

A Data Driven Conceptual Analysis of Globalization — Cultural Affects and Hofstedian Organizational Frames: The Slovak Republic Example

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Abstract

It has been argued that culture effects how individuals implement, understand, live, and do business within a defined political, organizational, and ethnic environment. This essay presents a context for analyzing possible cultural shifts based on Hofstede and Hofstede's conception that a society's culture constituted in and presented in individuals' views and routines determines an identifiable cultural profile. In particular, Hofstede's indices on Power Distance, Uncertainty Avoidance, Masculinity and Individuality are applied to two populations—one a United States university population and the other from a Slovak Republic university. The overall purpose is to determine if Hofstede's original research findings are the same today in an era of the internet, globalization, and economic change.

Keywords: globalization and change, global education, organizational cultural, Hofstede, cultural patterns, business education

Introduction

It has been argued that culture effects how individuals implement, understand, and teach the curriculum of business courses within a society's educational institutions (Burčik et al., 2007; DeLorenzo et al., 2006; Hofstede & Hofstede, 2005). As an example, the curricula and their subject

matter reflect the societies in which the curricula are developed and in which they are taught.

The essay presents a contextual case for analyzing this curricular phenomena based on Hofstede and Hofstede's (Hofstede & Hofstede, 2005) conception that a society's culture constituted in and presented in individuals' views and routines is determinate of a changing

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and increasingly global world. The essay includes a comparative analysis of two university populations—one each from the Slovak Republic and the United States. Finally, Hofstede's Value Survey Module 1994 Questionnaire and resulting indices on Power Distance, Uncertainty Avoidance, Masculinity, and Individualism derived from one university within the Slovak Republic and the United States are compared to Hofstede's original study, analyzed and discussed.

The Global and the Local

The global is always at odds with the local. Friedman (2000) used the metaphors of "Lexus" and "Olive Tree" to evoke the conflictive and tension-filled relationships between the push of modernity and the pull of tradition. Friedman's concept of globalization emphasizes that there is a unifying and homogenizing system of markets, societies, and information networks worldwide, which are leveling and standardizing forces: the push of modernity. Standardizing forces are homogenizing.

For instance, an aspect of the global is the movement of The Association to Advance Collegiate Schools of Business (AACSB) International, an accrediting body for business and finance education and curriculum, to spread across local situations and to impose educational standards of quality on societies' institutionalized business curricula (Burčik et al., 2008). The result: regional cultural identity meets "global" standardization.

Research and Findings

The Cultural Matrix

Culture is the concept we use to explain seemingly patterned behaviors from the perspective of a social group (Burčik et al., 2007, 2008). Culture is the complex matrix of behavior; a shared system of valued sensibilities and practices which influence individuals' habitual ways of saying and doing things. Culture is all the things taken-for-granted and presumed as a basis for communication. Culture refers to the usual ways of doing and saying. Culture is the common sense in situations and their affairs and activities. People spend all their time learning how and why to act, learning what emotion goes with what cognitive affair, learning how to use language, how to see things, hear things, and touch things, learning things so well that they become habits of experience. For individuals, enculturated and socialized are developmental and evolutionary affairs. Culture is the shared habits of representation, reference, and inference (Burčik et al., 2007, 2008). Every person has an idiosyncratic take on the habits learned (or each person thinks he or she does.) This is particularly evident in the many habits, patterns, and belief structures associated with ethnic identity. A typical habit learned is the habit of dependency (and independency.) Part of this phenomenon is an ability and competence at influencing the sense of a situation as defined by the web of social relationships. Being independent or dependent are important, but being able to influence how situations are finished is more important. Humans learn about this phenomenon even before they can name it. Hofstede and Hofstede (2005) call this the power distance dimension of a culture. Power distance is an important explanatory concept of behavior. Another learned cultural habit is that of dealing with "up-in-the-air" situations or ambiguous situations. This is Hofstede and Hofstede's (2005) dimension of uncertainty avoidance. A combination of power distance and uncertainty avoidance tacitly focuses the cultural ground for people expounding theories of management and marketing. Following Hofstede and Hofstede, a particular society's power distance index and uncertainty avoidance index explain managerial styles, organizational governance, information flows and use, and the scope of authority and responsibility. It follows that a society's relative position to another society in terms of the indices also describes, analyzes and explains business theories used and taught by business faculties to explain to their students how corporate interests work in the "real world." (Gannon, 2001; Geertz, 1973; Hofs-

tede, 2001; Hofstede & Hofstede, 2005; Hooker, 2003; Rowe & Mason, 1989; Trompenaars, 1994).

