Working Paper 96-67
Business Economics Series 11

Departamento de Economía de la Empresa
Universidad Carlos III de Madrid
Calle Madrid, 126
28903 Getafe (Spain)
Fax (341) 624-9875

THE IMPORTANCE OF VARIOUS WORK ASPECTS AND THEIR ORGANIZATIONAL CONSEQUENCES USING HOFSTEDE'S CULTURAL DIMENSIONS

L.R. Gomez-Mejia* and Ma D. Saura**

Abstract _____

This study examines the importance employees place on various work aspects according to their nation's relative positioning along Hofstede's four cultural dimension: power distance, individualism, uncertainty avoidance, and masculinity/feminity. Based on a cross-national sample of over 5,000 employees representing 20 countries, the results uncover differential patterns of responses by cultural groupings. The data also suggest that importance and satisfaction interactively affect several organizational consequences criteria: job satisfaction, company satisfaction, intent to leave the firm, and organizational commitment.

Key Words

Cultural dimensions; Power distance; Individualism; Uncertainty avoidance; masculinity/femininity.

- L.R. Gomez-Mejia, Departamento de Economía de la Empresa de la Universidad Carlos III de Madrid. The author wishes to thank the partial financing of this research to de Ministry of Spain (SAB95-0129 DGICYT) and the project SEC96-0637 of CICYT (Spain).
- "Mª D. Saura, Departamento de Economía de la Empresa de la Universidad Carlos III de Madrid.

			-
		-	
·			

ABSTRACT

This study examines the importance employees place on various work aspects according to their nation's relative positioning along Hofstede's four cultural dimensions: power distance, individualism, uncertainty avoidance, and masculinity/femininity. Based on a cross-national sample of over 5,000 employees representing 20 countries, the results uncover differential patterns of responses by cultural groupings. The data also suggest that importance and satisfaction interactively affect several organizational consequences criteria: job satisfaction, company satisfaction, intent to leave the firm, and organizational committment.

INTRODUCTION

One of the most dramatic changes in the business landscape during the past two decades is the eroding of national barriers as constraints in the production and manufacturing of goods and services. It is estimated that investments overseas by United States multinational corporations (MNCs) have increased at least 15 times since the late 1970's (Gomez-Mejia, Balkin, and Cardy, 1995). Some have argued that MNCs are slowly reaching the stage of stateless corporations which "are trying to become local companies in many countries" (Business Week, 1990).

Regional internationalization is no longer the exclusive domain of the largest corporations, in fact, this trend is growing faster among smaller firms(Ayal & Izraeli, 1994). The organizational forms that characterize this process is bewildering, including many different types of arrangements such as international mergers, acquisitions, cross-cultural strategic alliances, joint ventures, and the like (Erramilli, 1996; Barkema, Bell, and Pennings, 1996).

Internationalization confers the firm many advantages, including a larger market (Shakel, 1986), hedging against demand fluctuations in any particular country (Caves, 1982), lower labor costs (Burhner, 1987) and access to raw materials (Hirsch, 1976) and learning how to deal with uncertainty (Barkema et al., 1996). Yet, globalization does not come without costs. When firms transcend their domestic borders they have to contend with unfamiliar cultural forces. The greater the foreign expansion the greater the cultural diversification a firm is likely to face. This adjustment is magnified when companies engage in outright acquisitions or joint ventures with foreign firms because they must then have to contend with unfamiliar norms, values, and

behavioral patterns. In other words, these firms need to find a way to successfully accommodate both a national and a corporate culture (Barkema et al., 1996).

Research strongly suggest that in a world of "global markets," "global constraints," and "converging commonalities" (Levitt, 1983), nationality still matters. For instance, Keeley et al. [1987] reports that managerial attitudes and beliefs reflect the national origin of executives.

Norburn et al. [1990] uncovered large cross-cultural variations in managerial attitudes, beliefs, and values, concluding that "national culture shapes individual behaviors into kaleidoscopic formats each different in subtle patterning" (p.466).

The importance of work values in understanding worker behavior and the organizational environment has also been stressed by numerous researchers and students of management science and organizational analysis. England and Koike (1970), for example, have argued that an individual managers' personal value system makes a difference in terms of how she/he evaluates information and arrives at decisions—in short, how a manager behaves. England and his colleagues have developed and tested a theory of how managers' values relate to their organizational behavior (England and Koike, 1970) as well as demonstrating the relationship between values and managerial success in four countries (England and Lee, 1974). Heller (1969) found important differences between the managers of the same business firm and concluded that certain values and beliefs peculiar to a culture in a particular location may be counter-productive for the organizational efficiency of a multinational firm. Sikula (1971) has stressed the importance of values and value system concepts in allowing a more insightful analysis of work motivation than do traditional motivational concepts like needs, drives and expectancies. Lastly, cross-cultural studies of work values and their resulting descriptions of the value structures of

workers in various cultures has obvious implications for multinational organizations and for the universal application of managerial techniques such as job enrichment, participative management, management by objectives, training programs and career planning strategies (Gomez-Mejia, Balkin, & Cardy, 1995).

