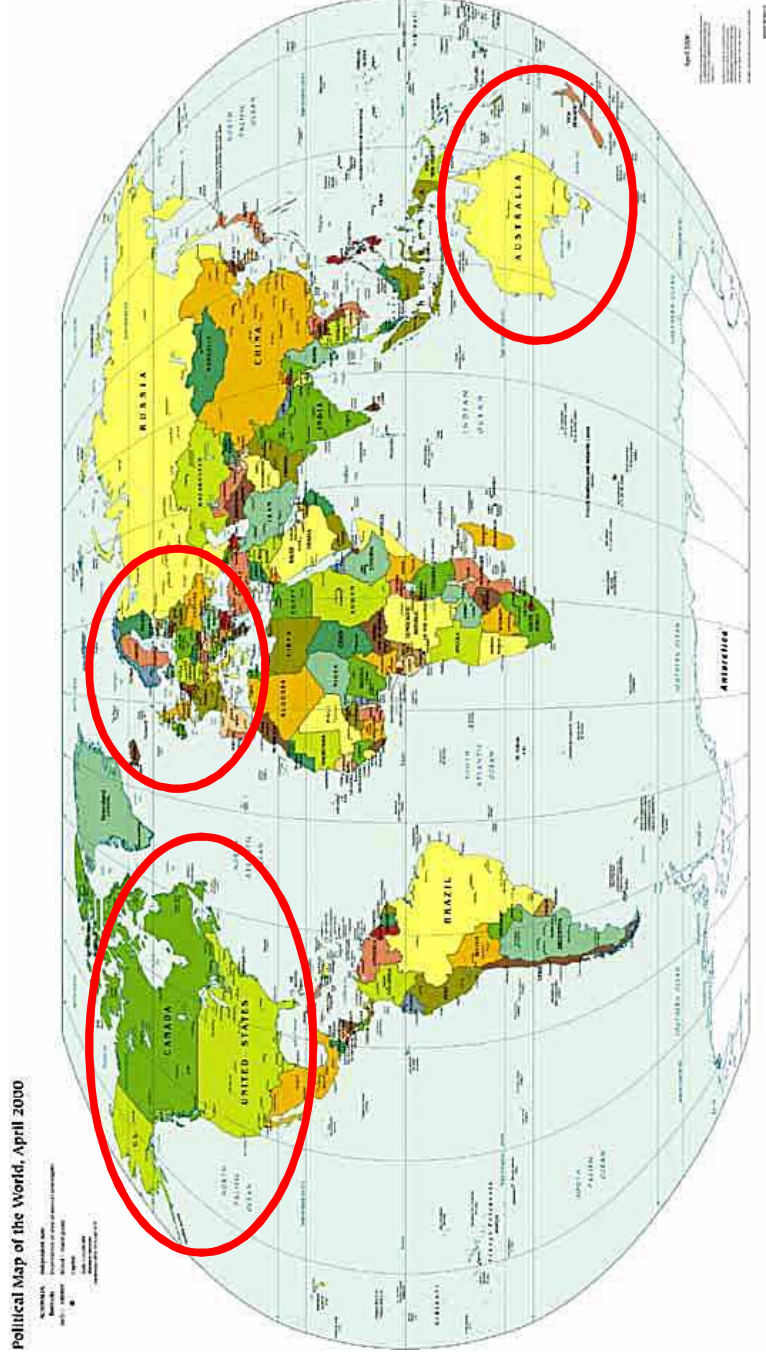
🌐 Africa, Asia, Middle East, South America

