Conclusions

The first important conclusion lies in the existence of a great cultural diversity among countries and therefore the negation of “best ways” applicable in any place.

This means that in the area of organizations and management, theories, models and techniques developed in a given country – usually in the United States – are not valid and ready to be applied, without further considerations, in countries with very different cultures.
MbO

Mexico is characterised by a very high level of “power distance”, the United States by a very low one (scores from 81 to 40, respectively, or, among 53 countries, the fifth place for Mexico and 38th for United States). As a result of this gap it is only to be expected that a management technique such as “Management by Objectives”, popular in the United States, may be inappropriate in Mexico – the Mexican managers would not accept delegating important tasks to their subordinates and these, in turn, due to their weak sense for egalitarianism, would not feel comfortable with a model of participative characteristics.
Matrix structures 1

Matrix structures were seen a few years ago as combining the advantages of structures by product, geography and function. Decentralized decision processes, overlapping responsibilities and multiple channels of information permitted dealing better with external complexity, overcoming the internal tensions and responding more rapidly and more flexibly to new challenges.
Matrix structures 2

Although overall the matrix structure never experienced the success that had been anticipated, in countries like Germany and France it encountered special difficulties.

In France this was because the matrix structure violates the principle of unity of command and hierarchical line.

In Germany it was because it goes against the absolute need for clear structures, information channels, roles and responsibilities.

This rejection could be explained by the high levels of power distance in France and of large uncertainty avoidance in Germany.
Maslow’s hierarchy of needs.

Maslow defended the existence of five basic human needs, forming a hierarchy comprising physiological, safety, social nature, esteem and self-actualisation needs. Those of a higher level are active and may be motivating, when the inferior ones are satisfied.
Maslow 2

What Maslow thought were universal needs of any human being, and what is taught in management manuals, proved in reality to be valid only for the North Americans and some nations of similar cultural characteristics.

In countries of high uncertainty avoidance, safety needs may be much more important than Maslow thought, the job for the whole life is more important than having a more interesting and challenging position.

In countries with a low level of masculinity, social needs will tend to be more important, the same holding in less individualist countries (more collective).
Culture and international competition:

competitive advantages of different cultural profiles

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

Individualism: management mobility
Collectivism: employee commitment

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

Uncertainty avoidance weak: basic innovations
Uncertainty avoidance strong: precision
IMPLICIT MODELS OF ORGANIZATIONS (1)

From the four dimensions of national culture, power distance and uncertainty avoidance in particular, affect our thinking about organizations.

Organizing always demands the answering of two questions:

- who has the power to decide what? and
- what rules or procedures will be followed to attain the desired ends?

The answer to the first question is influenced by cultural norms of power distance; the answer to the second question, by cultural norms about uncertainty avoidance.

There is empirical evidence for the relationship between a country's position within the PDI-UAI matrix, and models of organizations implicit in the minds of people from those countries which affect the way problems are tackled.
The position of 50 countries and 3 regions on the power distance and uncertainty avoidance dimensions.
**IMPLICIT MODELS OF ORGANIZATIONS (2)**

<table>
<thead>
<tr>
<th>Uncertainty Avoidance</th>
<th>Power Distance</th>
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<tbody>
<tr>
<td></td>
<td>small</td>
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<tr>
<td>weak</td>
<td>market</td>
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<tr>
<td>strong</td>
<td>well-oiled machine</td>
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The French in majority diagnosed the case as negligence by the general manager to whom the two department heads reported.

The solution preferred by the French was for the opponents to take the conflict to their common boss, who would issue orders for settling such dilemmas in the future.

Stevens interpreted the implicit organization model of the French as a 'pyramid of people': the general manager at the top of the pyramid, and each successive level at its proper place below.
Pyramid of people
Strong uncertainty avoidance and large power distance. Typical for France, with the implicit model of an organization as a “pyramid”: the general-director on top and successive hierarchical levels below him.

Concentration of authority and structuring of activities.
The majority of the Germans diagnosed the case as a lack of structure. The competence of the two conflicting department heads had never been clearly laid down.

The solution preferred by the Germans was the establishment of procedures. Ways to develop these could be calling in a consultant, nominating a task force, or asking the common boss.