Power, Ambiguity, Masculinity, and Individualism

As a hypothesis of situational behavior, power distance allows an explanation of culturally influenced behavior and theories of behavior. Power distance is how the less powerful members of institutions and organizations within a country expect and accept that power is equally distributed (Dooley, 2003; Hofstede, 2001, p. xix; Hofstede & Hofstede, 2005, p. 46; Hooker, 2003; Huang et al., 2003; Mead, 1994; Steming & Hammer, 1992). It is also an explanation of the expectations of the powerful or those in positions of power (and influence); their acceptance is as important as anyone's acceptance. From within a culture, expectations, acceptances, and uses are natural. Power distance in a particular culture is a way of interpreting relationships between and among people generally. There is a continuum from small to large power distance and use in situations.

As a hypothesis of situations and their affairs, uncertainty avoidance is an explanation of culturally influenced attitudes towards types of situations and other people and things whose interactivity create the situations. Uncertainty avoidance is defined as a cultural perspective reflecting the extent to which the members of a culture feel threatened by ambiguous or unknown situations (Cyert & March, 1962, 1992; Hofstede, 1983; Hofstede & Hofstede, 2005, p. 167; March, 1994; Umanath & Campbell, 1997). As Hofstede puts it, uncertainty avoidance "...is the extent to which a culture programs its members to feel either uncomfortable or comfortable in unstructured situations" (Hofstede, 2001, p. xix). Uncertainty avoidance is a way of explaining characteristics of situations and relationships such as control, conflict and competition, or consensus. The strong to weak uncertainty avoidance continuum describes and elaborates the situational contexts: weak may be conflictive; strong may be consensual. The situations are conflictive pushing for consensus or agreeable pulling for conflict (Connor & Worley, 1991; Hofstede, 2001; Mead, 1994).

The masculinity (femininity) index as identified by Hofstede can be alternately viewed as an achievement vs. nurture metric. Essentially, it is away to view if a culture has a social focus or one of recognizing and encouraging ambition and measures of achievement. To some extent, it reflects gender influenced roles for that culture (Hofstede, 1983). Finally, the individualism (collectivism) index portrays the cultures emphasis on the individual or society (Hofstede, 1983).

Related Work

In a previous study by Burčik et al. (2008) using business course descriptions from two Slovak Universities, a few observations were made. The Slovak business program has numerous business courses very specific to the content with respect to the business subjects described. Secondly, globalization is not a generalized segment of the business education, but an economic reality necessitating curricular immersion. Focus is on cultural differences, language and communication—English as the language of business, and policy related to doing business with the European Union (EU) as well as the USA. It is quite noticeable that this Slovak business curriculum offers many levels of language courses of European Union countries as well as English.

Globalization is inherent to this curriculum. It is not an imposed addition to the curriculum but rather a designed practical solution to the economic and social reality that defines the nature of business in the Slovak Republic. It is possible in the Slovak context to contend with the practical issues of doing business in a European market by being able to offer so courses that presumably serve a well-defined need. Furthermore, the curriculum is not restricted to a select common body of knowledge—but goes beyond to address the localized business needs to strengthen or provide an advantage in the global world as defined from a Slovak perspective.

In the Burčik study, the differences between the Slovak and the U.S. universities were noticeable on some courses in the areas of management, marketing, and organizational behavior (Burčik et. al., 2008):

- Firstly, the Slovak business program is more “local” with content that addresses Slovakian, European and U.S. social consciousness. The “International Human Resource Management” course addresses practices in Europe in comparison with other district regions (U.S. and Asia).
- Secondly, the curriculum in Slovakia addresses management concepts for both Europe and the U.S. with courses such as “Business in Europe” and “English for Managers” as examples while the U.S. universities offered little course content on business in Europe.
- Thirdly, the American business curriculum can be viewed as “global” and generic in nature with little content on specific social and cultural comparisons, it is strong in business foundations and principles.

The question that surfaces with respect to the core of Hofstede and Hofstede’s (2005) work: Can there truly be a standard of business derived from the US that can, in fact, be localized and be made relevant to globalization in a frame other than the EU, China, Japan, and the US (Burčik et. al., 2008)? The EU consists of many localized business cultures forced to operate at an EU level, a global context beyond the bounds of Europe, as well as at the local level. Each facet of business incorporates power distance, ambiguity, and individualism to name a few of the localized cultural dimensions (DeLorenzo et. al., 2006; Hofstede & Hofstede, 2005).

Hypothesis and Process for Testing

Our hypothesis is that Hofstede and Hofstede’s (2005) power distance, uncertainty avoidance, masculinity, and individualism measures reveals less of an impact of localized culture in today’s globalized educational business curriculum environment than was described by Hofstede’s (1983) original research.

The motivation for this study was rooted in our belief that with the Internet age and globalization, education and business curriculum reveals lesser societal and cultural differences than from Hofstede’s original research in the 1960’s.

