

1.

**C**ULTURAL, **G**ENDER & **D**IVERSITY IN THE **W**ORKPLACE  
(How to Effectively Understand, and Handle Different Cultures)

Modified version of that presented at  
1998 Management Accounting Day  
Friday 14 August 1998

Presented by:

**BILL SYNNOT**  
Director, Aurora Consulting Group  
18TH FLOOR, 300 QUEEN ST., BRISBANE, QLD, 4000

PHONE : 0418 196707 FAX : 07 33997041 E-MAIL: BSA@RPL.COM.AU

ACKNOWLEDGMENTS:  
DAVID THOMAS, ROBIN ELY, GEERT HOFSTEDE, TAYLOR COX JNR, STEPHEN COVEY, ALAN PEASE,  
CHIN-NING CHU BRUCE STENING, EVALINA NGAN, JANE ELLOITT, DAVID SUZUKI, STEPHEN  
FITZGERALD, JULIE SHAW, GEORGE SIMONS & BRAIN TRACY

2.

**O**BJECTIVES FOR THE **P**RESENTATION

- INTRODUCTION
- WHY DEALINGS WITH OTHER CULTURES OFTEN FAIL
- FRAMEWORK FOR UNDERSTANDING OTHER CULTURES
- THREE WAYS TO HANDLE CULTURAL DIVERSITY

NB

- This is not a presentation about legislation but presents concepts to help understand cultural/gender diversity
- By addressing these issues, you will identify, achieve an understanding and ownership of the problems in handling cultural/gender diversity issues, so that the next step of discovering the best solutions are built on solid foundations

3.

**D**EFINITIONS

**C**ULTURE is

*"...a collective programming of the mind that distinguishes one group from another..."*

**V**ALUES are

*"..the core of any culture, ie what holds the culture together..."*

**S**YMBOLS are

*"...words & gestures that means different things to different people..."*,

ie words, pictures, gestures, or objects which carry a particular meaning only recognized as such by those who share a culture

**H**EROES are

*"...popular personalities and role models..."*

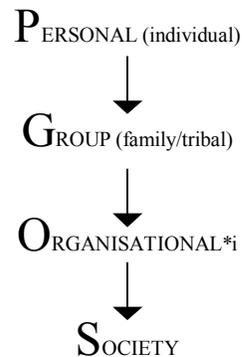
**R**ITUALS are

*"...essential social necessities that keep culture together, ie the way we always do things..."*

ie collective activities, technically superfluous in reaching desired ends, but which within a culture are considered as socially essential: they are therefore carried out for their own sake.

4.

**L**EVELS OF **C**ULTURAL **D**IVERSITY



Notes:

- i) This presentation will be concentrating on the organisational level

5. **AIM OF CULTURAL, GENDER & DIVERSITY**

is to increase organisational performance

ie the real value and benefit of cultural, gender & diversity is allowing an organisation to grow and improve by challenging basic assumptions about the organisation, its functions, strategies, operations and procedures

- Australia’s failure to utilize migrant skills is estimated to cost the country around \$A1 billion annually.
- Cultural diversity is like a fruit salad - the mix is better than the individual fruits
- Organisations high on innovations handle diversity better than those with fewer innovations, ie creativity thrives on diversity

**VALUES**

- Values are the core of any culture and generally are very stable and unchangeable, ie cannot change culture but can develop strategies to handle
- These involve an “unspoken mental language or unwritten rules”, ie things that are taken for granted
- Values are positive and negative; they can and do vary between different societies, for example

<u>POSITIVE</u>	<u>NEGATIVE</u>
good	evil
clean *i	dirty *i
safe *i	dangerous *i
decent	indecent
beautiful	ugly
natural	unnatural
rational	irrational
true	false
normal	abnormal
moral *ii	immoral *ii

Notes

- i) Normally the first values learnt from parents, and are not just linked with things. They also refer to people; as a result can form the basis for racism
- ii) In cross-cultural discussions, own cultural is moral and others are immoral. Other cultures feel the same about us
- The meaning of anything you say is what the other person understands

6. **POSITIVES AND NEGATIVES OF CULTURAL/GENDER DIVERSITY**

Positives (can give a competitive edge)

- Diversity is good for business, ie increases performance & profitability
- Discrimination, if based on prejudice, is wrong (both legally & morally)
- Increases organisational effectiveness, ie learning, creativity, and growth of individuals & organisation
- Improvements in creativity & problem solving
- Increases morale
- Attracts better personnel
- Brings access to new segments of market place
- Greater organisational flexibility
- Increases the ability of organisation to adjust rapidly & successfully to market changes
- Enhances productivity
- Reduces “group thinking” by encouraging critical thought
- More fun & challenging

Negatives

- Increases tension amongst staff, ie can push people outside zones of comfort
- Decreases organisational performance if only a numbers game
- Upsets organisational coherence & unity of action
- Hampers communications, eg don’t speak the same language
- Decision-making is more difficult and time-consuming

8.

**LEVELS OF CULTURE**

<u>LEVEL</u>	<u>EXAMPLE</u>
National	Australian
Regional	State (NSW, Vic., QLD etc)
Ethnic	Anglo Saxon/Asian group/European etc
Religion	Christian (Catholic & Protestant)/Moslem etc
Social class	Upper/middle/working
Education	Level (Graduate/non-graduate), private/public school
Occupation	White collar (professional etc), blue collar
Business	Banking/advertising/retailing etc
Organisation	Public/private, corporate/small business/self-employed
Generation(age)	Mine/child/parents etc
Gender	Male/Female
Family	Own culture

9. National culture are deeper than organisational culture

- National culture is linked with values that cannot be changed easily
- While organisational or corporate culture is more linked with practices (like symbols, heroes & rituals), and these are more readily changed than values
- Practices can be the same or similar but values are different
- Values of founders and significant leaders translate into practices (rituals, heroes and symbols) at lower levels of organisation

Eg people who work for IBM do not necessarily think the IBM way but they have learnt to behave the IBM way

- Ideal situation is of a good organisation, ie with a strong corporate culture, ie strong common practices, that allows

11.

## FAMILY

- If you want to understand the culture of another society including management culture, then study the family in that culture.
- In migration to another country, family members that are over the age of 12 will most likely retain the values of the old country.