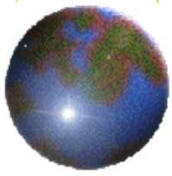
Political Map of the World, April 2000



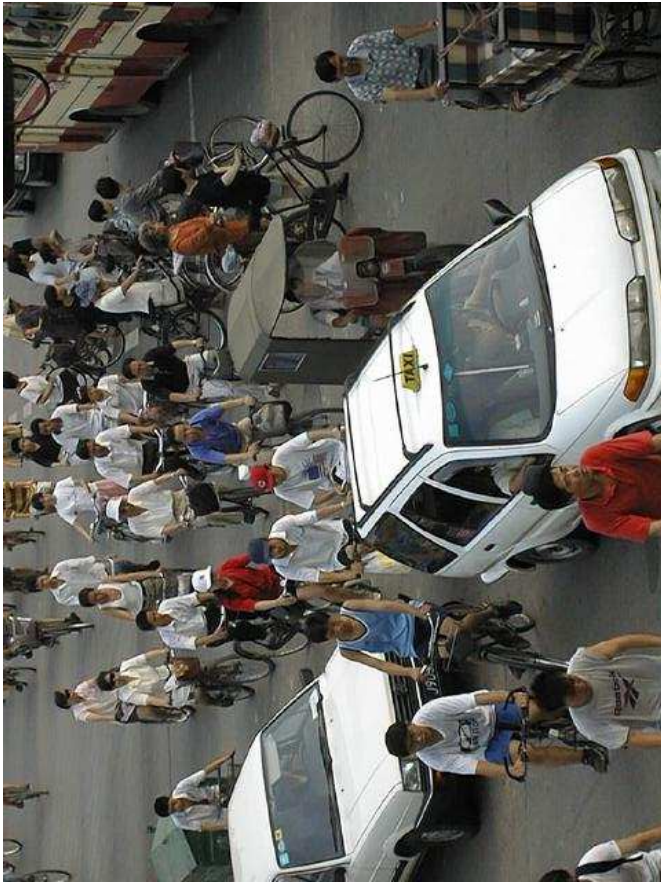


- 📍 *Rule-based* = life is organized primarily by **rules**.
- 📍 Australia, Europe, North America





- 📍 Meetings
 - ❏ Personal connections vs. strictly business
- 📍 Deals
 - ❏ Personal trust vs. contracts & law
 - ❏ Trust the **person** vs. trust the **system**.
- 📍 Traffic behavior
 - ❏ Negotiation vs. regulation.



Traffic in China

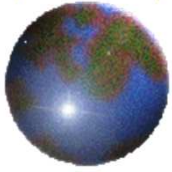


🌐 Dealing with **stress**

- 🏠 Family & friends vs. technology & engineering.



Filipino family

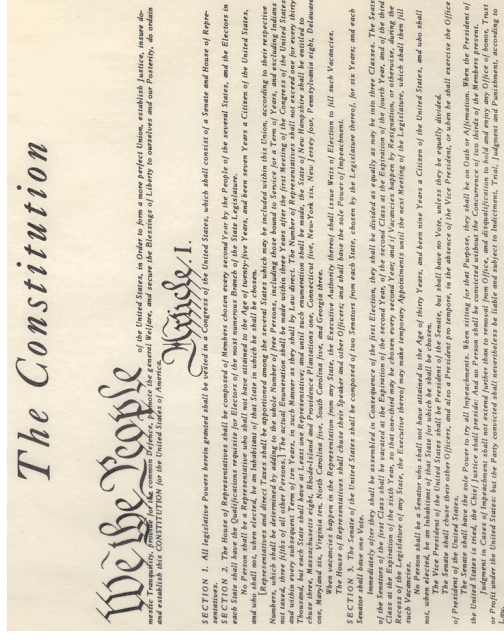


📍 Concept of authority.

- 📍 Relationship-based – authority rests in the **person**.
- 📍 Rule-based – authority derives from **rules**.



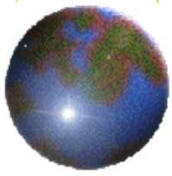
Custodian of the Two Holy Mosques
King Abdullah bin Abdul Aziz Al-Saud





- Many cultural traits **correlate** with the rule-based, relationship-based distinction.

Relationship-based	Rule-based
High power distance	Low power distance
Shame-based	Guilt-based
High-context	Low-context
Corruption as bribery	Corruption as cheating



Power distance

- 🎯 **Power distance** is the degree to which less powerful people **accept** their subordinate position.





Relationship-based	Rule-based
High power distance	Low power distance
Shame-based	Guilt-based
High-context	Low-context
Corruption as bribery	Corruption as cheating



- 📍 Relationship-based countries tend to be **high** power distance.
 - ❏ Behavior is regulated by **people** with authority.
 - ❏ Rules are legitimated and enforced by authority figures.
 - ❏ Leaders are expected to be wise and caring.
 - ❏ Example: Deng Xiaoping



Deng Xiaoping
De facto leader of China
1978-1992



- 📍 Rule-based countries tend to be **low** power distance.
 - 📍 People respect the **rules** more than superiors.
 - 📍 Example: Sweden.



