



Universiteit Antwerpen
| Faculteit Bedrijfswetenschappen
en Economie

Cross-cultural management & Organizational culture

2024-2025

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Structuur cursus

● Afspraken	Slides
● Concept: Wat is strategie?	Slides/lesmateriaal + H2 cursus
● Concept: Concurrentievoordeel en waardecreatie	Slides/lesmateriaal + H3 cursus
● Techniek: Externe analyse	Slides/lesmateriaal + H4 cursus
● Techniek: Interne analyse en kerncompetenties	Slides/lesmateriaal + H5 cursus
● Strategische keuze: Groei- en portfoliostrategie	Slides/lesmateriaal + H7 cursus
● Organisatie & opvolging: Duurzaamheid	Slides/lesmateriaal
● Organisatie & opvolging: Cultuur	Slides/lesmateriaal + H8 cursus

Today's class

- PART I - Is culture a “side dish”?
- PART II - What is “culture”? Towards a definition of culture
- PART III - Implications for management
- PART IV – Organizational culture



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Is culture a “side dish”?

Internationalization leads to a common culture worldwide (or not?)

- Are management principles truly universal?
 - Some examples
 - MBO (Management-By-Objectives) – follow preconceived policy guidelines
 - USA?
 - Southern Europe?
 - Pay-for-performance – can individual members of a group excel?
 - USA?
 - UK?
 - Asia?

Internationalization leads to a common culture worldwide (or not?)

- The meaning of products to people in different cultures
- Globalization
 - One global market
 - Similar lives?
 - Same products?



The meaning of products to people in different cultures

- Product positioning

- McDonalds

- USA?
 - Manila?

- Ford Focus Sedan

- USA? About 16,000-18,000 US\$ (= about 13,000 Euro)
 - Brazil: About R\$72,000 ~= 32,000 US\$ (= about 23,000 Euro)



Try to understand what eating hamburgers, buying a specific car, ... **MEANS** in different cultures

Internationalization leads to a common culture worldwide (or not?)

- Product adaptation
 - Example: Refrigerators
 - Japanese < European < American
 - → Coca-Cola bottles!!
- Advertising campaigns
 - Example: Pepsodent – Southeast Asia
 - Example: PepsiCo: Taiwan:
 - “Come alive with Pepsi”
 - "Pepsi brings your ancestors back from the dead"





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What is “culture”? Towards a definition of culture

What is culture

Attention points?

Definition

- “Culture is the collective programming of the human mind that distinguishes the members of one human group from those of another. Culture in this sense is a system of collectively held values.” -- Geert Hofstede
- “The institutionalized cultural belief systems that shaped interpretation, meaning and action at local level” -- Vaughan, 1998
 - Collective programming – collectively held values
 - Distinguishes members of one group from those of another
 - Shape interpretation, meaning and action

