

CHAPTER 4

IMPORTANT CONCEPTS

4.1 INTRODUCTION

Reference has already been made to the four broad value dimensions namely power distance, uncertainty avoidance, individualism and masculinity. These four value dimensions will be discussed in detail in this chapter. Attention will be paid to the operationality and measurability of these concepts, their form and content, and their relation to society and organizations.

4.2 OPERATIONALITY AND MEASURABILITY OF THE CONCEPTS

This part of the chapter will be devoted to a broad theoretical overview of the concepts of power distance, individualism, uncertainty avoidance and masculinity. Research evidence as presented by Hofstede (1980a) to operationalize and measure these four concepts will be discussed and analysed extensively.

In identifying these four dimensions, Hofstede (1980a) compared these scores of survey questions about values, using matched samples of employees (same employees, same jobs, same age brackets, same gender distribution) of a multi-national corporation in 40 countries around the world. The comparative study therefore, covers an unusually large number of national cultures. Hofstede's (1980a) analysis of the data required an extensive statistical argumentation by applying factor analysis, Bravais-Pearson product-moment correlations,

Spearman correlations (ρ), analysis of variance with multiple comparisons, significance tests and multiple regressions (stepwise). The four dimensions were found by means of a factor analysis of mean scores of respondent samples from different cultures. The four criteria by which national cultures differ were thus empirically determined. As the samples were well matched in every aspect except nationality, the effect of cultural (nationality) differences on value choices are unusually clear.

The four criteria (dimensions) can be related to sociological and anthropological societal issues. The first dimension, power distance, relates to "the extent to which the less powerful members of institutions and organizations accept that power is distributed unequally" (Hofstede and Bond, 1984, p 419). Power distance is directly related to the basic societal issue of social inequality and the amount of authority one person has over another (or others). Hofstede and Bond (1984, p 419) define the second dimension, uncertainty avoidance, as "the extent to which people feel threatened by ambiguous situations, and have created beliefs and institutions that try to avoid these". Uncertainty avoidance deals with the way a society deals with conflicts and aggression. Individualism and its antithesis collectivism, refers to "a situation in which people are supposed to look after themselves and their immediate family only" and/or "a situation in which people belong to in-groups or collectivities which are supposed to look after them in exchange for loyalty". The individualism/collectivism dimension relates to the societal issue of the individual's dependence on the group and an emphasis on the self-concept "I" or "We" (Hofstede and Bond, 1984, p 419). The fourth dimension, masculinity

versus femininity, is defined as "a situation in which the dominant values in society are success, money and things or caring for others and the quality of life (femininity)". The societal issue of social sex role choices and its effects on people's self-concepts relates to this dimension (Hofstede and Bond, 1984, p 420). Inkeles' and Levinson's (1969) remark about the existence of a limited number of "standard analytical issues broad enough for cross-cultural significance and meaningful for both individual and social systems" ties in with Hofstede's four dimensions. The four dimensions were found to be conceptually linked to many variables identified and measured in other cross-cultural studies. Hofstede himself lists 30 country-level sociological, political, psychological, demographic and economic indicators which are significantly correlated with one of his four dimensions (Hofstede, 1980a; Hofstede and Bond, 1984; Hofstede, 1980b).

4.2.1 POWER DISTANCE

Hofstede (1980a, p 98) defines power distance as the "degree of inequality in power between a less powerful individual (I) and a more powerful other (O) in which I and O belong to the same (loosely or tightly knit) social system". Power distance is a measure of the interpersonal power between a superior and a subordinate or the influence which a superior or boss has over his/her subordinate. It renders a meaningful description of the relationship between a boss and subordinate in a hierarchy. Hofstede (1980a, p 98) cites six proven hypotheses in regard to power distance which are of importance to societal, political, economical and organizational life:

1. The mere exercise of power will give satisfaction.
2. The more powerful individual will strive to maintain or to increase the power distance to the less powerful person.
3. The greater this distance from the less powerful person, the stronger the striving to increase it.
4. Individuals will strive to reduce the power distance between themselves and more powerful persons.
5. The smaller this distance from the more powerful person, the stronger the tendency to reduce it.
6. The "downward" tendencies of the powerful to maintain the power distance, and the "upward" power distance reduction of the less powerful reinforce each other.

Hofstede emphasizes the fifth hypothesis as immensely important to the societal, political and industrial environments. This hypothesis implies that the strongest power distance reduction tendency will be found in people whose power striving is partly satisfied and not in the powerless. The striving for power is fed by satisfaction. Kipnis' (1972) laboratory findings link up with and prove this hypothesis. His experiments revealed a tendency for the more powerful to devalue the worth and performance of the less powerful and to attribute the cause of the less powerful's effort to themselves. Kipnis (1972, p 39) also proposes a relationship between this tendency and locus of control. Persons used to and also subjected to the control of power are more likely to attribute its consequences to this

control rather than viewing them as external forces controlled by themselves. Kipnis concludes that inequity of power is descriptive of harmonious social relations and drastically limits the possibility that the more powerful can maintain close and harmonious relations with the less powerful. These conclusions converge with the findings of sociological studies such as Michel's Iron law on Oligarchy which holds that inequality confirms and perpetuates itself. It also ties in with the Matthew principle (Matthew 13:12 "for to him who has will more be given and he will have great plenty; but from him who has not even the little he has will be taken away" - Christian New Testament) which is present both in the concentration of power and in the concentration of wealth (Hofstede, 1980a, p 99). An analysis of economic history confirms the omnipresence of inequality in power. Power distance thus indicates a culture's adaptation to inequalities among its members. It also reveals the extent to which pecking orders are tolerated and fostered. Some cultures nurture natural physical and intellectual inequalities resulting in gross social, political and economic inequalities which may be perpetuated on a hereditary basis.

Other cultures may try to narrow the power distance between their members (Mead, 1990, p 18). The power distance dimension also has implications for the industrial environment and economic activity. In high power distance cultures employees usually comply with the wishes of the manager, displaying a total lack of initiative. Employees are extremely co-operative

in dealings with superiors but display a reluctance to co-operate with peers. In low power distance cultures on the other hand the reverse applies (Mead, 1990, p 18).

Understanding power is important in understanding societal, political, economical and organizational dynamics. Power is a major factor which cannot be ignored by anyone interested in understanding the fabric of society. Wrong (1979, p 2) quotes Hobbes and Russell on power. Hobbes viewed power as "man's present means to any future apparent good" while to Russell it meant "the production of intended effects". Wrong himself adopted a modified version of Russell's definition viewing power as "the capacity of some persons to produce intended and unforeseen effects on others". Pfeffer (1981) defines power as "a force sufficient to change the probability of an individual's behavior from what it would have been in the absence of force". Moorhead and Griffin (1989, p 356) define power as "the potential ability of a person or group to influence another person or group". According to these two authors, power may reside in an individual and in formal and informal groups.

Bacharach and Lawler (1980, p 16) observe that most definitions of power reveal a view of power as a mode of interaction rather than as a structural characteristic independent of and in opposition to the actors engaged in the interaction. Bacharach and Lawler (1980) and Daudi (1986, pp 185-186) cited some definitions evolved by authors and researchers working within the field of power:

"Weber: Power is the probability that one actor within a social relationship will be in a position to carry out his own will, despite resistance and regardless of the basis on which this probability rests.

Blau: Power is the ability of persons as groups to impose their will on others despite resistance through deference either in the form of withholding regularly supplied rewards or in the form of punishment in as much as the former as well as the latter constitutes in effect negative sanction.

Dahl: A has power over B to the extent that he can get B to do something that he would not do otherwise.

Bierstadt: Power is latent force. Power itself is the prior capacity which makes the application of force possible".

These definitions of power delineate three distinctive features of power, viz

1. Power is a mode of interaction.
2. Actors show some consideration for each other.
3. Power is attributed to an actor as if it were a property.

Mintzberg (1983, p 4) viewed power from an organizational perspective simply defining it "as the capacity to effect or affect organizational outcomes". Mintzberg connected organizational power and organizational politics. He viewed it

organizational politics as a subset of power, treating it as "informal power, illegitimate in nature". Authority in organizations is also a subset of power, but is "formal power, the power vested by virtue of the position held". They (1980, p 35) identify four sources of power:

4.2.1.1 BASES AND SOURCES OF POWER

1. Structure - structural position may provide a

French and Raven (in Bacharach and Lawler, 1980, p 33) distinguish five major bases of power, viz coercion, rewards, expertise, legitimacy and referent power. Coercion implies the threat of decreasing another's outcomes. Someone may have the ability to punish or harm someone else, physically or psychologically. Expert power refers to specialized knowledge, an expertise in regard to certain or particular issues or activities within an organization. To the extent that someone has expertise needed by someone else or another division in the organization, the person has expert power over the other(s).

Legitimate power is tantamount to authority and it is power granted by virtue of one's position in the organization. It is therefore based on rights of control and the concomitant obligations to obey. The bounds of this legitimacy are defined by the formal nature of the position involved and also by informal norms and traditions. Reward power is interpersonal in nature and indicates the extent to which one person controls rewards which are valued by another. Referent power is also interpersonal in nature and is basically power through identification. Referent power is related to the concept of charisma and also often involves trust, similarity, acceptance, affection, willingness to follow and emotional involvement

power includes:

(Bacharach et al, 1980, pp 33-34; Moorhead et al, 1989, pp 356-360).

Bacharach et al (1980, p 34) also distinguish between bases of power and sources of power. They (1980, p 35) identify four sources of power:

1. Structure - structural position may provide a party access to various bases of power.
2. Personal characteristics - charisma is the most conspicuous personal characteristic as a source of power. Weber observed that the charismatic leader has power by virtue of extraordinary and often mystical characteristics. However, physical attributes, verbal and argumentative skills are also relevant personal characteristics.
3. Expertise - it refers to the specialized skills which actors bring into the organization. Expertise is based on activities outside the organization, especially education and training. Expertise is only a potential resource. It needs to be developed further, refined and applied to the organizational context to become an intra-organizational power base.
4. Opportunity - it is embedded in the informal organizational structure. The informal aspects which arise spontaneously out of the activities and interactions of those in formal positions, provide a significant amount of important information to others. Wrong (1979, p 124) equates resources of power with values or value-bases of power, quoting Dahl's base values of power available to political man for influencing others. These "base values" of power include:

"an individual's own time, access to money, credit and wealth, control over information, the possession of charisma, popularity, legitimacy, legality, the rights pertaining to public office, solidarity: the capacity of a member of one segment of society to evoke support from others who identify him as like themselves because of similarities in occupation, social standing, religion, ethnic origin or racial stock, the right to vote, to education and perhaps even one's energy level".

This emphasis on the sources and base values of power calls to mind Hobbes' definition of power as "man's present means to any future apparent good". The existence of sources of power does not guarantee them being employed. This implies that power is potential - it is anticipated reactions. People have to believe that an actor actually possesses and controls the relevant resources and may behave accordingly by anticipating the effective use of these sources to control their own actions and behaviour (Wrong, 1979, p 126).

4.2.1.2 FORM AND CONTENT OF POWER

The form and content of power play a part in all social relations and facilitate the understanding of the phenomenon of power (Daudi, 1986, p 186). Taken into consideration the definition of power as "the capacity to produce intended effects in a social action" (Wrong, 1979, p 22) regardless of the physical or psychological factors in which the

capacity rests, Wrong (1979) differentiates force, manipulation, persuasion and authority as distinct forms of power. Bacharach et al (1980) view authority together with influence as distinct dimensions of the content of power and these two dimensions also as types of power. The form "force" implies a physical or biological force. The ultimate form of force is violence. It implies the infliction of bodily pain or even the destruction of life itself and the frustration and deprivation of biological and psychological needs. Wrong (1979, p 28) considers psychic violence in which the perpetrator uses verbal and/or symbolic abuse to insult or degrade a person thus inflicting mental or emotional harm, as continuous with physical violence. Manipulation denotes a "deliberate and successful effort to influence the response of another, where the desired response has not been explicitly communicated to the other". The power holder conceals the intended effect he wishes to produce from the subject. The effects of manipulation seem to be fairly limited in extensiveness, comprehensiveness and intensity. Wrong (1979, p 32) observes that manipulation can achieve only limited results but, when employed in combination with the other forms of power, may become an effective supplement.

Persuasion is a means by which an actor may achieve an intended effect on another's behaviour by way of communicative interaction. Reciprocity which is an essential feature of communicative interaction is implicit in this form of power. One person communicates his own values, goals, principles, attitudes, opinions and beliefs to

another and the other one accepts the communication as the basis of his own behaviour. Inequality, however, exists in the distribution of the means of persuasion. Individual talents conducive to successful persuasion such as articulateness, oratorical ability, psychological perceptiveness and intelligence are unequally distributed. This unequal distribution of individual talents are quite relevant to power struggles on the large societal stage (Wrong, 1979, pp 32-34).

As already stated Wrong (1979) considers authority as a form of power while Bacharach et al view it as a dimension of the content of power. The essence of authority is the issuing of commands and the making of decisions which will affect the activities of others in the organization. Wrong (1979, p 35) describes it as "successful ordering or forbidding". Superiors frame and transmit decisions and orders, expecting subordinates to accept and obey these orders and decisions. Subordinates in fact acquiesce without questioning the superior's moral and intellectual judgements and the appropriateness of the superior's directives to the prevailing circumstances (Bacharach et al, 1980, pp 28-29).

Wrong (1979) differentiates between four types of authority, viz coercive authority, authority by inducements, legitimate authority and personal authority. Coercive authority revolves around the superior's capability and willingness to use force against the subordinate. The boss (superior) may convince the subordinate of the authority by displaying the means and instruments of control.

Military displays and the publicising of successful nuclear tests are such means and instruments of control to coerce less powerful nations into compliance with the wishes of the super nations. Unsuccessful methods of forcing subordinates into compliance may lead to an actual test of force. "Force is often employed simply to eliminate people from the scene or to prevent them from acting at all, but it is more often used to establish credibility and thus to create future power relations based on the threat of force that precludes the necessity of overt resort to it". Coercive authority is the distinctive basis of political power. Authority by inducement is the counterpart of coercive authority. Authority by inducement implies the offering of rewards for compliance with a command rather than threatening deprivations. The subordinate is induced into complying with the wishes of the superior by means of positive sanctions. But authority by inducement is not always beneficial. Exploitation could also be a possible outcome. For example, the subordinate (powerless) may only have one commodity to offer, namely, his labour power while the boss (superior) may control the means of subsistence necessary for the subordinate's survival. Such a relationship easily and usually results in economic exploitation.

Marx (in Wrong, 1979, p 44) views authority by inducement as a continuum with classical relationship of economic exchange between equals in the market place forming one pole and coercive authority based on wage slavery as the other pole. Authority by inducement is characteristic of economic power and therefore universally existing in all societies. Authority by inducement is conducive to economic growth and development:

1. It is capable of achieving great extensiveness especially in the non-agrarian economy employing modern techniques of production.
 2. Authority by inducement arouses less resistance and antagonism on the part of the "have nots". Economic policy based on authority by inducement, has to create the incentives for the private sector to deliver the wherewithal of improving the disposition of the deprived masses.
 3. Authority by inducement must actually provide the promised benefits, employing economic resources (of the superior) to produce economic goods with which to maintain control. Authority by inducement boils down to the creation and application of incentives through the generation and flow of funds to finance capital formation and other economic activities for the restructuring of the economy to address the deprivational problems of the "have nots" - problems that would not be addressed by wage increases, concerned with closing wage gaps to satisfy political sentiments, goals and objectives. This is nothing else than taking from the "haves" and giving to the "have nots" and would result only in inflation. Productivity and growth would suffer.
- Economic development must be the common interest of government, political organizations, organized business and industry, communities and labour (Wrong, 1979, pp 45-49; Bethlehem, 1988, pp 220-225).

Legitimate authority points to a power relation in which the power holder possesses "an acknowledged right to command and the power subject an acknowledged obligation to obey". The source of a command endorses it with legitimacy or not. Legitimate authority has two main features (Wrong, 1979, p 51):

1. The subordinate feels obliged to obey even though a particular command may be disliked.
2. The norms of the larger "collectivity of subordinates" may prescribe obedience and a dissenting subordinate may incur some disapproval if he fails to comply.

The basis of competent authority is the subject's beliefs in the superior skill and knowledge of the exerciser. "Competent authority is a power relation in which the subject obeys the directives of the authority out of a belief in the authority's superior competence or expertise to decide which actions will best serve the subject's interests and goals" (Wrong, 1979, p 53).

Personal authority implies a power relationship in which the subordinate obeys out of a desire to please or serve another person (superior) solely because of the latter's personal qualities. The power holder (command giver) does not possess any coercive powers, transferable resources, or any special competence. The relationship between superior and subject does not rest on the subject's fear of coercion. Neither does it rest on the expectations of reward. Charismatic leaders and charismatic movements are examples of personal authority. Extraordinary gifts and

powers are imputed to charismatic personalities and they exhibit personal authority in its most extensive form. Charismatic leaders and movements are not confined to politics and religion, but may also be found in the arts, intellectual life and in economic enterprises (Wrong, 1979, pp 60-64).

Bacharach et al (1980) and Daudi (1986) discuss forms of power by distinguishing two essential dimensions of the phenomenon of power, viz the relational dimension and the interdependent dimension of power. The relational dimension of power pays attention to the interactional dynamics of power relationships. The interaction between actors and groups (groups within the organization and within the environment) competing for scarce resources, the interaction of organizational elites with other subgroups within the organization to ensure supremacy, the interaction between different departments and with those higher and lower in the hierarchy, is part of the daily power game. A study of these relationships identifies, measures and determines the possibilities of the different groups of mobilising the various resources. The seemingly subordinate may, for example, contract the space of action of the superiors (space of action implies conscious individuals in action, interpreting their situations and actions to others). The interdependence dimension of form of power refers to exchange in social relations. Power is a central aspect of an exchange approach to social relations. The dimension of interdependency makes exchange of central importance in social relationships. It gives exchange a constituent dimension as a power relation. "Interdependence exists when an actor's

outcomes are contingent not just on the actor's own behaviour but also on what other actors do simultaneously and/or in response to the actor's behaviour. Therefore interdependence implies that an actor's outcomes are determined by the interrelationship between his or her behaviour and the behaviour of others" (Bacharach et al, 1980, p 20).

4.2.1.3 DIMENSIONS OF POWER

Wrong (1979, pp 3-14) ascribed three attributes to power, viz extensiveness, comprehensiveness and intensiveness and then discerned five dimensions of power, namely, intentionality, effectiveness, latency, asymmetry and balance and the nature of the effects produced.

Extensiveness of power relations deals with the span of control. The span of control may be narrow or broad. A single person may hold power over a single other person. A broad span of control refers to political regimes who hold sway over millions of subjects. Comprehensiveness of power deals with the number of different institutional activities in which the superior controls the activities of the subordinates. Intensity of power relations points to the range of effective options open to the superior within every institution and activity of the subordinate's conduct over which he wields power (Wrong, 1979, pp 14-16).

Wrong (1979, pp 3-14) then continues by discerning and formulating five dimensions implicit in the concept of power:

1. Intentionality - this dimension refers to power as an intended and effective influence. People exercise mutual influence and control over each other's conduct and behaviour in all social interaction producing intended or unintended effects.
2. Effectiveness of power - effectiveness of power is an obvious and determinative criterion for its action and presence. If an attempted exercise of power does not produce the intended effects, the result is a breakdown in power relations.
3. Latency of power - this dimension refers to imputations of power based on the anticipated reactions of a subordinate. It is the capacity to control others and is not necessarily always exercised.
4. Asymmetry and balance in power relations - the superior wields greater control over the behaviour of the subordinate than the reverse although reciprocity of influence between superior and subordinate is never totally destroyed. Asymmetry exists in each individual act-response sequence. In a specific relationship one actor may control the act (and therefore the other actor) with respect to (a) particular situation(s) while the other actor may be dominant in other areas of activity. Power relations are not exclusively hierarchical and unilateral but may also be interscursive. Interscursive power relations are characterized by a balance of power and procedures for bargaining and joint decision making which govern the relations between superiors and subordinates when matters of goals and interests are involved.

5. The nature of the effects produced by power - the power holder may not cause an actual change in the subordinate's behaviour, but may affect change in his feelings, attitudes and beliefs. If this effect is in the desired direction, then clearly the superior (power holder) has power over the subordinate. If the intention was to produce a particular behaviour, which does not materialize the superior does not wield any power over the subordinate. The intentions of the superior have to be taken into consideration in determining if he holds any power over a subordinate and also the extent of the power. In many situations the aim of the power-holder is no more than to maintain and strengthen the existing attitudes, beliefs and meanings.

4.2.1.4 THE DISTRIBUTION OF POWER

There are several models for the distribution of power in society. Castles, Murray and Potter (1971, p 285) select the four most important and primary models on which decision-making is based: ruling class, elitism, pluralism and egalitarian democracy. The ruling class model owes its origin and subsequent development to the social theory of Marx. The main elements of the model is a class which rules and exploits and a class or classes which is ruled and exploited. The ruling class has a different relationship to the major means and processes of production. It owns and controls the means of production. Marxist social theory called for social justice and equality and designed a blueprint for a perfect society (Dalton, 1975, p 67). The ruling class found its

source of power in economic dominance which was sustained by ownership of property and means of productions. This power was transferred within families through the laws of production (Castles et al, 1971, p 286). Marx's social theory accounts for a new economy, materially improved in organization and performance which would lead to a new, humane, just and harmonious society in two ways: classes have common economic interest because power would be equally spread within society and conflict within classes which will lead to self-awareness and solidarity (Dalton, 1975, p 68; Castles et al, 1971, p 286).

