

Worldwide Differences in Business Values and Practices: Overview of GLOBE Research Findings

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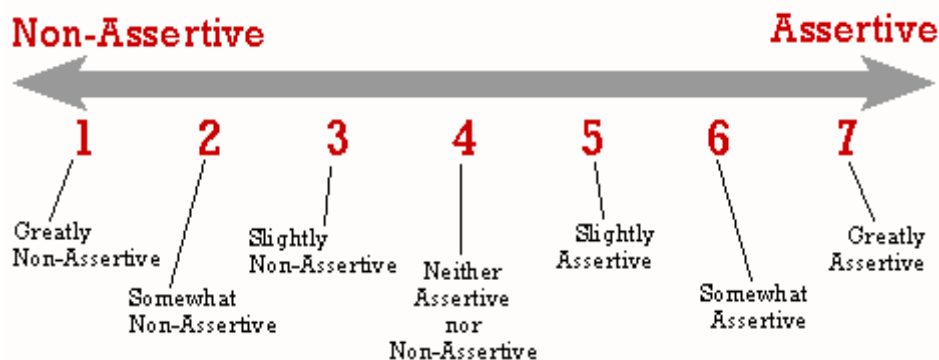
GLOBE is the acronym for "Global Leadership and Organizational Behavior Effectiveness," a 62-nation, 11-year study involving 170 researchers worldwide. The GLOBE Project was introduced in my first article (click [here](#)). In this third article, I will overview GLOBE's findings about how business values and practices vary across nations and cultures.

Cultural Dimensions, the Measuring Rods of Cross-Cultural Research

As I explained in my first article, the first major question addressed by the GLOBE researchers was which measurement standards to use so that they could be precise about the similarities and differences among numerous societal and organizational cultures. After a thoroughgoing literature review as well as two pilot studies, the team identified nine "cultural dimensions" that would serve as their units of measurement, or (in research language) "independent variables."

Cultural dimensions have been around as long as the field of intercultural research (i.e., since the early 1960s). They provide concepts and terminology that enable all of us to become aware of, to measure, and to talk knowledgeably about the values and practices found in a human culture – and about the similarities and differences among human cultures.

What exactly is a cultural dimension? It's a concept that is depicted graphically as a continuum. In most cases, only the two ends of the continuum are named. Here, graphically, is one of the cultural dimensions actually used by the GLOBE research team.



Of course, the meaning of “assertive” must be precisely defined. Also to be developed and pilot-tested are ways of carefully measuring the degree to which assertiveness is present or absent in an individual or group. If we plan to compare the degrees of assertiveness that are characteristic of people in two or more geographical locations, we must also take care that the meanings and measurements we will use in all locations are equivalent. Once we have done all that and have taken our measurements, then, finally, we can talk knowledgeably about the similarities and differences in assertiveness (or whatever) across cultures.

At the beginning of the GLOBE Project in the early 1990s, the research team inherited a large number of cultural dimensions from previous research efforts. The GLOBE team evaluated all of this work and, leveling it with their own pilot studies, decided to use nine dimensions.

These nine cultural dimensions are the subject of this article. In the book that I am overviewing in this series of articles, the nine dimensions are dealt with in Part IV, pages 235-720. Clearly, I’m only providing you with a few highlights!

Values, Practices, and Leadership

As noted in my first article, a significant fact about GLOBE’s nine cultural dimensions is that each one was conceptualized in two ways: *practices* or “as is,” and *values* or “should be.” The 17,300 respondents were asked about values as well as their practices, which led to some intriguing findings because the values and practices scores rarely were similar.

The values score in most cases was noticeably different from the practices score (often, but not always, higher than the practices score). For example, business people worldwide valued – desired – more gender egalitarianism than they said they were experiencing in practice.

A surprising finding emerged: A high value score was often associated with a low practice score! As the researchers note (p. 729), this is contrary to conventional wisdom, which has been that people behave in a certain way *because they hold certain values in high esteem*. But consider this: If people in practice possess a low degree of something perceived as good, its absence may lead them to value it all the more. But if people in practice have a high degree of something perceived as good, the value they put on it doesn’t need to be high. This is what the research findings seem to suggest.