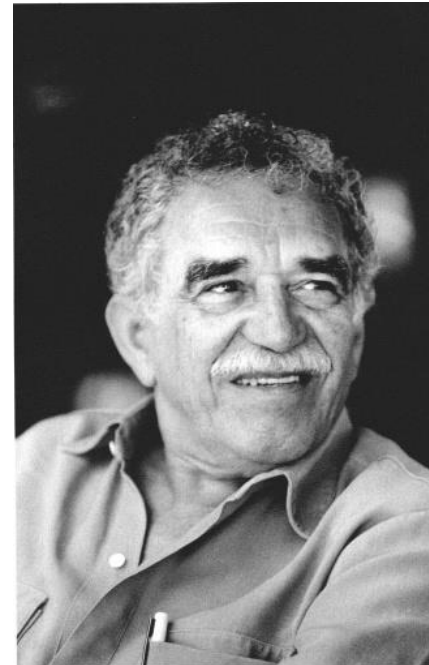
What is culture

Multidimensional

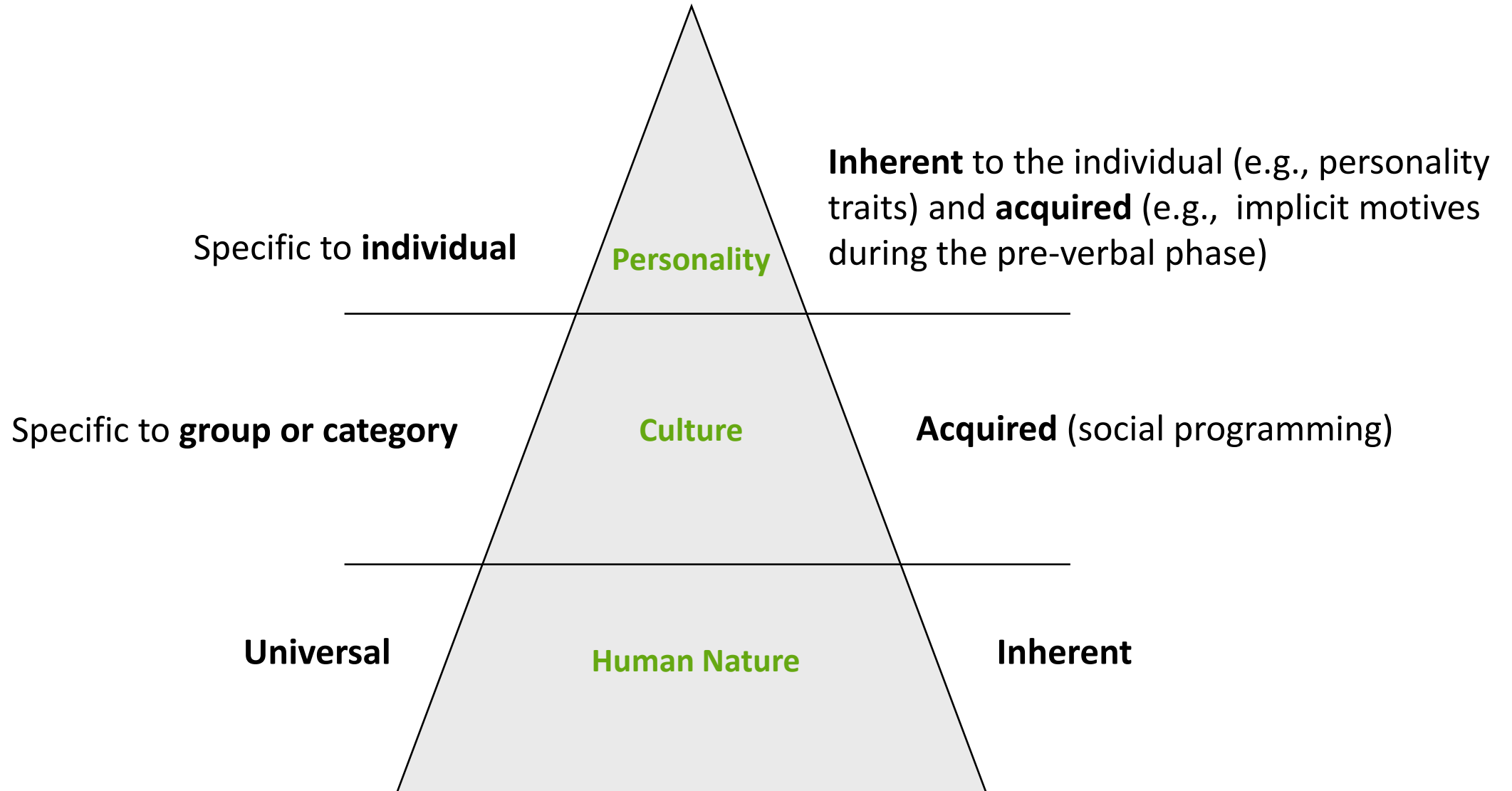


What is culture

- Low vs. high culture:
 - High culture = arts, music, literature, painting, etc...
 - Low culture = values, practices acquired and shared by people in a group
 - Software of the Mind -- Geert Hofstede



Human Mental Programming

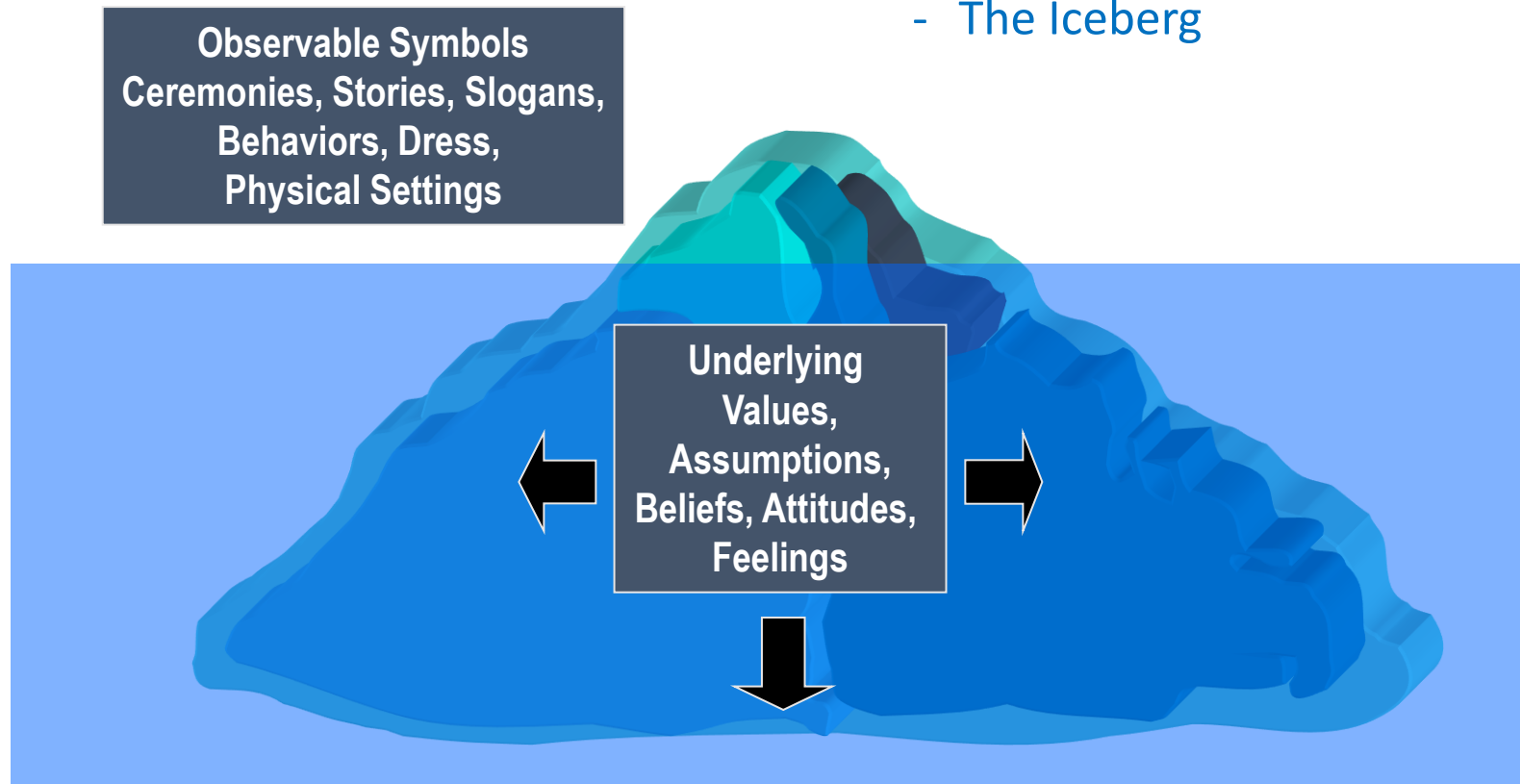


Break out

- 10 minutes
- Discuss in group – reflect upon your experiences in another culture
 - Give 5 “things” that you do/did not like about this culture (strange, distasteful, ...)
 - Give 5 “things” that you particularly like/liked about this culture
 - Appoint spokesperson

