Understanding Cultural Differences The Values in a Cross-Cultural Context

Article · January 2008

2 authors:

Vesa Routamaa
University of Vaasa
16 PUBLICATIONS **110** CITATIONS

SEE PROFILE

Tiina M. Brandt (nee Hautala)
Haaga-Helia ammattikorkeakoulu
48 PUBLICATIONS **436** CITATIONS

SEE PROFILE

Understanding Cultural Differences
The Values in a Cross-Cultural Context

Vesa Routamaa* and Tiina M. Hautala**

Increasing migration, international business, foreign direct investments, expatriates´ work and any international cooperation require understanding of differences between cultures. For example business negotiations, expatriate professionals, management of foreign personnel, and running cross-cultural teams presuppose a good knowledge of cultural differences. However, research on expatriates indicates that failed expatriate assignments are still costly and numerous. Along with globalization, values from a cross-cultural perspective have awakened great interest in recent years. Value types and work goals of people differ in different cultures. Knowing the relationship between values and cultures can assist the business person or traveler in better understanding the intercultural differences within regions. Values in terms of value types and work goals were compared in two different cultures. The sample consisted of 390 Finnish people and 98 Pakistani people. It was found that there are culture-based stresses in the values and work goals that must be taken into consideration in international business. The study revealed that there is a certain amount of conformity among members of a society concerning their values.

Field of Research: International business, Cultures, Values

1. Introduction

International business, foreign direct investments, expatriates´ work and any international cooperation require an understanding of the differences between cultures. For example business negotiations, expatriate professionals, management of foreign personnel, and cross-cultural teams presuppose a good knowledge of cultural differences. Studies abound with recommendations on how to increase expatriate success in a new culture.

*Prof. Vesa Routamaa, Department of Management, University of Vaasa email: vmr@uwasa.fi
**Dr. Tiina M. Hautala, Department of Management, University of Vaasa email: thau@uwasa.fi

Black, Mendenhall and Oddou (1991) introduced three main skill areas that expatriates need to focus on to survive in a new culture: skills related to maintenance of self, skills relating to fostering relationships with host nationals and skills that promote a correct perception of the host environment and its social systems. Berry, Kim and Boski (1988, p.63) introduced three strategies for coping with this adjustment process. Expatriates can adjust psychologically by adjusting their behavior to the environment, or they can adjust by changing the environment, or they can move to a more congenial environment. Hofstede (1984, P.21) defines culture as 'the collective programming of the mind that distinguishes the members of one human group from another'. Tylor (1871) defined culture as 'that complex whole that includes knowledge, beliefs, art, laws, custom, and any other capabilities and habits acquired by man as a member of society'. Fundamental webs of culture constitute patterned ways of thinking, acting, feeling, and interpreting (see e.g. Kluckhohn 1951, p.86). Ronen (1986, p.18) sees culture as 'the frame of reference' of individuals, and Harris and Moran (1987, p.102) discuss the 'mental frameworks' which groups, organizations and nations develop. The more individuals conform with each other in terms of background variables such as nationality, education and sex, the more likely it is that they perceive their social environment similarly and in that way share the same subjective culture (Hofstede 1984). Dealing with values here, the subjective culture is of special interest instead over the objective culture, which is composed of the more concrete infrastructure (cf. Routamaa & Pollari 1998).

Hofstede's definition referring to the collective programming is a good frame of reference in which to analyze values in a cultural context. Studying work-related values at the societal level, Hofstede (1984) identified four dimensions: Power distance can be defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite, pertains to societies in which people are integrated into strong, cohesive groups from birth, which throughout their lifetimes continue to protect them in exchange for unquestioning loyalty. Uncertainty avoidance is defined as the extent to which the members of a culture feel threatened by uncertain or unknown situations. This feeling can be expressed through nervous stress and a need for predictability for example: a need for written and unwritten rules. Masculinity pertains to those societies in which social gender roles are clearly distinct, and femininity pertains to societies in which social gender roles overlap. (Hofstede, 1991, p.23-158) Also a fifth dimension, long-term versus short-term orientation, has later been identified in a survey with the Chinese Value Survey instrument carried out by M. H. Bond (Hofstede, 1993). Hofstede´s cultural dimensions serve well to explain the differences of values of different countries (Routamaa, Hautala & Mohsin 2007). For example, Pakistan and Arab economies represent more masculine and collective countries compared with feminine and individual North Europe, and, presumably, there are also some systematic differences in values.