More recent work similarly confirms that business behavior across nations tends to reflect the underlying cultural values of each country. For instance, Campbell et al. [1988] found dramatic differences in marketing/negotiations across diverse cultures. The events at the negotiation table had a stronger effect on American negotiations; status relationships played a key role in the negotiation process among the British; personal characteristics and demeanor had a large import on the process and the outcome of the negotiations among the French. In a six country study (Indonesia, Germany, Saudi Arabia, Hong Kong/China, Australia, and Philippines) Hendon, Hendon, and Herbig (1996) showed that verbal and non-verbal communications varied dramatically across cultures and that these differences may become a critical barrier to a firm's international expansion. "Discussions are frequently impeded because the two sides seem to be pursuing different paths of logic; in any cross-cultural context, the potential for misunderstanding and talking past each other it great." (Hendon et al., 1996)

Similarly, Tse et al. [1988] and Graham et al. [1992] document variation in marketing decisions and negotiation style among Chinese, Canadians, Americans, and Russians.

In what is the largest and best known study of its nature, Hofstede (1980, 1983) used a database with survey responses of 116,000 IBM employees across 50 countries to conclude that: "the national and regional differences are not disappearing; they are here to stay. In fact, these differences may become one of the most crucial problems for management—in particular for the

management of multinational, multicultural organizations, whether public or private" (1983, p. 75).

Hofstede's research produced a framework that maybe used to categorize countries along four dimensions: 1.) power distance, 2.) individualism, 3.) uncertainty avoidance, and 4.) masculinity/femininity. He then employed his data to score participating countries on each of the four dimensions. This methodology allows one to sketch the characteristics of cultures attaining high or low scores on these dimensions.

The study reported here was motivated by the following two research questions. First, what cultural differences exist in the importance employees assign to various work aspects as a function of their relative positioning along the four dimensions identified by Hofstede? The data used for the study consists of an international attitude survey representing 20 different countries, including a total of 5,550 employees (see Table 1). This research expands earlier cross-cultural work by showing how the importance employees attach to various work aspects differs by cultural groupings. A total of 33 work aspects are analyzed, providing clues as to the configuration of employment policies most likely to mesh with the value system apparent within a given cultural grouping.

Second, we also address the normative question: what are the consequences if employees believe that a particular work dimension is important to them and they are either satisfied or dissatisfied with that work aspect? According to current paradigms and themes in human resource strategy, firms that experience a better fit between inherent values or characteristics of those national populations from which they draw their work force and human resource policies should experience more success in their human resource systems than firms in which these two

sets of factors are decoupled. By extension, a mismatch between the importance employees attach to various aspects of their work (which should be reflective of their culture, as discussed above) and the satisfaction they experience with those work aspects is likely to result in a number of dysfunctional consequences. Specifically, in the present study we examine the effect of a match/mismatch of importance and satisfaction for 33 work aspects on the following variables: overall job satisfaction, company satisfaction, intent to leave the firm (withdrawal cognition), and organizational commitment.

METHOD

Sample

As noted above, the sample consists of 5,550 employees of a large multinational corporation, covering 20 countries—ranging from a low N of 29 (Belgium) to a high N of 2343 (United States). A large cross-section of organizational, educational, gender, age, and tenure groups is represented as can be observed in Table 1.

Operational Measures

A total of 33 Likert scales were utilized in the surveys, capturing a diverse set of work aspects commonly used in the literature. These scales are listed in an Appendix. For each scale respondents were asked to indicate "On my ideal job, how important is . . ." on a five point response format, ranging from 1.) strongly disagree to 5.) strongly agree. Survey participants were also asked to indicate for each scale "On my present job, this is how I feel about . . ." using a five point response format, ranging from 1.) not satisfied to 5.) extremely satisfied. Thus, for each work aspect we had a measure of its importance and employee's satisfaction with that

aspect. The entire survey was translated and back-translated to ensure comparability of meanings across the various languages represented.

The operational measures for the cultural dimensions were obtained directly from Hofstede's work (1980, 1983) and future extensions (e.g., Roth & O'Donnell, 1996). All countries were grouped into three categories for each of Hofstede's cultural dimensions (i.e., power distance, uncertainty avoidance, individualism, and masculinity/femininity): high, medium, and low. The classifications appear in Tables 2-5.

<u>Analysis</u>

A mean importance score (1-5 scale) was calculated for each work aspect within each of Hofstede's dimensions for countries classified as high, medium, or low on that cultural characteristic. Work aspects that appear to discriminate across each of these three groupings (and therefore reflect cultural differences) are noted if the mean differences reached a level of statistical significance of at least P<.05.