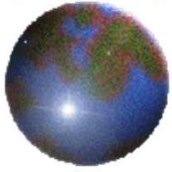
Karl XVI Gustaf
Swedish King since 1973



📍 High power distance:

- ❏ Children obey and respect parents, teachers.
- ❏ Employees are reluctant to challenge the boss or discuss problems.
- Guangzhou executives
- Filipino maids





- High power distance:
 - ❏ Ideal boss is benevolent or fatherly autocrat (rarely female).
 - ❏ Large differences in salary/skills.
 - ❏ Class differences, limited upward mobility.



Dalit (untouchable)
India



📍 Low power distance:

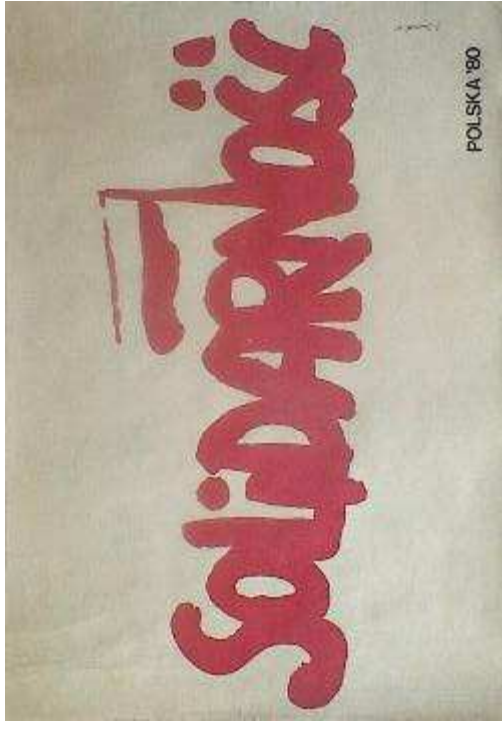
- ❑ Children are allowed to contradict their parents.
- ❑ Two-way discussion in classroom.
- ❑ Discipline may be a problem; parents side with child rather than teacher.
- ❑ No corporal punishment.



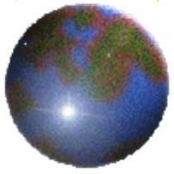


📍 Low power distance:

- ❏ Consultative management.
- ❏ Employees bring concerns and grievances to the boss.
- ❏ Ideal boss inspires workers.
- ❏ Labor unions.
- ❏ Smaller salary differences; workers may resent executive perks.
 - Scandinavian vs. U.S. offices.
 - Power distance higher in U.S. business

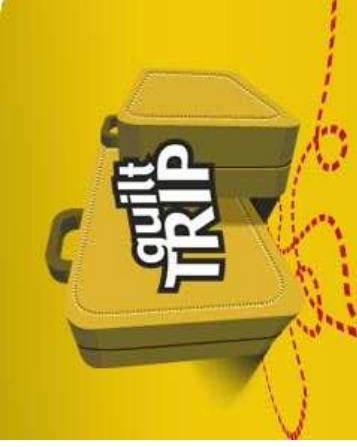


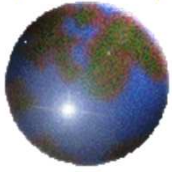
Solidarity logo, Poland



Shame and guilt

- 🎯 **Shame** and **guilt** are mechanisms for enforcing behavior norms.





Relationship-based	Rule-based
High power distance	Low power distance
Shame-based	Guilt-based
High-context	Low-context
Corruption as bribery	Corruption as cheating



🌐 **Relationship-based** cultures enforce behavior norms by **shame**.

- ❏ Loss of face.
- ❏ Humiliation.
- ❏ Punishment on the spot.
- ❏ Direct and constant supervision.
 - Department store cashier.
- ❏ No guilt.
 - Shohei Nazawa and Yamaichi Securities





- Key point for shame-based cultures:
 - Failure to supervise **gives permission** to break the “rules.”
 - Public transit.
 - Exam cheating.
 - Government regulation.

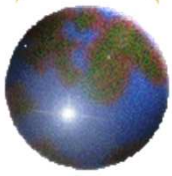




📍 **Guilt** is more important in **rule-based** cultures.