2. Literature Review

Comparison of power distance and masculinity dimensions between Pakistan and Finland reveals that both are higher in Pakistan. Finland is characterized by a small-power distance, and a feminine cluster. In the individualism-collectivism dimension, Finland is in the individualism cluster whereas individualism is lower in Pakistan. Uncertainty avoidance is higher in Pakistan (See Table 1). In feminine cultures, the preference for resolving conflicts is compromise and negotiation. In masculine cultures, there is a feeling that conflicts should be resolved by a good fight: Let the best man win. In feminine cultures a humanized job gives more opportunities for mutual help and social contacts. The masculine leadership culture is assertive, decisive, 'aggressive', and a decision-maker is looking for facts rather more than a group-discussion leader. The management in a feminine culture is less visible, more intuitive than decisive and more consensus seeking than the counterpart in a masculine culture. In weak uncertainty avoidance, masculine cluster, achievement and esteem are typical whereas security and belongingness are typical of a strong uncertainty avoidance, feminine cluster. (Hofstede 1991, p. 92-94, p.125)

On the power distance and uncertainty avoidance dimension, Finland is in the clusters of small-power distance and strong uncertainty-avoidance, whereas Pakistan is in the clustesr of larger-power distance and a little stronger uncertainty avoidance. Countries with strong uncertainty avoidance but small power distance have organizations like the well-oiled machine model, the activities are structured without concentrating the authority. In the large-power distance, weak-uncertainty-avoidance countries, a family organization with an omnipotent owner-manager is characteristic; so a concentration of authority without structuring of activities may be observed (Hofstede 1991, p. 142-143).

Table 1. Hofstede's Cultural Dimensions in the Case of Pakistan and Finland

Cultural dimensions	**Pakistan**	**Finland**
Power distance	Quite High	Small
Masculinity	High	Feminine
Individualism-collectivism	Collectivist	Individualist
Uncertainty avoidance	Higher	Lower

Concerning values, along with globalization, value types from a cross-cultural perspective have awakened great interest in recent years (e.g. Hofstede, 1980, 1991; Schwartz, 1992; Schwartz & Bardi, 1997; Schwartz & Ros, 1995; Triandis, 1990; etc.). In accordance with Hofstede's 'social programming', values are seen as 'abstract social cognitions' that help people's adaptation to the environment (Claxton & McIntyre, 1996). According to Comte, value consensus is usually defined as concurrence among members of a society concerning their values (see Schwartz & Sagie, 2000). Theoretically, the types of values used here are based on Schwartz's (1992) and Schwartz and Boehnke's (2004) definitions. (Table 2). Concerning values at work, the comparison of work goals (indicating values at work) is based on Vunderink and Hofstede's (1998) list of items that measure their importance in one's ideal work. Only the top five work goals will be reported here.