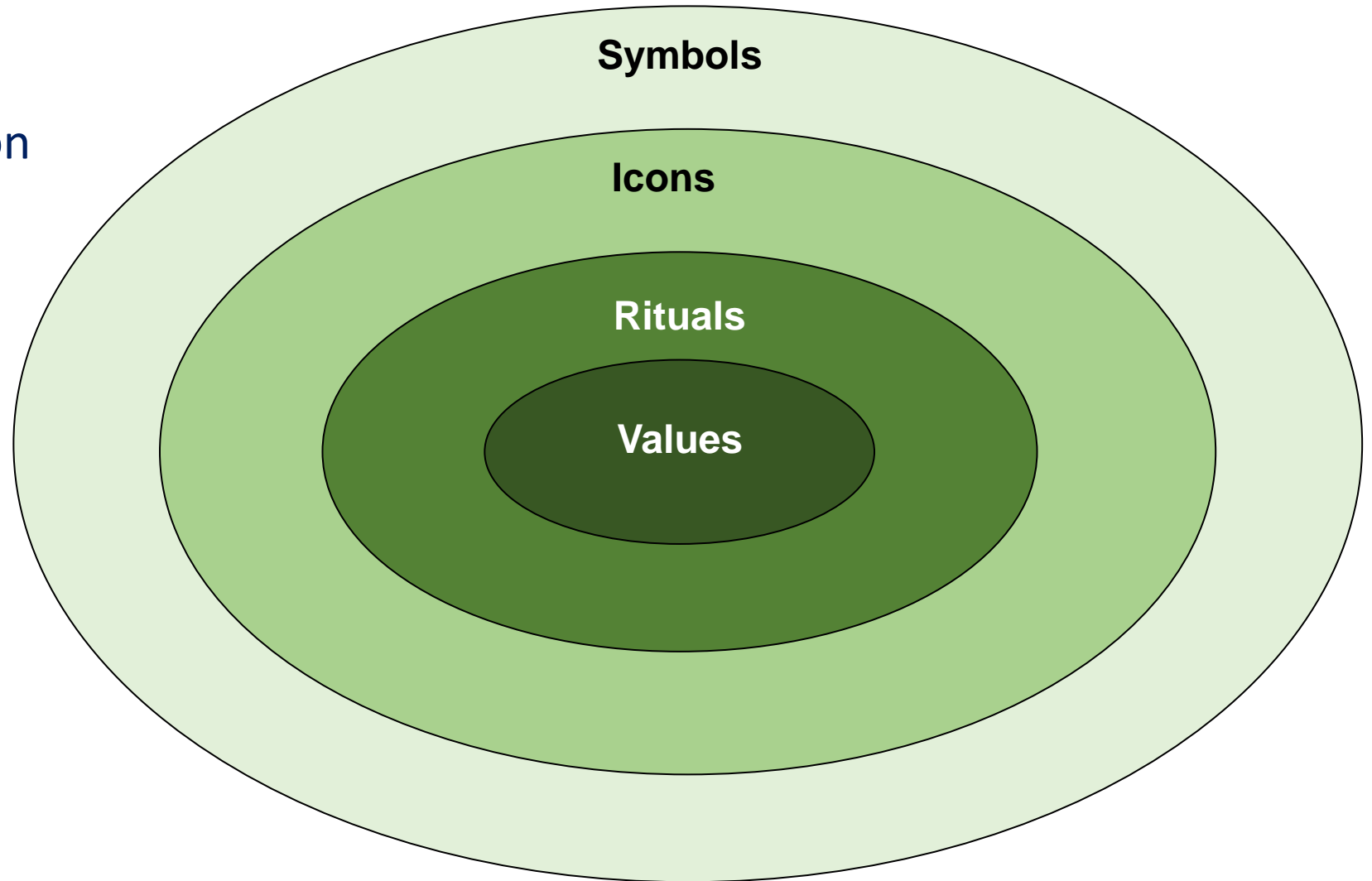
Elements of culture

- Cultural models
 - The Iceberg



Elements of culture

- Cultural models
 - Culture like an onion
 - Geert Hofstede



Break out

- 10 minutes
- Fill out the iceberg, thinking about the most important things you like(d) and dislike(d) about the culture you discussed in the first exercise
 - What might be the underlying values, assumptions, beliefs, attitudes, ... ?
- Compare these “likes” and “dislikes” with the iceberg from your own (Belgian) culture
 - What might be the differences in underlying values, assumptions, beliefs, attitudes, ...?
- Appoint spokesperson

Understanding cultural differences thanks to...

- dimensions of national culture (Hofstede)
 1. Power distance index (PDI)
 2. Individualism versus Collectivism (IDV)
 3. Masculinity versus Femininity (MAS)
 4. Uncertainty avoidance index (UAI)
 5. Long term orientation versus Short term orientation (LTO) – remark: Hofstede used to call this dimension “Pragmatism (Long term) – Normatism (Short term)” (PRA)
 1. For the first time added in 1991, as PRA. In 2010, some small adjustments have been made to this dimension.
 6. Indulgence versus Restraint (IND)
 1. For the first time added in 2010. Rather new dimension, not yet widely replicated!
- Important! No absolute meanings! Always relative (rank!!)

National culture – Dimensions

Power distance index → inequality

- “The degree to which the less powerful members of a society accept and expect that power is distributed unequally. [...]
- People in societies exhibiting a large degree of power distance accept a hierarchical order in which everybody has a place and which needs no further justification.
- In societies with low power distance, people strive to equalize the distribution of power and demand justification for inequalities of power.” (Hofstede)

Thus: the higher the **PDI**, the more **unequal distribution of power** is accepted & expected

How do you think that the USA score on the PDI, compared to Belgium?

National culture – Dimensions

Power distance index → inequality

- High PDI = unequal distribution of power is accepted & expected
- USA versus Belgium (and some other countries)
- For example
 - Malaysia: 95 (1)
 - France: 68 (15/16)
 - Belgium: 65 (20)
 - USA: 40 (38)
 - Austria: 11 (53) (lowest score)

High PDI



Low PDI

National culture – Dimensions

Individualism/collectivism → group-oriented or not?

- “The high side of this dimension, called individualism, can be defined as a preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families.
- Its opposite, collectivism, represents a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty.
- A society's position on this dimension is reflected in whether people’s self-image is defined in terms of “I” or “we” (Hofstede)

The higher **IDV**, the more individualistic

How do you think that the USA score on IDV, compared to Belgium?

National culture – Dimensions

Individualism/collectivism → group-oriented or not?

- High IDV = individualistic
- USA versus Belgium (and some other countries)
- For example
 - USA: 91 (1)
 - Belgium: 75 (8)
 - France: 71 (10/11)
 - Guatemala: 6 (53)

High IDV



Low IDV

National culture – Dimensions

Masculinity/femininity (MAS)

Masculinity Traditional male gender role	Femininity Traditional female gender role
<ul style="list-style-type: none">▪ Assertive▪ Hard▪ Tough▪ Achievement▪ Work▪ Performance▪ => Society at large is more competitive	<ul style="list-style-type: none">▪ Modest▪ Soft▪ Tender▪ Care▪ Leisure▪ Service▪ => Society at large is more consensus-oriented

High MAS = society at large is **more competitive**

How do you think that the USA score on MAS, compared to Belgium?