Milliband (in Castles et al, 1971, pp 300 - 303) argues that social dilution has occurred in the civil service and in political institutions whose choice of staff depends, directly or indirectly, on election, bringing people born in the lower-middle class and even the working classes into elite positions. But, observed Milliband (op cit, p 301), it would be misleading to speak of "democratization" as these people, drawn from the subordinate classes, form a small minority. Evidence conclusively suggests that in terms of social origin, education and class situation, power is still unevenly spread. In advanced capitalist societies the vast majority of men and women who hail from the subordinate classes are governed, administered, judged and commanded in war by people drawn from the economically and socially superior classes. Castles et al (1971, p 304) view monopoly capital as an intrinsic part of the ruling class. Big corporations, which are synonymous with monopolistic capitalism, are the source of big money and also of political power.

Baran & Sweezy (in Castles et al, 1971, pp 304 - 306) argue that non-property owning voters may mobilize enough mass support to become an effective political force threatening the economic power of the money oligarchy. This may lead to a breakdown of bourgeois democracy, and a resort to authoritarian rule. Instead of authoritarian methods, oligarchies may resort to subtle means to accomplish their ends. For example, trade unions and labour movements may be lulled into agreement by making concessions or the leaders may be bought off with money, flattery or honours. According to Crossland (in Castles et al, 1971, pp 319-325) a redistribution of economic power has taken place since World War II. The capitalist business class has lost economic power to political authority which now exerts control over quite a high proportion of the economic decisions. Governments also wield power to quite a large extent over the business policies and decisions of private companies and corporations. Crossland (op cit, p 300) argues that this is a consequence of the explicit acceptance by governments of responsibility for full employment, the rate of growth, balance of payments and the distribution of income.

The nationalization of basic industries has also had an effect on the distribution of power. Nationalisation of industries in fact implies a transfer of power but while there is general agreement about who lost power, it is not clear who gained it. The power for economic decision-making has passed out of the hands of the capitalist class into "the hands of a new and largely autonomous class of public industrial managers".

But within industry internal changes have also taken place, which effected the distribution of power and reduced the power of the capitalist class in relation to other managerial classes. Decision-making has become increasingly specialized. Decisions are sometimes predetermined by technological and research consideration. There is also a change in the psychology and motivation of the top management class due to the divorce between ownership and management and the relative growth of the joint stock corporation with fragmented shareholding. It is therefore indisputably clear that the economic power of the capitalist class is much less than before the War due to a redistribution of power.

The second model of distribution of power is elitism. Castles et al (1971, p 287) view elitism as "domination of the decision-making process by a single group, limited rank-and-file access, little or no opposition, dissensus vis - a-vis a political creed and failure on the part of most of the adult community to use their political resources to influence important decisions". An elite may be benign or malignant. It may exercise its power to the benefit of the masses or to the disadvantage of the masses. Presthus (in Castles et al, 1971, pp 331-339) views elitism as "a pattern of decision-making characterized by limited mass participation in community issues, and their domination by small groups of specialized or general leaders". Elitism boils down to rule by the law and power is distributed in the community on a continuum ranging from a high degree of rank-and-file participation to the pole of low degree, i.e. elitism.

Pluralism is the antithesis of elitism. As is the case with elitism, pluralism rejects the idea of a class-founded society and the accompanying class conflict. Pluralism views society as made up of a leadership component which makes political decisions and represents the masses and its particular interests. Castles et al (1971, p 287) observe five characteristics of the distribution of power on the plural model:

1. Competing centres with different bases of power and influence exist within a society.
2. There are opportunities for individuals and organizational access into the political system.
3. Individuals actively participate in and make their will felt through organizations of many kinds.
4. Elections are viable instruments of mass participation in political decisions including those on specific issues.
5. A consensus exists on what may be called the democratic creed.

Presthus (in Castles et al, 1971, pp 331-332) sees the origin of the pluralist rationale in the ancient fear of governmental power and in the old adage that power corrupts in geometric progression as it grows. Pluralism is a model of the distribution of power attempting to curb government's excessive demands by fragmenting its power. Pluralism assumed the broadest possible representation of private interest vis-a-vis the state. Presthus (op cit, p 332) warned about a problem inherent in such interests. Such interests achieve their ends at the expense of the

broader unorganized public. The unorganized public usually consists of consumers whose voices quite often go unheard on social issues of importance while those with an organized interest speak loudly. This leads to an inequality in bargaining power, power disequilibria and an inequitable access to power between organized and unorganized interests. Of decisive importance to pluralism is competition and participation among organized groups. This is an essential feature of pluralism. The problem however is that many of these groups become oligarchic and restrictive, monopolizing access to governmental power and limiting individual participation.

Pluralism guarantees freedom, preserves diversity, limits the power of and protects against extremist mass movements. Playford (in Castles *et al*, 1971, p 364) noticed that pluralism is a widely accepted theory of the way Western industrial democracies work. Pluralism assumes that power in these democracies is distributed in such a manner as "to guarantee that no one group can dominate any other group or segment of society".

The fourth model, egalitarian democracy, may be defined as "government by all people for all people" (Castles *et al*, 1971, p 293). According to Bottomore (in Castles *et al*, 1971, p 389) democracy implies that there "should be a substantial degree of equality among men, both in the sense that all the adult members of a society ought to have, as far as possible, an equal influence upon those decisions which affect important aspects of the life of the society and in the sense that inequalities of wealth, of

social rank or education and access to knowledge, should not be so considerable as to result in permanent subordination of some groups of men to others in any of the various spheres of social and life or to create great inequalities in the actual exercise of political rights". Egalitarian power democracy and equality among men are based on various considerations, three of which have particular importance:

1. In spite of individual idiosyncrasies, humans are remarkably alike in some fundamental respects: they have similar physical, emotional and intellectual needs.
2. Individual differences among men and the social distinctions between them are two separate things. The major inequalities in society are to be found in the main social products, created and maintained by the institutions of property, inheritance, political power and military power.
3. The pursuit of equality is likely to create a more admirable society, offering mankind the opportunity and the means to fashion social life according to its desires.

This model figures in various ways in the thoughts of political scientists and sociologists. It is not the sole right of a single or specific school of thought but it is the birthright of everyone (Castles *et al*, 1971, p 292).

4.2.1.5 THE USES OF POWER

Power can be used in many different ways to gain intended effects on others or to secure the power.

Managers should take the greatest precaution to have all the information available before applying coercive power and not to act impulsively.

advantages already attained. Wrong (1979, pp 218-223) differentiates between "power to" and "power over". "Power over" is an attempt to achieve a wide range of goals or satisfy needs and wants. Power may enable a leader to liberate the oppressed and to restore the environment. "Power over" also has a security dimension. Power may prevent violent deaths at the hands of other persons. Wrong sees a reputation for power as the individual's most effective insurance policy. Power may also lead to instant gratification if the power holder succeeds in inducing someone into the necessary behaviours to satisfy his own needs and wants. Men seek and use power to acquire scarce possessions, property rights and ownership as well as class privileges.

Moorhead et al (1989, pp 363-367) observe five usages of power. Referent power is a mechanistic method the manager uses to gain intended effects with role modeling. The subordinates relate and identify with the manager and may even emulate his behaviour. Expert power may be used to promote images of expertise and to maintain credibility. It helps a manager to demonstrate his firm grasp of situations and his ability to quickly clear up a point or problem. A manager exercises legitimate power by formally requesting and/or compelling subordinates to comply with his/her wishes. Compliance with the legitimate orders of a manager should however be the norm, otherwise the superior's power base will be eroded. A superior may also use reward power in motivating a subordinate to produce the desired and proper behaviour. Coercive power should be used with discretion because it could erode referent power. Managers should take the greatest precaution to have all the information available before applying coercive power and not to act impulsively.

From the preceding discussion it is evident that power is a fundamental concept in the social sciences and of utmost significance in social contexts and social relations.

4.2.1.6 POWER DISTANCE AND HUMAN INEQUALITY

Hofstede (1980a, p 99) ascertains that the power distance norm can be used as a criterion for characterizing and describing cultures. Linking up with Hofstede, Gasse (in Hofstede, 1980a, p 99) argues for the justification of authority by each culture using its major values. Gasse pictures a continuum, the two poles of which he calls monolithism and pluralism. The monolithic pole points to elitism. Elite cultures are characterized by power held by a few people (see Presthus' definition of elitism, p 161). A few people dominate the decision-making process. The rank-and-file has limited access to the decision-making process and the elite group experiences little or no opposition. This does not imply, however, that the monolithic entity can have their way and achieve their ends all the time or that the locus of power never changes. This elite group however forms a small proportion of the community and is not representative in social terms of this community.

Presthus (in Castles et al, 1971, p 338) observes that the most important characteristic of elitism is the disproportionate control of scarce resources of money, skills and commodities. According to Gasse (in Hofstede, 1980a, p 99) pluralism (the pluralistic pole connotes competition between groups and leaders and their encouragement of this competition) implies limited

control by leaders, fostering of democratic politics and independent information sources. The de Tocquevillian political tradition associates pluralism with democracy and political integration. It presupposes consensus about essential social values and aims and an acceptance of the legitimacy of the existing political system. Conflicts exist but only insofar as the various contending groups have different interests. These different interests, economic, political and social, exert random pulls in various directions which cancel each other out and lead to a harmonious democracy (Van den Berghe, 1967, pp 270-271).

Playford (in Castles *et al*, 1971, p 364) observes that pluralism is said "to stand for the guarantee of freedom, the preservation of diversity, the limitation of power and protection against extremist mass movements. But in reality plural societies are immensely unequal due to an unequal distribution of benefits, privileges, political power and influence (Bonacich, 1989, p 80). In plural, democratic, capitalistic societies one's social status depends upon one's position in two co-existing systems of social stratification namely class and ethnicity. Class position depends, to a large extent upon occupation and income which are related to the level and quality of education attained. Although ethnic identity cannot be changed, people in minority groups may and can improve their lot through economic advancement. However one's ethnic and racial identity may place a ceiling upon the extent to which one can rise. It also appears that racism has changed its face and that new forms of racial injustices arose granting new forms of privilege

to minority groups - preferential treatment - due to social transformations. Omi and Winant (in Killian, 1990, p 9) observe that in America "the victims of racial discrimination have dramatically (changed) shifted from racial minorities to whites, particularly white males". "The culture of inequality" seems more entrenched than ever (Lewis, 1978). Inequality in society (human inequality) can occur in a variety of areas, e.g. physical and mental characteristics, social status and prestige, wealth, power, laws, rules, human rights and property rights.

In every society there are two opposing forces, viz status consistency and overall equality. These two forces are in constant conflict. The strong and the smart eliminate status inconsistencies by gaining wealth, power and prestige while the counterforce tries to maintain equality by offsetting rank in one area against another (Hofstede, 1980a, p 94).

Dahrendorf (in Beteille, 1972, pp 16-44) discusses several causal factors of inequality among men. The explanation of the origin of inequality in terms of private property and the division of labour has received much attention. Proposers of the thesis that property is the cause of social inequality range from Rousseau to Lorenzo von Stein to Karl Marx. In fact Rousseau and Marx are unrivalled in their radical insistence on property as the sole cause of social inequality. But this explanation does not stand the test of historical experience. Wherever private property has been reduced to virtual insignificance, social stratification still exists. According to the Schmoller theory, class formation (and social stratification) is based on a differentiation in

occupations. The problem, however, is that differentiation precedes the stratification of social positions.

Dahrendorf (op cit, p 36) argues that the origin of social inequality lies rather in certain features peculiar to all human societies, viz norms of behaviour to which sanctions are attached. These sanctions may be positive (rewards) or negative (punishments). "Only if we regard reward and punishment, incentive and threat, as related instruments for maintaining social norms, do we begin to see that applying social norms to human behavior in the form of sanctions, necessarily creates a system of inequality of rank and that social stratification is therefore an immediate result of the control of social behaviour by positive and negative sanctions" (Dahrendorf, op cit, p 35). Division of labour may be a universal feature of societies but it lacks the element of evaluation necessary to explain distinctions of rank. The importance attached to different positions and the market value of required qualifications, determine the unequal distribution of income and power.

The gross inequalities that characterize societies are multiplied when race and ethnicity are entered into the equation (Bonacich, 1989, p 83). Blacks and members of other minority groups are usually seriously over-represented at the bottom of the scale of material well-being. Whites on the other hand are usually over-represented at the top in a hierarchy of occupations. Bonacich (1989, p 83) observes that occupational disadvantages translate into wage and salary disadvantages. The absence of good jobs and decent pay for those jobs translates into poverty. Wilson (1987) in a

systematic treatment of poverty, shows the concentration of poverty in urban areas and a sharp increase in poverty since the 1970's. Wilson argues this increase was caused by structural transformations and also by middle-class minority members removing themselves spatially from the poor.

Massey and Eggers (1990) emphasize the important role of racial segregation in generating concentrated urban poverty. Massey et al (1990, p 1155) are adamant that race and the usual accompanying residential segregation are significant barriers to socio-economic progress and view housing as a key factor in the growing concentration of poverty among Blacks and in the social inequality of Blacks and members of minority groups. Linking up with Massey and Eggers's thesis, Wilson and Ramphela (1989) in an extensive study of poverty in South Africa, view the poor quality of housing, unemployment and lack of decent jobs, poor wages and insufficient earnings and a lack of education as manifestations of inequality among South African Blacks.

Considering poverty as a profoundly political issue, Wilson et al (1989, p 4) advance four reasons for its significance:

1. It inflicts psychological and physical damage on the individuals who must endure it.
2. It is sheer inefficiency in economic terms: e.g. hungry children cannot study properly, malnourished adults cannot be fully productive as workers and the economy has a structure of demand that does not encourage the production and marketing of the goods that are most needed.

3. Poverty as the manifestation of a great degree of inequality makes human community life impossible.

4. Poverty is often "the carcass left over from wealth acquisition" - it simultaneously produces wealth for some while impoverishing others.

In fact the unequal distribution of power is the essence of an organization (Hofstede). Those enduring poverty have to live in a state of powerlessness. This powerlessness gives rise to a sense of utter despair bred by the social and economic environment (Wilson *et al*, 1989, p 152).

Brown (1973) proposed economic development as an anti-poverty strategy. Brown (1973, p 169) sees economic development as "the increased productivity per capita for a poor area which in turn yields increased income per poor person". Brown proceeded by proposing a programme of corporate investment and technical assistance both of which logically grow out of and are ideologically underpinned by the functional-rational modes of poverty, social stratification and economic growth. The functional-rational model of poverty as developed by Davis and Moore (in Brown, 1973, p 175) postulates social inequality as an "unconsciously evolved device by which societies insure that the most important positions are conscientiously filled by the most qualified person". Economic development is also a matter of power. Policy and practice regarding zoning for land use, enforcement of employment codes, taxation and routing of capital are all political decisions which are the outcomes of competition between various power groups in a society.

apply French and Raven's model of the bases of power to organizational settings (Figure 4.1).

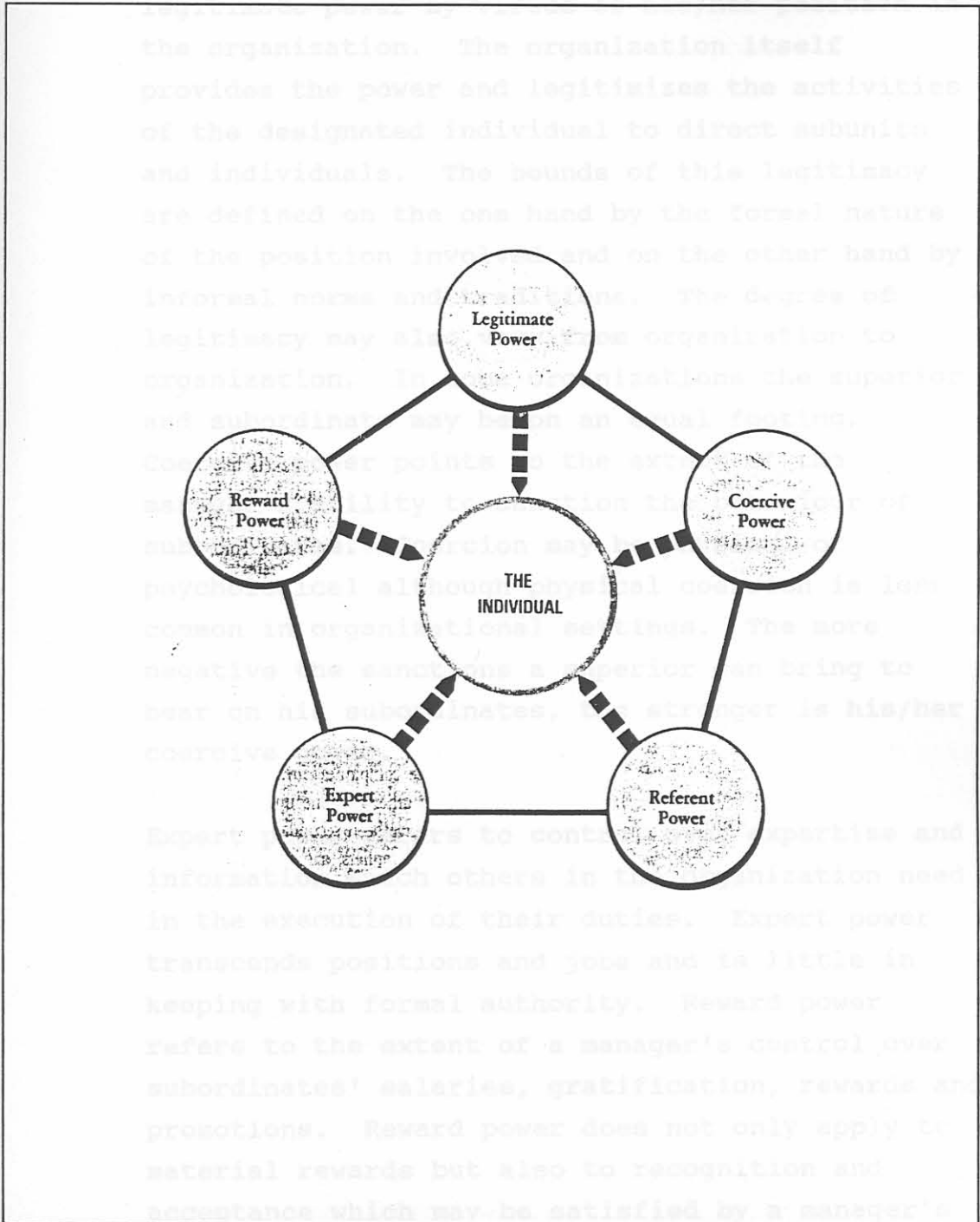
4.2.1.7 POWER DISTANCE AND INEQUALITY IN ORGANIZATIONS

The power distance norm may spill over from the social environment into work organizations. In work organizations inequality of members' abilities and inequality of power are quite conspicuous. In fact the unequal distribution of power is the essence of an organization (Hofstede, 1980a, pp 96-97). Mintzberg (1983, p 4) defines organizational power simply as "the capacity to effect (or affect) organizational outcomes". Staw (1991, pp 388-389) sees power simply as "the ability to get things done the way one wants them to be done". Powerful people in an organization are known by the general impact they have on organizational policies and for influencing specific decisions.

Salancik and Pfeffer (1991, p 388) based their model of power on the strategic-contingency theory of power which views power as something accruing to organizational subunits, assisting them to cope with "critical organizational problems". Subunits may use power to secure their own survival. This survival is achieved through the control of scarce resources, placement of allies in key positions and the definition and formulation of organizational problems and policies. Mumby (1988, p 61) sees power as a process by which organizational stability is maintained. The exercising of power within the organization is the legitimate maintenance of the hierarchical structure which is intrinsic to all reasonably complex societies.

Moorhead *et al* (1989, pp 356-360) apply French and Raven's model of the bases of power to organizational settings (Figure 4.1).

Figure 4.1: FIVE BASES OF ORGANIZATIONAL POWER.



(Source: Moorhead et al, 1989, p 358)

Figure 4.1 details the interface between the individual and the bases of power in organizational settings. The individual attains legitimate power by virtue of his/her position in the organization. The organization itself provides the power and legitimizes the activities of the designated individual to direct subunits and individuals. The bounds of this legitimacy are defined on the one hand by the formal nature of the position involved and on the other hand by informal norms and traditions. The degree of legitimacy may also vary from organization to organization. In some organizations the superior and subordinate may be on an equal footing. Coercive power points to the extent of the manager's ability to sanction the behaviour of subordinates. Coercion may be physical or psychological although physical coercion is less common in organizational settings. The more negative the sanctions a superior can bring to bear on his subordinates, the stronger is his/her coercive power.

Expert power refers to control over expertise and information which others in the organization need in the execution of their duties. Expert power transcends positions and jobs and is little in keeping with formal authority. Reward power refers to the extent of a manager's control over subordinates' salaries, gratification, rewards and promotions. Reward power does not only apply to material rewards but also to recognition and acceptance which may be satisfied by a manager's praise and acknowledgement. Referent power is "power through recognition" and it is not always related to formal organizational authorization. Taking uncalled for disciplinary steps and making

unwarranted remarks, may seriously undermine the credibility of the superior and jeopardize human relations.

Closely related to organizational power, is the issue of organizational politics which may be defined as "activities carried out by people to acquire, enhance and use power and other resources to obtain their preferred outcomes in a situation where there is uncertainty or disagreement".

Political behaviour is a means to obtain power and to use it to get one's own way about things (Moorhead et al, 1989, p 368). Organizational politics has pervasive influence on the organizations. It has an impact on decision-making, influencing salary decisions, hiring decisions, promotions and strategy. Organizational politics are often viewed as bad, unfair, dirty tricks and backstabbing but managers may use it in a constructive manner.

Political behaviour may be ethical and appropriate if it complies with two conditions, viz it respects the rights of all affected parties and if it respects fairness and justice (Moorhead et al, 1989, p 368). Several techniques are used in practicing political behaviour, viz controlling as much information as possible, controlling agendas and controlling lines of communication. Also using outside consultants and advisors can be an effective political tool in the hands of a manager, especially when a selected consultant has views which match his own. This usually leads to a manager who gets what he wants. Image building is also a subtle form of political behaviour, enabling a manager to enhance his power base for future activity.