Table 2. Types of values and sub-values of the study

Achievement - Implies personal success through demonstrating capabilities while respecting the social standards that the individual has to respect. Includes ambition, influence, capability, success, intelligence and self-respect.
Benevolence - Is associated with the values of being helpful, responsible, forgiving, honesty, loyal, and capable of mature love and true friendship.
Conformity - The restraints on action, inclination and impulses that are likely to upset or harm other individuals or groups and violate social norms or expectations are the relevant goals here. Includes obedience, self-discipline, politeness and honoring of parents and elders.
Hedonism - Pleasure and the sensuous gratification of oneself are the defining goals here, leading to pursuit of pleasure and enjoyment of life.
Power - The attainment of social status and prestige and control or dominance over others and resources define this motivational type. Includes social power, wealth, authority, preserving a public image and social recognition.
Security - Safety, harmony and the stability of society, of relationships and of self-preservation are the defining goals of this value type. Includes national security, reciprocation of favors, family security, a sense of belonging, social order, health and clean living.
Self-direction - Independent thought and action in choosing, creating, exploring creativity, freedom, choosing one's own goals, curiosity and independence.
Spirituality - Implies meaning and inner peace through the transcendence of everyday life. Includes a spiritual life, meaning in life, inner harmony and detachment.
Stimulation - Values derive from the assumed need of individuals and groups for variety and stimulation in order to maintain an ideal level of activity, motivating an exciting life, a varied life, and a daring outlook.
Tradition - It springs from commitment to, and acceptance of, the customs and ideals that are imposed by an individual's culture or religion. Includes tradition, devotion, acceptance of one's 'lot in life', humility and moderation.
Universalism - Understanding, appreciation, tolerance and protection for the welfare of all other people and of nature. Includes equality, unity with nature, wisdom, a world of beauty, social justice, broad-mindedness, protecting the environment and a world at peace.

3. Methodolgy and Research Design

The research aimed at comparing value types and work values in two different cultures in terms of Hofstede´s dimensions. The dimension of long-term versus short-term orientation was not concerned here because it is no qualified in either country. The sample consisted of 390 Finnish people and 98 Pakistani people who completed the questionnaires. Unquestionably, the samples were unequal in terms of size but it did not confuse proportional, item level analysis. For the value questionnaire (Schwartz), a 7-degree scale was provided for respondents to indicate how important the values

presented were. Because of cultural differences, the rankings of the sub-values will be compared and reported. The value dimensions obtained from US or Finnish data, for example, do not correspond those obtained from the Pakistani data, perhaps due to cultural differences and different conceptual and language surroundings. In order to measure work goals, a 5-degree questionnaire (Vunderink & Hofstede 1998) was administered. 22 items indicate how important it would be to a respondent to have the goals presented in an ideal job. Even though men and women were not compared here, it should be mentioned that the differences between male and female respondents were insignificant in the feminine and individual cultures. In collective and masculine cultures the rankings of values differed more even though the top fifteen values were about the same; the status of women is different.

4. Discussion of Findings

In Tables 3 and 4, the common values or work goals in both cultures are normal text, and differences are *italic*.

Table 3. Value Rankings of the Total Samples in Finland (left) and Pakistan (right).

All Finland (N=390)	All Pakistan (N=98)
1. Health	1. Self-respect
2. Family security	2. *Honoring of parents and elders*
3. True friendship	3. Family security
4. Self-respect	4. *Meaning in life*
5. Freedom	5. True friendship
6. Honesty	6. Health
7. Inner harmony	7. Inner harmony
8. *Enjoying life*	8. *Capability*
9. Loyalty	9. Freedom
10. *Responsibility*	10. Loyalty
11. *Mature love*	11. Honesty
12. *Equality*	12. *Successfulness*
13. *Sense of belonging*	13. *Cleanness*
14. *Independent*	14. *Social justice*
15. *Politeness*	15. *Helpful*

When comparing the samples in each culture, many common values in the top fifteen were found. Health, family security, true friendship, self-respect, freedom, inner harmony and loyalty were all common. The different values in feminine, individual cultures were enjoying life, responsibility, mature love, equality, sense of belonging, independent and politeness. Correspondingly, masculine and collective cultures value honoring of parents and elders, meaning of life, capability, successfulness, cleanness, social justice and being helpful. They all fit well in the characters of the cultures. Capability and successfulness (achievement) seem to be typical of the masculine culture, and also in

the collective culture group achievement is more important than independent responsibility.

The most honored value in the masculine and collective cultures was achievement in terms of self-respect. Conformity in terms of honoring parents and elders is also very important. Family security, health and cleanness were also highly valued which means that security is important in a collective and in a high-uncertainty-avoidance culture. Further, the meaning of life, true friendship, inner harmony, freedom, and loyalty were also in the top fifteen. For example, the top place of self-respect and the placement of capability (both typical of achievement) in the top fifteen may be derived from the masculine culture where power and effectiveness are honored. In an individual culture, personal health, independence and to some degree freedom seem to be more important than in a collective culture. As single sub-values, true friendship and family security seem to be of great importance in both cultures, probably due to both collectivism and feminism. The most typical culture based value in feminine and individual culture is enjoying life, not highly ranked in the masculine culture.