The Germans, Stevens felt, saw an organization ideally as a 'well-oiled machine' in which management intervention is limited to exceptional cases because the rules should settle all daily problems.
Well-oiled machine

Strong uncertainty avoidance and low power distance. Typical for Germany, the Germans see an ideal organization as a machine in which the intervention from the top is limited to exceptional cases, as the norms and procedures should resolve all the daily problems.

Structuring of activities without the concentration of authority.
The majority of the British diagnosed the case as a human relations problem.

The two department heads were poor negotiators, and their skills in this respect should be developed by sending them on a management course, preferably together.

The implicit model of an organization in the minds of the British, Stevens thought, was a 'village market' in which neither hierarchy nor rules, but the demands of the situation, determine what will happen.
'market'

Weak uncertainty avoidance and small power distance. Typical for Britain, with the implicit model of organization comparable to a “market”, where hierarchy and norms matter little, the requirements of a situation determining what is going to happen.

No concentration of authority or strong structuring of activities.
“extended family”

in which the owner-manager is the omnipotent (grand)-father. It corresponds to large power distance but weak uncertainty avoidance, a situation in which people would resolve the conflict described by permanent referral to the boss: concentration of authority without structuring of activities.

Applies to the upper right-hand corner, which contains no European countries, only Asian and African ones.
“extended family”

Weak uncertainty avoidance and large power distance. Typical for China, the owner of the organization being an omnipotent father (patriarch).

Concentration of authority without structuring of activities.
MODELS OF ORGANIZATION

- The contest model (‘winner takes all’)
- The network model (consensus)
- The organization as a family (loyalty and hierarchy)
- The pyramidal organization (loyalty, hierarchy and implicit order)
- The solar system (hierarchy and an impersonal bureaucracy)
- The well-oiled machine (order)

(ITIM: Consultants in business culture and international management - www.itim.org)
• **The contest model** (``winner takes all´)
Competitive Anglo-Saxon cultures with low power distance, high individualism and masculinity, and fairly low scores on uncertainty avoidance. Examples: Australia, New Zealand, UK and USA.

• **The network model** (consensus)
Highly individualistic, `feminine´ societies with low power distance like Scandinavia and the Netherlands. Everyone is supposed to be involved in decision-making.

• **The organization as a family** (loyalty and hierarchy)
Found in societies that score high on power distance and collectivism and have powerful in-groups and paternalistic leaders. Examples: China, Hong Kong, India, Indonesia, Malaysia, Philippines and Singapore.

(ITIM: Consultants in business culture and international management - [www.itim.org](http://www.itim.org))
• **The pyramidal organization** (loyalty, hierarchy and implicit order)
  Found in collective societies with large power distance and uncertainty avoidance. Examples: much of Latin America (especially Brazil), Greece, Portugal, Russia and Thailand.

• **The solar system** (hierarchy and an impersonal bureaucracy)
  Similar to the pyramid structure, but with greater individualism. Examples: Belgium, France, Northern Italy, Spain and French speaking Switzerland.

• **The well-oiled machine** (order)
  Found in societies with low power distance and high uncertainty avoidance, carefully balanced procedures and rules, not much hierarchy. Examples: Austria, Germany, Czech Republic, Hungary, German speaking Switzerland.

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MANAGEMENT PROFESSORS/SCIENTISTS ARE HUMAN

Not only organizations are culture bound; theories about organizations are equally culture bound.

In Fayol's conception the authority is both in the person and in the rules (the statute). We recognize the model of the organization as a pyramid of people with both personal power and formal rules as principles of coordination.

In Weber's conception the real authority is in the rules. The power of the 'officials' is strictly delimited by these rules. We recognize the model of the organization as a well-oiled machine, which runs according to the rules.
MANAGEMENT PROFESSORS/SCIENTISTS ARE HUMAN

Not only organizations are culture bound; theories about organizations are equally culture bound.

Taylor was not really concerned with the issue of authority at all; his focus was on efficiency. He proposed to split the task of the first-line boss into eight specialisms, each exercised by a different person. Thus, each worker would have eight bosses, each with a different competence. This part of Taylor's ideas was never completely implemented, although we find elements of it in the modern 'matrix organization' in which an employee has two (or even three) bosses.

In the concepts of Taylor and Follett the authority is neither in the person nor in the rules, but, as Follett puts it, in the situation. We recognize the model of the organization as a market, in which market conditions dictate what will happen.
Pascal

'Verite en-deça des Pyrenees,
erreur au-detà'