Salancik and Pfeffer (in Staw, 1991, pp 394-395) examine the impact of the distribution of power on organizational decision-making. They ascertain that three conditions, viz scarcity, criticality and uncertainty, are likely to influence or effect the use of power in organizations. Scarcity is related to subunits' attempts to exert influence when the resources of the organization are scarce, e.g. to secure a bigger part of the budget. Criticality points to a subunit's attempts to influence decisions to obtain resources critical to its own survival and activities. Uncertainty also affects the use of power. When management is uncertain about strategies and policy decisions, power will effect the decision-making process. Power and the accompanying status and social ties will be decisive.

The distribution of power is usually attended with inequalities. Two dimensions of inequality usually affect organizations and their environments, viz the distribution of rewards and opportunities and the differences in criteria for matching workers and jobs (Baron, 1984, p 37).

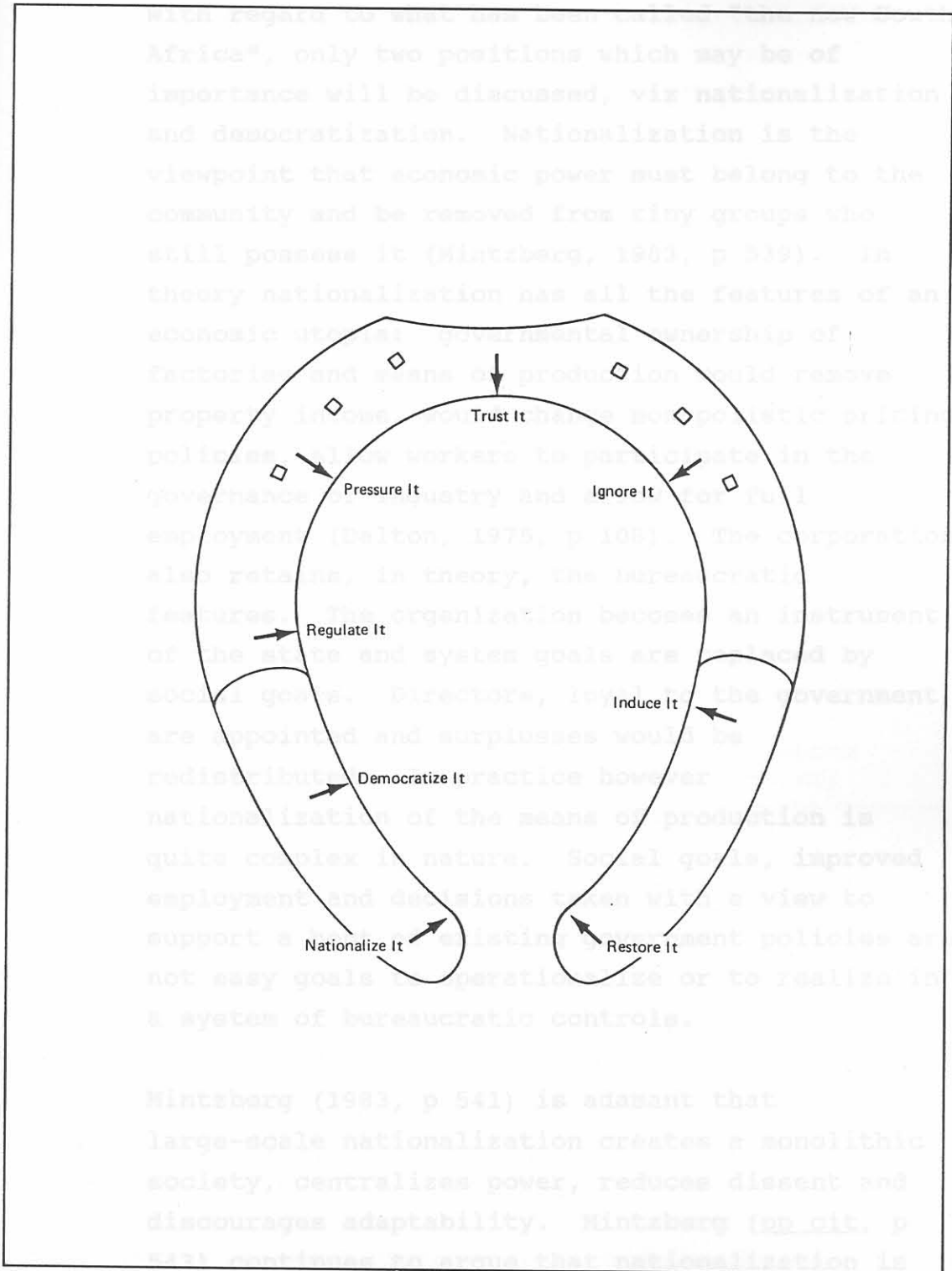
Baron (1984, p 38) views unequal access to avenues of advancement within organizations as a principle source of inequality. Orthodox economic theory holds that wage differentials are related to worker productivity and labour supply but productivity is an individuality. Referent power involves trust, affection, emotional involvement and acceptance. In organizational settings referent power surfaces as imitation. People usually copy a person's manners, ways of speech and dress and work-related behaviour.

Figure 4.2 depicts the conceptual horsebox.

Power can be used in many different ways in organizations. A superior/manager may build a referent power base by hiring subordinates with similar backgrounds, similar ideological and religious inclinations and persons who attended the same college as he/she did. Referent power may also be exercised through role modelling. Expert power is exercised by making others subtly aware of their education, expertise, experience and accomplishments. Expert power should not be based on pretensions because an exposure would rapidly lead to a loss of expert power. Legitimate power is exercised by formally ordering or requesting subordinates to do something. Moorhead et al (1989, p 366) observe that compliance by employees with legitimate power should be the norm in an organization as non-compliance will erode the superior's power base. The superior, however, should issue his orders politely and cordially and in a confident manner. Requests and orders should also be proper and ethical. Leaders should also verify compliance with a request before rewarding the subordinate in order for the performance-reward linkage to be recognized. Coercive power should be recognized and exercised with restraint by superiors otherwise it may lead to resentment.

Organizational power also has a bearing on the question "Who should control the corporation?". There are eight possible answers to this question which may be presented as a conceptual horseshoe depicting the eight positions, viz rationalize it, democratize it, regulate it, pressure it, trust it, ignore it, induce it and restore it. Figure 4.2 depicts the conceptual horseshoe.

Figure 4.2: A CONCEPTUAL HORSESHOE.



(Source: Mintzberg, 1983, p 529)

nationalization would not assist in any

Figure 4.2 details the possible answers to the question "Who should control the organization?" With regard to what has been called "the new South Africa", only two positions which may be of importance will be discussed, viz nationalization and democratization. Nationalization is the viewpoint that economic power must belong to the community and be removed from tiny groups who still possess it (Mintzberg, 1983, p 539). In theory nationalization has all the features of an economic utopia: governmental ownership of factories and means of production would remove property income, would change monopolistic pricing policies, allow workers to participate in the governance of industry and allow for full employment (Dalton, 1975, p 108). The corporation also retains, in theory, the bureaucratic features. The organization becomes an instrument of the state and system goals are replaced by social goals. Directors, loyal to the government, are appointed and surplusses would be redistributed. In practice however nationalization of the means of production is quite complex in nature. Social goals, improved employment and decisions taken with a view to support a host of existing government policies are not easy goals to operationalize or to realize in a system of bureaucratic controls.

Mintzberg (1983, p 541) is adamant that large-scale nationalization creates a monolithic society, centralizes power, reduces dissent and discourages adaptability. Mintzberg (*op cit*, p 543) continues to argue that nationalization is not the answer to the problems of social performance of giant corporations or big businesses. Applying the concept of nationalization to South African circumstances,

nationalization would not assist in any egalitarian restructuring. "It would debilitate entrepreneurial endeavour among Blacks, discourage exploration and investment and by politicising business, lead to a misallocation of resources that would impoverish the country" (Financial Mail, Feb 23, 1990, p 28).

Democracy at organizational level may be representative or participative. The one form entails the election of representatives, the other direct involvement in internal decision-making. Every one (individual or group) affected by the activities of the corporation may be involved in either form of democratization (Mintzberg, 1983, p 545). Four basic forms of corporate democracy may be discerned as is portrayed in Table 4.1.

Table 4.1: FOUR BASIC FORMS OF CORPORATE DEMOCRACY.

Groups Involved	
Internal Influences (employees)	External Influences (interest groups)
<p>Worker Representative Democracy</p> <p>(European style, e.g., "co-determination" or worker ownership)</p>	<p>Pluralistic Representative Democracy</p> <p>(American style, e.g., "public interest" directors)</p>
<p>Worker Participatory Democracy</p> <p>(e.g., works councils)</p>	<p>Pluralistic Participatory Democracy</p> <p>(e.g., outsiders on new product committees)</p>

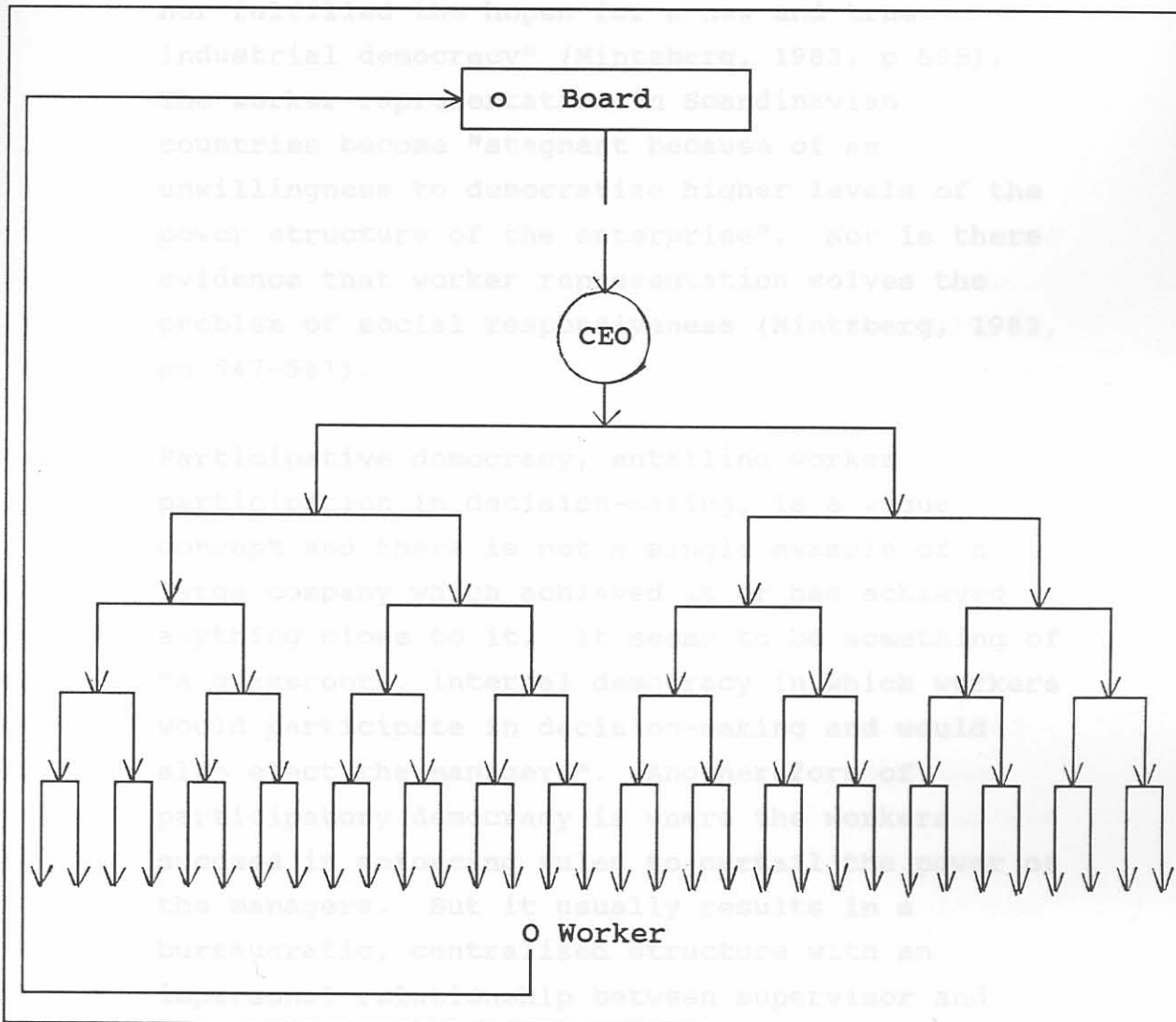
(Source: Mintzberg, 1983, p 346)

Figure 4 Table 4.1 details the four basic forms of corporate democracy, viz worker representative democracy, pluralistic representative democracy, worker participative democracy and pluralistic participative democracy.

Pluralistic representative democracy, also called interest group management, is primarily concerned with outside interest groups. In essence it is a supposition that conflicting interest can and should be made to negotiate. The attempts to elect public interest directors or representatives of particular consumer or environmental groups to corporate boards reflect the spirit of pluralistic representative democracy.

Proponents of worker representative democracy are mostly European and primarily concerned with opening up the boards to the workers. Worker representation is concerned with the issues of power and democracy, not efficiency. In Yugoslavia, worker representation means social ownership which should not be confused with state ownership. In social ownership the right to manage rests with the workers. The model of co-determination, developed in what was West-Germany, has been the most far-reaching model of worker representation. The essence of co-determination is the right to equal representation which workers have with shareholders on the boards of companies. Worker representatives include directors named by the unions and those elected by employee delegates. The last mentioned type of directors includes blue-collar as well as white-collar (ordinary and managerial) representatives. Figure 4.3 shows the typical composition of a board with worker representatives.

Figure 4.3: WORKER REPRESENTATION ON A CO-DETERMINATION BOARD.



(Source: Mintzberg, 1983, p 557)

Co-determination has not had any revolutionary effect on industry or society. "It did not bring about a new society nor did it lead to socialism, nor fulfilled the hopes for a new and true industrial democracy" (Mintzberg, 1983, p 585). The worker representation in Scandinavian countries become "stagnant because of an unwillingness to democratize higher levels of the power structure of the enterprise". Nor is there evidence that worker representation solves the problem of social responsiveness (Mintzberg, 1983, pp 547-561).

Participative democracy, entailing worker participation in decision-making, is a vague concept and there is not a single example of a large company which achieved it or has achieved anything close to it. It seems to be something of "a grassroots, internal democracy in which workers would participate in decision-making and would also elect the managers". Another form of participatory democracy is where the workers succeed in enforcing rules to curtail the power of the managers. But it usually results in a bureaucratic, centralized structure with an impersonal relationship between supervisor and subordinates. However, worker participative democracy is very clear on who is to be involved.

Pluralistic participatory democracy is difficult to define and it is not clear who are involved. Not only workers but also other external influences are involved. Apparently it entails a shift of accountability from management to the people affected by boardroom decisions. Mintzberg (op cit, p 565) proposes two ways in incorporating

outsiders in the decision-making process.

External influencers may name a representative to a position of power inside an organization.

Another approach would be the direct participation of representatives of external groups on certain decision-making committees. It may be in management's best interest for example to involve pressure groups in the social environment in the decision-making process of the company. The inner sanctums of a corporation could be opened up to the participation of outside groups, resulting in insiders and outsiders working harmoniously to the benefit of the corporation and the society (Mintzberg, 1983, pp 562-567).

In closing, attention should be paid to the influence of the value systems of both superior and subordinate on the decision-making process and the exercise of power. Hofstede (1980a, p 97) observes that inequality in society is sustained by both dominant and subordinate value systems. Hofstede proceeds by stating that subordinates and members of minority groups have a collective complicity to the exercise of power. In cultures with high power distance-values, subordinates are usually afraid to express disagreement with their superiors. The superior usually makes his/her decisions promptly and communicates it firmly to the subordinates, expecting them to carry out his/her decisions. In cultures with low power distance-values, managers usually discuss problems with subordinates before taking a decision. The manager usually accepts the majority's viewpoint as the final decision (Hofstede, 1980a).

1. Non-managerial employees' perception that employees are afraid to disagree with their managers (Question 34).

4.2.1.8 THE POWER DISTANCE INDEX

Hofstede (1980a, pp 100-104) computed a power distance index for different cultures. He used question 34 (Value Survey Module), "How frequently, in your work environment, are subordinates afraid to express disagreement with their superiors?" as the central item for exploring power distance differences between cultures. This question expresses power distance most clearly. Other researchers (Patchen, 1965; Whyte, 1969; Neghandi and Prasad, 1971) have used fear of disagreement as a measure.

Two other questions, namely question 37 (preferred manager to work under) and question 38 (perceptions of the behaviour of a superior) provide unique information about the power distance in superior-subordinate relationships. Question 37 is a description of four types of decision-making behaviour of managers, viz autocratic, persuasive/paternalistic, consultative and participative. In selecting his preferred manager, the subordinate actually expresses a value. Hofstede has found this preference to correlate with the "being afraid" question (no 34) and perceptions of managers as being autocratic or persuasive (question 38). Question 38 uses the same four alternatives as question 37 and the subordinate has to indicate his perceptions of his superior's behaviour.

Hofstede proceeds by computing a power distance index on the basis of the country's mean scores for the three aforementioned questions:

1. Non-managerial employees' perception that employees are afraid to disagree with their managers (Question 34).

2. Subordinates' perception that their boss tends to take decisions in an autocratic or persuasive/paternalistic way (Question 38).
3. Subordinates' preference for anything but a consultative style of decision-making in their boss (Question 37).

In the computation mean percentage values for questions 37 and 38 were used. Mean scores were used for question 34. These mean scores were multiplied by -25 (to make their range and therefore their contribution to the power distance index (PDI) roughly equal to the range in percentage values) and a constant of 135 was added to give the culture index values a range between zero (small PDI) and 100 (large PDI).

The actual formula used was:

$$PDI = 135 - 25 (\text{mean score employee afraid individuals (question 34)}) + (\text{mean percentage values manager 1 + 2 (question 38)}) - (\text{mean percentage 3 (question 37)})$$

Hofstede (1980a, p 103) views the PDI as a measure of values found in the subsidiaries of multi-national corporations. The concept is not applicable to individuals but only to the subsidiaries. This in fact means that the PDI concept is only applicable to societies as every subsidiary is operating in a particular society. It is also an ecological index in the sense that factors such as geography, economy, demography, genetics, hygiene, history, technology and urbanization are all related to the PDI. All three questions measuring power distance are put to subordinates and not to superiors. The

least powerful partners in a relationship have to evaluate and give their perceptions of the superior's behaviour in a relationship. The least powerful is in a better position to judge power distance than their more powerful superiors. Only question 37, where a preference for one state of affairs over others have to be stated, measures a value. Question 34 deals with an aspect of organizational climate and question 38 with a characteristic of the organization's regime. Hofstede has found a Bravais-Pearson correlation score on the three questions across countries of well over 0,50 which, according to him, is an indication that value, regime and climate forms "a coherent pattern" which differentiates between countries and cultures. Hofstede finds a virtual zero correlation among the three questions across individuals. This is a confirmation that the concept of power distance (as measured here) is only applicable to social systems and not to individuals (Hofstede, 1980a, p 104). Hofstede also obtained high correlation coefficients for the three PDI questions among occupations. The PDI can therefore also be analyzed by occupation.

4.2.1.9 POWER DISTANCE NORM - ITS ORIGINS AND CONSEQUENCES

The power distance norm is meant to be a societal norm. This is meant to be a value system shared by a majority in a middle class society (Hofstede, 1980a, p 120). According to Hofstede, it revolves around the desirability and undesirability of inequality and of dependence versus independence in society. "The basic values with regard to inequality", observes Hofstede (1980a,

* Subordinates are people like me.

* Superiors consider subordinates as being of a different kind.

Table 4.1 p 120), "are projected onto the hierarchical relationship and make it into a convenient arrangement on the one hand and an existential arrangement on the other". Values about inequality correlate with the values about the exercise of power.

As is evident from Table 4.2 the difference between high power distance index and low power distance index societies are quite conspicuous. For example, in low power distance countries power holders are not very proud of the power they wield and usually blame the system for any problems encountered, while in high power distance societies power holders apply power quite ruthlessly and usually blame the powerless for problems.

Table 4.2: THE POWER DISTANCE SOCIETAL NORM.

Low PDI	High PDI
* Inequality in society should be minimized.	* There should be an order of inequality in this world in which everyone has his rightful place; high and low are protected by this order.
* All should be interdependent.	* A few should be interdependent; most should be dependent.
* Hierarchy means an inequality of roles, established for convenience.	* Hierarchy means existential inequality.
* Subordinates are people like me.	* Superiors consider subordinates as being of a different kind.

Table 4.2 (continued)

Low PDI	High PDI
* The use of power should be legitimate and is subject to the judgement between good and evil.	* Power is a basic fact of society which antedates good or evil. Its legitimacy is irrelevant.
* All should have equal rights.	* Powerholders are entitled to privileges.
* Powerful people should try to look less powerful than they are.	* Powerful people should try to look as powerful as possible.
* Stress on reward, legitimate and expert power.	* Stress on coercive and referent power.
* The system is to blame.	* The underdog is to blame.
* The way to change a social system is by redistributing power.	* The way to change a social system is by dethroning those in power.
* People at various power levels feel less threatened and more prepared to trust people.	* Other people are a potential threat to one's power and rarely can be trusted.
* Latent harmony between the powerful and the powerless.	* Latent conflict between the powerful and the powerless.
* Co-operation among the powerless can be based on solidarity.	* Co-operation among the powerless is difficult to bring about because of low faith in people norm.

(Source: Hofstede, 1980a, p 122)

Table 4.2 details the cardinal differences between low power distance and high power distance countries.