Table 4. Work Goal Values of the Total Samples in Finland and Pakistan.

All Finland (N=390)	All Pakistan (N=98)
1. Sufficient time left for personal life 2. Fully using skills and abilities on the job 3. *Challenging tasks to do* 4. A good working relationship with supervisor 5. *Work with people who cooperate well*	1. Fully using skills and abilities on the job 2. *Get the deserved recognition when doing a good job* 3. *Make a real contribution to the success of the company* 4. *An opportunity for advancement to higher jobs* 5. A good working relationship with supervisor/ Sufficient time left for personal life

Comparing the work values in the samples (Table 4), feminine, individual culture has two differences in the top five that are 'Challenging tasks to do' and 'Work with people who cooperate well'. Instead, 'Get the deserved recognition when doing a good job', 'Make a real contribution to the success of the company' and 'An opportunity for advancement to higher jobs' were more typical in masculine, collective culture. Typical for feminine, individual culture is that having sufficient time left for personal life is number one whereas in masculine, collective cultures it is narrowly last on the list. People's relation to work differ quite a lot between cultures.

5. Conclusion

This study confirmed the results of earlier studies that posit that there are culture-based stresses in the values that must be taken into consideration in international business. Secondly, the study revealed that there is a certain amount of conformity among members of society concerning their values. That is there may be some shared values over the individual values. The most typical values for the high power distance, high uncertainty avoidance, collectivism and masculinity culture were particularly self-respect, capapility, success (achievement) and honoring of parents and elders but also inner harmony and meaning of life, family security, social order, health and clean living. Enjoyment of life, mature love and true friendship, family-security, self-direction, independence and partly spirituality in terms of inner harmony were valued in the opposite culture. It may be noted that, for example, power, tradition, and universalism were not on the top of rankings.

Concerning work goals, using skills and abilities on the job was most valued by respondents of masculine, collective culture. To get the deserved recognition when doing a good job and to make a real contribution to the success of the company were also at the top of valued work goals suiting well the masculine, achievement culture. Along the same lines was also having an opportunity for advancement to higher jobs. In global business, the business person or traveler should recognize the intercultural differences within regions in order to succeed in business or leisure relationships. As was noted, for example, true friendship and having good working relationship with the supervisor were highly valued in both cultures. The great number of unsuccessful expatriate recruitments is a good example of the limited understanding of cultural and personality differences of values and work goals. In the individual and feministic culture, having sufficient time left for personal life was the most important work goal. Also having challenging tasks was felt as valuable. Working with people who cooperate well was also emphasized in the feministic culture.

To succeed as a manager in a foreign culture requires training and coaching in self-knowledge and the relevant cultural differences in terms of values and work goals. For example, a manager in a masculine, collective, high-power distance, and high-uncertainty-avoidance culture has to take into account achievement and security which demand quite task-oriented leadership behavior while benevolence and self-direction require a certain degree of human orientation. Also honoring spiritual values may be hard to manage for a western manager. A manager coming from an individualistic and feminine culture may also experience difficulties in applying a task oriented and collective leadership style when used to functioning in work communities colored by hedonism and benevolence. Correspondingly an expatriate coming from a high-power distance, high uncertainty avoidance, collectivist and masculine culture to the opposite culture may feel insecure and inactive in an un-collective milieu of hedonism. In a global business world, business communities are more multicultural, irrespective of which country they are located in. That is why knowledge of cultural dimensions, values, and knowledge of the relationships between them is a big challenge for leaders. In further study, individual differences of values in terms of personality in a cultural context should be discovered (e.g. Routamaa & Rautiainen 2002). As found by Routamaa & Pollari (1998), in different cultural contexts, the values have different weights but mostly the relationship structure between personality types and values is similar.