When it came to using data collected about the nine dimensions to illuminate leader behavior worldwide, *the GLOBE researchers relied on the values data alone*. In other words, their investigations led them to the conclusion that a society’s (or organization’s) values, far more than its practices, were strongly related to the six “culturally endorsed leadership theory dimensions,”

or “CLTs” (to review the discussion of CLTs in my second article, click [here](#)). As the researchers memorably state:

When individuals think about effective leader behaviors, they are more influenced by the value they place on the desired future than their perception of current realities. Our results, therefore, suggest that leaders are seen as the society’s instruments for change. They are seen as the embodiment of the ideal state of affairs [pp. 275-6].

In general, cultural dimension values, not practices, are related to CLT leadership dimensions. Both values and leadership CLTs represent desired end states; one [values] reflects culture; the other [CLTs] leadership attributes [p. 45].

I will now overview each of the GLOBE Project's nine cultural dimensions. I'll begin with the five that emerged as keys to understanding leadership worldwide: performance orientation, uncertainty avoidance, in-group collectivism, power distance, and gender egalitarianism.

As you read below, keep in mind that the global leader behaviors, or CLTs, *are also dimensions*. When I speak below of one of the nine cultural dimensions "being strongly associated with" a certain global leader behavior, I'm using a shorthand way of saying this: "A high score on such-and-such cultural dimension is strongly associated with a high degree of such-and-such global leader behavior."

1. Performance Orientation

The cultural dimension named "performance orientation" emerged from the research as exceptionally important, so I will discuss it first. It “reflects the extent to which a community encourages and rewards innovation, high standards, excellence, and performance improvement” [pp. 30, 239]. Here are a just a few of the characteristics of societies that have high and low performance orientation [based on Table 12.1, p. 245].

HIGH PERFORMANCE ORIENTATION societies have characteristics such as...	LOW PERFORMANCE ORIENTATION societies have characteristics such as...
Value training and development.	Value societal and family relationships.
Value competitiveness and materialism.	Value harmony with the environment.
View formal feedback as necessary for performance improvement.	View formal feedback as judgmental and discomfiting.
Value what one does more than who one is.	Value who one is more than what one does.
Expect direct, explicit communication.	Expect indirect, subtle communication.

VALUES AND PRACTICES: Accounting for all 61 societies, the average score for performance orientation *practices* (“as is”) was 4.10 on the 1-to-7 scale, while the average for performance orientation *values* (“should be”) was substantially higher: 5.94. Across all nine dimensions, no other 61-society *value* average was as high as 5.94!

It’s worth noting as well that the lowest value score for any society was 4.92, above the 4.00 midpoint. As the researchers put it, “Respondents’ aspirations about how much their societies should focus on performance are far beyond their perceptions of the level of their societies’ current practices” [p. 248]. For an overview of the performance orientation findings for the U.S.A. only, see Note B at the end of this article.

APPLICATION TO LEADERSHIP: The GLOBE researchers concluded that a society's level of performance orientation strongly affects the degree to which leaders and leadership are viewed as effective. *Outstanding leaders worldwide are associated with strong emphasis on performance orientation.* (This association was not well recognized prior to this research.)

More precisely, a high value placed on performance orientation was found to be strongly and positively associated with the global leadership dimension, or CLT, named Charismatic/Value-Based leadership, discussed in my second article. *Because of the worldwide appeal of Charismatic/-Value-Based leadership, its association with high performance orientation is especially noteworthy.* The authors underscore this by saying...

A major finding was the large influence of the Performance Orientation cultural dimension as the most important predictor of the Charismatic/Value-Based leadership dimension. Societies and organizations that value excellence, superior performance, performance improvement, and innovation will likely seek leaders who exemplify Charismatic/Value-Based qualities, and such leaders are likely to be effective [p. 711].

A high value placed on performance orientation was also found to be significantly and positively associated with both Participative leadership and Autonomous leadership.

<p>Societies that highly value PERFORMANCE ORIENTATION strongly associate the following global leader behaviors (CLTs) with outstanding leadership (see Note A at the end of this article):</p>
<p>CHARISMATIC / VALUE-BASED PARTICIPATIVE AUTONOMOUS</p>

The GLOBE researchers conclude that performance orientation “relates to the extent to which leaders set ambitious goals, communicate high expectations for their subordinates, build their subordinates’ self-confidence, and intellectually challenge them” [p. 277]. And their concluding remark is that people who value high performance “seem to look to charismatic leaders who paint a picture of an ambitious and enticing future, but leave it to the people to build it” [p. 278].