10. CONSEQUENCES OF DIFFERENT CULTURES  
(expressed in 5 areas):

- 1 Family
- ↕
- 2 School
- ↕
- 3 Workplace

---

- 4 Politics
- ↕
- 5 Ideas

- There is continuity & consistency between these consequences
- Can have different "sub cultures" within a culture or society.

12.

## GENDER, GENERATION, CLASS, EDUCATION AND OCCUPATION LEVELS

- Gender, generation and class are categories of people
- These categories are parts of the social system
- Class, education and occupation levels in a culture are mutually dependent, ie classes differ in their access to and their opportunities for benefiting from the advantages of society, like education
- Education is a main determinant of occupation

13.

## GENDER ISSUES

- Usually not described in terms of culture.
- On the other hand, within a society there are male and female sub-culture. This may explain why it is so difficult to change traditional gender roles.
- Women are not expected to fill the traditional jobs performed by men. This is not because they technically unable to handle the job, but because women do not
  - carry the symbols
  - do not correspond to the hero images
  - do not participate in the rituals or foster the values dominant in the men's culture, and vice versa.
- In fact, the feelings and fears about behaviour of the opposite sex of the same order of intensity as the reactions of the people exposed to foreign cultures, ie cultural shock

## GENERATION DIFFERENCES

- Generation differences in symbols, heroes, rituals and values are evident to most people.
- Complaints about youth having lost respect for the values of elders is common to all cultures.
- Many differences in practices and values between generations can be attributed to age.
- Not all values and practices in a society are affected by technology or its products. Some differences often involve the relatively superficial spheres of symbol and heroes, of fashion and consumption.
- In the sphere of values ie fundamental attitudes towards life and towards other people, eg young Turks differ from young Americans, just as old Turks differed from old Americans.
- There is limited evidence that cultures of present day generation from different countries are converging.  
(this may help explain why there is increasing tribalism, despite the trend to globalisation)

15.

## SOCIAL CLASSES

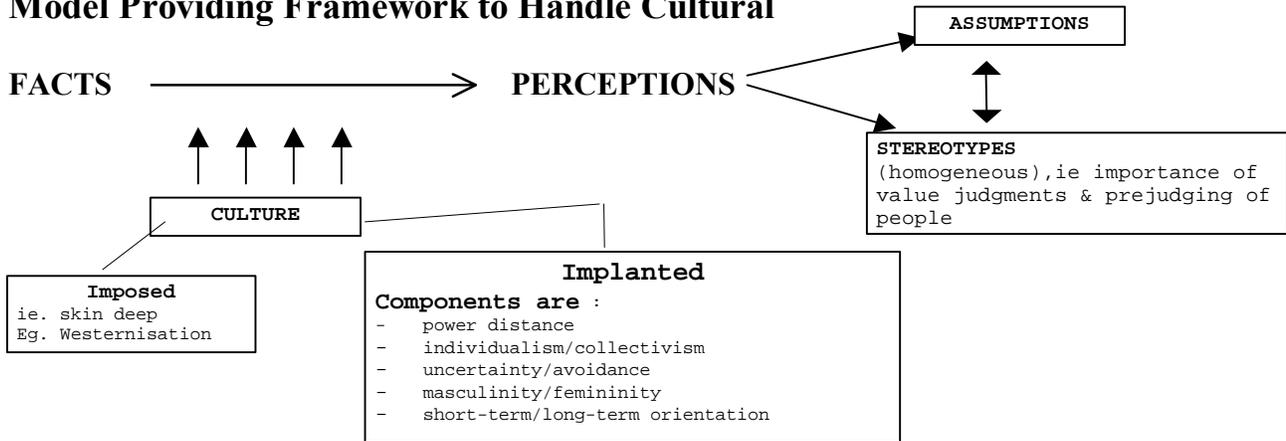
- Social class is associated with
  - educational opportunities and
  - a person's occupation or professional.
- Education and occupation are in themselves powerful sources of cultural learning.
- The criteria for allocating a person to a class are often cultural, with symbols playing an important role, eg accents, use and non-use of certain words and manners.

## WHY DEALING WITH OTHER CULTURES OFTEN FAIL

- Lack of understanding
- Lack of experience
- Lack of knowledge
- Pushed outside zone of comfort
- Mental mindsets that result in stereotyping, ie this occurs when assumptions about a group are applied to individuals
- Expect people to "blend in", ie all are the same

17.

### Model Providing Framework to Handle Cultural



18.

### FRAMEWORK FOR UNDERSTANDING OTHER CULTURES

National cultures are classified into 5 dimensions to distinguish them; they are

	<u>DIMENSIONS</u>	<u>EXTREMES</u>
1	Power distance	(unequal/equal)
2	Individualism/collectivism	(alone/together)
3	Masculinity/femininity	(tough/tender)
4	Uncertainty/avoidance	(rigid/flexible)
5	Long term/short orientation	(later/now)

Dimensions 1&2 are the major differences between Australians and Asian neighbors.

(Geert Hofstede, 1996, Cultures and organisation: software of the mind, QUT lecture series)

### 1 Power distance - (unequal/equal)

- Involves ways of dealing with inequalities & hierarchy
- There is inequality in any society This can be expressed by
  - wealth
  - status
  - respect
  - physical
  - intellectual capacities
- In some societies are happy with the inequalities, and others it is regarded as problematic

20.

- A high rank in one area does not necessarily mean a high rank in another area eg sportsperson, politicians. A high rank in one area can be partly offset by a low rank in another area. This process increases the size of the middle class
- The laws of some society aim for the ideal of equality by treating everybody as equal regardless of status, wealth or power. Reality rarely matches the ideal, eg the Christian praise for lack of material wealth
- All societies are unequal but some are more unequal than others
- The gap between the top and bottom is as large as the people at the bottom will tolerate
- A dictatorship only thrives with the support of the bottom

21.