Hofstede (1980a, p 122) finds the strongest predictor of the power distance index the geographical latitude of a country's capital. Geographical latitude was found to have a fundamental effect on the subjective culture of the inhabitants of the region. Population size is also a predictor of PDI. The larger the size of the population, the larger the PDI. The reverse is true for smaller populations. The third variable which is a predictor of PDI is wealth, which is itself highly correlated with latitude. Although a variety of factors, i.e. size (small) of the traditional agricultural sector, the extent of social mobility, extent of literacy, extent of urbanization and the importance of the middle class are all correlated to national wealth. Wealth too, has a causal relationship with power distance. The greater the Gross Domestic Product (GDP) (wealth) the smaller the power distance.

In a factorial analysis of data obtained from about 25 relatively developed countries, Adelman and Morris (1967) find variables such as the level of modernization of techniques in agriculture, strength of the labour movement, weak centralization of political power, little or no military involvement in political decision-making and a high level of industrial modernization in a first factor with a loading of 0,82 on Gross National Product (GNP) per capita. These factors are all related to a small PDI and a high GNP per capita (Adelman and Morris, 1967; Hofstede, 1980a; Inglehart, 1990; Clegg and Redding, (Eds.), 1990).

A strong labour movement is positively related to wealth while a centralized economy and political institutions and a strong involvement of the military in political decision-making, are negatively related to wealth.

At societal level, inequality in power and wealth go hand in hand. The greater the wealth in a society, the smaller the wealth distance and the smaller the income inequality. Societies of low income inequality are characterized by high technological advancement and a higher educated work force with better paid lower and middle strata of the labour market (Adelman and Morris, 1967). The historical development of regions and societies with accompanying value systems has a profound influence on the PDI. The PDI of Latin cultures usually is high. Historically, the Roman Empire with absolute power vested in the emperor, was the first organized state in Europe with policies affecting all institutions and affairs of state. With the disintegration of the Roman empire, the authority and rules of government were taken over by the Germanic invaders (Mc Neill, 1964). Anglo-Saxon cultures were characterized by lower power distance and democracy. Especially America (part of the Anglo-Saxon culture), emerges as the cradle of democracy with a federal constitution guaranteeing all the ethnic groups and other interest groups equal rights as corporate entities and in particular, the right of existence, of participation in the central power of state and autonomy (Rockefeller, 1962). However, countries (Africa and in the East-Indian archipelago) gaining their independence from colonial powers

relationship between PDI and political systems. such as Great Britain, who practice democracy, do not exhibit the same small PDI as the colonial power but show an extremely high PDI, i.e. the Philippines and India. Pakistan on the other hand has a low PDI score which may be attributed to the practice of the Muslim faith with its basic tenet of equality before God. The low PDI index for Israel is to a certain extent surprising, taken into consideration the basic Judaistic teaching of Jewry as "the chosen of the Lord". But then it should also be remembered that Israel developed the kibbutz system which is peculiar to low power distance societies. The low PDI of Scandinavian countries explains the institution and practice of social democracy although, at present in Sweden the face of the country is changing from a social democracy to a more freemarket oriented economy (Business Day, Nov 21, 1991, p 12).

The relationship between the PDI norm and education is unclear. Although there is a positive correlation between PDI and formal education, in high PDI societies (poorer countries) there is an oversupply of people with "many formal years of schooling" (Hofstede, 1980a, p 126). Education is associated with a need for mastery of technology and peak scientific performance which are usually characteristic of low PDI societies. Low PDI societies also tend to produce more Nobel laureates than high PDI societies. Some educational systems just maintain large power distances, i.e. the French. In France the norm is to accept authority and the less powerful and lower educated never challenge those in rank above them (Hofstede, 1980a; Schonfeld, 1976). There is a profound and significant

relationship between PDI and political systems. Greg and Banks (1965, p 610) find seven dimensions of political systems by factor analytic study, i.e. electoral system, constitutional regime, group opposition, horizontal power distribution, representativeness of regime, press freedom and the absence of a totalitarian regime to correspond to (or with) the distinction between constitutional - pluralistic and monopolistic regimes or to what Cutright (1967) calls the political representativeness index. Hofstede (1980a, p 130) observes that "political systems, unless imposed by foreign violence, reflect something about the values and the behaviour of the population". Low PDI points to a value consensus among the population which reduces political violence and disruptive conflicts. The opposite of course is true of countries (societies) with a middle or high PDI. The latter also has problems of political and governmental instability. Argentina, Chile, Greece, Iran, Italy, Peru, South Africa, Thailand and Venezuela, to mention a few, are examples of high PDI societies with endemic political violence and instability but with authoritarian governments. Low PDI societies are usually relatively stable pluralist systems.

The PDI is also related to the kind and type of labour movement a country has. Maurice, Sellier and Silvestre (in Hofstede, 1980a, p 131) observe that in many high PDI societies trade unions are organized by government. In other societies the unions are ideologically based and involved in politics. Trade unions in low PDI countries are usually orientated toward the work situation and concerned with work conditions, worker participation, employment security and earnings.

Hofstede (1980a, p 131) traces the origins of the power distance norm back to religion and ideological and philosophical thinking. Hofstede does not imply that religion explains power distance. What he has in mind is rather an association between the power distance norm and certain aspects of religious life. Hofstede (op cit, p 132) detects a striking similarity between, as he puts it, "the limits of the Roman Empire and the limits of the Roman Catholic Church". The Reformation has only been successful, with notably few exceptions, in areas never under Roman control. It appears on face value, that the Roman Empire has been more decisive in the development of power distance than the Church. However, a religion, once adopted, will reinforce the values which led to its acceptance and practice. Hofstede observes that "Catholicism with the supreme authority of the Pope and the intermediate authority of the priest corresponds more to larger power distance than Protestantism with its general priesthood of believers". Weber (1930) links Protestantism with the capitalistic modernization of countries which ties in with a low PDI. This is also true for the religions of the Far East. Muslim Pakistan is much more equalitarian than Hindu India with its caste system, implying a great power distance.

In regard to ideology, it is conspicuous that authors from Latin cultures identify quite closely with the powerful and high power distance societies, viz Machiavelli, Mosca, Pareto, Michels and De La Boetie. Pluralist theories abound in low PDI countries. The assumption of power sharing and the possibility of the reduction of

power distances are peculiar to pluralist theories. Proponents of pluralist theories are More, Mulder and especially Tannenbaum who view power as a non-zero-sum game in which all parties can gain. The German political scientists proposing the Mitbestimmung, are also pluralists and so are those in the United States of America and Great Britain who want to reduce power distance by informal means, e.g. the participative management of Likert and the socio-technical systems of Miller.

The power distance norm is conceptually related to the concentration of authority in organizations. Brossard and Maurice (in Hofstede, 1980a, p 134) reported the differences in organizational structures between organizations in high PDI societies and those in low PDI societies. The French organizations (high PDI) for instance have more hierarchical levels than the German organizations (low PDI). Wage differentials were also larger in high PDI societies than in low PDI societies. The high income inequality scores for France and Italy (high PDI societies, having Latin cultures) account for the high concentration of managerial and specialist personnel, the great appreciation for white-collar work in general and the salary gap between blue-collar and white-collar workers which is wider in these countries than in small PDI societies.

Table 4.3 details the causal variables in the development of national power distance index differences.

Greater national wealth. * Less national wealth.

Wealth more widely distributed. * Wealth concentrated in hands of small elite.

Table 4.3: ORIGINS OF THE NATIONAL POWER DISTANCE INDEX DIFFERENCES.

Low PDI	High PDI
Origins of Power Distance norm	
* Moderate to cold climates.	* Tropical and subtropical climates.
* Survival and population growth more dependent on man's intervention with nature.	* Survival and population growth less dependent on man's intervention with nature.
* More need for technology.	* Less need for technology.
* Historical events: early legislation applied to rulers; one-son inheritance.	* Historical events: early legislation not applied to rulers; divided inheritance.
* Less traditional agriculture more modern industry, more urbanization.	* More traditional agriculture less modern industry, less urbanization.
* More need for education of lower strata (literacy, mass communication).	* Less need for education of lower strata.
* Greater social mobility and strong development of middle class.	* Less social mobility and weak development of middle class.
* Greater national wealth.	* Less national wealth.
* Wealth more widely distributed.	* Wealth concentrated in hands of small elite.

(Source: Hofstede, 1980a, p 124)

Table 4.3 (continued)

Low PDI	High PDI
* Political power based on system of representation.	* Political power concentrated in hands of oligarchy or military.
* Strong will to be independent: smaller size of population.	* Little popular resistance to integration into a large state: large size of population.
* Historical events: independence, federalism, negotiation.	* Historical events: occupation, colonialism, imperialism.
* Less centralization of political power.	* Centralization of political power.
* Faster population increase in wealthy countries.	* Slower population increase in wealthy countries.
* Technological momentum of change.	* More static society
* Children learn things which elders never learned: less dependent.	* Children dependent on parents and elders.
* Some teaching is two-way.	* Teachers are omniscient, teaching is one-way.
* More questioning of authority in general.	* Less questioning of authority in general.

(Source: Hofstede, 1980a, p 124)

Table 4.3 details the origin of national power distance differences between low and high PDI societies. Table 4.4 summarizes the consequences of national power distance index differences for low PDI and high PDI societies with regard to political systems, ideological thinking and organizational structures.

Table 4.4: CONSEQUENCES OF NATIONAL POWER DISTANCE INDEX DIFFERENCES.

Low PDI	High PDI
<p>* Pluralist governments based on outcome of majority votes.</p>	<p>* Autocratic or oligarchic governments.</p>
<p>* No sudden changes in form of government (evolution and stability).</p>	<p>* Sudden changes in form of government (revolution and/or instability).</p>
<p>* Political parties exist and tend to be at the centre with relatively weak left and right wings.</p>	<p>* If political parties exist, there is a polarization between left and right with a weak centre.</p>
<p>* Government is frequently led by parties stressing equality, usually social democrats.</p>	<p>* If government is based on election results, it tends to be led by parties not stressing equality (right-wing).</p>
<p>* Tax system aims at redistributing wealth.</p>	<p>* Tax system protects the wealthy.</p>

Table 4.4 (continued)

Low PDI	High PDI
Consequences for Political Systems	
* Free labour unions exist and tend to be pragmatically oriented.	* If free labour unions exist these tend to be ideologically based and involved in politics.
Consequences for Religious Life and Philosophical and Ideological Thinking	
* Success of religions in stressing equality.	* Success of religions stressing stratification.
* Ideologies of power equalization.	* Ideologies of power polarization.
* Pluralist theories about society.	* Elitist theories about society.
* Non-zero-sum theories of power.	* Zero-sum theories of power.
UNCERTAINTY AVOIDANCE	
* "Foxes" approach is seen as leading to stability.	* "Lions" approach is seen as leading to stability.
* More, Marx, Weber, Mulder Tannenbaum.	* Machiavelli, Mosca, Pareto, Michels.
Consequences for Organizations	
* Less centralization.	* Greater centralization.
* Flatter organization pyramids.	* Tall organization pyramids.

Table 4.4 (continued)

Low PDI	High PDI
Consequences for Organizations	
* Smaller proportion of supervisory personnel.	* Large proportion of supervisory personnel.
* Smaller wage differentials.	* Large wage differentials.
* High qualification of lower strata.	* Low qualification of lower strata.
* Manual work same status as clerical work.	* White-collar jobs valued more than blue-collar jobs.

(Source: Hofstede, 1980a, p 135)

Power is thus important for understanding organizational dynamics. It may energise and promote productivity and the desire to wield power may aid managerial effectiveness.

4.2.2 UNCERTAINTY AVOIDANCE

Hofstede (1980a) labelled the second dimension of national culture "Uncertainty Avoidance". This dimension indicates the extent to which a society feels threatened by uncertain and ambiguous situations and to which feelings of uncertainty about the future are harboured. Societies try to cope with uncertainty by providing greater career stability, establishing formal rules, are intolerant of deviant ideas and behaviours, attain expertise, seek for absolute truths by way of religion and technology and the common law. Organizations usually try to avoid uncertainty and ambiguity by developing new technology and by

applying rules and rituals. Hofstede (1980b) also observes however, that societies with high uncertainty avoidance approaches are also characterized by a higher level of anxiety and aggressiveness resulting in a strong urge in people to work hard.

4.2.2.1 THE CONCEPT OF UNCERTAINTY AVOIDANCE

Man is living with uncertainty and is conscious of it. All the possibilities of human life involve one "in uncertainties and are dubious in relation to the ground of one's being, a God posited or not posited" (Blackham, 1959, p 16). Hofstede (1980a, p 154) observes that extreme uncertainty creates intolerable anxiety. But human society has developed ways to cope with this comprehensive anxiety which is inherent in human living. These ways belong to the domains of technology which includes all human artifacts, law which includes all formal and informal rules and religion which posits a revealed knowledge of the unknown. Different societies cope with uncertainty in different ways but these ways usually belong to a cultural heritage. These ways of coping are usually transferred and reinforced through the basic institutions in a society such as the family, the school, the state.

Hofstede (op cit, p 154) sees these ways of coping reflected in the collectively held values of a particular society which may lead to collective behaviour in that particular society. The manifestations of collective behaviour in one society may be incomprehensible and repulsive to other societies. The strong political and

emotional forces of nationalism, facism and also Naziism are being viewed as responses to uncertainty in societies created by freedom. These societies usually have a low tolerance for uncertainty and anxiety. Freedom causes anxiety and uncertainty in the behaviour of human beings (Fromm, 1965). Totalitarian ideologies, authoritarianism and the authoritarian personality syndrome are responses to anxiety and manifestations of uncertainty avoidance. Authoritarianism correlates with rigidity, traditionalism, racism and ethnocentrism, and, especially intolerance of ambiguity. Prejudiced attitudes serve as uncertainty avoidance mechanisms to authoritarian personalities as it turns a threatening, insecure world into a more orderly secure place (Adorno, Frenkel-Brunswik, Levinson and Sanford, 1950). According to Adorno et al (op cit, 1950), authoritarianism implies a strong adherence to middle class values, a tendency to seek out and reject those who violate such conventional values, a belief that the individual's destiny is determined by forces beyond his control (external locus of control) and a pre-occupation with power-relationships enabling the individual to be either all-powerful or totally submissive.

Building on Adorno et al's assumptions, Nieuwoudt and Nel (1975, p 100) assert that in South Africa with its comprehensive experience of uncertainty in virtually all faculties of life and society, prejudiced norms could fulfil an important personality function for the authoritarian person supplying an appropriate group on which to displace aggression. A society in which

prejudice, or norms of prejudice, form part of the culture will facilitate the development of authoritarianism and the functioning of the prejudiced personality.

There also is a link between uncertainty and anxiety. Psychologists have related anxiety related behaviour to stress and established a link between stress reactions and the personality dimensions of neurotic anxiety, extraversion - introversion, flexibility - rigidity and achievement versus security considerations (Hofstede, 1980a, p 168).

Lynn and Hampson (in Hofstede, 1980a) conducted extensive research on national differences in anxiety levels and body reactions. They factor analysed 12 variables and obtained two factors. The first factor was labelled neuroticism (or anxiety) and has the following factor loadings:

1. -0,79 low chronic psychosis.
2. 0,78 high suicide death rate.
3. -0,69 low caffeine consumption.
4. 0,68 high alcoholism.
5. -0,68 low daily calorie intake.
6. -0,66 low coronary heart disease rate.
7. 0,66 high accident death rate.
8. 0,51 high punished crime rate.

The second factor was named extraversion and has the following factor loadings:

1. 0,73 high divorce rate.
2. 0,65 high murder rate.
3. 0,61 high cigarette consumption.
4. 0,61 high punished crime rate.
5. 0,60 high coronary heart disease rate.
6. 0,53 high illegitimate birth rate.

The first factor is a stress factor. The negative loadings of coronary heart disease (CHD) may be due to the fact that this is a correlation across societies (ecological) and not across individuals. A number of studies show that the effects of stress on the CHD are conditioned by people's ability to show emotions. In Japan the mortality rate for CHD is very low which may be attributed to the free expression of emotions in Japanese culture (Hofstede, 1980a, p 169). Strumpfer (in Barling, Fullager and Bluen, 1987) links up with this assertion and points to the cultural antecedents of stress in the modern business environment.

Strumpfer (1987, p 538) refers to the political and economic systems under which business is conducted and the prevailing economic and market conditions ("boom or bust") at a particular time and infers that these obviously must have effects on the subjective experience of executives and employees labouring under these conditions and systems. Strumpfer (op cit, p 539) names a few of these stressors: the task to be performed which may involve quantitative and qualitative overload, underutilization of abilities and skills, a perception of obsolescence and job insecurity, unemployment on individual level and role conflict and role ambiguity, lack of social support, lack of participation and difficulties in delegation on the interpersonal level. The structure of an organization, e.g. being too rigidly bureaucratic, interdepartmental conflict, management styles, e.g. excessively authoritarian and control systems are all stressors at organizational level.

Danilewitz (1987) discusses coronary prone behaviour patterns in industry referring to Type A

and Type B behaviour patterns. Danilewitz (op cit) sees Type A persons as hard driving, conscientious, determined to persevere against overwhelming odds, always engaged in excessive struggling to reach and obtain their goals, having a sense of time urgency and being extremely impatient and in their interpersonal relations they are abrasive, displaying a disconcern for others and treat others curtly. The Type B on the other hand are less competitive, relaxed, easy going, and have a lot of patience. They also take more time off to enjoy other pursuits. Strumpfer (1987, p 549) observes that Type A or B behaviour has a definite influence on a person's perception of stressors in the organizational environment and the conditioning of coping behaviour. Type A's, according to Strumpfer, are also likely to be "stress carriers", increasing the amount of stress in the lives of their co-workers and families and also the risk of CHD.

Hofstede (1980a, p 169) points to the high correlation between Lynn and Hampson's anxiety factor and the uncertainty avoidance index (UAI) and observes that this high correlation ($\rho = .73$) validates the concept of uncertainty avoidance. McClelland's achievement motivation is also related to the concept of uncertainty avoidance. Handy (1987, p 36) sees the individual with a high need for achievement as characterized by a liking for moderate and calculated risks. The economic health of a society depends upon entrepreneurial activity which involves risk taking with the accompanying uncertainty and a certain degree of stress. Such activity has historically been associated with strong achievement motivation and has had a decisive influence on policy making in

with uncertainty.

development aid and the granting of financial aid to developing countries (McClelland, 1961; Schein, 1980; Hofstede, 1980a). Hofstede (1980a, p 171) is adamant that a low UAI means or implies a greater willingness to take risks and high masculinity implies assertiveness or ambitiousness. "The two together match the picture of McClelland's achievement - motivated individual".

4.2.2.2 UNCERTAINTY IN ORGANIZATIONS

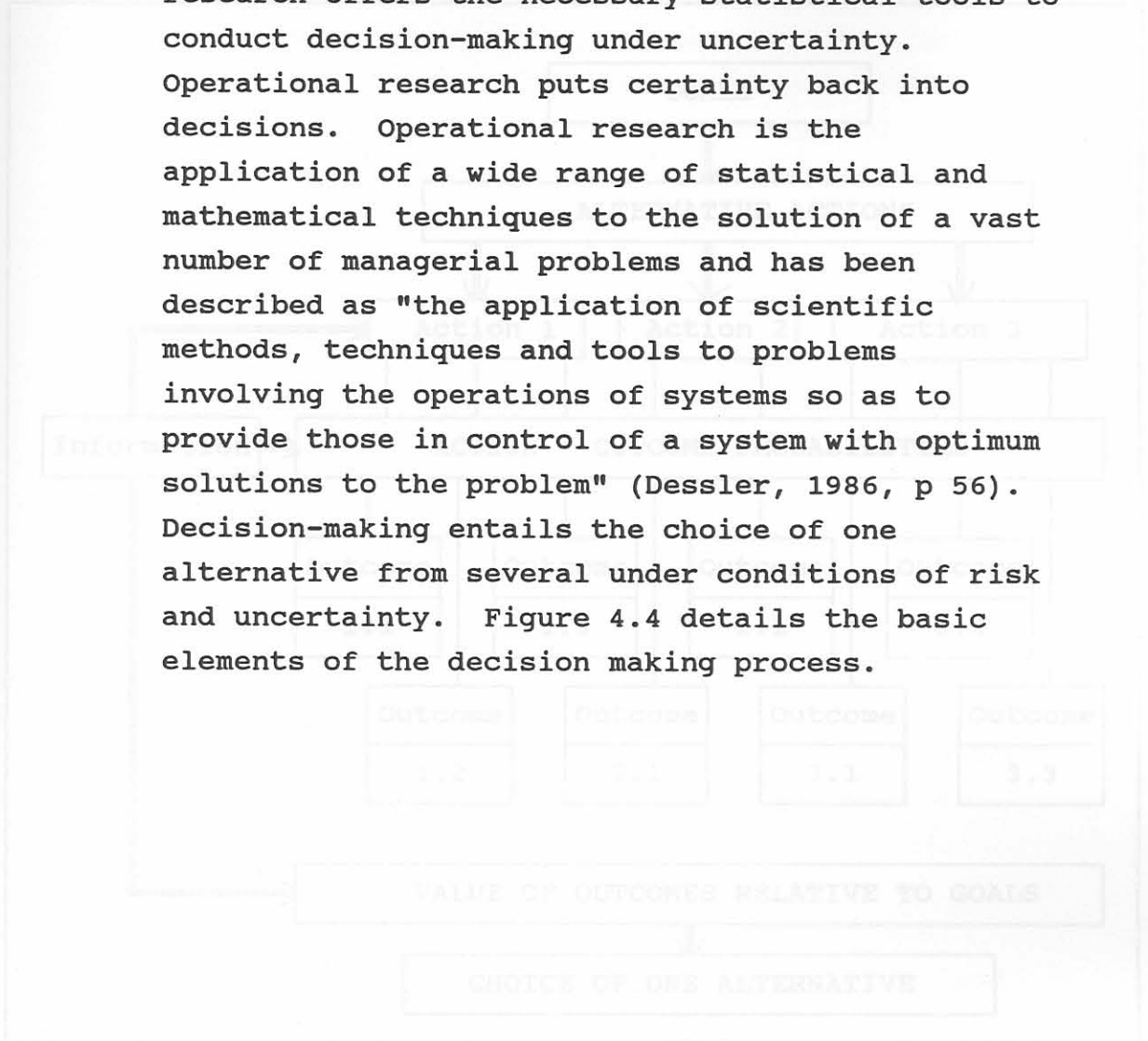
Uncertainty is an important and key concept in modern organizational theory and is quite often linked to the environment (Hofstede, 1980a, p 155). The concept of the environment refers to and includes "everything not under direct control of the organization" which, of course, is a source of uncertainty. Organizational theory dealing with the management of uncertainty can be divided into those based on rational behaviour and those allowing for non-rational behaviour. Hofstede (1980a, p 155) in imitation of Pareto, sees rational behaviour as logical behaviour consisting of activities "which are logically linked to an end, not only in respect to the person performing them but also to those other people who have more extensive knowledge". Theories assuming rational behaviour are normative¹ in nature and may be divided into three broad categories:

1. Theories of decision making under uncertainty.
2. Contingency theories.
3. Theories of strategic behaviour.

¹. Describing how organizations should deal with uncertainty.