- ❏ Guilt encourages obedience to rules without supervision.
- ❏ But it may be a poor motivator and carry high psychological cost.
 - *Ein gutes Gewissen ist ein sanftes Ruhekissen.*
- ❏ Guilt is reinforced by fear of punishment.





Context

- 📍 In **low-context cultures**, information and behavior norms are spelled out.
 - 📍 Typical of rule-based cultures.
 - 📍 The rules are spelled out.
- 📍 In **high-context cultures**, these are implicit in the cultural context.
 - 📍 Norms are transmitted by the people around you.
 - 📍 Particularly authority figures.

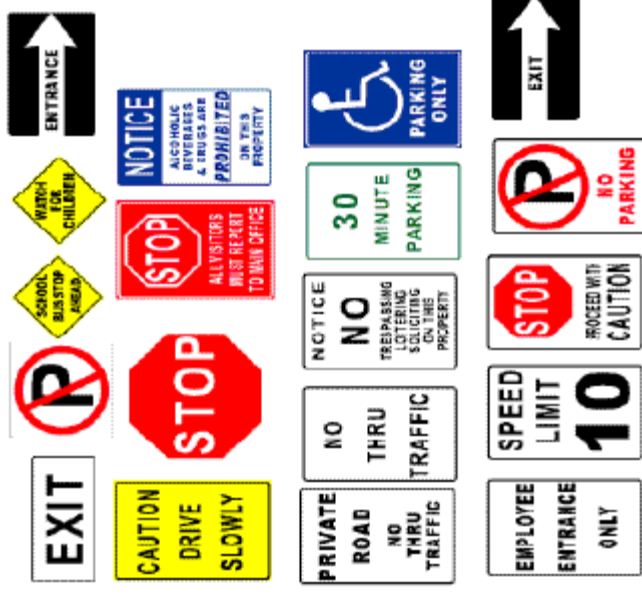


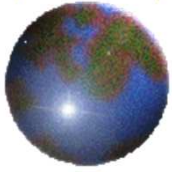
Relationship-based	Rule-based
High power distance	Low power distance
Shame-based	Guilt-based
High-context	Low-context
Corruption as bribery	Corruption as cheating



✪ In **low-context** cultures,

- ✪ There are many **signs**, timetables, maps.
- ✪ **Contracts** are written, long, and detailed.
 - Fixed once signed.
 - Disputes resolved by lawsuits.
- ✪ People expect the rules to be in writing.
- ✪ People **pay attention to written rules**.
 - Example: restroom sign.





🌐 In **high-context** cultures,

- ❏ People already know what to do.
- ❏ **Contracts** are vague, verbal, or nonexistent.
 - Except in “low uncertainty tolerance” cultures, e.g. Latin America.
 - Agreements evolve with the situation.
 - Legal system weak.
 - Disputes resolved by negotiation.
- ❏ People **don’t pay attention to written rules.**
 - But good for high-tech information transfer.

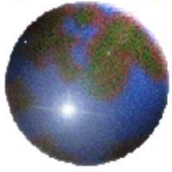




Corruption

- ✚ **Corruption** is behavior that undermines a cultural system.
- ✚ So corrupting behavior is **different** across cultures.



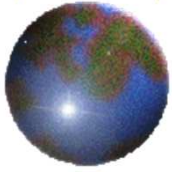


Relationship-based	Rule-based
High power distance	Low power distance
Shame-based	Guilt-based
High-context	Low-context
Corruption as bribery	Corruption as cheating



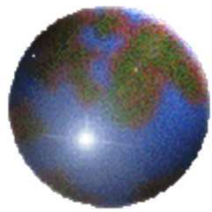
- 📍 In relationship-based cultures, **bribery** is common.
 - ❏ Also kickbacks, facilitating payments.
 - ❏ Short cut to relationship building.
 - ❏ System is **slow** but **stable**.
 - e.g., Chinese economy





- 📍 In rule-based cultures, **cheating** is common.
 - ❏ Income tax evasion, business scandals, plagiarism.
 - ❏ Relatively little supervision.
 - ❏ System is **efficient** but **unstable**.





Competition and risk





Two more classifications

- ⊕ These do not necessarily correlate with rule-based/relationship-based or with each other.