**Table 1\*i: Key differences between small and large power distance I - general norm, family, school, and workplace**

<i>Small Power Distance</i>	<i>Large Power Distance</i>
<ul style="list-style-type: none"> <li>• Inequalities among people should be minimised</li> <li>• There should be, and there is to some extent, interdependence between less and more powerful people</li> <li>• Parents treat children as equals</li> <li>• Children treat parents as equals</li> <li>• Teachers expect initiative from students in class</li> <li>• Teachers are experts who transfer impersonal truths</li> <li>• Students treat teachers as equals</li> <li>• More educated persons hold less authoritarian values than less educated persons</li> <li>• Hierarchy in organisations means an inequality of roles, established for convenience</li> <li>• Decentralisation is popular</li> <li>• Narrow salary range between top and bottom of organisation</li> <li>• Subordinates expect to be consulted</li> <li>• The ideal boss is a resourceful democrat</li> <li>• Privileges and status symbols are frowned upon</li> </ul>	<ul style="list-style-type: none"> <li>• Inequalities among people are both expected and desired</li> <li>• Less powerful people should be dependent on the more powerful; in practice, less powerful people are polarised between dependence and counter-dependence</li> <li>• Parents teach children obedience</li> <li>• Children treat parents with respect</li> <li>• Teachers are expected to take all initiative in class</li> <li>• Teachers are gurus who transfer personal wisdom</li> <li>• Students treat teachers with respect</li> <li>• Both more and less educated persons show almost equally authoritarian values</li> <li>• Hierarchy in organisations reflects the existential inequality between higher-ups and lower-downs</li> <li>• Centralisation is popular</li> <li>• Wide salary range between top and bottom of organisation</li> <li>• Subordinates expect to be told what to do</li> <li>• The ideal boss is a benevolent autocrat or “fatherlike”</li> <li>• Privileges and status symbols for managers are both expected and popular</li> </ul>

**Notes: Tables are looking at extremes, ie what is desirable in one society is undesirable in another.**

22.

**Table 2\*i Key differences between small and large power distance societies - II - politics and ideas**

<i>Small power distance</i>	<i>Large power distance</i>
<ul style="list-style-type: none"> <li>• The use of power should be legitimate and is subject to criteria of good and evil</li> <li>• Skills, wealth, power, and status need not go together</li> <li>• The middle class is large</li> <li>• All should have equal rights</li> <li>• Powerful people try to look less powerful than they are</li> <li>• Power is based on formal position, expertise and ability to give rewards</li> <li>• The way to change a political system is by changing the rules (evolution)</li> <li>• The use of violence in domestic politics is rare</li> <li>• Pluralist governments based on outcome of majority votes</li> <li>• Political spectrum shows strong center and weak right and left wings</li> <li>• Small income differentials in society, further reduced by the tax system</li> <li>• Prevailing religions and philosophical systems stress equality</li> <li>• Prevailing political ideologies stress and practise power sharing</li> <li>• Management theories focus on role of employees</li> </ul>	<ul style="list-style-type: none"> <li>• Might prevails over right: whoever holds the power is right and good</li> <li>• Skills, wealth, power and status should go together</li> <li>• The middle class is small</li> <li>• The powerful have privileges</li> <li>• Powerful people try to look as impressive as possible</li> <li>• Power is based on family or friends, charisma, and ability to use force</li> <li>• The way to change a political system is by changing the people at the top (revolution)</li> <li>• Domestic political conflicts frequently lead to violence</li> <li>• Autocratic or oligarchic governments based on co-optation</li> <li>• Political spectrum, if allowed to be manifested, shows weak center and strong wings</li> <li>• Large income differentials in society, further increased by the tax system</li> <li>• Prevailing religions and philosophical systems stress hierarchy and stratification</li> <li>• Prevailing political ideologies stress and practise power struggle</li> <li>• Management theories focus on role of managers</li> </ul>

**Notes: i) Tables are looking at extremes, ie what is desirable in one society is undesirable in another.**

23.

**2 Individualism/collectivism - (alone/together, ie I, we, they)**

- It involves the degree of integration of individuals within groups like family, tribe & organisation
- Definition of

Individualism is

*"...societies in which the ties between individuals are loose ie everybody is expected to look after himself or herself, and immediate family..."*

Collectivism is

*"...societies in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty..."*

24.

Individualism means "...looking after yourself only...". It means:

- no loyalty
- treat everybody the same
- close connection between parents and child

Collectivism means "remain integrated based on in-group", usually extended family or tribe; it means

- out-group v in-group  
ie treat in-group differently from out-group
- includes group protection
- stick together for life
- group loyalty important
- play by loyalty and receive benefits

**Individualistic Society**

- The individualistic society are where the interests of individuals prevail over that of the group. An example of this is the nuclear family ie 2 parent family
- People in this society grow up to think of themselves as "I". This personal identity is distinct from others; others are not classified according to their group membership but to individual characteristics, eg play mates are chosen on the basis of personal preference
- Individuals are encouraged to be independent
- Stresses obligation of "self", ie realizing the potential in him/herself, eg
  - self-interest
  - self-actualisation
  - self-guilt (personal between you & other person(s) affected)
- Education is on-going & stresses how to think

**Collective Society**

26.

- Collective society are those where the interest of the group prevail over those of the individual. An example of this is the extended family in which people grow up to regard themselves as part of the "we group or in-group or insiders". Other people belong to the "they group or out-group or outsider"
- The in-group is the major source of one's identity, and the only secure protection against the hardships of life
- As a result, life-time loyalty is to one's in-group, and breaking the loyalty is one of the worst things that can occur
- Between the person and the in-group a dependence relationship develops and is both practical and psychological. Most people in the world live in a collective type society
- Obligation is to the sub-group and it involves
  - group harmony (most important, ie sometimes sacrifice self-interest for best interest of group)
  - respect
  - share, ie OK to cover up for the group
- Relationships with in group are more important than cash

27.

**Components of Collectives v. Individualism**

- Personal time
- Freedom
- Challenges
- Training
- Physical conditions
- Use of skills

The first 3 are strongly linked with individualism; while the last 3 with collectivism.

- Individualistic countries tend to be rich, and collective countries poor. Economic development is linked with individualism and collectives

**POWER FIGURES**

28.

- Cultures in which people are dependent on in-groups these people are usually dependent on power figures
  - Eg Most extended families have patriarchal structures with the head of the family exercising strong moral authority
- On the other hand, cultures in which people are relatively independent from in-groups are usually also less dependent on powerful others
- In an individualistic society responsible people may change at short notice

29.