In this study, Hofstede’s *Values Survey Module 1994* (Hofstede, 1994) was administered to two distinct populations to ascertain cultural differences that may provide insight as to potential impact of globalization. This questionnaire consists of 26 questions with 24 objective Lickert type questions and two open ended questions addressing nationality (Hofstede, 1994). During spring of 2008 and winter of 2008, the questionnaire was administered to a convenience sample of university students in Slovakia (population 61) and undergraduate business students in the United States (population 32) for a total population of 93. The response of the 93 questionnaires were tabulated, processed, and computed according to the protocol established and used by Hofstede. The weighting of responses and tabulation of results was achieved through the application of Hofstede’s formula in an EXCEL spreadsheet.

To support the Internet age and globalization theory, the populations surveyed in this paper (the Slovak Republic and in the United States) reflected an age grouping of 18-22 years of age. The original Hofstede study surveyed professionals working for IBM—presumably, adults for the most part reflecting an age span greater than 22.

The Calculation Process: The Slovak Example

Each question is related to an overall calculation for power distance, uncertainty avoidance, masculinity and individualism. For example, Table 1 shows the power distance formula and calculation for the 61 Slovakian responses.

Table 1. Power distance formula and calculations

Question	Mean Score/Responses	Hofstede's Value Survey Module ⁽¹⁾
Q3	122/61 = 2	-70
Q6	172/61 = 2.82	98.7
Q14	223/61 = 3.66	91.5
Q17	196/61 = 3.21	-64.2

$$^{(1)}\text{PDI} = -35\text{m}(\text{Q3}) + 35\text{m}(\text{Q6}) + 25\text{m}(\text{Q14}) - 20\text{m}(\text{Q17}) - 20$$

$$\text{PDI} = -35 \times 2 + 35 \times 2.82 + 25 \times 3.66 - 20 \times 3.21 - 20$$

$$\text{PDI} = 36$$

Individualism:

Q1

Total 61 cases = 107

Mean score: 107/ 61 = 1.75

Q2

Total 61 cases = 143

Mean score: 143/ 61 = 2.34

Q4

Total 61 cases = 125

Mean score: 125/ 61 = 2.05

Q8

Total 61 cases = 95

Mean score: 95/ 61 = 1.56

$$\text{IDV} = -50\text{m}(\text{Q1}) + 30\text{m}(\text{Q2}) + 20\text{m}(\text{Q4}) - 25\text{m}(\text{Q8}) + 130$$

$$\text{IDV} = -50 \times 1.75 + 30 \times 2.34 + 20 \times 2.05 - 25 \times 1.56 + 130$$

$$\text{IDV} = 114.7$$

The index normally has a value between 0 (strongly collectivist) and 100 (strongly individualist), but values below 0 and above 100 are technically possible.

Masculinity:

Q5

Total 61 cases = 120

Mean score: 120/ 61 = 1.97

Q7

Total 61 cases = 139

Mean score: 139/ 61 = 2.28

Q15

Total 61 cases = 189

Mean score: 189/ 61 = 3.10

Q20

Total 61 cases = 177

Mean score: 177/ 61 = 2.90

$$\text{MAS} = +60\text{m}(\text{Q5}) - 20\text{m}(\text{Q7}) + 20\text{m}(\text{Q15}) - 70\text{m}(\text{Q20}) + 100$$

$$\text{MAS} = +60 \times 1.97 - 20 \times 2.28 + 20 \times 3.10 - 70 \times 2.90 + 100$$

$$\text{MAS} = 31.6$$

Uncertainty Avoidance:

Q.13

Total 61 cases = 167

Mean score: $167 / 61 = 2.74$

Q.16

Total 61 cases = 221

Mean score: $221 / 61 = 3.62$

Q.18

Total 61 cases = 175

Mean score: $175 / 61 = 2.87$

Q.19

Total 61 cases = 192

Mean score: $218 / 61 = 3.15$

$UAI = +25m(Q13) + 20m(Q16) - 50m(Q18) - 15m(Q19) + 120$

$UAI = +25x 2.74 + 20x 3.62 - 50x 2.87 - 15x 3.15 + 120$

$UAI = 70.15$

Q9

Total 61 cases = 104

Mean score: $104 / 61 = 1.70$

Q10

Total 61 cases = 193

Mean score: $193 / 61 = 3.16$

Q11

Total 61 cases = 134

Mean score: $134 / 61 = 2.19$

Q12

Total 61 cases = 218

Mean score: $218 / 61 = 3.57$

$LTO = -20m(Q10) + 20m(Q12) + 40$ (revised version 1999)

$LTO = -20x 3.16 + 20x 3.57 + 40$

$LTO = 48.2$

The formula was originally: $LTO =$

$+45m(Q09) - 30m(Q10) - 35m(Q11) + 15m(Q12) + 67.$

The Results

Table 2 shows the relative calculated indices for Hofstede’s Power Distance (PDI), Ambiguity Avoidance (UAI), Masculinity (MAS), and Individualism (IDV) for the population samples from both Slovakia and the United States. What is most striking from the data is that the Slovak indices have changed from the original Hofstede study to become similar to those displayed by the United States. This flattening is true for the PDI, UAI and IDV indices. The MAS index, however, has dropped significantly.