A second analysis divided the total sample among those respondents who felt a work aspect was important (answered 4 or 5 on the Likert scale for that item) and who felt either dissatisfied (answered 1 or 2 on the Likert scale for that item) or satisfied (answered 4 or 5 on the silent scale for that item) with that work aspect. This allowed us to calculate a correlation between a match (high importance/high satisfaction) and a mismatch (low importance/low satisfaction) with various organizational consequences (i.e., job satisfaction, company satisfaction, withdrawal cognition, and organizational commitment). The greater the observed correlation the greater the impact of a match/mismatch on a particular organizational consequences criterion.

RESULTS

Tables 2-5 show the importance of work aspects and their associated mean scores that discriminate across high, medium, and low country groupings within each of Hofstede's dimensions. Each of these tables is briefly discussed in turn.

Power Distance

This refers to the extent to which citizens readily accept a hierarchical system or power structure in organizations. The greater the power distance, the more status differences between subordinates and superiors are emphasized. Individuals living in a country characterized by low power distance are less likely to tolerate significant inequities between the ranks or job levels, while countries which a high power distance expect large differentials between levels as a part of life.

As can be seen in Table 2, 12 work aspects differentiate these 20 countries classified into the three power distance categories. The data suggests that "high power" countries tend to emphasize pay/perquisites linked to rank, clear expectations dictated by superiors, and a belief that middle and upper echelons should be competent. On the other hand, "low power" countries tend to emphasize cooperation between and within groups, recognition and feedback, independence, employee participation and coworker competence.

Individualism

Individualism reflects the degree to which people in a given society value independence versus group membership. Countries high on the individualism dimension place extreme value on

personal goals, autonomy, and privacy. Alternatively, high collectivism (or low individualism) is present in countries whose values center on groups, such as families or clans. Loyalty to the group, commitment to its norms, involvement in its activities, social cohesiveness, and intense socialization are typical of these cultures.

As can be seen in Table 3, seven work aspects differentiate across countries falling into the three individualism cohorts. Interestingly enough, most of these work aspects have to do with money and deservingness of rewards. Specifically, the higher the individualism orientation of a culture the more emphasis is placed on performance based pay, pay versus work amount, pay versus market, pay versus newcomers, pay raise frequency, pay raise amount, and promotion based on performance versus seniority.

Uncertainty Avoidance

The third dimension, uncertainty avoidance, is concerned with the method by which a society deals with risk and instability for its members. A low score on uncertainty avoidance (or high acceptance of ambiguity) is exhibited by tolerance of risk and the unknown—resulting in lower levels of stress on people within that culture. A high score on uncertainty avoidance is found in countries where citizens constantly try to grapple with uncertainty and control it; this results in tension, stress, and efforts to maintain security for individuals within the society.

As can be seen in Table 4, nine work aspects discriminated the three groupings of countries along the uncertainty avoidance scales. These work aspects revolved around ambiguity and insecurity reducing human resource policies. Specifically, a high uncertainty avoidance orientation is associated with a greater emphasis on benefits, job security, salary, and clear

expectations dictated by the company and supervisors. Both independence and challenge tend to be emphasized by low uncertainty countries.

Masculinity/Femininity

The masculinity/femininity dimension characterizes the degree to which assertive or characteristically "masculine" behavior is promoted by society, and the rigidity of stereotyped roles played by men and women. A country that scores high on this dimension accepts the philosophy that men or "masculine" values are dominant within both business and society. It also admires acquisition of material possessions; aggressive attempts to acquire additional wealth or income are viewed positively. A "feminine" society (or country that scores low on the masculinity dimension) encourages caring and nurturing behavior. It values quality of life rather than the acquisition of numerous possessions. In addition, women's roles are less predetermined and broader in scope.

As can be seen in Table 5, six work aspects are associated with a country's positioning along the masculinity/femininity dimension. Specifically, low masculinity countries are associated with a greater emphasis on "relationship" oriented work aspects, including company's help with personal problems, supervisor's listening to workers' opinions, work related help, employee's treatment, human relations, and organizational climate.

Organizational Consequences

As can be seen in Table 6, the extent to which there is a match or a mismatch between importance and satisfaction for each work aspect tends to be correlated with one or more

organizational consequences. Specifically, a mismatch tends to have a significant negative effect on the criterion measures while the opposite is true for a match. For instance, those who feel that clear supervisory expectations is important and they are satisfied with it (a match) show a correlation of .66, .39, -.29, and .41 with overall job satisfaction, satisfaction with the company, intention to leave, and organizational commitment, respectively. On the contrary, those who feel that clear supervisory expectations is important yet they are not satisfied with it (a mismatch) show a negative correlation of -.70, -.49, .43, and -.39 with overall job satisfaction, satisfaction with the company, intention to leave, and organizational commitment, respectively.