2. Uncertainty Avoidance

The cultural dimension named "uncertainty avoidance" also emerged from the research as very important. It is "the extent to which a society, organization, or group relies on social norms, rules, and procedures to alleviate the unpredictability of future events" [p. 30].

An alternative way of thinking about uncertainty avoidance is that it’s about the extent to which ambiguous situations are felt as threatening – i.e., about the extent to which deliberate measures (such as making and enforcing rules and procedures) are taken to reduce ambiguity. Here are some characteristics of societies that have high and low uncertainty avoidance orientation [based on Table 19.1, p. 618].

HIGH UNCERTAINTY AVOIDANCE societies have characteristics such as...	LOW UNCERTAINTY AVOIDANCE societies have characteristics such as...
Use formality in interactions with others.	Use informality in interactions with others.
Are orderly and keep meticulous records.	Are less orderly and keep fewer records.
Rely on formalized policies and procedures.	Rely on informal norms for most matters.
Take moderate, carefully calculated risks.	Are less calculating when taking risks.
Show strong resistance to change.	Show only moderate resistance to change.

VALUES AND PRACTICES: Accounting for all 61 societies, the average score for uncertainty avoidance *practices* (“as is”) was 4.16 on the 1-to-7 scale, while the average for uncertainty avoidance *values* (“should be”) was a not-very-different 4.62. For U.S.-only scores on uncertainty avoidance, see Note B at the end of this article.

APPLICATION TO LEADERSHIP: A high value placed on uncertainty avoidance was strongly and positively associated with the CLT named Team Oriented leadership, discussed in my second article. In other words, “the more the society and organization values the reduction of uncertainty, the more they report endorsing team-oriented leadership” [p. 712]; this is a statistical relationship that the researchers admit they didn’t really expect. *Because of the global appeal of Team Oriented leadership, its association with high uncertainty avoidance is noteworthy.*

Uncertainty avoidance also showed a strong positive relationship with both Humane Oriented leadership, and with Self-Protective leadership. As the authors note, “being self-protective is one means to reduce uncertainty” [p. 707].

Societies that highly value UNCERTAINTY AVOIDANCE strongly associate the following global leader behaviors (CLTs) with outstanding leadership (see Note A at the end of this article):
TEAM ORIENTED HUMANE ORIENTED SELF-PROTECTIVE

Societies that highly value UNCERTAINTY AVOIDANCE strongly <u>negatively</u> associate the following global leader behavior (CLT) with outstanding leadership (see Note A at the end of this article):
PARTICIPATIVE

Uncertainty avoidance was found to have a strong *negative* relationship with the CLT named Participative leadership, discussed in my second article. When one finds in a society or organization a relatively high value placed on uncertainty avoidance, one is very likely to find among the same people a low level of endorsement for Participative leadership.

3. In-Group Collectivism

The findings about "in-group collectivism" are important because this cultural dimension emerges as a strong predictor of the two most widely admired characteristics of successful leaders. In-group collectivism is “the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families” [p. 30]. Here are some of the characteristics of societies that have high and low in-group collectivism [based on Table 16.1, p. 454].

[Table appears on the following page.]

HIGH IN-GROUP COLLECTIVISM societies have characteristics such as...	LOW IN-GROUP COLLECTIVISM societies have characteristics such as...
Duties and obligations are important determinants of social behavior.	Personal needs and attitudes are important determinants of social behavior.
A strong distinction is made between in-groups and out-groups.	Little distinction is made between in-groups and out-groups.
People emphasize relatedness with groups.	People emphasize rationality in behavior.
The pace of life is slower.	The pace of life is faster.
Love is assigned little weight in marriage.	Love is assigned great weight in marriage.

VALUES AND PRACTICES: Accounting for all 61 societies, the average score for in-group collectivism *practices* (“as is”) was 5.13 on the 1-to-7 scale, while the average for in-group collectivism *values* (“should be”) was a similar 5.66. For the U.S.A. scores, see Note B at the end of this article.