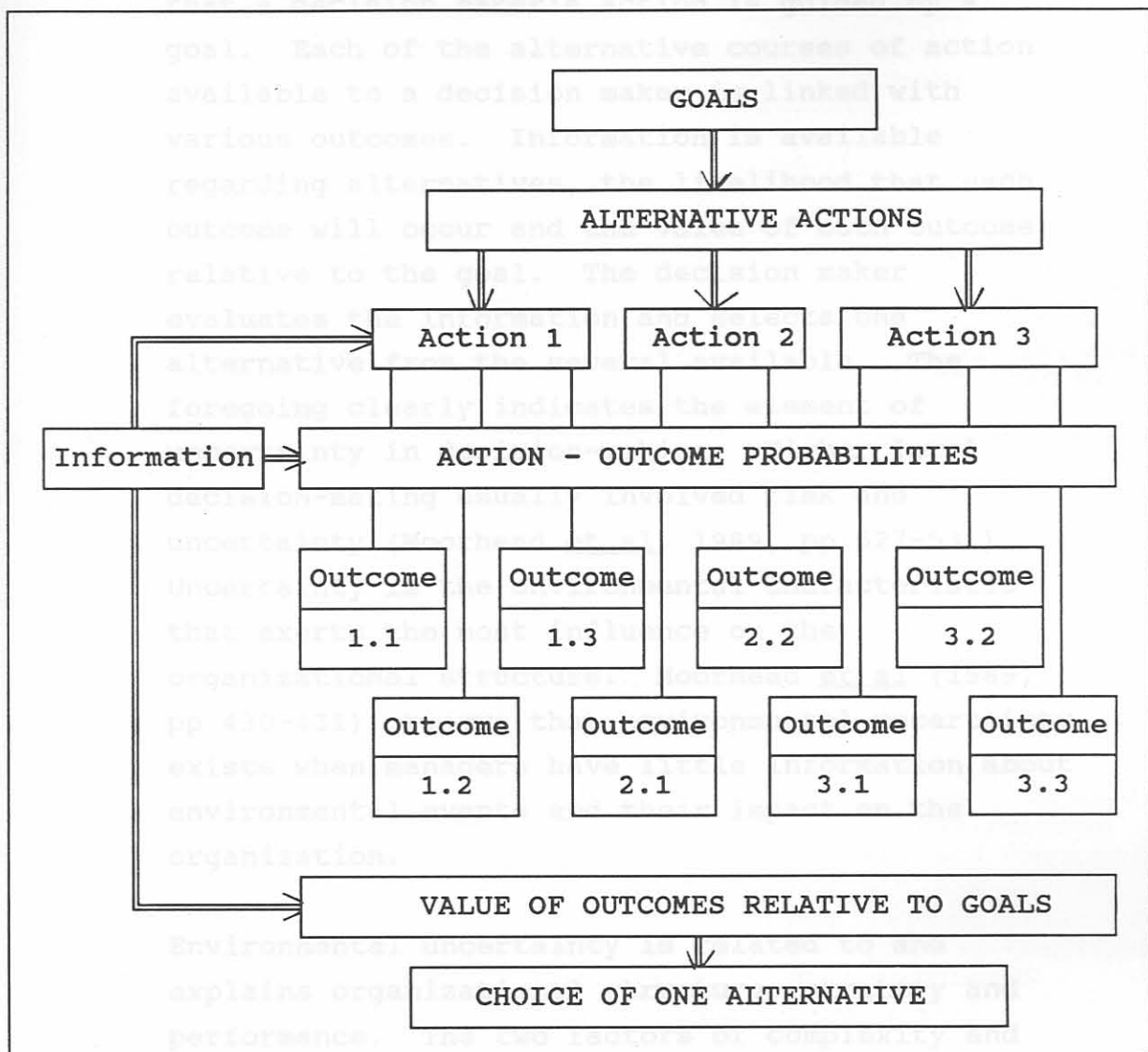
Figure 4.

Hofstede (1980a, p 155) observes that operational research offers the necessary statistical tools to conduct decision-making under uncertainty. Operational research puts certainty back into decisions. Operational research is the application of a wide range of statistical and mathematical techniques to the solution of a vast number of managerial problems and has been described as "the application of scientific methods, techniques and tools to problems involving the operations of systems so as to provide those in control of a system with optimum solutions to the problem" (Dessler, 1986, p 56). Decision-making entails the choice of one alternative from several under conditions of risk and uncertainty. Figure 4.4 details the basic elements of the decision making process.



(Source: Moorhead et al, 1989, p 328)

Figure 4.4: ELEMENTS OF DECISION-MAKING.



(Source: Moorhead et al, 1989, p 528)

Table 4. An analysis of the content of this figure reveals that a decision maker's action is guided by a goal. Each of the alternative courses of action available to a decision maker is linked with various outcomes. Information is available regarding alternatives, the likelihood that each outcome will occur and the value of each outcome relative to the goal. The decision maker evaluates the information and selects one alternative from the several available. The foregoing clearly indicates the element of uncertainty in decision-making. Higher level decision-making usually involved risk and uncertainty (Moorhead et al, 1989, pp 527-531). Uncertainty is the environmental characteristic that exerts the most influence on the organizational structure. Moorhead et al (1989, pp 430-431) observe that environmental uncertainty exists when managers have little information about environmental events and their impact on the organization.

Environmental uncertainty is related to and explains organizational structure, strategy and performance. The two factors of complexity and dynamism are the causes of uncertainty.

Environmental complexity points to the number of environmental components which impinge on organizational decision making while environmental dynamism is the extent to which these components change. These two dimensions are used to determine the degree of environmental uncertainty. A classification of environmental uncertainty is presented in Table 4.5.

Table 4.5: CLASSIFICATION OF ENVIRONMENTAL UNCERTAINTY.

		ENVIRONMENTAL COMPLEXITY	
		Simple	Complex
Static	Cell 1: Low Perceived Uncertainty	Cell 2: Moderately Low Perceived Uncertainty	
	<ol style="list-style-type: none"> 1. Small Number of Factors and Components in the Environment 2. Factors and Components Are Somewhat Similar to One Another 3. Factors and Components Remain Basically the Same <p>Example: Cardboard Container Industry</p>	<ol style="list-style-type: none"> 1. Large Number of Factors and Components in the Environment 2. Factors and Components Are Not Similar to One Another 3. Factors and Components Remain Basically the Same <p>Example: State Universities</p>	
Dynamic	Cell 3: Moderately High Perceived Uncertainty	Cell 4: High Perceived Uncertainty	
	<ol style="list-style-type: none"> 1. Small Number of Factors and Components in the Environment 2. Factors and Components Are Somewhat Similar to One Another 3. Factors and Components of the Environment Continuously Change <p>Example: Fashion Industry</p>	<ol style="list-style-type: none"> 1. Large Number of Factors and Components in the Environment 2. Factors and Components Are Not Similar to One Another 3. Factors and Components of Environment Continuously Change <p>Example: Banking Industry</p>	

(Source: Moorhead *et al*, 1989, p 431)

Decision-making under circumstances of uncertainty and risk is called non-programmed decision-making because the decision maker cannot rely on a previously established decision rule (Moorhead et al, 1989, p 529). Operational research may help to guide the decision maker in his non-programmed decision-making. Dessler (1986, p 56) identifies three distinguishing characteristics of operational research, namely undisputable standards of effectiveness, well-defined alternative courses of action in dealing with problems and a model or theory on how relevant factors and variables are related. Operational research tries to find the best solution to industrial problems by applying sophisticated mathematical tools and computers (Dessler, 1986, p 57). Operations research is directed towards solving actual problems facing management and the executive (Kast and Rosenzweig, 1985, p 89). Jackson (in Buffa and Dyer, 1977, p 6) defines problem solving simply as "... the business of purposefully inventing and choosing among ways to get where you want to go". Operational research consists of four steps (Buffa and Dyer, 1977, pp 8-9):

1. Bounding the problem.
2. Devising alternative means of dealing with the problem. One must have an understanding of the system and its environment one is dealing with.
3. Selecting a strategy for evaluating the effects of alternatives, deploying a model to cope with uncertainty and risks.
4. The implementation of the solution to the problem.

Buffa and Dyer (1977, p 10) distinguish between evaluative models and predictive models. Evaluative models are based on decision theory while predictive models predict the effect of alternative decisions and forecast the status of the environment. Models of special importance to industry are the models to forecast the environment and models predicting the effect of risk. The most well-known models in forecasting the environment are the time-series forecasting methods such as moving averages and trend effects, multiple regression and the Delphi method. These methods and especially the Delphi technique, may be used to probe into the future in the hope of ascertaining and anticipating the viability of new products in a rapidly changing environment.

Markov chains, Queuing theory and the Monte Carlo technique are methods predicting the effects of uncertainty and risks. Markov chains are used to estimate the transition probabilities, i.e. the probability that a person (or an item) will move from one state to another during a particular time period. Queuing models refer to decision problems involving risks. Predicting outputs depend on a complex interplay of inputs or arrivals and times of arrival are controlled by some queuing. Units of arrival may be men, products, or machines. Monte Carlo simulations deal with problems in industry by imitating what would happen in the real system, then keeping track of what happens in the model. By keeping record of the input data and recording results, a clear picture may be gained of what would happen if the policy, system, strategy, or design were actually put in practice (Buffa and Dyer, 1977).

Selection of contingency theories to organizational structure and design depends on the level of organizational uncertainty. The

The second broad category, viz contingency theories, view uncertainty as "an input which should affect the structure and functioning of organizations" (Hofstede, 1980a, p 155). Contingency theories emphasize the structural changes which match organizational structures to combinations of technologies and environments (Hannan and Freeman, 1989, p 12). French and Bell (1984, p 191) observe that organization structure refers to how work is divided up and the ensuing relationship between the different divisions, viz manufacturing, research, development and marketing. They proceed by stating that the appropriate structure is contingent upon the organizational environment - the environment the organization is operating in. Lawrence and Lorsch (1967, pp 156-158) hold that it is only possible to understand the differences in the internal states and processes of organizations by considering the relationship between these internal differences and the differences in the external environments. Organizational variables are in a complex interrelationship with one another and with conditions in the environment. Environmental uncertainty "pulls organizations in different directions at once as different parts of the organization seek to adjust to their own sub-environments" (Hannan et al, 1989, p 30). Schoonhoven (in Moorhead et al, 1989, p 464) links up with Hannan and Freeman, stating that contingency theory relates variables of organizational structure and task uncertainty to the successful or not performance of the organization. Schoonhoven's research proves that the successful application of contingency theories to organizational structure and design depends on the level of organizational uncertainty. The

higher the level of uncertainty, the greater the probability that change in the organizational structure may increase organizational effectiveness and performance. The Aston group noted that variability and uncertainty in the flow of work effected organizational structure in ways similar to environmental uncertainties (Hannan et al, 1989, p 30).

Different external environments require different organizational structures and successful organizations usually have a good balance between structure and environment (French et al, 1984, p 191). According to French et al (op cit, p 191), the environment determines the differentiation and the integration within and among departments and divisions. Differentiation is defined as "the difference in cognitive and emotional orientation among managers in different functional departments" while integration is viewed as "the quality of the state of collaboration that exists among departments which is required to achieve unity of effort by the demands of the environment". Lawrence et al (1967, pp 157-158) find the state of differentiation in successful, effective organizations consistent with the diversity of the parts of the environment and they distinguish four dimensions of differentiation on which managers can have different orientations, viz orientation towards particular goals, time orientation, interpersonal orientation and formality of structure. The degree of integration achieved was consistent with the extent of interdependence between the parts of the environment. Different environments require different amounts of integration between different departments (Lawrence et al, 1967, p 157; French et al, 1984, p 191).

Also related to contingency theory is the process of conflict resolution which may contribute to uncertainty avoidance. The locus of influence pushing for a resolution of conflict is usually at the level where uncertainty is low and the required knowledge about the environment is available and extensive (Lawrence et al, 1967, pp 157-158). Contingency theory has implications for organizational effectiveness, organization development and organization design. Moorhead et al (1989) distinguish three broad contingency approaches to organization design, viz sociotechnical systems theory, structural imperatives and strategy and strategic choice.

The socio-technical systems theory is based on systems theory. Moorhead et al (1989, p 465) define a system as "an interrelated set of elements, functioning as a whole". A system has numerous subsystems, each of which has inputs, transformation processes, outputs and feedback. Moorhead et al proceed by identifying two subsystems, viz the technical (task) subsystem and the social subsystem. The socio-technical systems approach views the organization "as an open system structured to integrate the two subsystems". The technical subsystem embraces the transformation processes transforming inputs into outputs. Scientific and engineering expertise may be applied to these transformation processes to get the highest productivity at the lowest costs. The way steel is formed, drilled and chemically treated may serve as an example of a transformation process. The social subsystem refers to the interpersonal relationships which

develop among people in organizations. These interpersonal relationships may influence work habits and values, personal friendships and communication. The socio-technical approach jointly harnesses the human and technical subsystems to deal with environmental uncertainty.

The structural contingency approach identifies three factors as structural imperatives, viz environment, technology and size (Moorhead et al, 1989, p 469). The environmental factor refers to environmental uncertainty and ecological variables. Uncertainty is the result of complexity and dynamism in the environment. Little information is usually available about environmental events and their impact on the organization. Ecological variables include resource dependence and population ecology. Organizations are dependent on resources in its environment, viz human resources, financial resources and physical resources. These three resources are the factors of production and the organizations need them to operate. Organizations must maintain resource exchanges with their environments in order to survive. Moorhead et al observe that the population ecology factor "proposes that organizations survive on the basis of a fit between their structural attributes and environmental characteristics". When the environment cannot support all of the existing organizations, those that maintain the best fit with the environment, will survive. All necessary information regarding the influence of environmental factors on the organization, should be available to the organization designer.

The technology factor refers to the technology employed (by an organization) to transform inputs into outputs. The organizational structures may be either mechanistic or organic. A mechanistic structure is primarily hierarchical and entails vertical communications and interactions, e.g. the superior issues instructions. The organic structure is like a network in nature entailing lateral and horizontal interactions and communications. It is important to realize that organizations have more than one important technology, e.g. operations technology, knowledge technology and materials technology. Organic structure will be the best suited to a rapidly changing technology demanding quick decision-making.

The size imperative (Moorhead *et al*, 1989, pp 469-470) is quite important as larger organizations have more complex structures than smaller ones. Large organization size is attended with more specialization of labour within departments but less co-ordination between groups, a larger span of control, more hierarchical levels and more formalization. Organization size can be gauged in terms of total number of employees, value of the organization's assets and/or physical capacity. Traditionally, as organizations have grown, advisory staff have been added to help co-ordinate the complexities and uncertainties inherent in large organizations. Nowadays however, organizational downsizing is the popular trend or "in-thing". Staff is reduced throughout the organization.

Starbuck (1986, p 72) also emphasized the "fit" between strategy and environment

The strategy and strategic choice contingency approach entails a type of organizational design whereby the manager is viewed as the decision maker. The manager's decisions determine the organizational structure. The manager's choices and decisions are affected by the purposes and goals, the imperatives, the manager's personality, value systems and experience (Moorhead et al, 1989, pp 473-474, 785). The organizational decision maker takes up his position between the structural imperatives and the structural features of the organization. Strategy determines structure which, in turn affects strategic decision-making. The third broad category dealing with uncertainty is theories of strategic behaviour. Strategic behaviour entails strategic planning and strategic management. French et al (1984, p 178) view strategic management activities as organization development (OD) interventions and define it "as the development and implementation of the organization's 'grand design' or overall strategy in relation to its current and future environmental demands".

Wheelen and Hunger (1987, p 6) describe strategic management as "a set of managerial decisions and actions which determines the long run performance of the corporation. It includes strategy formulation, strategy implementation, evaluation and control. The study of strategic management therefore emphasizes the monitoring and evaluation of environmental opportunities and constraints in the light of a corporation's strengths and weaknesses". Dessler (1986, p 72) also emphasizes the "fit" between strategy and environment

production factors, viz capital, raw material and human resources (Wheelen et al, 1987, pp 10-11; Kast et al, 1985, pp 113-115).

defining organization or management strategy as "the match between the organization's resources and skills and the environmental opportunities and risks it faces".

Implicit in these definitions of strategic management, is the concept of environment. Strategy is in fact top management policies directing the organization to compete in, adapt to and interact with its environment. Wheelen et al (1987, p 10) divide the environment into an external and internal component. The external environment consists of a task environment and a social environment. The task environment refers to those groups, units and variables which affect an organization's operations. The social environment points to economic, socio-cultural, technological and political legal forces which profoundly affect long-range decisions. The organizational environment with its uncertainty, constraints and opportunities, is of decisive importance for the functioning, performance and survival of the organization (French et al, 1984, p 178). The internal environment is composed of corporate structure, the corporation's culture and corporate resources. Corporate structure involves the ways in which the tasks of an organization are divided and co-ordinated entailing communication structures, authority patterns and workflow. The corporation's culture is the way an organization is looking at and thinking about behaviour and understanding the occurrence. Corporate culture consists of shared values, beliefs, assumptions, perceptions, norms, artifacts and patterns of behaviour. Corporate resources point to the production factors, viz capital, raw material and human resources (Wheelen et al, 1987, pp 10-11; Kast et al, 1985, pp 113-115).

Wheelen et al (1987, pp 8-9) identify three levels of strategy, viz corporate, business and functional. They view corporate strategy as the ways and means available of developing a favourable "portfolio strategy" for its activities, i.e. the flow of financial resources and to increase return on investment both of which are attended with high uncertainty and high risks. Business strategy is done at divisional level and entails the improvement of the competitiveness of the corporation's products and its market penetration. Functional strategy focuses primarily on maximizing resource productivity. Taken into consideration the uncertainties in the environment and the constraints of corporate and business strategies, the functional departments develop strategies "to pull together their various activities and competencies to improve performance".

Wheelen et al (1987, p 9) proceed by distinguishing three basic elements peculiar to the process of strategic management, viz strategy formulation, strategy implementation and evaluation and control. Strategy formulation (op cit, pp 12-13) involves a process of developing long-range plans to deal effectively with environmental uncertainties, threats and constraints. Strategy formulation includes specifying the corporate mission, achievable objectives, developing strategies to achieve its mission and objectives and setting policy guidelines. Thompson and Strickland (1990, p 4) link up with Wheelen et al's strategy formulation specifying five tasks of strategic management:

1. Developing a concept of the business and forming a vision of where the organization needs to be headed - in effect establishing a mission.
2. Translating the mission into specific long-range and short-range performance objectives.
3. Crafting a strategy to achieve the targeted performance.
4. Implementing and executing the chosen strategy effectively.
5. Evaluating performance, reviewing the situation and initiating corrective adjustments in mission, objectives, strategy and implementation.

Wheelen et al (1987, p 12) succinctly describe the corporate mission as "the purpose and/or reason for the corporation's existence". A vision of what the organization seeks to do and to become is usually termed as the organization's mission. The mission statement broadly outlines the organization's future course (Thompson et al, 1990, p 5). In outlining the corporations future course, the mission statement determines the parameters of the objectives top management sets to achieve. The objectives communicate what is to be accomplished and when it should be achieved. The objectives may be short-term or long-range. Short-term objectives involves what should be accomplished over the next year or two while the accomplishment of long-range objectives extend over five to ten years. Objectives are usually concrete, measurable performance targets and specifying the contribution of every unit in meeting the overall objectives.

The corporation's strategy is strongly entrepreneurial in character and entails a comprehensive master plan stating how a corporation will achieve its mission, objectives, and targeted results in the light of the organization's prospects and the prevailing circumstances in its environment. A strategy may be defined as "the pattern of organizational moves and managerial approaches used to achieve organizational objectives and to pursue the organization's mission" (Thompson et al, 1990, p 8). Charting and forming a strategy involves a thorough analysis of the organization's internal and external environment which leads to a global and holistic understanding of the organization and its environment, enabling top management to devise effective strategies generating the targeted results. Strategy provides the necessary guidelines for decision-making throughout the organization as well as the formulation of company policies and procedures. Strategy formulation is an ongoing process proceeding on two fronts, one pro-actively thought through in advance and the other conceived in response to new developments, crisis situations and special opportunities. The development of a corporate vision, the setting of objectives and the crafting of a strategy together constitute the organization's strategic plan (Thompson et al, 1990, p 8).

The second element, strategy implementation, entails the process of putting strategies and policies into action through the development of programmes, budgets and procedures. Middle and lower level managers usually implement the corporate strategy but it is reviewed from time to

time by top management to ensure effective and efficient implementation (Wheelen et al, 1987, p 13). Thompson et al (1990, p 12) observe that strategy implementation is primarily an action-driven administrative task getting things done on schedule. It cuts across virtually all divisions and departments of the corporation and all facets of managing. Strategy implementation involves a holistic evaluation of corporation and environment to determine the necessary level of internal change to effectuate the necessary change needed, to bring internal practices in line with the required strategy and to match strategy and organizational culture (Thompson et al, 1987, p 14).