**Table 3\*i Key differences between collectivist and individualist societies I - general norm, family, school and workplace**

<i>Collectivist</i>	<i>Individualist</i>
<ul style="list-style-type: none"> <li>• People are born into extended families or other in-groups which continue to protect them in exchange for loyalty</li> <li>• Identity is based in the social network to which one belongs</li> <li>• Children learn to think in terms of 'we'</li> <li>• Harmony should always be maintained and direct confrontations avoided</li> <li>• High-context communication</li> <li>• Trespassing leads to shame and loss of face for self and group</li> <li>• Purpose of education is learning how to do</li> <li>• Diplomas provide entry to higher status groups</li> <li>• Relationship employer-employee is perceived in moral terms, like a family link</li> <li>• Hiring and promotion decisions take employees' in-group into account</li> <li>• Management is management of groups</li> <li>• Relationship prevails over task</li> </ul>	<ul style="list-style-type: none"> <li>• Everyone grows up to look after him/herself and his/her immediate (nuclear) family only</li> <li>• Identity is based in the individual</li> <li>• Children learn to think in terms of 'I'</li> <li>• Speaking one's mind is a characteristic of an honest person</li> <li>• Low-context communication</li> <li>• Trespassing leads to guilt and loss of self-respect</li> <li>• Purpose of education is learning how to learn</li> <li>• Diplomas increase economic worth and/or self-respect</li> <li>• Relationship employer-employee is a contract supposed to be based on mutual advantage</li> <li>• Hiring and promotion decisions are supposed to be based on skills and rules only</li> <li>• Management is management of individuals</li> <li>• Task prevails over relationship</li> </ul>

**Notes: i) Tables are looking at extremes, ie what is desirable in one society is undesirable in another.**

30.

**Table 4\*i Key differences between collectivist and individualist societies – II - politics and ideas**

<i>Collectivist</i>	<i>Individualist</i>
<ul style="list-style-type: none"> <li>• Collective interests prevail over individual interests</li> <li>• Private life is invaded by group(s)</li> <li>• Opinions are predetermined by group membership</li> <li>• Laws and rights differ by group</li> <li>• Low per capita GNP</li> <li>• Dominant role of the state in the economic system</li> <li>• Economy based on collective interests</li> <li>• Political power exercised by interest groups</li> <li>• Press controlled by the state</li> <li>• Imported economic theories largely irrelevant because unable to deal with collective and particularistic interests</li> <li>• Ideologies of equality prevail over ideologies of individual freedom</li> <li>• Harmony and consensus in society are ultimate goals</li> </ul>	<ul style="list-style-type: none"> <li>• Individual interests prevail over collective interests</li> <li>• Everyone has a right to privacy</li> <li>• Everyone is expected to have a private opinion</li> <li>• Laws and rights are supposed to be the same for all</li> <li>• High per capita GNP</li> <li>• Restrained role of the state in the economic system</li> <li>• Economy based on individual interests</li> <li>• Political power based on individual self-interest</li> <li>• Press freedom</li> <li>• Native economic theories based on pursuit of individual self-interests</li> <li>• Ideologies of individual freedom prevail over ideologies of equality</li> <li>• Self-actualisation by every individual is an ultimate goal</li> </ul>

**Notes: i) Tables are looking at extremes, ie what is desirable in one society is undesirable in another.**

31.

- 3 Masculinity/Femininity - (tough/tender or "he, she & (s)he")**
- It involves differences in the social roles of men & women (gender issues)
  - As well as being biologically different, the role of "men" and "women" are different and distinct. Their social roles partly reflect this.
  - As we are born male or female, the world treats us differently. Also the culture we are raised in teaches us how to act as male or female
  - Roles that are regarded as masculine and feminine differ between different society, eg women dominate the doctors in Russia, dentist in Belgium; while men as typists in Pakistan, and managers in Japan
  - Men are generalised as assertive, decisive, competitive and tough. While women are tender, more loving and caring including quality of life issues. This can be described as assertive behaviour against desirability of modest behaviour
  - Sometimes the gender roles overlap, and there is a difference between public and private (family)

32.

- In a masculine society we "live in order to work"; while in a feminine context we "work in order to live"
- With increasing prosperity, there is a better chance for the female to become active outside the family.
- The role models that child grow up with in the home have a major influence on their attitude for the rest of their lives
- Gender related values and behaviours are programmed into us in a subtle ways and at an early age, eg the toys played with
- The family is very important in transferring values from one generation to the next especially in society's role
- Like nationality, gender is an involuntary characteristic ie we have no say in where we are borne and what our sex will be
- Both nationality and gender cultures are learnt; they are not innate

23.

**FACTORS IN GENDER ISSUES**

- Earnings
- Recognition
- Advancement
- Challenges (similar to individualism)
- Management relationship
- Co-operation
- Living areas
- Employment

NB The first 4 are linked with masculinity (tough); while the last 4 are linked with femininity (tender).

34.

- The prevailing role distribution between husband and wife is reflected in a society's position on the masculinity-femininity scale
- The changing role of women in industrialised society from beyond wife, mother and housekeeper is a recent phenomenon. Most women roles are still restricted to around the families
- The importance of money is associated with men. In the more masculine society, like the USA and Germany, the accounting system stresses the achievement of purely financial targets more than feminine societies like Sweden and Netherlands

**Table 5\*<sup>i</sup> Key differences between feminine and masculine societies I : General norm, family, school and workplace**

35.