Japan: 95 (1)
USA: 62 (15)
Belgium: 54 (22)
France: 43 (35/36)
Sweden: 5 (53)



National culture – Dimensions

Uncertainty Avoidance → level of anxiety

- “The uncertainty avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity.
- The fundamental issue here is how a society deals with the fact that the future can never be known: should we try to control the future or just let it happen?
- Countries exhibiting **strong UAI** maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas.
- **Weak UAI** societies maintain a more relaxed attitude in which practice counts more than principles.” (Hofstede)

The **higher UAI**, the more **rigid codes** of belief and behavior

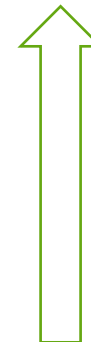
How do you think that the USA score on UAI, compared to Belgium?

National culture – Dimensions

Uncertainty Avoidance → level of anxiety

- The **higher UAI**, the more **rigid codes** of belief and behavior
- USA versus Belgium (and some other countries)
- For example
 - Greece: 112 (1)
 - **Belgium: 94 (5/6)**
 - France: 86 (10/15)
 - **USA: 46 (43)**
 - Singapore: 8 (53)

High UAI



Low UAI

National culture – Dimensions

Pragmatic versus Normative (PRA) (originally, has been developed to better understand Asian cultures)

- Also called: Long term orientation (Pragmatism) versus Short term orientation (Normative) (LTO)
- “This dimension describes how people in the past, as well as today, relate to the fact that so much that **happens around us cannot be explained.**”
- In societies with a **normative orientation** most people **have a strong desire to explain as much as possible.**
 - People in such societies look at societal change with suspicion
 - They exhibit great respect for social conventions and traditions,
 - A relatively small propensity to save for the future, and
 - A focus on achieving quick results.
- In societies with a **pragmatic orientation**, most people **don’t have a need to explain everything**, as they believe that it is impossible to understand fully the complexity of life.
 - The challenge is not to know the truth but to live a virtuous life. In societies with a pragmatic orientation, people believe that truth depends very much on situation, context and time.
 - They show an ability to accept contradictions, adapt according to the circumstances => highly value efforts in modern education
 - A strong propensity to save and invest, thriftiness, and
 - Perseverance in achieving results.

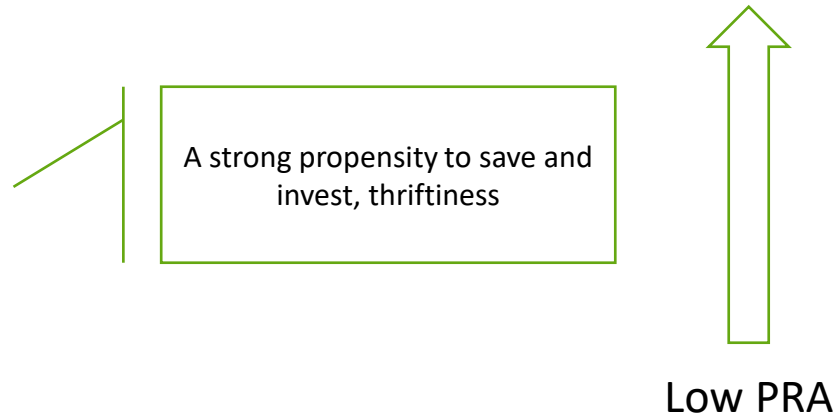
National culture – Dimensions

The higher PRA, the more pragmatic

How do you think that the USA score on PRA, compared to Belgium?

- For example

- Japan: 88
- China: 87
- Belgium: 82
- France: 63
- USA: 26



National culture – Dimensions

- **Indulgence (IND)**

- “Free” gratification of basic and natural human drives
- Enjoy life and have fun

- **Restraint**

- Society suppresses gratification of needs
- Strict social norms

- Remark: “New” dimension, not much research done

- Examples: higher score = more “indulgence”

- Ukraine: 18
- China: 24
- Taiwan: 49
- **Belgium: 57**
- **United States: 68**



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Implications for management

Break out (20')

Doing business in Europe. Which differences would you expect (at a business level!), now you know Hofstede's dimensions?

- 2. USA & Europe on IDV? Implications for business?
- 3. Combinations PDI & IDV in Belgium & France?

	Power	uncertainty	Individualism	Masculinty
Belgium	65	94	75	54
Netherlands	38	53	80	14
Germany	35	65	67	66
France	68	86	71	43
U.K.	35	35	89	66
Spain	57	86	51	42
Italy	50	75	76	70
Sweden	31	29	71	5
Norway	31	50	69	8
Japan	54	92	46	95
U.S.A.	40	46	91	62

4. The USA versus BE, combining MAS and UAI.

1. High versus low PDI in business?

The impact from culture on business

- Some examples related to Hofstede's dimensions – **Power distance index**
 - France: high score: 68; Belgium high score of 65
 - USA: mid to low score of 40
 - The Netherlands: mid to low score of 38
 - Finland, Norway, Sweden, Denmark: low scores (33-18)

High PDI	Low PDI
Autocratic decision-making style – MBO often does not work well	Participative decision-making style, and managers also expect this!
Hierarchy is of an existential nature, regardless of whether you meet a superior in the office or at the beach	Hierarchy is an inequality of roles, your superior will act differently depending whether he/she is performing his/her function or not
Power holders should look as powerful as possible	Power holders tend to play down the difference between them and their subordinates
Organizations tend to be more hierarchical, often differences between people on the top in terms of qualifications	Organizations tend to be less hierarchical
Power tends to be centralized (cfr. our discussion of bringing power to the regions)	Power tends to be decentralized

The impact from culture on business

- **Individualism versus Collectivism (IDV)**

- The USA score the highest (91) of all countries on IDV!
- In Europe, also high scores for the Netherlands (80), Belgium (75), Denmark (74), Sweden (71), France (71)
- Only Greece (35) scores mid to low on IDV

- **High IDV (most European countries and the USA)**

- Autonomy is favored
- The management is the management of individuals, and the recognition of one's work is expected
- Equal rights for everybody