The third element, evaluation and control, entails a process of monitoring corporate activities, evaluating performance and initiating corrective adjustments (Wheelen et al, 1987; Thompson et al, 1990). Evaluation and control are actually the search for better strategy execution. Management needs constant, clear, prompt and unbiased feedback to decide on the effectiveness of the fit between strategy and internal operating practices. Budget revisions, policy changes, personnel changes, culture change and revised compensation practices may enable managers to strengthen the fit between strategy and internal operating practices and make the strategy work better (Wheelen et al, 1987, pp 14-15; Thompson et al, 1990, p 13).

Strategic behaviour (Hofstede, 1980a) also has another dimension, viz strategic planning. French et al (1984, pp 178-179) consider organization

development (OD) interventions such as goal-setting activities, Beckhard's confrontation meeting and phases 4, 5 and 6 of Blake and Mouton's Grid OD as strategic planning activities. These planning activities assist the organization to manage the environment with its uncertainty and constraints. The organization can react defensively and/or offensively to the demands of the environment. Defensive reaction involves organizational change and the development of activities which would ensure a more appropriate fit between strategy and internal operating practices. Offensive reactions entails initiatives to reduce the organization's dependence on "outside factors" by reducing uncertainty and manage organizational demands by "avoiding influence, altering dependencies, negotiating with the environment, or legislatively creating a new environment" (Dessler, 1986, p 79). A corporation may, in an attempt to reduce uncertainty and manage environmental demands, renegotiate its environment by e.g. setting up trade associations, cartels, trade agreements co-ordinating councils and entering into agreements with trade or labour unions (Dessler, 1986, p 80). Thompson *et al* (1990, pp 43-48) advance factors which influence and shape strategy profoundly:

1. Societal, political, regulatory and citizenship considerations.
2. Industry attractiveness and competitive conditions.
3. Specific company opportunities and threats.
4. Organizational strengths, weaknesses and competitive capabilities.

5. The personal ambitions, business philosophies and ethical beliefs of managers.

6. The influence of shared values and company culture on strategy.

Societal priorities, community concerns and the potential for onerous legislation are variables in the corporation's external environment which may influence the corporation. Intense public pressure and adverse media coverage may compel corporations to give top priority to societal and community concerns. The task of the business community to formulate a strategy which responds to the social needs of the wider society means (Thompson *et al*, 1990, p 45):

1. Keeping organizational activities in tune with what is generally perceived as public interest.
2. Responding positively to emerging societal priorities and expectations.
3. Demonstrating a willingness to take action ahead of regulatory confrontation.
4. Balancing stockholder interests against the larger interest of society as a whole.
5. Being a good citizen in the community.

In South Africa the organization's strategy in regard to the needs and interests of the public takes on the form of social responsibility. The business sector should develop a strategy to win the trust of the poor people who constitute a large majority in this country. Without this trust, according to Wilson and Ramphela (1989, p 301), political change will be accompanied by feelings of deep hostility. Schlemmer (Business

Day, Nov. 21, 1991) is adamant that the social responsibility of business should spill over into the political sphere and he proposes a strategy of institutional extension for organized business entailing:

1. Allowing business to respond quickly and firmly but sympathetically to a diverse range of relevant policy prescriptions by politicians.
2. Making calculations and assessments of the possible consequences and achievable effects of all the various schemes for poverty alleviation.
3. Big business should take the notion of a "social contract" seriously and develop the skills and the accountability to its business community to seek an input in the constitutional negotiations.

Organizational strengths, weaknesses and competitive capabilities are other factors influencing strategy. Thompson et al (1990, p 46) observe that a successful strategy "must be well-matched to the company's strengths, weaknesses and competitive capabilities".

Opportunities should be pursued only when the necessary organizational competence and resources are available to utilize the opportunities. Organizational strengths fit some strategies while weaknesses make certain strategies risky.

According to Thompson et al (1990, p 46) the most pivotal strategy-shaping factor is whether an organization has the unique capability to build a distinctive competence giving it a competitive

edge in the marketplace. Values and company culture also shape strategy. An organization's values, traditions, behaviours, beliefs, ways of doing things, policies and procedures determine its distinctive culture. A strong social consciousness, a desire for corporate growth, outstanding customer service and a dedication to superior craftsmanship are characteristics of a company's culture. Strong cultures usually reflect their key values and conspicuous cultural traits in their strategy. Sometimes culture determines the choice of a strategy (Thompson et al, 1990, p 48).

The second broad dimension of theories dealing with uncertainty are those assuming non-rational behaviour and are descriptive in nature. March and Simon (1958, pp 137-138) observe that in the case of uncertainty it is impossible to make optimal choices in a highly specified and clearly defined environment and rationality becomes problematic. Uncertainty assumes that the consequences of each alternative belong to some subset of all possible consequences and the decision maker cannot assign definite probabilities to the occurrence of particular consequences. To avoid uncertainty, organizations maintain an environment which looks relatively certain to their members. This is achieved by way of uncertainty absorption which involves drawing inferences from a body of evidence and then communicating the inferences instead of the evidence itself. This limits the recipient's ability to judge the correctness and validity of the communication (March et al, 1958, pp 165-166).

Cyert and March (1963, pp 118-120; 295-297) explicitly use the concept or expression "uncertainty avoidance" and observe that uncertainty is a feature of organizational decision-making with which organizations must live. Organizations avoid uncertainties with respect to the behaviour of the market, the deliveries of suppliers, the attitudes of shareholders, the behaviour of competitors and the future actions of governmental agencies in two ways:

1. Organizations avoid the requirement of correctly anticipating events in the distant future by using decision rules emphasizing short-run reaction to short-run feedback rather than the anticipation of long-run uncertain events. Organizations solve pressing problems rather than develop long-run strategies.
2. Organizations avoid the requirement of anticipating future reactions of other parts of their environment by arranging a negotiated environment. They impose plans, standard operating procedures, industrial tradition and uncertainty-absorbing contracts on that environment. Organizations achieve a reasonably manageable decision situation by avoiding planning, where planning depends on predictions of uncertain future events and by emphasizing planning where the plans can be made self-confirming through some controlling device.

Feedback-reaction decision procedures involve decision-making by solving a series of problems.

Each problem is solved as it arises and the organization then waits for another problem to appear. The concept "negotiated environment" entails predictions about the behaviour of the organizational environment, especially the behaviour of competitors, suppliers and customers.

Organizations will devise and negotiate an environment so as to eliminate the environmental uncertainty and make it controllable. For example with competitors, an effective means of control would be the establishment of industry-wide conventional practices such as trade associations and external consultants (Cyert *et al*, 1963, p 120). Weick (1969, p 10) also describes the non-rational aspects of organizing and states that "to say that systems or organizations engage in rational decision-making makes sense only if we can specify some set of persons who agree on some desired outcome, on a specified set of means to attain this outcome, in ways in which the specific means will be activated and on how it will be known whether the desired outcome was attained or not". Hofstede (1980a, p 157) states that the way in which organizations deal with uncertainty, does not depend on some objective measure of uncertainty but on the way the organization perceives uncertainty. Hofstede proceeds by saying that it is more effected by cultural variables than personality variables.

4.2.2.3 RULES, TECHNOLOGY AND RITUALS

Organizations use technology, rules and rituals to cope with uncertainty. Technology provides short-term predictability (Hofstede, 1980a, p

157) but a company needs technological competence and know-how to put technology to good use (Wheelen et al, 1987, p 124). Organizations usually use rules and regulations to reduce internal uncertainty. Hofstede (1980a, pp 158-159) sees rules as semi-rational and distinguishes between good and bad rules. Bad rules point to a schism between those making the rules and those who have to abide by them. Good rules set energies free, enabling employees to be more creative and innovative in the work environment. The authority of rules, as contrasted with the authority of persons, which is conceptually related to power distance, is related to uncertainty avoidance. The superior who is issuing orders, is irrelevant. It is the rule that counts. The rule is endorsed with authority. This suggests a high uncertainty avoidance.

Rituals in traditional as well as modern societies serve many important purposes, one of which is to make uncertainty tolerable. Shils (1975, p 154) describes a ritual as "a stereotyped, symbolically concentrated expression of beliefs and sentiments regarding ultimate things. It is a way of renewing contact with ultimate things, of bringing more vividly to the mind through symbolic performances, certain centrally important processes and norms". Rituals thus play an important role in the establishment of relationships between fellow men and in giving meaning to human existence. Hofstede (1980a, p 159) observes that uncertainty avoidance rituals in organizations "do not make the future more predictable, but relieve some of the stress of uncertainty by creating a pseudo-uncertainty

which have the greatest effectiveness in achieving objectives.

within which organization members can continue functioning". Hofstede proceeds by listing five categories of uncertainty avoidance rituals:

1. Memo's and reports.
2. Certain parts and units of the accounting system. Accounting absorbs uncertainty by the elaboration and assimilation of information.
3. Considerable parts of the planning system - but sophisticated planning systems do not necessarily guarantee more effective operations.
4. A considerable part of the control system.
5. The nomination of experts.

Category number four needs some elaboration.

Hofstede (1980a, p 160) observes that most control systems are cybernetic in nature, viz they presuppose some kind of standard, measurability of accomplishment and feedback. Quite a few techniques are available to enforce cybernetic control, viz management by objectives (MBO), planning programming budgeting system (PPBS), programme evaluation and review technique (Pert) and decision support system (DSS).

The PPBS approach assists top management in choosing among alternative programmes in terms of resources used and involves five steps (Wheelen et al, 1987, p 303):

1. Specify objectives as clearly as possible in quantitative, measurable terms.
2. Analyse the actual output in terms of stated objectives.
3. Measure the costs of a particular programme.
4. Analyse alternatives and search for those which have the greatest effectiveness in achieving objectives.

5. Establish the process in a systematic way so that it continues to occur over time.

application of a decision model is very rare and Wheelen et al (1987, p 210) see a programme as "a statement of activities or steps needed to accomplish a single-use plan, the purpose of which is to make the strategy action-orientated" while a budget to them is "a statement of the corporation's programmes in terms of dollars". The detailed cost of each programme is usually listed for planning and control purposes. Programmes and budgets are, in fact, more detailed plans for the implementation of strategy.

"Pert" is a methodology for planning, scheduling and controlling a project and can be used to evaluate and make decisions concerning time and costs (Cook and Russell, 1989, p 296). "Pert" views an activity as the task a project requires which is associated with a time estimate. It determines the minimum time required to complete a project. A thorough analysis of the project requires a network diagram or PERT chart which graphically represents the entire project. An activity is represented by an arrow and a circle represents an event which is seen as the beginning or completion of an activity. The longest path through the network is the critical path and corresponds to the minimum time required to complete the project (Cook et al, 1989, pp 296-297).

Cook et al (1989, p 803) define DSS as "a type of computer based system which involves the decision maker himself, a data base and some decision models to aid the decision process". DSS enables the decision maker to deal with unstructured problems as most problems encountered by decision

makers in the real world require some degree of human judgement and/or input. Straightforward application of a decision model is very rare and DSS is of immense value in cases of sufficient structure for computer and analytic aids where managers' judgements are essential. The decision maker's insights and judgements are used at all stages of the problem solving process (Cook et al, 1989, p 701).

Management by Objectives (MBO) is usually applied to control for non-measurable tasks (Hofstede, 1980a, p 160) but Hersey and Blanchard (1982, p 119) consider MBO a participative approach to integrate the goals and objectives of all individuals with the goals of the organization. This integration is achieved by involving all levels of management in the goal setting process (Kast and Rosenzweig, 1985, p 193). Odiorne (in Hersey et al, 1982, p 120) describes MBO as basically:

"A process whereby the superior and the subordinate managers of an enterprise jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him and use these measures as guides for operating the unit and assessing the contribution of each of its members".

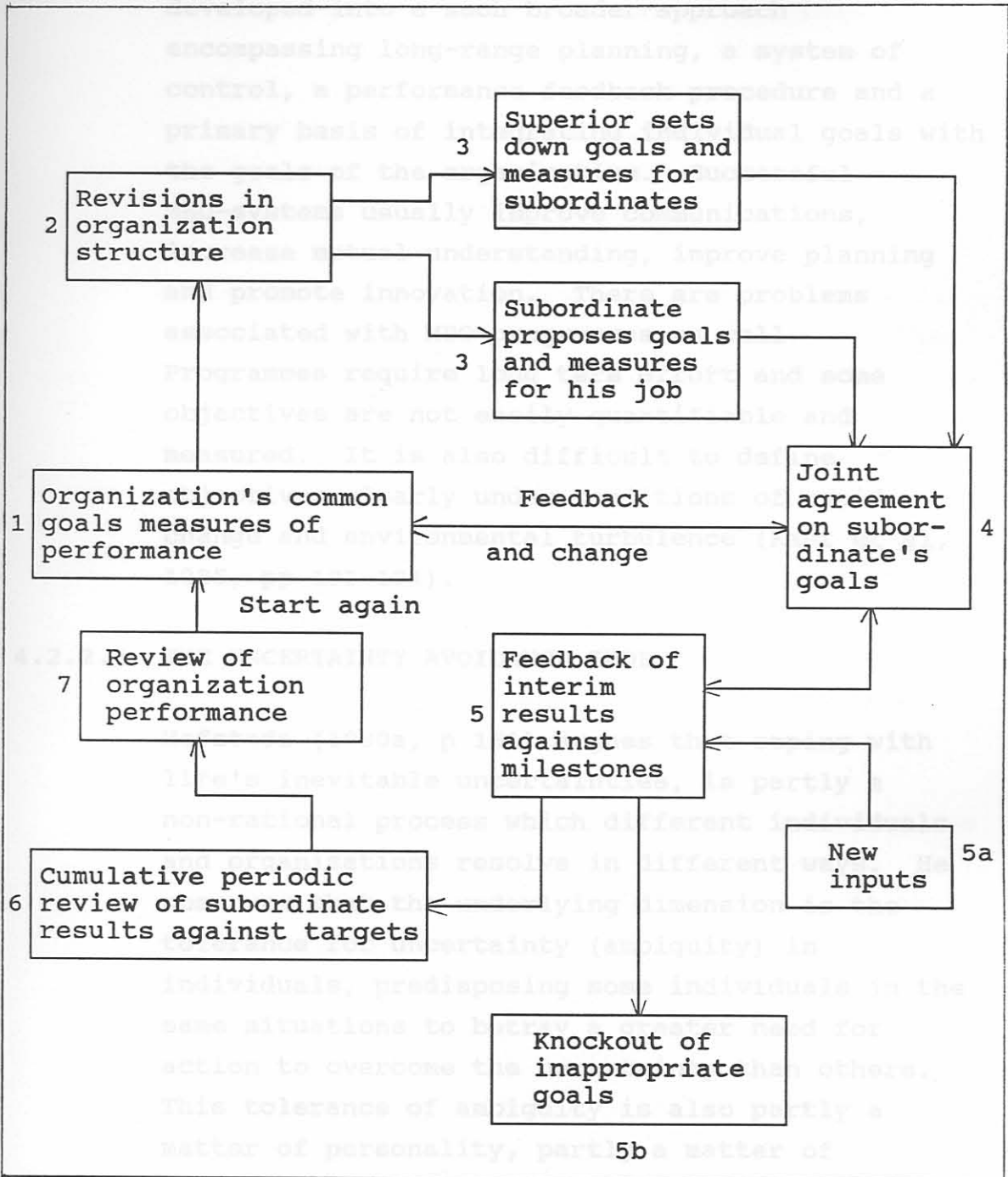
The concept of MBO is based on a philosophy of management which emphasizes an integration between external control (by superiors) and self-control (by subordinates) and it (MBO) is used to broaden individual responsibility and involvement in work

planning at the lowest hierarchical levels (Hersey et al, 1982, p 120). The smooth functioning of a MBO-system is dependent on the subordinate's performance goals jointly agreed upon between superior and subordinate in advance for a stated time period. Throughout this time period individual as well as group goals should be compared with what is being accomplished. It may involve adjustments to be made and inappropriate goals discarded. At the end of the time period a final mutual review of objectives and performance takes place (Hersey at al, 1982, p 120). Figure 4.5 represents the entire cycle of the MBO-system graphically.



(Source: Hersey et al, 1982, p 121)

Figure 4.5: THE CYCLE OF MANAGEMENT BY OBJECTIVES.



(Source: Hersey et al, 1982, p 121)

Many MBO programmes started initially as managerial performance-appraisal procedures but developed into a much broader approach encompassing long-range planning, a system of control, a performance feedback procedure and a primary basis of integrating individual goals with the goals of the organization. Successful MBO-systems usually improve communications, increase mutual understanding, improve planning and promote innovation. There are problems associated with MBO-programmes as well. Programmes require long term effort and some objectives are not easily quantifiable and measured. It is also difficult to define objectives clearly under conditions of rapid change and environmental turbulence (Kast *et al*, 1985, pp 193-194).

4.2.2.4 THE UNCERTAINTY AVOIDANCE INDEX

Hofstede (1980a, p 161) argues that coping with life's inevitable uncertainties, is partly a non-rational process which different individuals and organizations resolve in different ways. He observes that the underlying dimension is the tolerance for uncertainty (ambiguity) in individuals, predisposing some individuals in the same situations to betray a greater need for action to overcome the uncertainty than others. This tolerance of ambiguity is also partly a matter of personality, partly a matter of culture. Hofstede (*op cit*, p 161) observes that societies differ in their societal norms for uncertainty avoidance. Hofstede (1980a) selects three questions from his Value Survey Module to measure the three components of national level of uncertainty, viz rule orientation, employment stability and stress:

1. Question 30 - A company's rules should not be broken, even when the employee thinks it is in the organization's best interest. This relates to rule orientation. Disagreement with this rule orientation statement indicates a higher level of tolerance for uncertainty. It would be acceptable for employees to break company rules if they believe this is in the company's best interest.
2. Question 35 - How long do you think you will continue working for this company? - relates to employment stability. Employment stability is an effective way to avoid uncertainty.
3. Question 36 - How often do you feel nervous or tense at work? - relates to stress. Although stress is a subjective experience, it is a fundamental phenomenon in human life. All human beings experience stress at times but the same objective situation may be experienced as stressful by one person and relatively stress-free by another.

Hofstede (1980a) identifies stress differences due to the socio-cultural environment and due to occupational differences. Ketz de Vries, Zaleznik and Howard (in Hofstede, 1980a, p 163) explain stress reactions from a combination of four kinds of variables:

1. A human being with his personal history and personality traits.
2. The non-work environment.
3. The work environment.
4. The larger socio-cultural environment in which personality, non-work-life and the work environment are all embedded.

Using the aforementioned three questions, Hofstede computes an uncertainty avoidance index (UAI) using the following formula:

$$\text{UAI} = 300 - 30 (\text{mean score rule orientation}) - (\text{percentage } (\%) \text{ intending to stay less than five years}) - 40 (\text{mean stress score}).$$

Hofstede computed the UAI for 40 countries. The resulting values are summarized in Table 4.6.

Table 4.6: COUNTRY UNCERTAINTY AVOIDANCE INDEX (UAI).

Country	Actual	Control- ling for age	Country	Actual	Control- ling for age
Greece	112	98	Finland	59	54
Portugal	104	102	Switzerland	58	62
Belgium	94	80	Netherlands	53	45
Japan	92	112	Australia	51	47
Peru	87	91	Norway	50	38
France	86	73	South Africa	49	62
Chile	86	66	New Zealand	49	60
Spain	86	89	Canada	48	55
Argentina	86	74	U.S.A.	46	36
Turkey	85	61	Philippines	44	45
Mexico	82	86	India	40	48
Israel	81	73	Great Britain	35	43
Colombia	80	77	Ireland	35	54
Venezuela	76	78	Hong Kong	29	61
Brazil	76	74	Sweden	29	23
Italy	75	58	Denmark	23	32
Pakistan	70	82	<u>Singapore</u>	8	31
Austria	70	77	Mean of 39		
Taiwan	69	73	countries	64	64
Germany (F.R)	65	53	<u>(HERMES)</u>		
Thailand	64	73	Yugoslavia		
Iran	59	59	<u>(same industry)</u>	88	77

(Source: Hofstede, 1980a, p 165)

The ranking of countries in Table 4.6 suggests certain clusters of similar cultures. Hofstede finds the UAI for cultures uncorrelated across occupations. However, age may have an influence as employment stability level is a combined function of the average age of employees, their average educational level and the percentage of female employees in an occupation. The younger the employees, the higher their education level and the greater the number of female employees, the lesser the stability. The age variable has to be statistically controlled. Hofstede (1980a) finds a high UAI to indicate that advancement to a managerial position, working for small organizations, competition among employees, individual decisions, working for a foreign manager and a high rate of organizational change are experienced as risky situations which fewer people are willing to face. The correlation of UAI with a preference for group decisions, reminds strongly of the Japanese "ringi" collective decision making system avoiding risks for the individual.

4.2.2.5 THE UNCERTAINTY AVOIDANCE NORM, ITS ORIGINS AND CONSEQUENCES

Hofstede (1980a, p 183) sees the uncertainty avoidance norm as a value system shared by the majority of the middle classes in any society. It deals with the level of anxiety about the future in a country and the consequent need to "protect society through three kinds of measures: technology, rules and rituals. High anxiety levels imply higher stress levels, a higher energy release and the consequent inner urge to work hard

and a strong superego to control dangerous impulses. High anxiety is released through aggressiveness leading to threatening conflict and competition between people in a society. People in high UAI societies are inclined toward collective decision making and have a greater need for consensus. The search for absolute truths in science and legislation is the order of the day in high UAI countries while relativism and pragmatism prevail in low UAI societies. Achievement in life in low UA countries and cultures fits in with what McClelland describes as the "achievement motive". It revolves more around social recognition. A belief in experts whose judgements and decisions are beyond questioning, represents the ritual element in high UAI cultures. This belief in experts discourages employees to take initiatives in their jobs. The UA norm reflects also, at societal level, some of the components of Adorno et al's (1950) Authoritarian Personality, e.g. the intolerance of ambiguity (Hofstede, 1980a, pp 183-185). Figure 4.6 depicts the characteristics of low and high uncertainty avoidance cultures.