FEMININE	MASCULINE
Dominant values in society are caring for others and preservation	Dominant values in society are material success and progress
People and warm relationships are important	Money and things are important
Everybody is supposed to be modest	Men are supposed to be assertive, ambitious and tough
Both men and women are allowed to be tender and to be concerned with relationships	Women are supposed to be tender and to take care of relationships
In the family, both fathers and mothers deal with facts and feelings	In the family, fathers deal with facts and mothers with feelings
Both boys and girls are allowed to cry but neither should fight	Girls cry, boys don't; boys should fight back when attacked, girls shouldn't fight
Sympathy for the weak	Sympathy for the strong
Average student is the norm	Best student in the norm
Failing in school is a minor accident	Failing in school is a disaster
Friendliness in teachers appreciated	Brilliance in teachers appreciated
Boys and girls study same subjects	Boys and girls study different subjects
Work in order to live	Live in order to work
Managers use intuition and strive for consensus	Managers expected to be decisive and assertive
Stress on equality, solidarity, and quality of life	Stress on equity, competition among colleagues, and performance
Resolution on conflicts by compromise and negotiation	Resolution of conflicts by fighting them out

**Table 6\*<sup>i</sup> Key differences between feminine and masculine societies II : Politics and ideas**

FEMININE	MASCULINE
are society ideal	Performance society ideal
The needy should be helped	The strong should be supported
Permissive society	Corrective society
Small and slow are beautiful	Big and fast are beautiful
Preservation of the environment should have highest priority	Maintenance of economic growth should have highest priority
Government spends relatively large proportion of budget on development assistance to poor countries	Government spends relatively small proportion of budget on development assistance to poor counties
Government spends relatively small proportion of budget on armaments	Government spends relatively large proportion of budget on armaments
International conflicts should be resolved by negotiation and compromise	International conflicts should be resolved by a show of strength or by fighting
A relatively large number of women in elected political positions	A relatively small number of women in elected political positions
Dominant religions stress the complementarity of the sexes	Dominant religions stress the male prerogative
Women's liberation means that men and women should take equal shares both at home and at work	Women's liberation means that women will be admitted to positions hitherto only occupied by men

**Notes: i) Tables are looking at extremes, ie what is desirable in one society is undesirable in another.**

27.

**C**OMPARING **C**OLLECTIVENESS/**I**NDIVIDUALISM WITH **M**ASCULINITY/**F**EMININITY

COLLECTIVENESS FEMININITY	(in-between)	COLLECTIVENESS MASCULINITY
Thailand Korea	India China	Mexico Japan Asia Moslem

---

Nordic Netherlands	Germanic Anglo Saxon
INDIVIDUALISM FEMININITY	INDIVIDUALISM MASCULINITY

39.

- Uncertainty avoidance is defined as *"...extent to which the members of a culture feel threatened by uncertainty or unknown situations..."*
- The feeling can be expressed through nervous stress and a need for predictability: a need for written and unwritten rules.
- Extreme uncertainty creates intolerable anxiety. Every humane society has developed ways to alleviate this anxiety. These ways belong to the domains of technology, law, and religion, ie
  - technology helps to avoid uncertainties caused by nature;
  - laws and rules try to prevent uncertainties in the behaviour of other people;
  - religion is a way of relating to the transcendental forces that are assumed to control man's personal future.
 Religion helps in the acceptance of things that one cannot defend oneself against, and some religions offer the ultimate certainty of a life after death or victory over one's opponents
- Anxiety and fear are different. Anxiety is a state with no object; while fear has an object

- Feelings of uncertainty are acquired and learnt. Those feelings and ways of coping with them belong to the cultural heritage of society. They are transferred and reinforced through basic institutions like family, school and state. They are reflected in the collectively held values of members of a particular society. Their roots are non rational, and their collective behavior in one society may be seen aberrant and incomprehensible to members of other societies
- Uncertainty avoidance deals ultimately with a society's search for Truth. Uncertainty avoiding cultures foster a belief in an absolute Truth. The uncertainty accepting cultures take a more relativistic stance
- The components of uncertainty avoidance are
  - stress
  - handling of rules and regulations
  - length of expected employment like life-time tenure
- Emphasis is on virtue rather than truth

38.

4 Uncertainty/Avoidance - (rigid/flexible)

- This involves degree of tolerance for the unknown
- This is linked with how to handle the unknown & unforeseeable
- Extent to which the members of a culture feel threatened by uncertainty of unknown situations. This can lead to aggression and emotions. To handle this institutions can be developed that promote conformity of belief and promote of certainty; with everybody behaving the same way. This group likes to feel that they have the TRUTH and everybody else is WRONG
- If weak, don't
  - worry about the unknown;
  - become aggressive or emotional
- Sometimes uncertainty/avoidance is confused with power distance. Power equals distance, while uncertainty means structure
- This involves ways of handling of the anxiety of uncertainty.

40.

- Some cultures are more anxious than others. The more anxious tend to be the more expressive. They are places that
  - like to talk with hands,
  - where it is socially acceptable to raise one's voice,
  - allow display of emotions, eg pound the table etc, at times for anxiety release
- The essence of uncertainty is that it is a subjective experience, and a feeling
- In cultures with a strong uncertainty avoidance, people appear
  - busy
  - fidgety
  - emotional
  - aggressive
  - active
- In cultures with weak uncertainty avoidance, people give the impression of being
  - quiet
  - easy going
  - indolent
  - controlled
  - lazy

41.

42.

- Uncertainty avoidance is not the same as risk avoidance
  - a risk focuses on an event, and is often expressed as a percentage of probability that a particular event will happen
  - uncertainty has no probability attached to it. It is a situation in which anything can happen and we have no idea what
- As soon as uncertainty is expressed as risk, it ceases to be a source of anxiety. It may become a source of fear, but it may also be accepted as routine, like the risk of driving a car
- Even more than reducing risk, uncertainty avoidance leads to a reduction of ambiguity. Uncertainty avoiding cultures shun ambiguous situations. People in such cultures look for a structure in their organisations, institutions and relationships which makes events clearly interpretable and predictable

45

- The way accounting systems are used vary along national cultural lines
- It has been claimed that accounting information and systems maintain morale in the face of uncertainty. In fact it has a lot in common with religious practice, which serves to avoid uncertainty. There are religious links between religious and accounting rules, eg Islam bans calculating interest
- As well as more detailed in strong uncertainty avoidance countries, the accounting system will be theoretically based ie pretending to derive from consistent general economic principles. In weak uncertainty avoidance countries, accounting systems will be more ad hoc, pragmatic and folkloristic. In German, shareholders and fiscal reports are the same. While in Dutch, British and USA systems fiscal reports are different to those received by shareholders.

