

MGT 407



INTERNATIONAL
MANAGEMENT

American (U.S.) Management

American (U.S.) Management

Every day an American banker working in Paris gets requests from French firms looking for Frenchmen “with experience in an American corporation.” The manager of a German steel mill hires only staff personnel “having been trained with an American firm.” The British Marketing Council sends 50 British executives to spend a year at the Harvard Business School—and the British government foots the bill. For European firms, so conservative and jealous of their independence, there is one common denominator: American methods.

—J.-J. Servan-Schreiber (1969, p. 35)

Sociocultural Tendencies in U.S. Society

Hofstede's Cultural Dimensions



Geert Hofstede



LOW ← → HIGH

EGALITARIAN ← **POWER DISTANCE** → EMBRACES HIERARCHY
Level of acceptance of an unequal power distribution in a society

COLLECTIVIST ← **COLLECTIVISM VS. INDIVIDUALISM** → INDIVIDUALIST
Extent to which members of a culture prioritize their individual goals over the goals of the group

COMFORTABLE WITH UNCERTAINTY ← **UNCERTAINTY AVOIDANCE INDEX** → UNCOMFORTABLE WITH UNCERTAINTY
Desire to avoid or avoid unknown or uncertain situations

NURTURE IMPORTANT ← **FEMININITY VS. MASCULINITY** → POWER IMPORTANT
What motivates people - want to be the best (masculine) or being what you do (feminine)

TRADITIONAL AND SHORT-TERM ← **LONG-TERM ORIENTATION** → FUTURISTIC AND LONG-TERM
Planning and action are based on long-term goals vs. short-term goals

RESTRAINT IS GOOD ← **RESTRAINT VS. INDULGENCE** → SATISFACTION IS GOOD
Extent to which people try to control their desires and impulses

-

+

Equality

Power distance

Inequality

Risk tolerant

Uncertainty avoidance

Risk intolerant

Collectivistic

Individualism

Individualistic

Collaboration &
cooperation

Feminity/masculinity

Power &
competitiveness

Tradition & short
term

Time perspective

Future & long term

Normative repression

Restraint vs indulgence

Free satisfaction

Hofstede's Cultural Variables

- ❑ Low power distance
- ❑ Very high individualism
- ❑ Moderate to high masculine-associated values (aggressiveness, assertiveness, competitiveness)
- ❑ Low uncertainty avoidance (i.e., high tolerance of risk and change)
- ❑ Short-term time orientation