CONCLUSIONS AND DISCUSSIONS

In these days of rapid change in international trade patterns, the continual expansion of multinational organizations and the increasing recognition of management science as an academic discipline, it has become increasingly important to study the similarities and differences in employee value systems, work motivators, and job related attitudes of the work forces representing various national groups.

This study shows that the importance employees attach to various aspects of their jobs depends in part on their cultural affiliations. It also suggests that employee's affective reaction to their work has an effect on several organizational consequences that may have some impact on the effectiveness of human resource policies and ultimately firm performance.

This investigation sheds further light on the norms and values peculiar to a cultural structure by focusing on three work aspects that employees perceive as differentially important across cultural groups. We also show that these differential patterns may have much practical

relevance in predicting variables that are at the core of such related fields as organizational behavior, human resource management, industrial psychology, and industrial relations (namely, job satisfaction, company satisfaction, withdrawal cognition, and employee commitment).

This research also serves to show the usefulness of Hofstede's cultural indices to explain what employees consider to be most important in their jobs. It therefore extends other research that has relied on Hofstede's dimensions to explain a variety of phenomena. For instance, Kogut and Singh (1988) used the uncertainty avoidance index of the firm's home country to predict the choice between acquisitions, greenfield investments, and joint ventures. Erramilli, 1991; Erramilli and Rao, 1993; Agarwal, 1994; Benito and Gupsrud, 1992; Cho and Padmanabham, 1992; Roth and O'Donnell, 1996; and Bakema et al., among others, have employed Hofstede's indices to measure the cultural distance between the firm's home country and its host countries. This cultural distance has been used to explain entry mode choice (e.g., Agarwal, 1994); subsidiary ownership patterns (e.g., Bakema et al., 1996); and organizational control mechanisms (e.g., Roth and O'Donnell, 1996). Similarly, Hofstede's cultural indices have been shown to explain differences in innovation, championing roles across a large number of countries (Shane, 1995) and differences in budget control practices between USA and Japan (Ueno and Sekaran, 1992). The results reported here add another nomological piece of evidence to corroborate the construct validity of Hofstede's framework.

Perhaps the importance employees assign to various work aspects may also help define and describe the national character construct (for a review of this literature, see Clark, 1990).

This refers to "the enduring personality characteristics and patterns that are modal (most fequently observed) in the adult members of that society" (Erramilli, 1996: 230). For example, Peabody

(1985) empirically showed that personality traits (such as tight/loose; assertive/unassertive) are not randomly distributed across countries. He reports, for instance, that while Americans are loose and assertive, Germans are tight and assertive, British tight and unassertive, and Italians loose and unassertive.

Although much of the relevant literature has used culture as an explanatory factor, there is another research trend as well as another body of knowledge which suggests economic determinants are also predictors of the importance employees assign to various work aspects. In particular, researchers have investigated the relationships between work force wage levels (as reflected in per capita income) and the general economic growth or activity of a nation relative to the motives and attitudes of a culture's people.

Historically, national infrastructure such as railroads, roads, and electrical power have been repeatedly stressed as a precondition for the rapid economic development of a nation (Terptra & David, 1991). Such technological change and increased industrialization has massive impact on specialization of occupations, skill requirements of the labor force, and greater status mobility (Dixon, 1994). These processes, in turn, might be expected to alter the members of a work force in terms of abilities, perceptions, beliefs, attitudes, and values concerning the work setting. Such an expectation is partially supported by several researchers who have investigated the relationship between various psychological characteristics of the work force and national affluence. Harbison and Myers (1959), for example, found evidence for their hypothesis that management utilization, outlooks, authority and relative prestige are a function of the overall economic activity within a nation. Their study, however, was based on a very crude design using case studies and individual self-reports. Haire et al. (1966) studied the relationship between the

level of economic development (as measured by the per-capita gross national product) and managerial values. Based on their sample of 3,641 managers in thirteen countries, the investigators found some relationship between national wealth and managerial attitudes, but concluded that national wealth was not a major determinant of managerial attitudes and values.

The well known work of McClelland (1961) suggested that human motives may be related to economic growth throughout history, not simply at one particular time. Thus, he studied the relationship between nations' changing economic growth and the degree of achievement motive as measured by content analyzing twentieth century (1925 and 1950) children's readers from many nations, and traces left from other periods (artwork and literature from ancient Greece, literature from the Spanish Middle Ages, and literature from ballads from Tudor England). Economic growth was operationalized as per capita income and kilowatt hours of electricity produced for the 1925 and 1950 periods and as area of trade for ancient Greece, shipping tonnage leaving various ports (from Spain in the Middle Ages) and coal imports from Tudor England. Although McClelland's measures probably suffer problems of reliability and validity, the amount of evidence supporting the relationship between the economic growth of a nation and the degree of achievement motivation in its people is overwhelming (Roberts, 1970).