- **The Belgian and French “tension”**

- High PDI, in combination with high IDV
 - People can voice their opinion, BUT towards power holders a less direct style is preferred than amongst peers
 - We thus need hierarchy (PDI) but also highly value individual opinion and expect recognition for our personal work. This is often a difficult balance!
 - Often solved by a second “level” of communication => having a personal contact with everybody in the structure; “everybody is important”, although unequal

The impact from culture on business

Masculinity versus Femininity (MAS)

- BE (54) intermediate score
 - Because of intermediate score, contradictions can be found!
 - Decision-making process can be slower than in the USA, because a confrontational win-loose negotiating style is often not very effective
 - Slower because... Consensus needs to be achieved
 - BUT: there are some remarkable differences between the Flemish and Walloon region.
 - Flanders: 43 versus Walloon region: 60
 - Flanders thus has a more feminine culture (cfr. the Netherlands, with a very feminine score (14))
- The USA (62) rather high
 - In combination with high score on IDV (91)
 - Americans tend to show their masculine drive individually
 - Interestingly, the UK also scores high on IDV (89) and MAS (66), but scores relatively lower on UAI (33 vs 46)
 - Americans will thus show you the “masculine” drive and importance of the individual up-front (through rules & procedures). British will not show this up-front but equally value this

The impact from culture on business

Uncertainty avoidance index (UAI)

- The USA score below average (46)
 - Acceptance of new ideas, innovative products, willingness to try something new
 - 9/11 => rules?
- Belgium scores very high (94)
 - Certainty is reached through academic work (consultants!)
 - Rules and security are welcome, and if lacking, it creates stress
 - Planning ahead!!
- Critique: there are few countries where rule orientation is as high as in the USA, yet this country has a rather low UAI score (46)!
 - Might UAI actually measures the tendency people express emotions?
 - Latin American cultures (Italy, Spain, ...) tend to score higher on this dimension

The impact from culture on business

Additional culture-related examples

Etiquette:

- Gift giving
 - Western countries: Not very important ritual, there are even often legal restrictions with respect to the maximum value of a gift!
 - Asia: Essential element of building a good relationship & Gifts are traditionally not opened in front of the giver
- Dining
 - France: Business lunch is used to probe the other party's education and culture
 - China: The way you eat is carefully observed
 - Eating slowly = a patient businessperson,
 - Happily trying food you never had before indicates flexibility,
 - Politeness and formality means that you will be careful to save face

The impact from culture on business

- Additional culture-related examples
- Space
 - Interpersonal distance
 - USA – 46-51 cm
 - Belgians – 60-65 cm
 - Latin Americans – 36-38 cm
 - Middle East – 23-25 cm
 - Office space
 - Western countries – office size is correlated to the person's rank in the company
 - Japan – managers sits together with his workers

Break out

- 10'
- See exercise characteristics next slide
- Which country are we talking about? You can use today's slides! Explain based on Hofstede's dimensions (first 4 dimensions)
 - Country BBB is...
- Appoint spokesperson

Country BBB is...

- Working practices
 - Arriving for business appointments 10-15 minutes after the scheduled time is not considered late and is therefore acceptable in BBB.
 - Generally speaking in BBB business culture, unless specifically stated, deadlines are open to negotiation.
 - Business organisations in BBB are highly organised and well structured. Consequently, rules and administrative practices are favoured over effectiveness or flexibility.
- Structure and hierarchy
 - There exists a strong, vertical hierarchy in BBB business culture. BBB bosses generally take a dictatorial and authoritative approach.
 - It is essential that you work successfully with all levels of the business organisation, despite the clear hierarchical structure.
 - In BBB business culture only the highest individual in authority can make the final decision.
- Working relationships
 - The BBB have an inherent sense of privacy exhibited in their definite distinction between business and personal life. Respecting this privacy is particularly important when working in BBB.
 - In accordance with BBB business culture, relationships must be formed first before business can begin.

Country BBB is...

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Organizational culture

Organizational culture

- Emergence of culture
 - Founder/early leader
 - IF ideas lead to success:
 - Institutionalization
 - Organizational culture emerges



Organizational culture

- Purpose of culture: functions:
 - Internal integration
 - Collective identity
 - Commitment
 - Directing behaviour
 - External adaptation
 - Goals
 - Outsiders

→ Improve Performance

Organizational culture

- Organization design and culture

- Corporate culture:

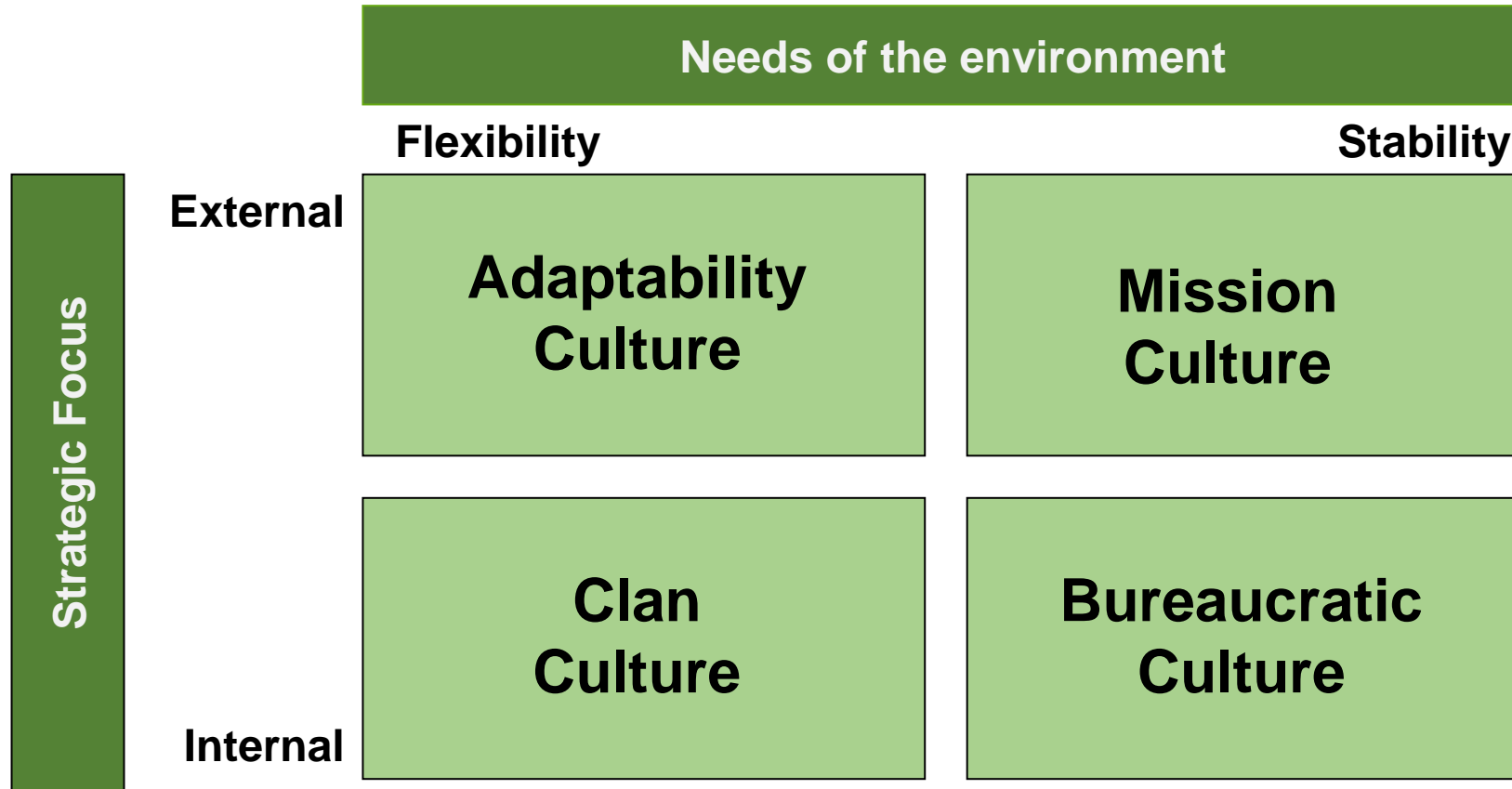
- Reinforcement of strategy & structural design
 - Why? → to be effective within its environment