Table 4.7: THE UNCERTAINTY AVOIDANCE SOCIETAL NORM.

Low UAI	High UAI
* The uncertainty inherent in life is more easily accepted and each day is taken as it comes.	* The uncertainty inherent in life is felt as a continuous threat which must be fought.
* Ease, lower stress.	* Higher anxiety and stress.
* Time is free.	* Time is money.

Table 4.7 (continued)

Low UAI	High UAI
* Hard work is not a virtue per se.	* Inner urge to work hard.
* Weaker superegos.	* Strong superegos.
* Aggressive behaviour is frowned upon.	* Aggressive behaviour of self and others is accepted.
* Less showing of emotions.	* More showing of emotions.
* Conflict and competition can be contained on the level of fair play and used constructively.	* Conflict and competition can unleash aggression and should therefore be avoided.
* More acceptance of dissent.	* Strong need for consensus.
* Deviance is not felt as threatening; greater tolerance.	* Deviant persons and ideas are dangerous; intolerance.
* Less nationalism.	* Nationalism.
* More positive toward younger people.	* Younger people are suspect.
* Less conservatism.	* Conservatism, law and order.
* More willingness to take risks in life.	* Concern with security in life.
* Achievement determined in terms of recognition.	* Achievement defined in terms of security.

Table 4.7 (continued)

Low UAI	High UAI
* Relativism, empiricism.	* Search for ultimate, absolute truths and values.
* There should be as few rules as possible.	* Need for written rules and regulations.
* If rules cannot be kept, we should change them.	* If rules cannot be kept, we are sinners and should repent.
* Belief in generalists and common sense.	* Belief in experts and their knowledge.
* The authorities are there to serve the citizens.	* Ordinary citizens are incompetent versus the authorities.

(Source: Hofstede, 1980a, p 184)

The UAI norm also affects the type of intellectual activity in a culture. Nobel laureates in the applied physical sciences usually originate from low UAI countries. It is conspicuous that the West's great theoreticians and philosophers all hailed from high UAI countries, especially Germany and Austria, e.g. Kant, Marx, Freud, Heidegger, Weber, Popper, Jaspers and Hegel inter alia. Empirical studies in the social sciences are more in circulation in small or low UAI countries. It seems as if scholars in high UA cultures do not want to risk exposing their truths to experiments with unpredictable outcomes (Hofstede, 1980a, p 182).

For wealthy countries, a strong relationship between UAI and economic growth was found for the period 1960 - 1970 but not over the 1973 - 1980 period.

It seems as if the cultural inheritance of the Roman Empire, with its effective system of formal control of its territories and unified legal system, also has an influence on the UAI. Latin countries (in Europe as well as the Americas) obtain high UAI scores. Hofstede (op cit, p 179) observes that laws and the legal system are the form par excellence in which societal norms are expressed. High UAI countries will have a greater need for legislation than low UAI norm countries. Great Britain with a lower UAI than most countries in Europe does not even have a written constitution and attempts to codify labour-management relations in Britain also failed. In high UAI countries, citizens are obliged to carry identity cards. Citizens feel more competent in low UAI countries and the burden of proof rests on the authorities if they want to identify somebody.

The UAI norm is also related to religion. Countries with a greater need for uncertainty avoidance usually practice religions which stress absolute certainties and are intolerant of other religions. Roman Catholic countries score higher on UAI than Protestant countries. Protestantism and especially Calvinism, encourages worldly ways to cope with uncertainty. Muslim cultures also score high on UAI although somewhat lower than Catholicism. Buddhist countries and Hindu India score low on UAI (Hofstede, 1980a, p 181). The relationship between economic growth and UAI is not clear. Hofstede (op cit, p 175) observes that the seemingly positive relationship between economic growth and uncertainty avoidance only applies within specific historical conditions. For wealthy countries, a strong relationship between UAI and economic growth was found for the period 1960 - 1970 but not over the 1925 - 1950 period.

With regard to the PDI, countries were divided into those with a political system with balanced power and those with a political system of unbalanced power. For UAI the balanced power cultures may be divided into old and young democracies. The young democracies which included countries like Austria, Finland, France, Germany, Ireland, Israel, Italy, Japan and Turkey, tended to obtain a higher score on the UAI than the older democracies which included countries like Australia, Belgium, Canada, Denmark, Great Britain, the Netherlands, New Zealand, Norway, Sweden, Switzerland and the United States. All of these young democracies developed their present form of government after losing or winning a war in which they played a more or less aggressive role.

Almond and Verba (1963) prove that citizen competence (the extent to which citizens believe they can participate in local political decisions) is highly related to the UAI norm. These younger democracies experienced periods in which citizens were deliberately kept incompetent and will, therefore not have the same level of subjective citizen competence as the old democracies with their established political systems. Low UAI cultures reveal a greater propensity to indulge in unorthodox political behaviour like boycotts and occupations. High UAI cultures favour the repression of political demonstrations by the government. The origins of the UAI norm are not clear at all. Causal evidence available is presented in Table 4.8.

various suggested consequences of the UAI norm.

Table 4.8: ORIGINS OF NATIONAL UNCERTAINTY AVOIDANCE
INDEX DIFFERENCES.

Low UAI	High UAI
* Advanced modernization. after World War II.	* Beginning modernization: after high rate of change in society.
* Older democracies.	* Younger democracies.
* Dense population in poor countries; sparse populations in wealthy countries.	* Sparse population in poor countries; dense population in wealthy countries.
* Tolerant religions stressing relativity.	* Intolerant religions stressing absolute certainties, the hereafter, and sin.
* Historical events: less legislation, more settlement of disputes by negotiation and/or conflict.	* Historical events: inheritance of developed system of legislation.
* Low mean age of population leaders.	* High mean age of population leaders.
* Smaller organizations.	* Larger organizations.

(Source: Hofstede, 1980a, p 185)

Table 4.9 collects the various suggested consequences of the UAI norm.

Table 4.9: CONSEQUENCES OF NATIONAL UNCERTAINTY
AVOIDANCE INDEX DIFFERENCES.

Low UAI	High UAI
Consequences of Society at Large	
* Slower economic growth after World War II.	* Faster economic growth after World War II.
* Weaker nationalism.	* Stronger nationalism.
* Less aggressiveness versus other nations.	* Greater aggressiveness versus other nations.
* "Looser" societies.	* "Tight" societies.
* Stronger feelings of citizen competence.	* Greater dependence of citizens on authorities.
* More tolerance for citizen protest.	* Less tolerance for citizen protest.
* Civil servants positive toward politics.	* Civil servants dislike politics.
* More casuistic approach to legal issues.	* More elaborate legal system.
* Lower speed limits and fewer fatal road accidents.	* Faster car-driving permitted and more fatal road accidents.
* Stronger accent on lay competence: more nurses per doctor.	* Stronger accent on expertise: fewer nurses per doctor.
* Organisations can be pluriform.	* Organisations should be as uniform as possible. (standardisation)

Table 4.9 (continued)

Low UAI	High UAI
Consequences for Religious Life and Philosophical and Ideological Thinking	
* Either no state religions or more de facto religious tolerance.	* More intolerant state religions.
* Pragmatic or introvert, meditative religions.	* Activist religions.
* Relativism.	* Search for absolute truth.
* Practical contribution to knowledge.	* Theoretical contributions to knowledge.
* Empiricism in social sciences.	* Theoricism in social sciences.
* Pragmatic thinking popular.	* Ideological thinking popular.

Consequences for Organizations

- | | |
|-----------------------------------|--|
| * Less structuring of activities. | * More structuring of activities. |
| * Fewer written rules. | * More written rules. |
| * More generalists or amateurs. | * Larger number of specialists |
| * Organizations can be pluriform. | * Organizations should be as uniform as possible.
(standardization) |

Table 4.9 (continued)

Low UAI	High UAI
* Managers more involved in strategy.	* Managers more involved in details.
* Managers more interpersonal orientated and flexible in their style.	* Managers more task-orientated and consistent in their style.
* Managers more willing to make individual and risky decisions.	* Managers less willing to make individual and risky decisions.
* High labor turnover.	* Lower labor turnover.
* More ambitious employees.	* Less ambitious employees.
* Lower satisfaction scores.	* Higher satisfaction scores.
* Less power through control of uncertainty.	* More power through control of uncertainty.
* Less ritual behaviour.	* More ritual behaviour.

(Source: Hofstede, 1980a, p 187)

The consequences for society at large and for philosophical thinking over religious life have already been discussed. The consequences for organizations follow from the role which uncertainty plays in determining structures and processes. Organizations in high UAI countries tend to have more structuring and more written rules. Managers in these countries want to be better informed of detail than those in low UAI countries. Keeping an eye on detail is an

4.2.3 indication of uncertainty avoidance. In high UAI countries organizational decision-making happens at higher management levels than in low UAI countries although key decisions are made at higher levels in low UAI cultures. In some low UAI countries, e.g. Great Britain, one finds more managerial job descriptions. Managers in high UAI cultures are likely to be more task orientated. The UAI norm may also affect the exercise of power in organizations. Hofstede (1980a, p 189) ascertains that power in organizations is exercised among groups and sub-systems of organizations and therefore strongly affects the control of uncertainty. Hinings, Hickson, Pennings and Schneck (1974) link up with Hofstede's assertion, saying that uncertainty is the variable most critical to power and is the best single predictor of it. In high UAI cultures those in control of uncertainty will be the more powerful.

Ritual behaviour in organizations is likely to be found in high UAI cultures. These rituals serve a deep-seated human need to avoid uncertainties in human and organizational life. The strength of this need, however, differs among nations, groups within nations and individuals (Hofstede, 1980a, pp 186-189).

Organizational theorists emphasize that organizations must adapt to their environment if they are to remain viable. One of the central issues in this process is coping with environmental uncertainty.

4.2.3

INDIVIDUALISM: in-group to look after them in exchange for unquestioning loyalty". Triandis. The third dimension of national culture is called individualism. Hofstede and Bond (1984) observe that individualism has an opposite pole, viz collectivism. Thus individualism versus collectivism reflects the position of a culture on a bipolar continuum. They define the individualism pole as "a situation in which people are supposed to look after themselves and their immediate family only". Collectivism is defined as "a situation in which people belong to in-groups or collectivities which are supposed to look after them in exchange for loyalty". This bipolar continuum relates to the basic societal issue of the individual's dependence on the group and his/her self-concept as either "I" or "We" (Hofstede et al, 1984, p 419). However, Kagitcibasi (1989) questions this assumption of the unidimensionality of "individualism versus collectivism" as polar opposites and draws attention to the possible compatibility of these orientations.

1. Self-reliance, independence, freedom to do Moorhead et al (1989, p 674) view individualism as "a state in which people view themselves first as individuals and believe their own interest and values take priority". Collectivism, on the other hand, is "a feeling that the good of the group or society should come first". Wheeler, Reis and Bond (1989, p 79) also accept the unidimensionality of the continuum and define individualism as "preference for a loosely knit social framework in society wherein individuals are supposed to take care of themselves and their immediate families only". Collectivism represents "a preference for a tightly knit social framework in which individuals can expect their relatives,

clan, or other in-group to look after them in exchange for unquestioning loyalty". Triandis, Bontempo, Betancourt, Bond, Leung, Brenes, Georgas, Hui, Marin, Setiadi, Sinha, Verma, Spangenberg, Touzard and de Montmollin (1986) link up with Kagitcibasi suggesting that the two opposite poles should rather be conceptualized as two independent factors. Triandis et al (1986, p 259) characterize collectivism as:

1. A high consideration for the implications of their own behaviour to others.
2. Sharing material and non-material resources with others.
3. Emphasizing harmony with the in-group.
4. Being controlled by shame.
5. Sharing good as well as bad outcomes with others.
6. Feeling part of the in-group's life.

Triandis et al (1986, p 259) proceed by stipulating the characteristics of individualism:

1. Self-reliance, independence, freedom to do one's own thing and separation from family, religion and community.
2. Hedonism, utilitarianism, emphasis on exchanges, contracts, helping the community only if self gets something for it.
3. Competition: being a distinguished person.
4. Equity and fairness.
5. Trust in others.
6. Emphasis on competence.
7. Involvement in community life and in associations.

8. Equality, rejection of arbitrary authority.

9. The self as the only source of reality.

traditional societies with a combined practice of Bond, Wan, Leung and Giacalone (1985, p 113) state that the primacy attached to group membership, as opposed to individual characteristics in guiding behaviour, is a basic element in collectivism. Insko, Schopler, Hoyle, Dardis and Graets (1990) have found a tendency for intergroup relations to be more competitive or less co-operative than interpersonal relations. Interpersonal relations tend to be more co-operative than intergroup relations. This is referred to as a discontinuity effect. Competitive intergroup behaviour may flow from a social comparative tendency to establish social identity and self-worth.

4.2.3.1 INDIVIDUALISM/COLLECTIVISM IN SOCIETY

Hofstede (1980a, p 214) points out that some animals are gregarious (wolves) while others are solitary (tigers) and that humans are, to a great extent, gregarious. Different human societies and however, show gregariousness to different degrees. The relationship between the individual and the collectivity is the third dimension on which societies differ. An examination of a broad range of human societies, traditional as well as modern ones, reveals different degrees of gregariousness with regard to the complexity of the family units in which people live, the structure of the family system - nuclear or extended or tribal units based on kinship ties and day to day behaviour (Hofstede, 1980a, p 214). Blumberg and Winch (1972) advance a curvilinear hypothesis to describe the relationship between

the complexity of societies and family complexity. These societies developed from traditional societies with a combined practice of agriculture and herding and the direct provision of needs through the centrally administered riverine societies with its archaic storage economies to modern society. The traditional hunting-herding tribes usually lived in the nuclear family structure. The riverine-agricultural societies, especially those in Egypt and Mesopotamia were more complex and the family and/or tribal units became more extended. However in the urban-industrial and post-industrial societies, family complexity decreases again and extended families disintegrated into nuclear families.

Hui and Triandis (1986, p 226) view individualism as a "feeling or conduct in which the guiding principle is the interest of the individual". Triandis et al (1986, p 258) observe that individualism has two distinguishing characteristics, viz separation from in-groups and self-reliance with hedonism. It is thus intimately linked with societal norms in the sense of value systems of major groups of the population. It affects the structure and functioning of institutions such as educational, religious, political, economic and utilitarian institutions (Hofstede, 1980a, p 215). Waterman (in Hui et al, 1986, p 226) contended that individualism was embodied in four psychological qualities:

7. Feeling of involvement in other's lives.
While the individualist's social world is segmented the collectivists feel and/or

1. A sense of personal identity.
2. Self-actualization.
3. Internal locus of control.
4. Post-conventional principled moral reasoning.

The concept of individualism links up with Parson's self-orientation in sociology. Self-orientation means for Parsons the permissibility of an actor pursuing any interest private to himself or to a small in-group. Self-orientated persons always act in their own interest or in the interest of a very small sub-collectivity (Hui et al, 1986, p 227). Triandis et al (1986, p 258) ascribe the characteristics of family integrity and interdependence with sociability to collectivism. Hui et al (1986, pp 229-232) view collectivism as a cluster of a wide variety of beliefs and behaviours which are grouped into seven categories:

1. Consideration of implications (costs and benefits) of one's own decisions and/or actions for other people.
2. Sharing of material resources.
3. Sharing of non-material resources.
4. Susceptibility to social influence.
5. Self-presentation and facework - some people are very concerned with gaining the approval of the collective and feel shameful if they fail to get it.
6. Sharing of outcomes, feeling and experiencing interdependence.
7. Feeling of involvement in other's lives.

While the individualist's social world is segmented the collectivists feel and/or

experience an involvement in other people's lives to the extent that the latter's experiences could have direct or indirect consequences for them. Collectivism was found to be negatively related to self-centredness and positively related to helping behaviour and co-operation. Parsons views collectivism as a collectivity orientation which compels the actor "to pursue the common interest of the collectivity" (Hui et al, 1986, pp 227-228).

The Ubuntu value in African culture is related to collectivism. The concept of Ubuntu entails humaneness, consideration for others, help of others, work as part of a team, friendly relationships with other people and sharing with others (Godsell, 1983b, pp 100-103). In the African context collectivism may be seen as African socialism of which there are different versions and concepts, e.g. the lyrical, existentialist and negritude socialism of Leopold Sedar Senghor in Senegal, the African socialism of Kenyatta and Mboya in Kenya, the co-operative and democratic socialism of Nasser and Sadat in Egypt, the pragmatic socialism of Nyerere in Tanzania and the dynamic socialism of Sekou Touré in Guinea (Kanza, 1971, p 101). The scientific theory of socialism as set out by its originators, Marx and Engels, regards socialism as "the phase of social development which will follow capitalism, according to an inevitable law of history". It advances the idea of a struggle between the bourgeois and proletarian classes resulting in the destruction of capitalism and the installation of socialism. African socialism does not imply any

class struggle but draws its inspiration from the spirit which "has imbued clans and tribes from time immemorial". This spirit is a driving force which automatically compels every individual to community service. This is a dynamic brand of socialism capable of adapting itself to the circumstances usually prevailing in developing societies (Kanza, 1971, pp 103-106).

Wheeler et al (1989, p 79) observe that cultures can be distinguished on the basis of their social activities and they identify individual-centered and situation-centred cultures. In individual-centered cultures, emphasis is put on the predilections of the individual. This is characteristic of freemarket orientated capitalistic societies. In situation-centred cultures the emphasis is put on the individual's appropriate place, behaviour and tendency to act in accordance with the external expectations or social norms. This pattern is also called a social orientation. Socially orientated people are able to protect their social selves and function as an integral part of the social network. Social orientation is quite similar to collectivism. A social orientation implies (Wheeler et al, 1989, p 80):

1. An emphasis on the views, needs and goals of the in-group rather than of oneself.
2. Social norms and duties defined by the in-group.
3. Beliefs are shared with the in-group and beliefs which distinguish oneself from the in-group are discarded.
4. A particular member is always ready to co-operate with in-group members.

5. An intense emotional attachment to the in-group.

One of the distinguishing characteristics of collectivist (socially orientated) societies is a sharp delineation between the in-group and the out-groups. The presence of a well-defined in-group implies a tight network of people who know one another well and are dependent upon one another. Triandis, Bontempo, Villareal, Asai and Lucca (1988) have done research which corroborated this finding. Their research reveals closer and enduring friendships in collectivist cultures due to the greater sense of emotional attachment to the in-group. The opposite is true of individualistic cultures. In such cultures, social networks are likely to be composed of superficial acquaintances which lower the level of interactional intimacy. Sinha and Verma (in Kagitcibasi, 1989, p 123) in discussing the structure of collectivism, observe that it is conducive to mental health and social harmony as it lends greater social support which acts as a shock absorber of the stresses and strains of life. Collectivism is characterized by an emphasis on:

1. The views, needs and goals of the in-groups rather than on self.
2. Social norms and duty defined by the in-group.
3. Beliefs shared within the in-group rather than beliefs which distinguish oneself from the in-group.
4. Greater readiness to co-operate with in-group members.

Collectivism manifests itself in "the believing and practices which reflect the individual's embeddedness in his/her in-group and the influence of in-groups on individuals" (Sinha and Verma, op cit, p 123). People in a collectivist culture seem to be relationship orientated and behave according to social norms designed to maintain social harmony in the in-group. Intra-group conflict is usually at a minimum. Sinha et al (in Kagitcibasi, 1989, p 124) proceed by quoting Triandis's distinction between collectivism at individual level and collectivism at cultural level. The former is designated as allocentrism and signifies the extent to which individuals perceive themselves as embedded in their in-groups. The latter is designated as collectivism and indicates the extent to which the members of a particular culture behave according to group norms.

Individualism has positive as well as negative implications. On the negative side extreme forms of individualism are suspected to be related to social problems such as high rates of suicide, divorce, child abuse, crime, emotional stress and physical and mental illness (Triandis et al, 1986, p 258). On the positive side individualism is related to economic development and the Gross Domestic Product of a country (culture) (Triandis et al, 1986, p 208; Hofstede, 1980a). Triandis (in Kagitcibasi, 1989, p 80) connects individualism with the equity principle. According to Triandis, people in highly individualistic cultures used the equity principle while collectivist cultures prefer the equality and need principles. However, people from the

post-Confucian East Asian cultures dealing with outsiders such as persons they have just met, apply the equity principle with the same effect as persons from the highly individualistic Anglo-Saxon cultures. Hofstede (op cit, p 216) also discusses the association between the degree of modernity in a society and its degree of individualism - collectivism.

He quotes three sources, viz Blumberg and Winch who associated modernity with lower familial complexity; Riesman, Glazer and Denny who associated transitional growth with inner-directedness and Tönnies who associated the state with "Gesellschaft". The degree of modernity (or economic evolution) of a society is a major determinant of societal norms and relates most closely to the individualism - collectivism dimension of national culture.

4.2.3.2 Individualism in organizations

The degree of individualism/collectivism prevalent in a society will strongly affect the nature of the relationship between an individual and the organization to which he or she belongs (Hofstede, 1980a, p 217). Individualist cultures stress the individual's achievements and rights, and expect the individual to satisfy his/her own needs. Individualistic cultures put a high premium on autonomy in the work situation, personal time away from work, emotional independence in the work situation and the organization and preference for a small organization. The social order in individualistic cultures is usually associated with the needs of society rather than with the

needs of a particular community (Mead, 1990, p 20). Moorhead et al (1989, p 674) believe that employees in individualistic cultures tend to put their careers before the organization(s). They assess situations in terms of how decisions and alternative courses of action will affect them personally. Individualistic cultures exert control by internal pressures and motivate members by providing the opportunities for self-achievement.