A number of investigators have explored the relationship between national affluence and the relative importance of particular motives in the work force. The underlying rationale has been based on need theories such as Maslow's need hierarchy (Maslow, 1954), which stresses the importance of people satisfying their basic physiological and security needs before other "higher level" motives like self-esteem and self-actualization can emerge. Greenwood (1974), for example, obtained attitude questionnaire responses for three occupational groups in a multi-

national corporation and studied their relationship to the level of national economic development (as reflected in the gross national product). The author concluded that the level of economic development strongly influences the strengths and priorities of workers' values and needs along the lines predicted by Maslow's theory.

This long line of research suggests that an important issue to examine empirically in the future is how the importance employees place on various work aspects (e.g., security versus performance orientation) at an aggregate level impacts the rate of economic growth of a country.

In cross-cultural research, extraneous variables often cannot be adequately controlled. In this study, the groups were all considered to be comparable across national boundaries since they all were selected from the same international organization, with a similar technology, and comparable job titles and functions within the firm. The standardization, translation, and sampling procedures used permitted an investigation beyond the traditional two-country or "convenience sample" comparisons typically reported by most cross-cultural research in the area of work values. In other words, a multinational organization permits better control of organization, technological, and general environmental conditions. At the same time, the use of one organization has some disadvantages in interpreting results. Perhaps the resulting work importance patterns are partly a function of the relatively homogeneous organizational conditions and may not be representative of the workers from each of the selected cohorts. The question of uniqueness or "organization specific findings" can only be answered by further replicating this study in other organizations across the various countries.

Although this paper isolated several cultural attributes that have been suggested as relevant in their effect on work values, no attempt has been made to develop an integrated cultural

model. As a whole, most of the existing management literature has emphasized culture as an independent variable in explaining work values. However, the literature tends to be inductive and descriptive, and cultural characteristics are very loosely specified. Although the cultural measures used in this study showed a consistent correlation with selected work values, and the interaction of those values with satisfaction predicted several organizational consequences, much research remains to be conducted on these issues. In particular, investigators in this area should devote more attention to developing a coherent cultural model of work values which a.) delineates major cultural attributes affecting work values, b.) explains why these attributes are likely to affect work values, c.) isolates specific cultural attributes to operationalize the construct of culture (e.g., language), and d.) allows one to make predictions and generalizations pertaining to specific cultural attributes and how they are linked to certain work-value structures. Such a model could then be pitted against or integrated with the predictions made by Hofstede's based cultural dimensions.

This research has a number of important limitations that should be noted. First, because of survey length constraints, all the work aspects included here were measured with single item scales. Ideally, several items should be used so that internal reliability may be ascertained.

Second, use of one multinational organization presents a danger that the results may not be generalizable to entire national populations. Indeed, this is a major criticism that has been leveled at Hofstede's research. Third, all the data was provided by a single respondent. This means that method variance could not be ruled out as an explanation for the observed correlations between importance/satisfaction match/mismatch and the organizational consequences criteria.

REFERENCES

Agarwal, S. (1994). Socio-cultural distance and the choice of joint ventures: A contingency perspective. <u>Journal of International Marketing</u>, 2(2): 63-80.

Ayal, I. and Izraeli, D. (1994). International expansion of high technology forms. In Gomez-Mejia, L.R. and Lawless, M.W. (Eds.). <u>International Management of High Technology</u>, Greenwich, Conn. JAI Press.

Barkema, H.C., Bell, J.H., and Pennings, J.M. (1996). Foreign entry, cultural barriers, and learning. <u>Strategic Management Journal</u>, 17, 151-166.

Benito, G.R.G. and Gripsrud, G. (1992). Teh expansion of foreign direct investments: Discrete rational location choices or a cultural learning process? <u>Journal of International Business Studies</u>, 23(3), 461-476.

Buhner, N. (1987). Assessing international diversification of West German corporations. <u>Strategic Management Journal</u>, 8, 25-37.

Business Week (1990), May 14. The stateless corporation, pp. 98-105.

Campbell, N., Graham, J.L., Jolibert, A., and Gulter-Meissner, H. (1988). Marketers negotiations in France, Germany, the United Kingdom, and the United States. <u>Journal of Marketing</u>, 52(2), 49-62.

Caves, R.E. (1982). <u>Multinational enterprise and economic analysis</u>. Cambridge, MA: Cambridge University Press.

Cho, K.R. and Padmanabhan, P. (1992). Acquisition versus new venture: the choice of foreign establishment mode. Paper presented at the 1992 AIB National Meeting, Brussels.

Clark, T. (1990). International marketing and national character. <u>Journal of Marketing</u>, October: 66-79.

Dixon, L.M. (1994). A review of macro-environmental factors affecting technological innovations: An empirical study. In Gomez-Mejia, L.R and Lawless, M. (Eds.). Greenwich, Connecticut: JAI press.