- Dimensions

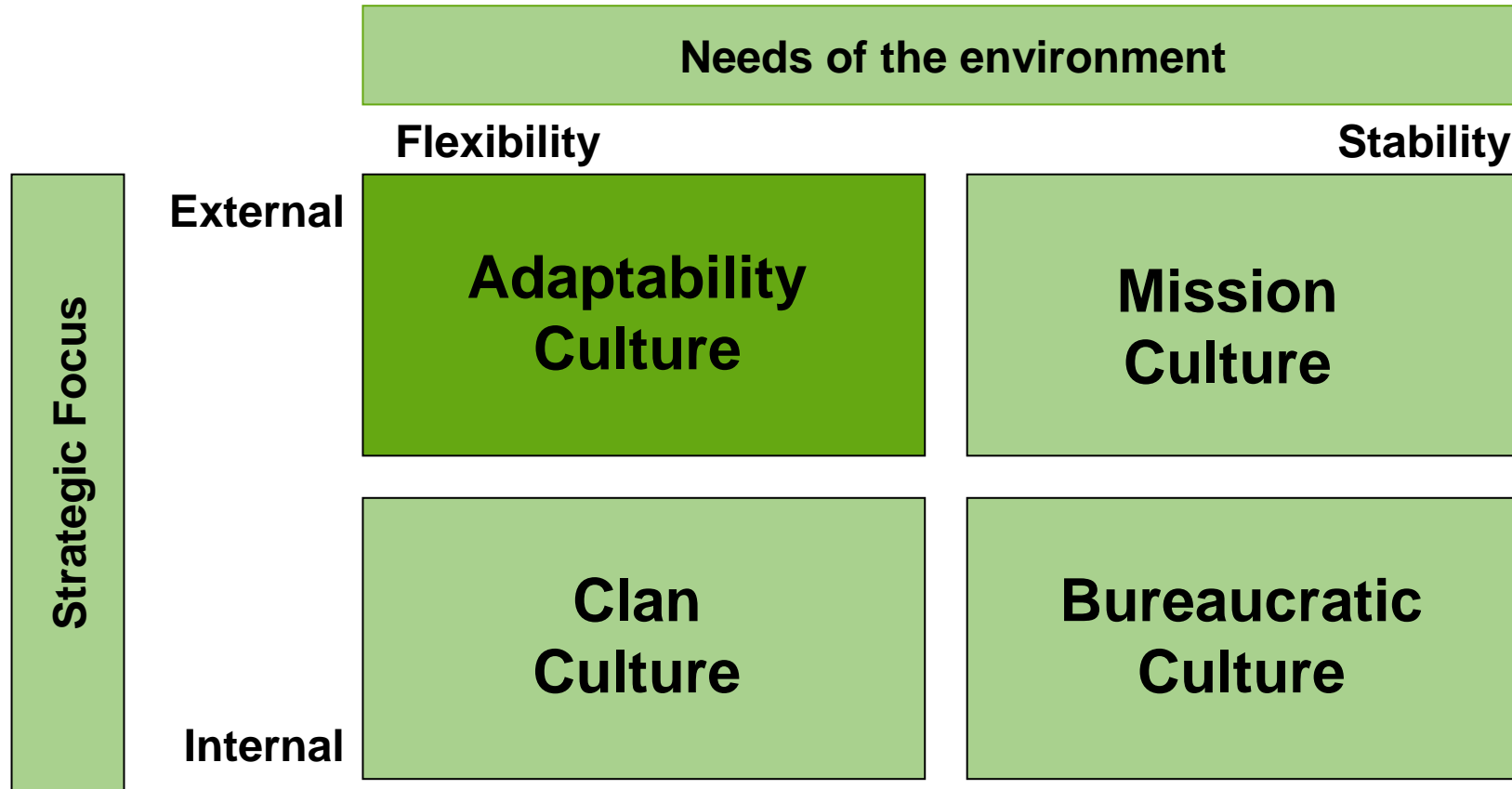
- Needs of the environment
 - Strategic focus

→ 4 categories of corporate culture: relate to the fit among cultural values, strategy, structure and environment