47. **LINKING POWER DISTANCE WITH UNCERTAINTY/AVOIDANCE**

SMALL POWER DISTANCE WEAK UNCERTAINTY AVOIDANCE	LARGE POWER DISTANCE WEAK UNCERTAINTY AVOIDANCE
Nordic countries Anglo countries	China India
Germanic countries Israel	Latin countries Asian Moslem countries Japan & Korea
SMALL POWER DISTANCE STRONG UNCERTAINTY ADVOIDANCE	LARGE POWER DISTANCE STRONG UNCERTAINTY ADVOIDANCE

43. **ACCOUNTING SYSTEMS**

- Accounting system can be linked with
  - the uncertainty reducing rituals ie fulfilling a cultural need for certainty, simplicity and truth in a confusing world
  - accountability ie holding someone responsible for results, and identifies winner and losers
- Accounting systems are linked with uncertainty avoidance. The more uncertainty avoiding societies will have more precise rules on how to handle different cases. In less strongly uncertainty avoiding society, more will be left to the discretion of the organisation or even of the accountant
- Behind the symbols, heroes and rituals in accounting are values
  - the less an activity is determined by technical necessity, the more it is ruled by values, and thus influenced by cultural differences
  - historically-based conventions are important to the development of accounting system

46.

- In individualistic cultures the information in the accounting reports will be taken more seriously and will be considered to be more indispensable than in a collectivist ones. In the latter one the accounting profession is of lower status and less importance than in individualistic societies
- Other systems, such as personnel management, information systems, marketing systems, and financial management systems all have their cultural systems too.

48. **What is perceived as different is dangerous or ridiculous**

This is the basis for racism

Rather it should be

**What is perceived as different is curious!**

- Racism is learnt & is usually based on fear & anxiety
- Racism can be linked with cultures that have
  - strong uncertainty avoidance
  - pronounced masculine values
  - collectivism, ie strong identification with in-groups
- Racism is "...the pigment of your imagination..."
- Be careful of humour as what is funny in one culture is rude in another.
- Humour in the form of irony, satire, ridicule or stereotyping can be very destructive
- Use humour to get people laughing with you & not at them
- Asian concept of racism is very different from ours (westerners)
  - Asians accept the concept of racial/ ethnic superiority/ inferiority
  - Asians do not have the same sensitivity to race issues, ie Asians will use this to their advantage in negotiations

48

**Table 7\*i Key differences between weak and strong uncertainty avoidance societies - I : general norm, family, school and workplace**

<i>Weak Uncertainty Avoidance</i>	<i>Strong Uncertainty Avoidance</i>
Uncertainty is a normal feature of life and each day is accepted as it comes	The uncertainty inherent in life is felt as a continuous threat which must be fought
Low stress; subjective feeling of well-being	High stress; subjective feeling of anxiety
Aggression and emotions should not be shown	Aggression and emotions may at proper times and places be ventilated
Comfortable in ambiguous situations and with unfamiliar risks	Acceptance of familiar risks; fear of ambiguous situations and of unfamiliar risks
Lenient rules for children on what is dirty and taboo	Tight rules for children on what is dirty and taboo
What is different is curious	What is different is dangerous
Students comfortable with open-ended learning situations and are concerned with good discussions	Students comfortable in structured learning situations and concerned with the right answers
Teachers may say "I don't know"	Teachers supposed to have all the answers
There should not be more rules than is strictly necessary	Emotional need for rules, even if these will never work
Time is a framework for orientation	Time is money
Comfortable feeling when lazy; hard-working only when needed	Emotional need to be busy; inner urge to work hard
Precision and punctuality have to be learned	Precision and punctuality come naturally
Tolerance of deviant and innovative ideas and behaviour	Suppression of deviant ideas and behaviour; resistance to innovation
Motivation by achievement and esteem or belongingness	Motivation by security and esteem or belongingness

**Notes: i) Tables are looking at extremes, ie what is desirable in one society is undesirable in another.**

50.

**5 Long term/Short-orientation - (later/now)**

- This is involved with the trade off between short-term and long-term gratification of needs
- Components of long-term orientation (orientated to the future and are dynamic)
  - Persistence or perseverance, ie essential for entrepreneurship
  - Ordering relationships by status and observing this order
  - Thrift, ie reinvestment
  - Having a sense of shame, ie interrelatedness through sensitivity to social contacts and a stress on keeping one's commitments

49

**Table 8\*i Key differences between weak and strong uncertainty avoidance societies.- II : politics and ideas**

<i>Weak Uncertainty Avoidance</i>	<i>Strong Uncertainty Avoidance</i>
Few and general laws and rules	Many and precise laws and rules
If rules cannot be respected, they should be changed	If rules cannot be respected, we are sinners and should repent
Citizen competence versus authorities	Citizen incompetence versus authorities
Citizen protest acceptable	Citizen protest should be repressed
Citizens positive towards institutions	Citizens negative towards institutions
Civil servants positive towards political process	Civil servants negative towards political process
Tolerance, moderation	Conservatism, extremism, law and order
Positive attitudes towards young people	Negative attitudes towards young people
Regionalism, internationalism, attempts at integration of minorities	Nationalism, Xenophobia, repression of minorities
Belief in generalists and common sense	Belief in experts and specialisation
Many nurses, few doctors	Many doctors, few nurses
One group's truth should not be imposed on others	There is only one Truth and we have it
Human rights: nobody should be persecuted for their beliefs in philosophy and science, tendency towards relativism and empiricism	Religious, political, and ideological fundamentalism and intolerance
Scientific opponents can be personal friends	In philosophy and science, tendency towards grand theories Scientific opponents cannot be personal friends

51.

- Components of short-term orientation (orientated towards the past and present and are static)
  - Personal steadiness and stability ie discourages initiative and risk seeking
  - Protecting face, ie can distract from pursuing the business at hand
  - Respect for tradition impedes innovation
  - Reciprocation of greetings, favours and gifts is a social ritual more concerned with good manners than with performance.

It is the relativity between the components that is important.