Masculine	Feminine
Uncertainty tolerant	Uncertainty avoiding



Masculine/feminine

- The distinction can be understood in two ways...



Masculine	Feminine
Uncertainty tolerant	Uncertainty avoiding



Masculine/feminine

- Attitude toward **masculine values**.
 - Masculine*: Men are expected to be **tough**.
 - Feminine*: Men & women more **similar**.



- Attitude toward **competition**.
 - Masculine*: **competition** valued.
 - Feminine*: **cooperation** valued.





Masculine values

Masculine Feminine

Japan USA, UK, Ireland Philippines India	
Bantu cultures in Africa Arab cultures Eastern Slavic cultures <i>Machismo</i> cultures	Scandinavia Western Slavic cultures Thailand

Competitiveness
Feminine
Masculine



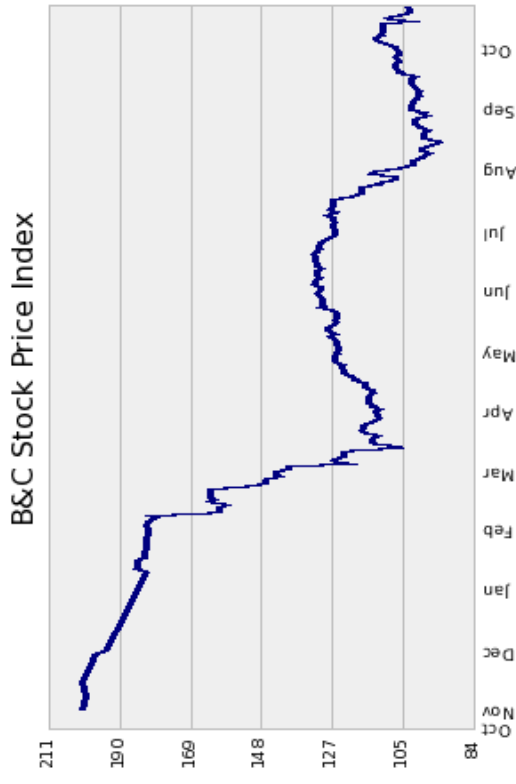
This is not
machismo





Uncertainty

- Attitudes toward unpredictability in life...

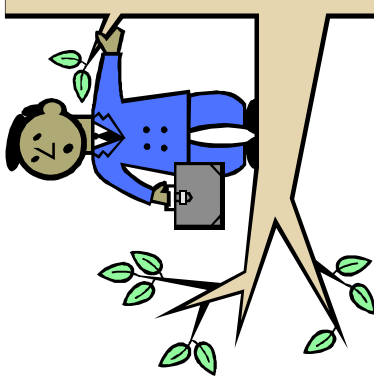


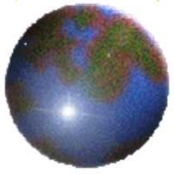
Masculine	Feminine
Uncertainty tolerant	Uncertainty avoiding



Uncertainty

- 🌀 Uncertainty tolerant:
 - ❑ Willing to take risks.
 - ❑ Entrepreneurial in business.
 - ❑ Comfortable with travel, relocation.





Uncertainty

- 📍 Uncertainty avoiding:
 - ❏ Prefer familiar surroundings.
 - ❏ Risk-averse in business.
 - ❏ Dysfunctional bureaucracy serves as ritual.



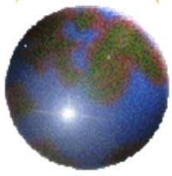


Uncertainty

🌐 Some uncertainty avoiding cultures:

- 🇬🇷 Greece.
- 🇱🇦 Latin America.
- 🇷🇺 Slavic cultures.
- 🇧🇪 Belgium.
- 🇫🇷 France.

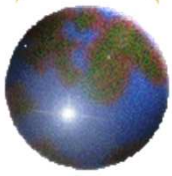




Uncertainty

- Some uncertainty tolerant cultures:
 - U.K.
 - USA.
 - Hong Kong & coastal Chinese.
 - Singapore.





Uncertainty

- Case study: Russia
 - Feminine culture
 - Mother Russia
 - Aversion to competition
 - Post-Soviet failure of market system
 - Uncertainty avoiding culture
 - Fear of foreigners, reluctance to emigrate.
 - Created buffer states, first to the west, now to the south.