Organizational culture



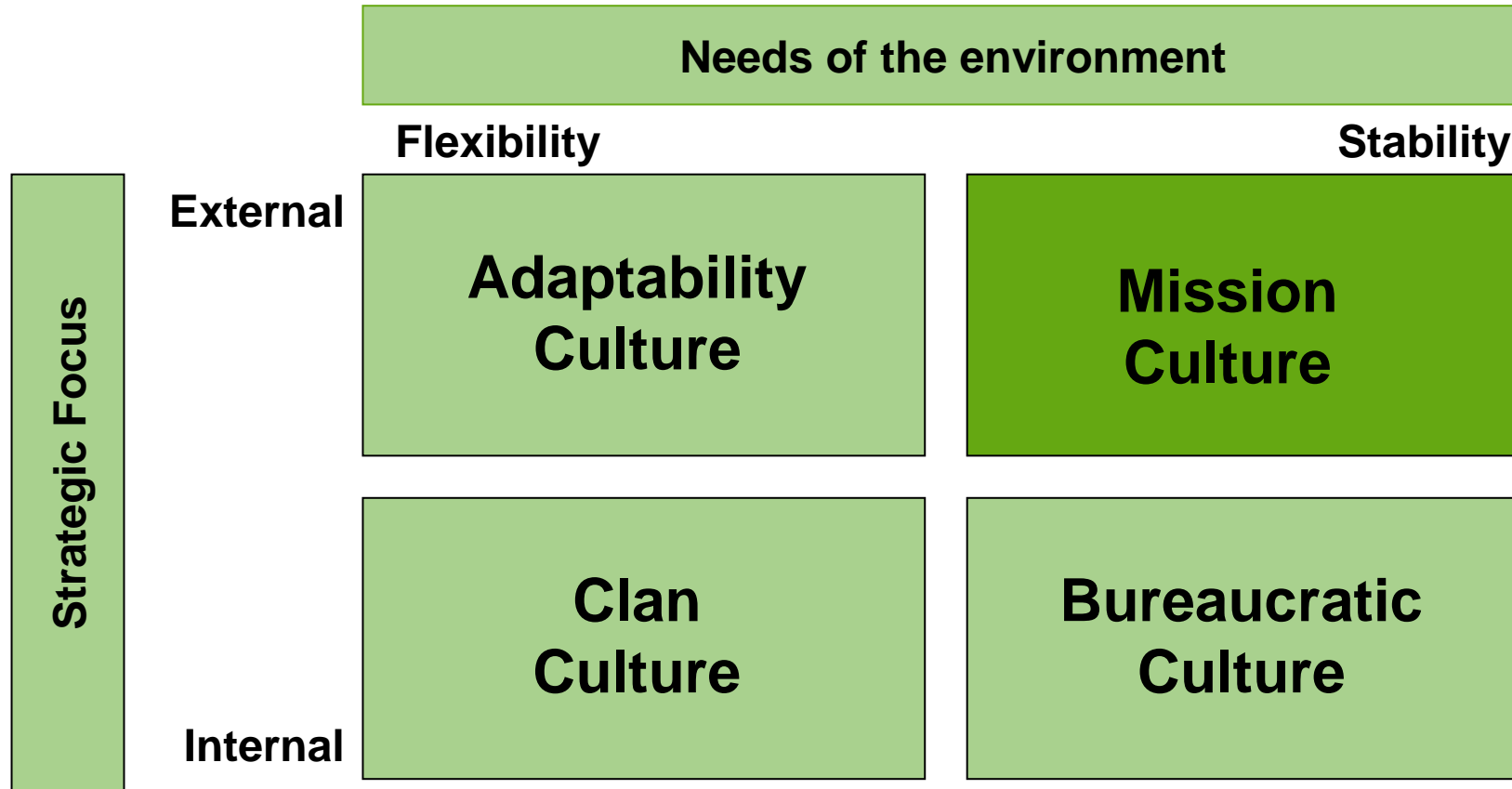
Organizational culture



Organizational culture

- Adaptability culture:
 - Strategic focus → external environment
 - Needs of the environment → flexibility/ change
- → Culture:
 - Quick reaction to environmental change
 - Actively creates change

Organizational culture



Organizational culture

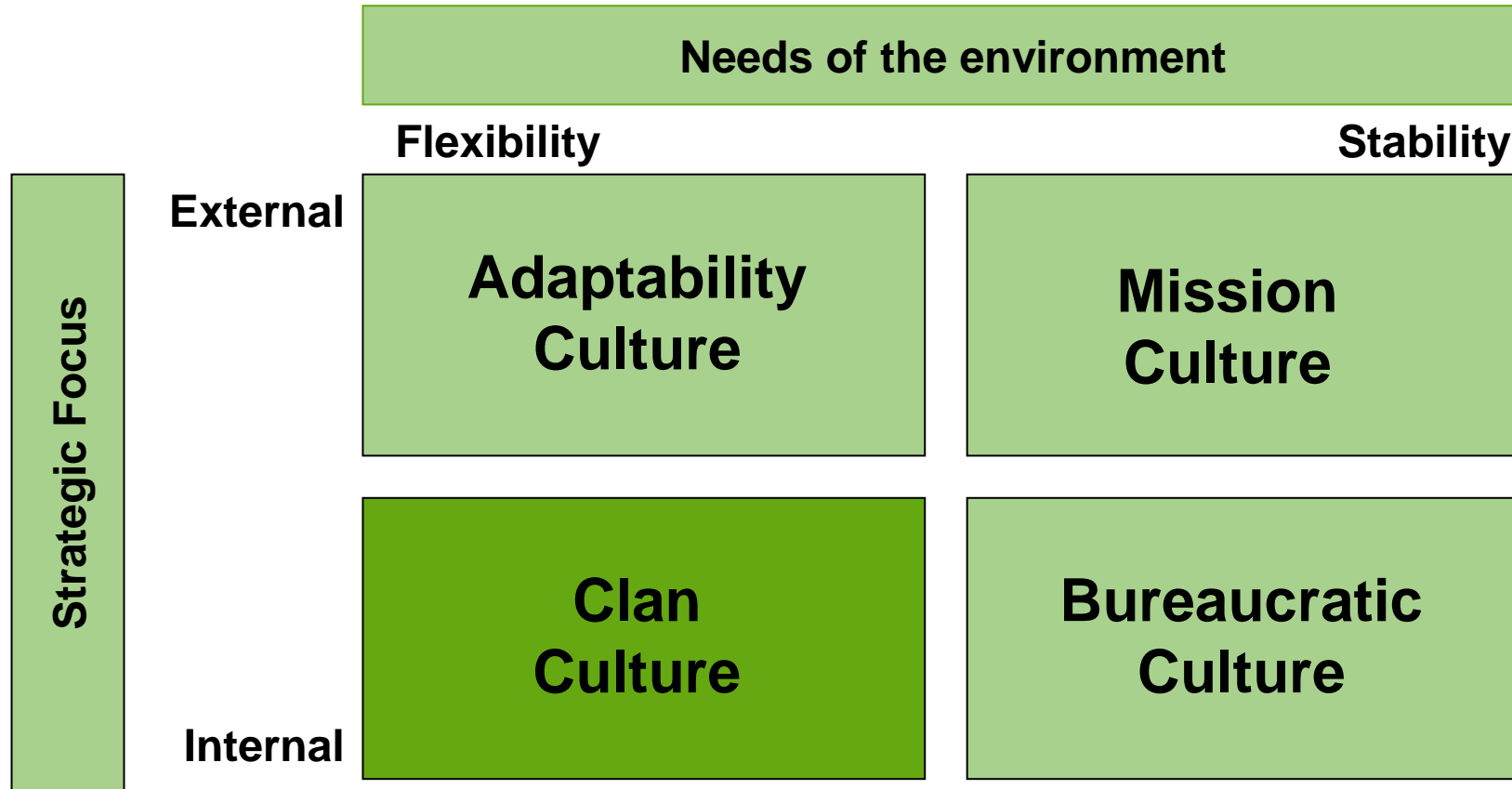
- Mission Culture:

- Strategic focus → external environment
- Needs of the environment → stability

- → Culture:

- Clear vision + goals
- Individual employees – specified level of performance – rewards

Organizational culture



Organizational culture

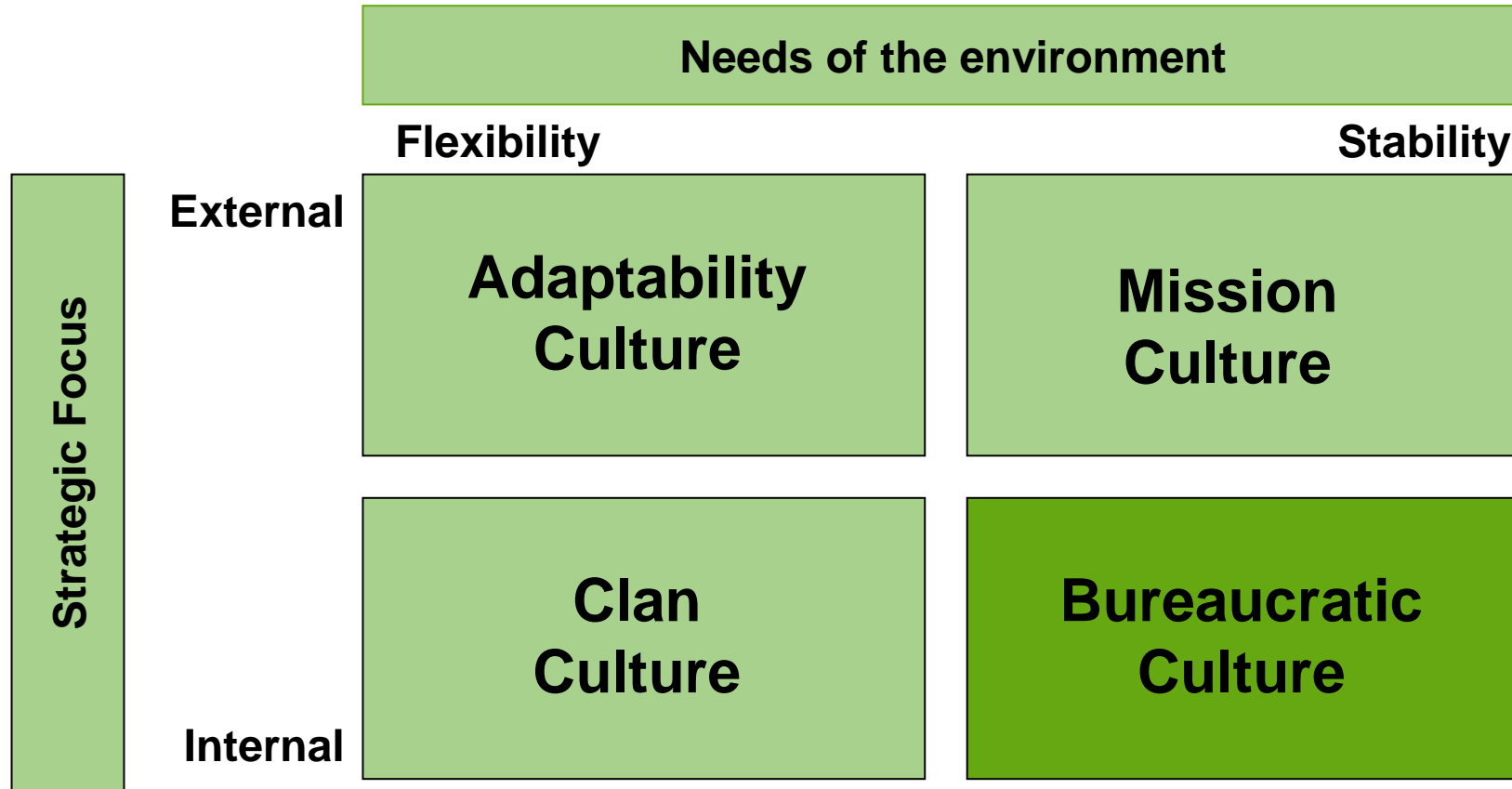
Clan Culture:

- Strategic focus → internal: involvement and participation of organization's members
- Needs of the environment → flexibility – rapidly changing

→ Culture:

Focus on needs of employees → involvement/participation → responsibility of ownership → commitment

Organizational culture



Organizational culture

Bureaucratic Culture:

- Strategic focus → internal focus: methodological approach of doing business
- Needs of the environment → stability
- → Culture:
 - Symbols, heroes, ceremonies => **cooperation, tradition, established policies and practices**
 - **Personal involvement** somewhat **lower**
 - High level of **consistency, conformity, collaboration**

Break out - Organizational culture

- 10'
- Example: MTW Corp. puts people first – see BB for text
 - Which organizational culture does MTW have? Why?
- Appoint spokesperson

Culture is NOT a side dish!