**Table 9\*i Key differences between short-term and long-term orientation societies.**

<i>Short-Term Orientation</i>	<i>Long-Term Orientation</i>
• Respect for traditions	• Adaptation of traditions to a modern context
• Respect for social and status obligations regardless of cost	• Respect for social and status obligations within limits
• Social pressure to 'keep up with the Joneses' even if it means overspending	• Thrift, being sparing with resources
• Small savings cost, little money for investment	• Large savings cost, funds available for investment
• Quick results expected	• Perseverance towards slow results
• Concern with 'face'	• Willingness to subordinate oneself for a purpose
• Concern with possessing the Truth	• Concern with re respecting the demands of virtue

**Notes: i) Tables are looking at extremes, ie what is desirable in one society is undesirable in another.**

52.

**Table 8 Key Steps and considerations regarding organisational culture**

Is a task on top management which cannot be delegated

Demands both power and expertise

Should start with a cultural map of the organisation

Demands a culture diagnosis

Demands strategic choices :

- Is present culture matched with strategy?
- If not, can strategy be adapted ?
- If not, what change of culture is needed ?
- Is this change feasible – do we have the people ?
- What will be the costs in terms of management attention and money ?
- Do the expected benefits outweigh these costs ?
- What is the realistic time-span for the changes ?
- If in doubt, better change strategy anyway!
- Different subcultures may demand different approaches

Create a network of change agents in the organisation

- Some key people at all levels
- If key people start, others will follow
- Can resisters be circumvented ?

Design necessary structural changes

- Opening or closing departments
- Merging or splitting departments or tasks
- Moving groups or individuals ?
- Are tasks matched with talents ?

Design necessary process changes

- Eliminating or establishing controls
- Automation or disautomation
- Establishing or cutting communication links
- Replace control of inputs by control of outputs ?

Revise personnel policies

- Reconsider criteria for hiring
- Reconsider criteria for promotion
- Is personnel management up to its new task ?
- Design timely job rotation
- Be suspicious of plans to train others; need for training has to be felt by trainees themselves

Continue monitoring development of organisational culture

- Sustained attention, persistence

Another example

- employee-oriented (concern for people) vs. job oriented (competing for jobs).
  - The employee-oriented culture feels that personal problems are taken into account, the organisation takes responsibility for its employee welfare, and important decision tend to be made by groups or committees
  - In job-oriented cultures people experience strong pressure to complete the job, they perceive the organisation as only interested in work employees do, not in their personal and family welfare, and they report that important decisions tend to be made by individuals.

**LINKING ORGANISATIONAL & NATIONAL CULTURES**

- In our thinking about organisations, the dimensions about power distance and uncertainty avoidance are the important in understanding structure in an organisation.
- Answering the question *"...Who has the power to decide what in the organisation?..."* is related to the power distance dimension.
- The answer to *"...What rules or procedures will be followed to attain the desired ends?..."* is related to uncertainty avoidance.
- The other 2 dimensions, individualism and masculinity affect our thinking about people in the organisation, rather than about the organisations themselves.
- Management philosophies & practices
  - do not necessarily transfer easily across cultural boundaries
  - no one best way to manage
  - the role of "manager" carries different expectations and assumptions in different cultures
- Cross-cultural interactions should be a 2-way learning experience

Looking at 6 dimensions of an organisation, the following dichotomies can be used

- process-oriented vs. results-oriented ie means vs. goals
- employee-oriented vs. job-oriented
- parochial vs. professional
- open system vs. closed system
- loose control vs. tight system
- normative vs. pragmatic

For example

- Process-oriented vs. results-oriented ie means vs. goals
  - In the process orientated culture, people perceived themselves as avoiding risks and making only a limited efforts in their jobs
  - In results-oriented situations people perceive themselves as comfortable in unfamiliar situations and put in a maximal effort; each day brings new challenges. The results-oriented cultures tend to have a more homogeneous culture

**TYPES OF ORGANISATIONS**

- 1 Pyramid of people or bureaucracy  
GM or CEO at the top of the pyramid and each successive layer at it proper place below
- 2 Well oiled machine or professional bureaucracy. Management intervention is limited to exceptional cases because the rules should settle all daily problems
- 3 Village market or adhocracy. In which neither hierarchy nor rules, but the demand of the situation determine what happens
- 4 Family or simple - in which the owner - manager is the omnipotent (grand) father ie the extended family
- 5 Divisional - contains elements of all 4 above models

58.

SUMMARY OF FRAMEWORK FOR UNDERSTANDING OTHER CULTURES

Culture and international competition: competitive advantages of different cultural profiles

Power distance small: acceptance of responsibility  
Power distance large: discipline

Collectivism: employee commitment  
Individualism: management mobility

Femininity : personal service  
 custom-made products  
 agriculture  
 biochemistry  
Masculinity: mass production efficiency  
 heavy industry  
 bulk chemistry

Uncertainty avoidance weak: basic innovations  
Uncertainty avoidance strong: precision

- In any organisation there are both culture and politics. Generally the organisational culture is the unifying element, while the politics determines how the conflicting interests within the organisation treat each other, ie how to handle diversity. The correct balance of culture & politics is essential for the vitality of an organisation

59.

THREE WAYS TO HANDLE CULTURAL DIVERSITY IN THE WORK PLACE

- Assimilation
- Differentiation
- Integration

61.

The underlined motivation of assimilation can be expressed as

*“...Prejudice has kept members of certain demographic groups out of organizations such as ours. As a matter of fairness and to comply with federal mandates, we need to work towards restructuring the makeup of our organization to let it more closely reflect that of society. We need managerial processes that ensure that our staff are treated equally and with respect and that some are not given unfair advantage over others...”*

(Thomas & Ely, (1996), Making differences matter: a new paradigm for managing diversity, Harvard Business Review)

60

ASSIMILATION

(discrimination & fairness)

- Described as idealised assimilation & diversity-blind conformism
- Usually window dressing, ie numbers game
- To achieve a democratic representative workforce whose members treat one another the same
- Focus on
  - equal opportunity & fair treatment especially in recruitment
  - compliance with legislation
  - closely reflects situation in society
  - staff treated equally & with respect
  - no one given unfair advantages over others
- This is the thinking behind the affirmative action concepts

63.