APPLICATION TO LEADERSHIP: A high value placed on in-group collectivism was strongly and positively associated with both global leadership dimensions (CLTs) that emerged as widely endorsed: Charismatic/Value-Based leadership and Team Oriented leadership. *Because of the exceptionally broad appeal of Charismatic/Value-Based and Team Oriented leadership, their associations with high in-group collectivism are noteworthy.*

<p>Societies that highly value IN-GROUP COLLECTIVISM strongly associate the following global leader behaviors (CLTs) with outstanding leadership (see Note A at the end of this article):</p>
<p>CHARISMATIC / VALUE-BASED TEAM ORIENTED</p>

With respect to the strong positive association of in-group collectivism and Team Oriented leadership, the researchers write:

The results...were expected, given the conceptual overlap between the two constructs; collaborative team orientation would be expected in organizations that value pride, loyalty, and cohesiveness [p. 712].

4. Power Distance

The findings concerning "power distance" are interesting primarily because they failed to confirm a relationship expected by the researchers. But first, let's define power distance as "the extent to which a community accepts and endorses authority, power differences, and status privileges" [p. 513]. Here are sample characteristics of societies that have high and low power distance [based on Table 17.2, p. 536].

HIGH POWER DISTANCE societies have characteristics such as...	LOW POWER DISTANCE societies have characteristics such as...
Society is differentiated into classes.	Society has a large middle class.
Power seen as providing social order.	Power linked to corruption and coercion.
Upward social mobility is limited.	Upward social mobility is common.
Resources available to only a few.	Resources are available to almost all.
Information is localized and hoarded.	Information is widely shared.

VALUES AND PRACTICES: Accounting for all 61 societies, the average score for power distance *practices* ("as is") was 5.17 on the 1-to-7 scale, while the average for power distance *values* ("should be") was a hugely different 2.75! Clearly, middle managers worldwide perceive themselves as working in a situation in which there's a substantial gap in status and power between themselves and their supervisors – *but they wish they didn't*. For the U.S.A. scores, see Note B at the end of this article.

APPLICATION TO LEADERSHIP: The GLOBE Project team expected that a high score on the power distance dimension would be a reliable predictor of a *low* score on the CLT named Participative leadership. To their surprise, this proved not to be the case when they used one of their key statistical tests; therefore, they do not report that this predictive relationship exists. They note, however, that another statistical test *did* show a negative relationship between power distance and Participative leadership.

Societies that highly value POWER DISTANCE strongly associate the following global leader behavior (CLT) with outstanding leadership (see Note A at the end of this article):

SELF-PROTECTIVE

Power distance did show a strong *positive* relationship with Self-Protective leadership. The authors comment that "The high power distance values and practices of Asian societies are often

associated with face-saving and status-consciousness, both of which are elements of the Self-Protective leadership dimension” [p. 707].

5. Gender Egalitarianism

The findings for "gender egalitarianism" also are significant because it is one of the predictors of the most widely admired characteristic of successful leaders. Gender egalitarianism is “the degree to which a collective minimizes gender inequality” [p. 30]. Here are some of the characteristics of societies that have high and low gender egalitarianism [based on Table 14.2, p. 359].

HIGH GENDER EGALITARIANISM societies have characteristics such as...	LOW GENDER EGALITARIANISM societies have characteristics such as...
More women in positions of authority. Less occupational sex segregation. Similar levels of educational attainment for males and females. Afford women a greater decision-making role in community affairs.	Fewer women in positions of authority. More occupational sex segregation. A lower level of female educational attainment, compared to that of males. Afford women little or no decision-making role in community affairs.

VALUES AND PRACTICES: Accounting for all 61 societies, the average score for gender egalitarianism *practices* (“as is”) was 3.37 on the 1-to-7 scale, while the average for gender egalitarianism *values* (“should be”) was a noticeably higher 4.51. The difference between the two scores is encouraging, especially since 74.8% of the worldwide respondent sample was male [p. 96]. For the U.S.A. scores, see Note B at the end of this article.

APPLICATION TO LEADERSHIP: A high value placed on gender egalitarianism was strongly and positively associated with the most widely endorsed global leadership dimension, Charismatic / Value-Based leadership, which is important to keep in mind. Not surprisingly, perhaps, gender egalitarianism was also associated with Participative leadership.

Societies that highly value GENDER EGALITARIANISM strongly associate the following global leader behaviors (CLTs) with outstanding leadership (see Note A at the end of this article):
CHARISMATIC / VALUE-BASED PARTICIPATIVE

6. Humane Orientation

"Humane orientation" is defined as "the degree to which an organization or society encourages and rewards individuals for being fair, altruistic, friendly, generous, caring, and kind to others" [p. 569]. Characteristics of societies that have high and low humane orientation include the following [based on Table 18.1, p. 570].