England, G.W. and Lee, R. (1994). The relationship between managerial values and managerial success. <u>Journal of Applied Psychology</u>, 4, 411-419.

England, G.W. and Koike, R. (1970). Personal value systems in Japanese managers. <u>Journal of Cross-Cultural Psychology</u>, 1, 21-24.

Erramilli, K.M. (1996). Nationality and subsidiary ownership patterns in multinational

corporations. <u>Journal of International Business Studies</u>, 2nd quarter, 224-235.

Erramilli, K.M. (1991). The experience factor in the foreign market entry behavior of service forms. <u>Journal of International Business Studies</u>, 22(3): 479-502.

Erramilli, K.M. and Rao, C.P. (1993). Service firm's entry-mode choice: A modified transaction-cost analysis approach. <u>Journal of Marketing</u>, July: 19-38.

Gomez-Mejia, L.R., Balkin, D.B., and Cardy, R. (1995). <u>Managing Human Resources</u>. Englewood Cliffs: Prentice-Hall.

Graham, J.L., Evenko, L., and Rajan, N. (1992). An empirical comparison of Soviet and American business negotiations. <u>Journal of International Business Studies</u>, 23 (3), 387-418.

Greenwood, J.M. (1973). <u>Cross-national study of employee work goals</u>. Doctoral dissertation, Columbia University.

Haire, M., Ghiselli, E.E., and Porter, L.W. (1966). Managerial thinking: An international study. New York: John Wiley.

Harbison, F.H. and Meyers, C.A. (1959). <u>Management in the industrial world</u>. New York: McGraw-Hill.

Heller, F.A. (1969). The role of business management in relation to economic development. <u>International Journal of Comparative Sociology</u>, 10, 292-298.

Hendon, D.W., Hendon, R.A., and Herbig, P. (1996). <u>Cross-cultural business</u> negotiations. Westport, Conn: Quorum Books.

Hirsch, S. (1976). An interrelational trade and investment theory of the firm Oxford Economic Papers, 28, 258-270.

Hofstede, G. (1980, 1984). Culture's consequences. Newbury Park, LA: Sage.

Hofstede, G. (1983). The cultural relativity of organizational practices and theories. <u>Journal of International Business Studies</u>, Fall, 50-62.

Kelley, L., Whattley, A., and Worthley, R. (1987). Assessing the effects of culture on managerial attitudes. Journal of International Business Studies, 18 (21), 17-31).

Kogut, B. and Singh, H. (1988). The effect of national culture on the choice of entry mode. <u>Journal of International Business Studies</u>, 19(3): 411-432.

Levitt, T. (1983). The globalization of markets. <u>Harvard Business Review</u>, 61 (3), 92-100.

Maslow, A.H. (1963). A theory of human motivation. <u>Psychological Review</u>, 50, 370-396.

McClelland, D. (1961). The Achieving Society. Philadelphia, PA: D. Van Nostrand.

Norburn, D., Birley, S., Dunn, M., and Payne, A. (1990). A four nation study of the relationship between marketing effectiveness, corporate culture, corporate values, and market orientation. <u>Journal of International Business Studies</u>, 21 (3), 451-468.

Peabody, D. (1985). <u>National Characteristics</u>. Cambridge, U.K.: Cambridge University Press.

Roberts, K.H. (1970). In looking at the elephant. Psychological Bulletin, 74, 327-350.

Roth, K. and O'Donnell, S. (1996). Foreign subsidiary compensation strategy: An agency theory perspective. Academy of Management Journal, 39 (3), 678-703.

Shaked, I. (1986). Are multinational corporations safer? <u>Journal of International Business Studies</u>. 17, 83-100.

Shane, S. (1995). Uncertainty avoidance and preference for innovation championing roles. <u>Journal of International Business Studies</u>, 26(1): 47-68.

Sikula, A.F. (1971). Values and value systems. <u>The Journal of Psychology</u>. 78, 277-286.

Terpestra, V. and David, K. (1991). <u>The cultural environment of international business</u>. Cincinatti, Ohio: Southwestern Press.

Tse, D., Lee, K.H., Verinsky, I., and Wehrun, D.A. (1988). Does culture matter? <u>Journal of Marketing</u>, 52 (October); 81-85.

Ueno, S. and Sekaran, U. (1992). The influence of culture on budget control practices in the USA and Japan: An empirical study. <u>Journal of International Business Studies</u>. 23(4): 659-674.