References

Berry, J.W., Kim, U. & Boski, P. 1988, 'Psychological Acculturation of Immigrants' in *Cross-cultural adaptation: Current approaches,* ed. Kim.Y.Y & Gudykunst W.B., Sage Publications, Inc, California.

Black, S., Mendenhall, M. & Oddou, G. 1991, 'Toward a comprehensive model of international adjustment: An integration of multiple theoretical perspectives', *Academy of Management Review* vol.16, no. 2, pp. 291-317.

Claxton, R.P. and McIntyre, R.P. 1996, Cognitive style as a potential antecedent to values, *Journal of Social Behaviour and Personality*, vol. 11, no. 2, 355-373.

Harris, P. R., & Moran, R.T. 1987, *Managing Cultural Differences*, 2nd ed., Gulf Publishing Co, Houston.

Hofstede, G. 1980, *Culture's consequences: International differences in work-related values*, Sage, Beverly Hills, CA.

Hofstede, G.,1984, *Culture's Consequences: International Differences in Work Related Values.* Sage, Beverly Hills CA.

Hofstede, G. 1991, *Cultures and organizations: Software of the mind,* Macmillan, London.

Hofstede, G. 1993, 'Cultural Constraints in Management Theories', *Academy of Management Executive*, vol. 7, no. 1, pp. 81-94.

Kluckhohn, C.1951, 'The Study of Culture', in *The Policy Sciences* eds. Lehner, D. & Lasswell, H.D.*,* Stanford University Press, Stanford.

Ronen, S. 1986, *Comparative and Multinational Management*, in Managing the MNC (Eds),John Wiley and Sons, New York, NY, 516-52.

Routamaa, V., T. M. Hautala and M. Mohsin 2007, Managing Cultural Differences: Values and Work Goals in Culture and Personality Contexts*. Proceedings of the 10th International Conference Creativity & Innovation: Imperatives for Global Business and Development,* August 8-11, Kyoto Japan

Routamaa, V. & Pollari, A-M. 1998,   Leadership Styles in the Cultural Context - A Comparison of Finnish and South African Managers. *Proceedings of the*

Psychological Type and Culture–East and West: Third Multicultural Research Symposium, January 9-11, 1998, Waikiki, Hawaii.

Routamaa, V. & Rautiainen, L. 2002, Type and Expatriate Adjustment in a New Culture. *Proceedings of the Conference Working Creatively with Type and Temperament* 19 - 22 September 2002, Sydney

Schwartz, S. H. 1992, Universals in the content and structure of values: Theory and empirical tests in 20 countries. In M. Zanna (Ed.), *Advances in experimental social psychology* 25, 1-65. New York: Academic Press.

Schwartz, S. H.,& Bardi, A. 1997, Influences of adaptation to communist rule on value priorities in Eastern Europe. *Political Psychology*, vol. 18, no. 2, pp. 385-410.

Schwartz, S.H. and Boehnke, K. 2004, Evaluating the structure of human values with confirmatory factor analysis. *Journal of Research in Personality*, vol. 38, no. 3, pp. 230-255.

Schwartz, S. H., & Ros, M. 1995, Values in the West: A theoretical and empirical challenge to the individualism-collectivism cultural dimension. *World Psychology*, no. 1, pp. 99-122.

Schwartz S. & Sagie G. 2000, Value Consensus and Inportance, A Cross-National Study. *Journal of Cross-Cultural Psychology*, vol. 31, no. 4, pp. 465-497

Triandis, H. C. 1990, Cross-cultural studies of individualism and collectivism. In J. Berman (Ed.), *Nebraska Symposium on Motivation, 1989* pp. 41-133. Lincoln: University of Nebraska Press.

Tylor, E.B. 1871, *Primitive Culture.* Smith, Gloucester.

Vunderink, M. & Hofstede, G. 1998, 'Femininity shock. American students in the Netherlands' in *Masculinity and femininity: The taboo dimension of national cultures*, ed. G. Hofstede, Sage, Thousand Oaks, CA.