HIGH HUMANE ORIENTATION societies have characteristics such as...	LOW HUMANE ORIENTATION societies have characteristics such as...
<p>The interests of others are important.</p> <p>People are motivated primarily by a need for belonging and affiliation.</p> <p>Members of society are responsible for promoting the well-being of others.</p> <p>Child labor is limited by public sanctions.</p> <p>People are urged to be sensitive to all forms of racial discrimination.</p>	<p>One's own self-interest is important.</p> <p>People are motivated primarily by a need for power and material possessions.</p> <p>The state provides social and economic support for individuals' well-being.</p> <p>Child labor is an issue of low importance.</p> <p>People are not sensitive to all forms of racial discrimination.</p>

VALUES AND PRACTICES: Accounting for all 61 societies, the average score for humane orientation *practices* ("as is") was a middle-of-the-scale 4.09. Not surprisingly, the average for humane orientation *values* ("should be") was a much higher 5.42. For the U.S.A. scores, see Note B at the end of this article.

APPLICATION TO LEADERSHIP: A high value placed on the humane orientation cultural dimension was strongly and positively associated with the global leadership dimension of the same name.

Societies that highly value HUMANE ORIENTATION strongly associate the following global leader behavior (CLT) with outstanding leadership

[\(Note A\)](#):

HUMANE ORIENTED

7. Institutional Collectivism

"Institutional collectivism" is defined as "the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action" [p. 30]. Here are some of the characteristics of societies that have high and low institutional collectivism [based on Table 16.2, p. 459].

HIGH INSTITUTIONAL COLLECTIVISM societies have these characteristics...	LOW INSTITUTIONAL COLLECTIVISM societies have these characteristics...
<p>Members assume that they are highly <i>interdependent</i> with the organization.</p> <p>Group loyalty is encouraged, even if this undermines the pursuit of individual goals.</p> <p>The society's economic system tends to maximize the interests of collectives.</p> <p>Rewards are driven by seniority, personal needs, and/or within-group equity.</p> <p>Critical decisions are made by groups.</p>	<p>Members assume that they are largely independent of the organization.</p> <p>Pursuit of individual goals is encouraged, even at the expense of group loyalty.</p> <p>The society's economic system tends to maximize the interests of individuals.</p> <p>Rewards are driven very largely by an individuals contribution to task success.</p> <p>Critical decisions are made by individuals.</p>

VALUES AND PRACTICES: Accounting for all 61 societies, the average score for institutional collectivism *practices* ("as is") was 4.25, while the average for institutional collectivism *values* ("should be") was a similar 4.73. For the U.S.A. scores, see [Note B](#).

APPLICATION TO LEADERSHIP: A high value placed on institutional collectivism was strongly but *negatively* associated with the global leadership dimension (CLT) named Autonomous leadership. It is perhaps intuitively understandable that leader behaviors described as "autonomous" would rarely be experienced as contributing to outstanding leadership within groups with high institutional collectivism scores.

Societies that highly value INSTITUTIONAL COLLECTIVISM strongly negatively associate the following global leader behavior (CLT) with outstanding leadership (see Note A at the end of this article):

AUTONOMOUS

8. Future Orientation

"Future orientation" is "the degree to which a collectivity encourages and rewards future-oriented behaviors such as planning and delaying gratification" [p. 282]. Here are some of the characteristics of societies that have high and low future orientation [based on Table 13.1, p. 302].

HIGH FUTURE ORIENTATION societies have characteristics such as...	LOW FUTURE ORIENTATION societies have characteristics such as...
Propensity to save now for the future. Emphasize working for long-term success. Organizations tend to be flexible and adaptive. View material success and spiritual fulfillment as an integrated whole.	Propensity to spend now, rather than save. Prefer gratification as soon as possible. Organizations tend to be inflexible, maladaptive. View material success and spiritual fulfillment as separate, requiring trade-offs.

VALUES AND PRACTICES: Accounting for all 61 societies, the average score for future orientation *practices* ("as is") was 3.85 on the 1-to-7 scale, while the average for future orientation *values* ("should be") was a much higher 5.49. For the U.S.A. scores, see Note B at the end of this article.

APPLICATION TO LEADERSHIP: A high value placed on future orientation was not strongly associated with any global leadership dimension (CLT).