TABLE 1 RESEARCH SAMPLE COMPOSITION

County	<u>N</u>
1. Australia	490
2. Austria	63
3. Belgium	29
4. Brazil5. Denmark6. France	118 58 161
7. Germany 8. Greece 9. Israel 10. Korea 11. Netherlands 12. New Zealand 13. Norway 14. Portugal 15. South Africa 16. Sweden 17. Switzerland 18. Taiwan 19. United Kingdom 20. United States	2343
Unknown	2

TABLE 2

Mean Scale Values With Differences that Were Found To Be Statistically Significant Across High, Medium, and Low Power Distance Countries

	High ower Distance Countries	Middle Power Distance Countries	Low Power Distance Countries	
F K	Brazil, Belgium, France, Greece, Torea, Portugal, Paiwan	Australia, Germany, Netherlands, Switzerland, South Africa, United Kingdom, United States	Austria, Denmark, Israel, New Zealand, Norway, Sweden	
Scales Total Pay According to Rank	3.67***	3.21	3.10*	
Clear Supervisory Expectations	3.59***	3.17	3.04*	
Clear Supervisory Aim/Goals	3.79***	3.32	3.12	
Cooperation Between Groups	3.01*	3.42	3.72***	
Cooperation within Groups	3.16*	3.32	3.51***	
Recognition	3.39*	3.66	3.59***	
Feedback	3.40*	3.78	3.83***	
Middle Management Competence	3.73***	3.61	3.43*	
Upper Management Competence	3.82***	3.64	3.54*	
Coworker Competence	3.03*	3.50	3.83***	
Independence	3.09*	3.43	3.81***	
Employee Participation	3.15*	3.79	3.90***	

TABLE 3

Mean Scale Values With Differences that Were Found To Be Statistically Significant Across High, Medium, and Low Individualism Countries

	High Individualism Countries	Middle Individualism Countries	Low Individualism Countries		
	Australia, Belgium, Denmark, New Zealand, Norway, United Kingdom, United States	Austria, France, Germany, Norway, South Africa, Sweden, Switzerland	Brazil, Greece, Israel, Korea, Portugal, Taiwan		
Scales					
Performance Based Pay	3.92***	3,40	3.29*		
Pay vs. Work Amount	3.80***	3.31	3.25*		
Pay vs. Market	3.92***	3.42	3.36*		
Pay vs. Newcomers	3.50***	3.41	3.32*		
Pay Raise Frequency	3.62***	3.41	3.34*		
Pay Raise Amount	3.68***	3.39	3.28*		
Promotion Based on Performance vs. Seniority	y 3.87***	3.59	3.32*		

Mean Scale Values With Differences that Were Found To Be Statistically Significant Across High, Medium, and Low Uncertainty Countries

U	High ncertainty Countries	Middle Uncertainty Countries	Low Uncertainty Countries		
Fra	stria, Belgium, ince, Greece, nel, Korea, Portugal	Australia, Brazil, Germany, Netherlands, Norway, Switzerland, Taiwan	Denmark, New Zealand, South Africa, Sweden, United Kingdom, United States		
Scales Benefits	3.92***	3.78	3.69*		
Clear Work Expectations	3.62***	3.20	3.06*		
Clear Supervisory Expectations	3.65***	3.19	3.04*		
Clear Supervisory Aims/Plans	3.86***	3.40	3.00*		
Clear Company Aims/Plans	3.49***	3.30	3.25*		
Job Security	3.90***	3.72	3.50*		
Independence	3.04*	3.52	3.70***		
Challenge	3.19*	3.31	3.52***		

TABLE 5

Mean Scale Values With Differences that Were Found To Be Statistically Significant Across High, Medium, and Low Masculinity Countries

-	High Masculinity Countries	Middle Masculinity Countries	Low Masculinity Countries	
	Austria, Australia, Germany, South Africa, Switzerland, United Kingdom, United States	Brazil, Belgium, France, Greece, Israel, New Zealand, Taiwan	Denmark, Korea, Netherland, Norway, Portugal, Sweden	
Scales				
Company's Help with Personal Problems	3.08*	3.42	3.73***	
Supervisor's Listening of Workers' Opinions	3.15*	3.33	3.68***	
Work Related Help	3.17*	3.26	3.41***	
Employee's Treatment	3.40*	3.68	3.79***	
Human Relations	3.32*	3.41	3.60***	
Organization Climate	3.26*	3.41	3.71***	

TABLE 6 Correlations Between Each Scale As Predictor Broken Down By Those Who Say It Is Important and They Are Satisfied vs. Those Who Say It Is Important But They Are Dissatisfied With Various Organizational Consequences As Criteria