The benefits of assimilation are

- increasing demographic diversity in the organization
- promoting fair treatment

The limitations are

- It is diversity-blind, ie
  - “... we are all the same...” or
  - “...we aspire to being all the same...”,
 ie the important differences among them do not count
  - Limited influence on organization's work or culture
  - It is done politically to achieve the benefits of diversity on effective ways of working, leading, viewing the market, managing people, and learning
  - It keeps people from identify strongly and personally with their work - a critical source of motivation and self-regulation in any environment
  - It can threaten the long-standing core assumptions of an organization that are held by the traditional staff
  - some conflicts will appear to be diversity-related when they are actually organizational

62

The Characteristics of Assimilation

- Better due process and equal treatment of all employees, ie equal treatment of all staff
- Management who have the authority use top down directives to enforce initiatives
- Usually bureaucratic in structure
- Has control processes in place for monitoring, measuring and rewarding individual performance
- Has an entrenched, easily observable cultures in which venue fairness and code of conduct that are clear and unambiguous.

64.

## DIFFERENTIATION

(access and legitimacy)

- It involve accepting and celebrating differences, ie the objective is to place different people where their demographic characteristics match those of important constituents and markets.
- The underlined motivation of differentiation can be expressed as  
*"...We are living in an increasingly multicultural country, and new ethnic groups are quickly gaining consumer power. Our organisation needs a democratic more diverse workforce to help us gain access to these differentiated segments. We need employees with multilingual skills in order to understand and serve customers better and to gain legitimacy with them. Diversity isn't just fair; it makes business sense..."*

(Thomas & Ely, (1996), Making differences matter: a new paradigm for managing diversity, Harvard Business Review)

65.

### The positives are

- a competitive advantage with a more diverse clientele by matching the demographics of the organization to those of critical customer in niche markets;
- an increase in organizational diversity;
- increase in professional managerial opportunities for people from diverse backgrounds.

66.

### Its limitations are

- It does not analyze those differences to see how they actually affect the work that is done;
- tends to stereotype staff into differentiated pigeonholes without understanding with capabilities of staff and how they could integrates into the companies mainstream work;
- increases vulnerability because do not understand how diversity works and that it needs to be managed,
- what happens if staff leave;
- unable to differentiate between processes in the organization that are particular to diversity cultural competencies as opposed to organizational competencies;

67.

- learn to use diverse cultural strengths that never seen to learn from them,  
ie do not identify and analyze the culturally placed skills policy and practices that work so well, and do not consider how the organization can incorporate and learn from them to capitalize on diversity in the long run with than;
- it can leave some employees feeling exploited as they are employed to only handle particular niche markets, and thus career opportunities for the than in the organization are limited;
- in addition to the limited career paths sometimes these employees feel most vulnerable when companies are reorganizing, ie specialized areas can be most affect.

68.

## INTEGRATION

(learning & effectiveness)

### Integration

- Connects diversity to approaches to work
- Help identify your current approach to cultural diversity & how it might already have influenced the organisation's diversity effort
- Just to increase the demographic mix does not guarantee a more effective organisation
- Its also internalises differences among employees so that they learn and grow because of them.  
*" We are on the same team, with our differences - not despite them..."*
- This in involve making decisions and choices at work that draw or upon their cultural background, ie choices made for their identity group our affiliations.

These companies incorporate employees' perspectives into the main work of the organization and to enhance work-wide rethinking of primary tasks and of redefining markets, products, strategies, missions, business practice and even cultures

69.

Eight pre-conditions for Integration to be successful

ie for making the shift for organizations to use identity group differences in the service of organizational learning, growth and renewal.

- 1 leadership must understand that a diverse workforce will embody different perspectives and approaches to work, and must truly value variety of opinions and insights.
- 2 leadership must recognize both learning opportunities and the challenges that the expression of different perspectives presents a for an organisation.
- 3 the organizational culture must creates an expectation of higher standards of performance from everyone, ie such a culture isn't the one that expects less from some employees than others.
- 4 the organizational culture must stimulate personal development
- 5 the organizational culture must encourage openness, ie allow high tolerance in debate and supports constructive conflict on work related matters



75.

*Appendix 1*

## LINKS BETWEEN BIOLOGICAL &amp; CULTURAL DIVERSITY FOR SURVIVAL

“...The most significant differences between groups of human beings are not biological but cultural & linguistic.....Cultural diversity & biological diversity go hand in hand.....so diversity of traditional knowledge & culture have been the main reason for our success.....cultural diversity has been just as crucial to humanity’s continued vigour & success in a variety of ecosystems.....Nature is in constant flux, and diversity is the key to survival.....diversity confers resilience, adaptability, and the capacity for regeneration...”

*David Suzuki in The Sacred Balance*

77

*Appendix 3*

## STEREOTYPING &amp; PREJUDICE

- Stereotyping is the basis for prejudice, ie we should see people as individuals as well as representative of different cultures
- Prejudice involves pre-judging people, ie we make our own interpretation of what we experience (something subjective) into an absolute truth about others (something objective) which we then believe ourselves and spread to other people. Eg we meet one Indonesian and assume that all Indonesians are the same, but there are more than 300 different people groups in Indonesia.
- Prejudice is a self-fulfilling prophecy, ie our minds have a “place” for certain kinds of people, and work hard to keep them there.
- This is based on the concept of confirmation bias, ie we try to fit new information into old categories, to make what we learn agree with what we already know, eg if people from certain cultures are “stringey or greedy”, we will always look for them to act the same way, and ignore what is different.

(Geert Hofstede, 1996, Cultures and organisation: software of the mind, QUT lecture series)

76.

*Appendix 2*

WE ARE ALL DIFFERENT, AND IT IS BASED ON

Gender

ie because we are born male or female the world treats us differently; the culture we raised in teaches us how to be feminine or masculine

Family

ie the family group makes its own rhymes, customs and rituals

Age

ie the generation we grow up in experiences the world in its own unique way

Race

ie how people view the characteristics from a common genetic bond

Nation & Ethnicity

ie how we talk about ourselves as citizens of a certain country or as a people with a broad common heritage of culture, belief and language

Geography & Region

ie distinctions we make about ourselves and other on the basis of where we live or where we come from

Organisation

ie what we adopt as a result of working together in as specific group or company, our organisational or “corporate culture”

Belief

ie how we see ourselves and others because of our religion or philosophy of life; we fall into groups defined by faith or personal convictions about who we are and why we are in this world

*George Simon in Working Together*