Societies that highly value FUTURE ORIENTATION do not strongly associate it with any global leader behavior (CLT).

See Note A at the end of this article.

9. Assertiveness

"Assertiveness" is "the degree to which individuals are assertive, confrontational, and aggressive in their relationships with others" [p. 30]. Here are some of the characteristics of societies that have high and low assertiveness [based on Table 15.1, p. 405].

HIGH ASSERTIVENESS societies have characteristics such as...	LOW ASSERTIVENESS societies have characteristics such as...
Value competition, success, and progress. Communicate directly and unambiguously. Try to have control over the environment. Expect subordinates to take initiative. Build trust on basis of calculation.	Value cooperation and warm relationships. Communicate indirectly; try to "save face." Try to be in harmony with the environment. Expect subordinates to be loyal. Build trust on basis of predictability.

VALUES AND PRACTICES: Accounting for all 61 societies, the average score for assertiveness *practices* ("as is") was 4.14 on the 1-to-7 scale, while the average for assertiveness *values* ("should be") was a slightly lower 3.82. For the U.S.A. scores, see Note B at the end of this article.

APPLICATION TO LEADERSHIP: A high value placed on assertiveness was not strongly associated with any global leadership dimension (CLT).

Societies that highly value ASSERTIVENESS do not strongly associate it with any global leader behavior (CLT).

See Note A at the end of this article.

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NOTE A: Only the *most* statistically significant associations are reported in my tables of this type. These are the highly significant associations indicated by the book's authors by means of the bold-faced type within Figures 21.11-16 [pp. 702-8].

In the case of all nine cultural dimensions, there are other associations that are statistically significant, *although less so*. Because this is a short overview article, I have decided not to discuss these less significant associations.

The "book" or "research report" referred to above and elsewhere is: Robert J. House et al., *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*, Sage Publications, 2004.

NOTE B: Below is an overview of the *practices* versus *values* findings for the U.S.A. only.

1. Performance Orientation: In the case of the U.S.A., the average of performance orientation *practices* scores was 4.49, while the average of *values* scores was a much-higher 6.17. But in comparison with the other 60 societies, the degree to which middle managers in the U.S.A. value high performance was only moderately above the middle range of scores. The following societies all had an average *values* score that was significantly higher than that of the U.S.A.: El Salvador, Zimbabwe, Colombia, Slovenia, Namibia, Portugal, Venezuela, Argentina, Ecuador, Philippines, Nigeria, and Zambia [Table 12.10, p. 251].

2. Uncertainty Avoidance: In the case of the U.S.A. alone, the average of practices scores was 4.15, while the average of values scores was a very similar 4.00.

3. In-Group Collectivism: In the U.S.A., the score for in-group collectivism *practices* was 4.25, quite low in relation to the other 60 societies. But the score for in-group collectivism *values* was a much higher 5.77, mid-range among all 60 societies and virtually identical to the scores of Russia, Spain, Zambia, Turkey, and Thailand, societies that globally sophisticated Americans probably would expect to place a much higher value on in-group collectivism.

4. Power Distance: The situation in the U.S.A. turns out to be similar to the worldwide averages, although not quite as extremely different: Power distance *practices* were evaluated at 4.88 by American middle managers, while power distance *values* were evaluated at 2.85. This U.S.A. practices-values difference – 2.03 – is larger than in the case of any of the other eight dimensions.

5. Gender Egalitarianism: The score for gender egalitarianism *practices* in the U.S.A. was 3.34, somewhat below the numerical midpoint (4.00) and placing Americans in close company with societies such as Finland, Thailand, and Brazil. But in the case of gender egalitarianism *values*, the U.S.A. score was 5.06, one of the highest of all scores across the 61 societies.

6. Humane Orientation: The U.S.A. score for human orientation *practices* was a middling 4.17 on the 1-to-7 scale, while the humane orientation *values* score was a noticeably higher 5.53.

7. Institutional Collectivism: The score for institutional collectivism *practices* in the U.S.A. was 4.20, while the *values* score was a virtually identical 4.17.

8. Future Orientation: In the U.S.A., the score for future orientation *practices* was 4.15, while the score for future orientation *values* was much higher at 5.31.

9. Assertiveness: The score for assertiveness practices in the U.S.A. was 4.55, near the upper end of the scale of all 61 societies. The U.S.A. score for assertiveness values was a very slightly lower 4.32.