vs. Those Who Say It Is Important I	But They	Are Diss							'n
	Job		Company		Withdrawal		Organizational		
	Satisf	action	Satisfa	Satisfaction		Cognition		Committment	
Scales_	Imp.	Imp.	Imp.	Imp.	Imp.	Imp.	Imp.	Imp	
Power Distance Related Scales	Sat.	Dis.	Sat.	Dis.	Sat.	Dis.	Sat.	Dis.	
Total Pay According to Rank	.73	64	.47	36	- .61	.57	.71	65	
Clear Supervisory Expectations	.66	70	.39	49	29	.43	.41	39	
Clear Supervisory Aims/Goals	.69	65	.41	28	32	.41	.36	32	
Cooperation Between Groups	.54	48	.32	37	42	.39	.39	29	
Cooperation within Groups	.52	47	.38	24	45	.36	.42	36	
Recognition	.70	69	.64	32	39	.35	.72	- .61	
Feedback	.73	49	.53	38	46	.38	.38	29	
Middle Management Competence	.42	43	.43	50	31	.40	.43	35	
Upper Management Competence	.48	51	.41	36	34	.39	.46	32	
Coworker Competence	.39	40	.34	37	36	.41	.51	47	
Independence	.53	55	.41	49	39	.51	.32	26	
Employee Participation	.49	58	.38	26	22	.29	.51	39	
Employee Farticipation	.47	50	.50	20	22	.29	.51	59	
Individualism Related Scales									
Performance Based Pay	.61	28	.31	25	 36	.31	.44	45	
_	.51	52	.52	32	42	.38	.34	32	
Pay vs. Work Amount								45	
Pay vs. Market	.52	42	.46	37	46	.41	.42		
Pay vs. Newcomers	.46	36	.59	45	38	.36	.39	46	
Pay Raise Frequency	.41	26	.53	39	51	.39	.45	46	
Pay Raise Amount	.66	59	.48	52	41	.36	.32	62	
Promotion Based Performance									
vs. Seniority	.52	48	.41	33	42	.34	.45	36	
Uncertainty Related Scales									
Benefits	.35	42	.31	45	40	.51	44	.46	
Clear Work Expectations	.52	.53	.36	.41	26	.39	42	.47	
Clear Supervisory Expectations	.66	70	.39	41	29	.43	41	39	
Clear Supervisory Aims/Goals	.69	65	.41	28	34	.42	39	.46	
Clear Company Aims/Plans	.39	38	.42	30	36	.45	41	.49	
Job Security	.65	67	.64	65	42	.36	36	.29	
Salary	.51	58	.59	44	49	.46	42	.36	
Independence	.41	34	.36	32	51	.46	41	.35	
Challenge	.49	39	.32	29	49	.46	39	.34	
Masculinity Related Scales									
Company's Help with Personal									
Problems	.33	38	.36	29	37	.41	39	.37	
Supervisor's Listening of	.55	50	.50	27	57		57	.57	
Workers Opinions	.34	39	.37	31	36	.37	34	.31	
Work Related Help	.34 .41	39 37	.40	28	36 24	.38	29	34	
Employee's Treatment	.36					.38 .32	29 26	.28	
Human Relations		38	.34	27	29				
	.40	29	.28	26	28	.34	29	.32	
Organizational Climate	.28	32	.32	36	31	.38	34	.31	

NOTE: IMP. SAT = Indicates this dimension is considered to be important by respondent (answered 4 or 5 on Likert Scale) and respondent is also satisfied with this dimension (answered 4 or 5 on Likert Scale for equivalent satisfaction item).

IMP. Sat. = Indicates this dimension is considered to be important by respondent (answered 4 or 5 on Likert Scale) and respondent is dissatisfied with this dimension (answered 1 or 2 on Likert Scale for equivalent satisfaction item). Because of sample size all the correlations shown in matrix are statistically significant.

ITEMS TO MEASURE VARIOUS WORK ASPECTS

1. Job Satisfaction

o My job in general, considering all things

2. Work Itself

- Being able to do work that is challenging
- o Being able to work independently

3. Pay

- o My present salary or pay rate relative to rank
- o My pay compared to the amount of work I do
- o How well my pay compares with that of others in my line of work outside the company
- How well my pay compares with that of newcomers in the company in similar positions to mine
- How rapidly or frequently pay raises are given to me
- o How substantial my pay raises are

4. Benefits

The way my benefit program compares with those of other firms

5. Total compensation vs. Living Cost

The way my total compensation, including salary and benefits, is appropriate for my rank.

6. <u>Career/Promotion</u>

• The way promotions are based on performance

7. Appraisal & Feedback

- The way my performance appraisal is based on what I do
- The way my supervisor's appraisal of how well I do my job influences my pay
- The recognition I get for the work I do
- Being told how I am doing

8. Expectations & Communications

- o Having a clear idea of everything I am required to do
- o My knowledge of what my supervisor expects of me
- o How clearly aims and plans are stated for me and others reporting to my supervisor
- o How clearly company's aims and plans are stated

9. Supervision

- o Being able to go to my supervisor with my personal problems
- How well my supervisor listens to my opinions
- The way my supervisor provides help on work related problems
- The way my supervisor handles his/her people

10. Organization & Management

- The competence of company's middle management
- The competence of company's upper management

11. Esprit de Corps

- The competence of my coworkers
- o The spirit of cooperation and morale in my work group
- o The spirit of cooperation between my work group and other work groups

12. <u>Mics.</u>

- o The way company treats its employees
- o My job security
- The climate of this organization
- The ability to provide personal inputs