Table 2. Relative Calculated Indices

	Current US	Hofstede US	Current Slovak	Hofstede Slovak
PDI	32.4	40	36	104
UAI	48.3	46	70.15	51
MAS	70	62	31.6	110
IDV	103.5	91	114.7	52

Figure 1 graphically reflects the results of these indices as they are compared side by side. The two most striking changes between the current and original Hofstede study are with the Slovak change from a very high PDI (power distance) to one comparable with the US. Secondly, as mentioned in the “Hypothesis Section”, the lower MAS index reveals a greater social-nurturing orientation. The MAS was the only index that revealed the least consistency between the initial Hofstede results for both the United States and for Slovakia.

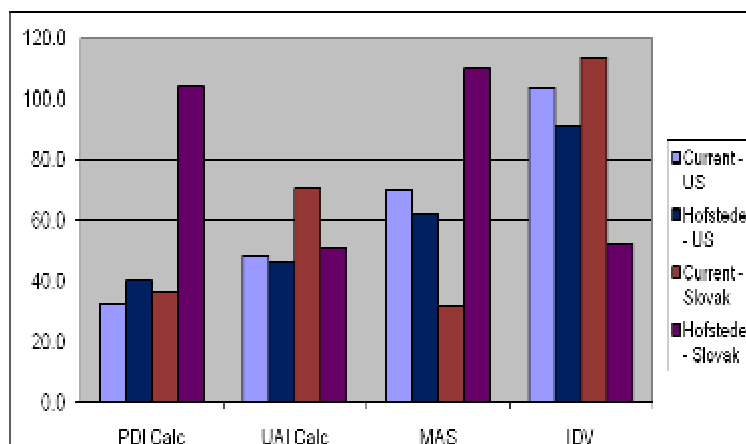


Figure 1. Results of Calculated Indices

Discussion and Conclusion

This study built on the foundations of two previous studies assessing the impact of globalization on established localized cultural identities. While Hofstede's landmark study in the 1980s provided a key to significant cultural differences between national identities, it can be argued, that the world in which the study was undertaken may no longer exist. The impact of technology (i.e. the computer and the internet) on globalization along with standardization movements such as international laws, academic accreditations, and most recently the European Union have truly flattened the world. The results from this study have provided additional evidence that, at least in the case of one Eastern European country, that there has been movement to a culturally standard profile. The cultural markers as identified by Hofstede that had characterized many of the countries surveyed can be expected to see change as a result of recent initiatives such as educational standardization (i.e., the Bologna Agreement, AACSB and ABET International accreditation), the internet, and a borderless European Union. From a more theoretical perspective, since 1992 Europe, in particular had moved from what Bolman and Deal (Bolman & Deal, 1997) would call a structured political frame to one that has encompassed greater risk and uncertainty. Finally, in the case of Slovakia, the social cultural environment of the original research population and our current research group was completely different. Our current students were 2-3 years old in the late 1980s and early 1990s -- a time of great change in Slovakia. As Slovakia evolved out of socialism, the students did not experience life growing up in a society driven by a state-planned economy, a market regulated by the state, and a government based on a one party system. They now live in a country that promotes global economic enterprise, an open marketplace for commerce while offering freedoms to pursue those endeavors within the state. So, we can suppose (and the results show it) that they are developing different cultural patterns from the original study, influenced by new socio-economic conditions.

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Biographies



Gary J. DeLorenzo, D.Sc., Assistant Professor of Mathematics and Computer Science at California University of Pennsylvania in California, Pennsylvania has spent more than 30 years in industry as programmer, analyst, consultant and manager before entering academia. In his academic career, he has gained a reputation as someone who brings people together, shares his industrial experience with students, and brings his energy and knowledge for collaborative efforts. He has led initiatives at the university in areas such as marketing and recruitment to increase student enrollment, service learning projects for information system majors, and startup business incubation projects. He and his students provide ongoing data base consulting and application support services for the John Heinz History Museum, Pittsburgh, PA, the largest history museum in Pennsylvania. He was a visiting professor at Robert Morris University in 2004 and 2008, and has presented and published his research both nationally and internationally.



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