Mead (1990, p 20) observes that collectivist cultures are characterized by tight social networks in which members identify closely with their organizations and have a great emotional dependence on the organizations. The needs of the organization exert a strong influence on the individual's private life and also determine his choice of friends. The organizational culture also determines the employee's notions of social order. Moorhead et al (1989, p 674) agree with Mead on this aspect. They are adamant that collectivist cultures put the need of the organization before the personal needs of the members of the culture. Group loyalty is highly valued and decisions are viewed in terms of their impact on the organization. Anglo-Saxon countries demonstrate individualistic industrial values while collectivistic industrial values are prevalent in post-Confucian countries, Pakistan and Central as well as South American countries. The degree of individualism/collectivism in a society determines the type of persons admitted into positions of authority and influence in configurations where digitality is its metaphysical principle and DNA its prophet" (Ahponen, 1990, p 345).

organizations. Merton (in Hofstede, 1980a, p 218) distinguishes between the "locals" and "cosmopolitans". The first are concerned with intra-organizational problems and are usually influential in collectivist climates. The latter are more concerned with inter-organizational problems and consider themselves as an integral part of the world outside the organization and usually become influential in individualist climates.

There is also a relationship between the organization's technology and the position of its employees on the individualism/collectivism continuum. Moorhead et al (1989, p 682) discern two forms of technological variation, viz variations in available technology and variations in attitudes toward technology. Technologies developed in Western individualistic settings presuppose an individualistic mentality in entrepreneurs, managers and employees which is part of modernity with its rationalism and objectivity (Hofstede, 1980a, p 218). Western countries are generally favourably disposed toward technology and technological development while the opposite holds good for collective cultures. Moorhead et al (1989, p 682) draw attention to the frustration experienced by managers in underdeveloped countries with their lack of electrical power resources, telephones, trucking equipment, computers and robots. The underdeveloped world lacks the high technology culture of the individualistic advanced West with its "proteinc networks, order of simulacrum, order of models, codes, cybernetic operational configurations where digitality is its metaphysical principle and DNA its prophet" (Ahponen, 1990, p 345).

The individualistic cultures of the West with their emphasis on economic development and capitalism, are usually characterized by hierarchical, functional orders of systematic management of wage-work and free competition which have been considered as essential factors for accumulation of capital. This accumulation of capital can only be achieved by capitalism's demand to produce and to be productive and the subject's (in capitalist cultures) right to self-realization. High technology facilitates this production process to a great extent (Ahponen, 1990, pp 345-346). According to Hofstede, (1980a, p 218) the introduction of high technology into collectivist cultures creates problems as it demands new societal norms. The collectivist value patterns may set limits to the technology transfer possibilities. Hofstede therefore proposes a design of political and organizational structures which would allow for the co-existence of collectivism and modern technology.

The individualism/collectivism dimension is also discernible in the normative organization theories hailing from different countries. Theories originating from Western and especially Anglo-Saxon cultures are seen as inner-directed. This inner-directedness views the self as an independent entity with a right to self-realization and self-regulation. Theories originating from collectivist cultures are described as other-directed, which implies a concern for others within the boundaries of the organization. Hjelholt (in Hofstede, 1980a, p 219) who hails from a Scandinavian country with a

4.2.3.3 social democratic (welfare democratic) value system, views the "external and internal boundaries" of an organization as sources of collective identity for its members:

"I think the identity of groups and systems is important. Without identity the system or the group is neither productive nor satisfying as a place to live. (And if we have to get our identity from other systems and just be a prisoner in the working organization, we not create a society which is clearly asking for trouble.

From this outburst you can guess my attitude toward the predominantly American organization theories advocating the organization structure as matrix-organizations or temporary systems. I think that the theories which try to get away with or loosen boundaries are attacking the group identities, and in this way, while temporarily ensuring flexibility inside the organization, they export problems to the outside, where we get a society of alienated, rootless individuals. I feel much more in accordance with the moves of groups to extend or redefine their boundaries, trying to let their values influence the organization as a whole. I refer to the unions' demand for a better work environment, their demand to be included in decision-making for the whole organization, and the like".

This quotation shows that a different value position leads to a different theory.

4.2.3.3 THE INDIVIDUALISM INDEX

The computation of the individualism index revolves around the 14 work goal questions of the format "How important would it be to you to ...?". Hofstede (1980a, pp 220-223) bases the individualism index (as well as the masculinity index) on two main factors which explain the national (culture) differences in employees' answers to the 14 work goal questions. A factor analysis (principal axis factoring with varimax rotation) attributes 50% of the variance in a culture's mean scores to these two factors. Hofstede proceeds by basing the individualism index on the first of these two factors. This factor accounts for 24 percent of the variance and is composed of the work goals presented in Table 4.10.

Table 4.10: FACTOR SCORES - WORK GOAL QUESTIONS.

Loading	Work goals
0,86	Personal time
0,49	Freedom
0,46	Challenge
0,63	Use of skills
0,69	Physical conditions
0,82	Training

The "loading" represents the correlation coefficient across the 40 countries between the factor score and the country mean score for each work goal. Table 4.10 reveals that the factor is composed of three goals with positive loadings and three with negative loadings. The three work goals with positive loadings stress the actor's independence from the organization and personal

accomplishment. The three goals with negative loadings stress things the organization should do for the individual. The latter, according to Hofstede (op cit, p 221) reflects a "local mentality" while the former reflects a "cosmopolitan" one. These two groups of work goals (local and cosmopolitan) discriminate sharply between national cultures. The two opposing groups of goals, viz goals stressing independence from the organization and those goals stressing dependence on the organization, have led to the naming of this factor as "Individual/Collective". A country's (or culture's) factor scores are used as the basis for its individualism index.

Hofstede (1980a, p 221) finds Anglo-Saxon countries to have the highest individualism index (IDV) values, e.g. the United States of America (91), Australia (90) and Great Britain (89) while the lowest values were obtained from Latin cultures and Islamic countries, e.g. Pakistan (14), Colombia (13) and Venezuela (12). Hofstede (op cit, p 221) also finds an overall correlation between the two dimensions of power distance index and individualism index. Hofstede also finds a need for strict authority of hierarchical superiors and, at the same time, personal independence from any collectivity in Latin cultures² (European) as well as South Africa³. He calls them dependent

² This culture pattern of dependent individualism is strongly discernible in the case of France.

³ South Africa marginally belongs to the Latin culture cluster.

individualists. Just the opposite pattern, which may be called independent collectivism, holds for Austria and Israel. No strict authority exists but a relative personal dependence on the collectivity. Hofstede did not find an individual/collective dimension across occupations.

A low but significant correlation ($\rho = ,46$) was found between the individualism index (IDV) and McClelland's need for affiliation (n_{aff}). The implication of this correlation is that in more individualistic countries, there is more emphasis on affiliation and a higher need for developing and maintaining a positive and affective friendship. In traditional societies with its extended families and low individualism, there is less of a need to make specific friendships. The IDV is also significantly although negatively related (Spearman's $\rho = -,62$) to traffic deaths. The implication is that in more individualistic countries, traffic is safer. Individualistic countries tend to be wealthier which is likely to increase the number of vehicles available and to decrease the number of kilometres per vehicle. Etzioni's distinction between a calculative and a moral involvement in the traffic situation may be linked to the IDV of a culture. High IDV countries display a more calculative involvement in traffic which results in safer driving (Etzioni, 1975, pp 218, 228).

A summary of IDV differences between low IDV-countries and high IDV-countries is presented in Table 4.11.

Table 4.11: SUMMARY OF INDIVIDUALISM INDEX-DIFFERENCES
BETWEEN LOW INDIVIDUALISM INDEX COUNTRIES AND
HIGH INDIVIDUALISM INDEX COUNTRIES.

Low IDV Countries	High IDV Countries
* Importance of provisions by company (training, physical conditions).	* Importance of employees' personal life(time).
* Emotional dependence on company.	* Emotional independence from company.
* Large company attractive.	* Small company attractive.
* Moral involvement with company.	* Calculative involvement with company.
* More importance attached to training and use of skills in jobs.	* More importance attached to freedom and challenge in jobs.
* Students consider it less socially acceptable to claim pursuing their own ends without minding others.	* Students consider it socially acceptable to claim pursuing their own ends without minding others.
* Managers aspire to conformity and orderliness.	* Managers aspire to leadership and variety.
* Managers rate having security in their position more important.	* Managers rate having autonomy more important.
* More years of schooling needed to do a given job.	* Fewer years of schooling needed to do a given job.

Table 4.11 (continued)

Low IDV Countries	High IDV Countries
* Managers endorse "traditional" points of view, not supporting employee initiative and group activity.	* Managers endorse "modern" points of view on stimulating employee initiative and group activity.
* Group decisions are considered better than individual decisions.	* Individual decisions are considered better than group decisions.
* Duty in life appeals to students.	* Enjoyment in life appeals to students.
* Managers choose duty, expertise, and prestige as life goals.	* Managers choose pleasure, affection, and security as life goals.
* Individual initiative is socially frowned upon; fatalism.	* Individual initiative is socially encouraged.
* More acquiescence in responses to "importance" questions.	* Less acquiescence in responses to "importance" questions.
* People thought of in terms of in-groups and out-groups; particularism.	* People thought of in general terms; universalism.
* Social relations predetermined in terms of in-groups.	* Need to make specific friendships.
* More years of schooling needed to do a given job.	* Fewer years of schooling needed to do a given job.

Table 4.11 (continued)

Low IDV Countries	High IDV Countries
* More traffic accidents per 1 000 vehicles.	* Fewer traffic accidents per 1 000 vehicles.
* More traditional time-use pattern.	* More modern time-use pattern.

(Source: Hofstede, 1980a, pp 230-231)

4.2.3.4 THE INDIVIDUALISM NORM - ITS ORIGINS AND CONSEQUENCES

Hofstede (1980a, p 231) explores the relationship between IDV and national wealth, geographical latitude and organization size statistically. A Bravais-Pearson product-moment correlation coefficient of 0,82 (explaining 67% of the variance) was obtained between the IDV and the GNP of a country. By entering wealth, geographical latitude and organization size simultaneously into the regression equation, the result is an even more accurate prediction of IDV. Individualism also has an influence on the atomized trade union system. In Anglo-Saxon culture countries and especially Great Britain, the individualistic value system makes integration between the craft unions extremely difficult. Worker self-management is not the order of the day in these countries. In collectivist cultures, e.g. Yugoslavia a worker self-management system is in operation. Chile and Portugal tried out forms of worker self-management. Sweden with its system of social democracy encourages worker participation.

Table 4.12.

Beteille (in Hofstede, 1980a, p 233) stresses the correspondence between political democracy, capitalism, competition and individualism.

Beteille ascertains that the capitalist market economy fosters individualism. Socialist types of economies, on the contrary, foster collectivism.

Hofstede (op cit, p 233) also detects a correlation between individualism and balanced political power. Such cultures respect certain rules of political pluralism. Dictators of such cultures would not be able to obtain sufficient passive compliance to survive. Individualism and political stability (balanced political power) are also related through the distribution of national wealth across sectors of the economy such as mining, manufacturing and farming. Sectorial equality is associated with a high IDV. Hofstede (1980a, p 234) interprets this as the outcome of a universalist attitude among both decision makers and population. This correlation will definitely result in greater political stability as underprivileged economic sectors are a threat to the stability of a regime. The development of a middle class also contributes to political stability. The development of a middle class is a central factor contributing directly to the GDP and indirectly to the decentralization of political power, the questioning of authoritarianism and also leads to a reduction of inequality in society.

As a societal norm, individualism is shared by the majority in the middle classes in a society. The general societal norm of individualism behind the low IDV and high IDV syndromes is depicted in Table 4.12.

Table 4.12: THE INDIVIDUALISM SOCIETAL NORM.

Low IDV	High IDV
* In society, people are born into extended families or clans which protect them in exchange for loyalty.	* In society, everyone is supposed to take care of him or herself and his or her immediate family.
* "We" consciousness.	* "I" consciousness.
* Collectivity-orientation.	* Self-orientation.
* Identity is based in the social system.	* Identity is based in the individual.
* Emotional dependence of individual on organizations and institutions.	* Emotional independence of individual from organizations or institutions.
* Emphasis on belonging to organization; membership ideal.	* Emphasis on individual initiative and achievement; leadership ideal.
* Private life is invaded by organizations and clans to which one belongs; opinions are predetermined.	* Everyone has a right to a private life and opinion.
* Expertise, order, duty, security provided by organization or clan.	* Autonomy, variety, pleasure, individual financial security.
* Survival less dependent on individual initiative.	* Survival more dependent on individual initiative.

Table 4.12 (continued)

Low IDV	High IDV
* Friendships predetermined by stable social relationships; but need for prestige within these relationships.	* Need for specific friendships.
* Belief in group decisions.	* Belief in individual decisions.
* Value standards differ for in-groups and out-groups; particularism.	* Value standards should apply to all; universalism.

(Source: Hofstede, 1980a, p 235)

Table 4.13 details the origins of national individualism index differences.

Table 4.13: ORIGINS OF NATIONAL INDIVIDUALISM INDEX DIFFERENCES.

Low IDV	High IDV
* Less economic development.	* Greater economic development.
* Less social mobility and weak development of middle class.	* Greater social mobility and strong development of middle class.
* Tropical and subtropical climates.	* Moderate to cold climates.
* Survival less dependent on individual initiative.	* Survival more dependent on individual initiative.

Table 4.13 (continued)

Low IDV	High IDV
* More traditional agriculture, less modern industry, less urbanization.	* Less traditional agriculture more modern industry, more urbanization.
* Extended family or tribal structures.	* Nuclear family structure.
* More children per nuclear family.	* Fewer children per nuclear family.
* Traditional educational systems, for minority of population.	* Pragmatic educational systems, for majority of population.
* Historical factors: tradition of collectivist thinking and action.	* Historical factors: tradition of individualist thinking and action.
* Smaller, particularist organizations.	* Larger, universalist organizations.

(Source: Hofstede, 1980a, p 237)

Table 4.13 lists the causal factors of IDV.

Economic development is the principal factor accounting for differences in IDV. Social

mobility and the development of a middle class

also play a pertinent role. Climate, family

structure, economic sector and educational systems

are of secondary importance. The consequences of

low and high IDV levels for society at large and

for organizations are depicted in Table 4.14.

Table 4.14: CONSEQUENCES OF NATIONAL INDIVIDUALISM INDEX DIFFERENCES.

Low IDV Countries	High IDV Countries
Consequences for Society at Large	
* Gemeinschaft (community-based) social order.	* Gesellschaft (society-based) social order.
* For wealthy countries, a relatively low IDV helps economic growth.	* After a certain level of wealth has been obtained, slower economic growth.
* Unbalanced power political systems.	* Balanced power political systems.
* Less occupational mobility.	* Greater occupational mobility.
* Income inequality between sectors of the economy.	* Income equality between sectors of the economy.
* Less press freedom.	* Greater press freedom.
* Repression potential.	* Protest potential.
* Labour movement more united.	* Labour movement more atomized.
* Labour unions more interested in sharing management responsibility; appeal of worker self-management.	* Labour unions less interested in sharing management responsibility.
* Organization has great influence on members' well-being.	* Organization has moderate influence on members' well-being.

Table 4.14 (continued)

Low IDV Countries	High IDV Countries
* More road accidents. ...ation to defend their interests.	* Safer driving. ...expected to defend their own interests.
Consequences for Religious Life and Philosophical and Ideological Thinking	
* Collective conversions.	* Individual conversions.
* Jen philosophy of man.	* Personality philosophy of man.
* Stress on identity and roots.	* Worship of the independent actor.
* Traditional ethic. ...in management ideas.	* "Protestant" (modernist) ethic. ...and endorse modern management ideas.
Consequences for Organizations	
* Involvement of individuals with organizations primarily moral. ...1980a, pp	* Involvement of individuals with organizations primarily calculative.
* Employees expect organizations to look after them like a family - and can become very alienated if organization dissatisfies them. ...in high IDV countries. High IDV cultures are more inclined toward the Protestant work ethic and	* Organizations are not expected to look after employees from the cradle to the grave. The political
* Organization has great influence on members' well-being. ...responsibility. Individually	* Organization has moderate influence on members' well-being. ...calculatively
involved in organizations. Organizations are not expected to look after employees for as long as	

Table 4.14 (continued)

Low IDV Countries	High IDV Countries
* Employees expect organization to defend their interests.	* Employees are expected to defend their own interests.
* Policies and practices based on loyalty and sense of duty.	* Policies and practices should allow for individual initiative.
* Promotion from inside.	* Promotion from inside and outside.
Promotion on seniority. (Localism)	Promotion on market value. (Cosmopolitanism)
* Less concern with fashion in management ideas.	* Managers try to be up-to-date and endorse modern management ideas.
* Policies and practices vary according to relations (particularism).	* Policies and practices apply to all (universalism).

(Source: Hofstede, 1980a, pp 238-239).

The data presented in Table 4.14 show that in low IDV cultures the social order is community based and that economic growth in wealthy countries is stimulated by a relatively low IDV. The political system is unbalanced with less press freedom than in high IDV countries. High IDV cultures are more inclined toward the Protestant work ethic and labour movements more atomized with union management less interested in sharing management responsibility. Individuals are calculatively involved in organizations. Organizations are not expected to look after employees for as long as

4.2.4.1 they live but it is the employee's duty to defend his/her own interest. Policies and practices should allow for individual initiative and should be applicable to all. Policies, procedures and practices in low IDV countries are based on loyalty and a sense of duty and vary according to relations (particularism).

4.2.4 MASCULINITY

The fourth dimension along which national cultures may differ has been called masculinity with its opposite pole femininity. The bipolar masculinity/femininity dimension is a fundamental dimension and its influence is noticeable in all facets of life. Different cultures cope with it in different ways. Hofstede (1980a, p 261) remarks that the sex role distribution, characteristic and common in a particular society, is transferred by socialization in families, educational institutions, peer groups and through the media. The predominant socialization pattern is for men to be more assertive and for women to be more nurturing. The masculinity/femininity dimension reveals itself in organizations in the relationship between the perceived goals of the organization and the career possibilities for men and women. The mission and goals of business organizations are usually masculine with an emphasis on achievement, growth and high earnings on investment. Service organizations are more "feminine" in orientation and display a propensity to render service and a concern with interpersonal aspects and the physical environment.

4.2.4.1 SEXES AND SEX ROLES

The common trend among the majority of cultures, both traditional and modern, is to ascribe to men a general assertiveness and a concern with economic issues and achievement in general. A role of nurturance and a general caring attitude are usually ascribed to women folk. This male assertiveness tends to lead to dominance in political and economic life. Females usually take care of people in general and children in particular. Mead (1962, p 158) views the assertiveness/nurturance divide in the light of absolute sex differences: women bear children and breast-feed them while men beget children. Women attain a sense of "irreversible achievement" by bringing children into the world. Men have to reach, in the course of their lives, a solid sense of "irreversible achievement" by means of power, assertiveness and achievement in political, economic, academic and work life. Anthropology, psychology and political science confirm the male assertiveness/female nurturance pattern.

Williams, Giles and Edwards (in Hofstede, 1980a, p 263) report on sex role stereotypes in Great Britain, Ireland and the United States of America. The results of the study show a relationship between male behaviour and autonomy, aggression, exhibition and dominance. Female behaviour on the other hand is associated with nurturance, affiliation, helpfulness and humility. Barry, Bacon and Child (1959, pp 331-332) in a study on socialization, found girls to be socialized toward nurturance, responsibility and, to a lesser degree, obedience while boys are socialized toward achievement and self-reliance.

McClelland (1961) and McClelland and Winter (1969, pp 1, 11) show men to be well-disposed toward a particular human motive, viz the need to achievement. The need for achievement promotes entrepreneurship which in turn is the key to economic growth. Rationality, assertiveness, assuming personal responsibility for solving problems and performance orientation are characteristic of achievement orientation but are also distinctive of the male behaviour pattern. In traditional cultures the dominance of males remains unchallenged even when absent for a long time from the family, e.g. husbands absent from the family due to labour migratory patterns in South Africa. The absent husband still tends to control the larger share of the family income while placing an increased burden of work on the wives (Le Vine, 1966).

The issue of the equality or inequality between the sexes is also strongly entertained in religion and philosophy. The Judeo-Christian Old Testamental account of the creation tells the story of "the Man" first being created and put in the Garden in Eden. Then "the Woman" was made from one of Adam's ribs because the Lord said that "it is not good that the man should be alone: I will make him a help meet for him".⁴ Even up to this present day the structure of the Roman Catholic Church has remained highly masculine while the structure of Protestant churches has become less masculine. Plato in the ancient Greek philosophy argued that the male sex was much better at everything than women.⁵ Hofstede

⁴ Genesis 2: 7-23. The King James Version.

⁵ Plato's The Republic in Stace C.T. 1963.

History of Greek philosophy.

(1980a, p 264) points out the existence of active feminist movements in a number of countries. To Hofstede this is an indication that some women, at least, no longer take the traditional pattern of male dominance for granted and try to develop alternative role distributions.

4.2.4.2 SEX ROLES IN ORGANIZATIONS

The division of labour and the division of sex roles tend to be linked one way or another. The division of labour over the sexes is largely a matter of convention. Jobs being stereotyped as "masculine" in one culture may be stereotyped "feminine" in another. The mission and goals of the organization also have an effect on the distribution and division of labour. The masculine goal system of business organizations would concur with the achievement need and performance role of the male. Business corporations are almost always led by men and their organizational climate set by men. The picture and model entertained by Western culture of a successful manager is a masculine one. This view fits in with the general pattern of male dominance and bias against female managers in most societies (Hofstede, 1980a, p 267).

Perceptions and evaluations of managerial behaviour by observers are affected by the manager's sex. Sex role stereotypes influence and effect the evaluation of leaders and leadership behaviour. Bartol and Butterfield (1976, pp 452-453) find a propensity to evaluate females more favourable than males on consideration behaviour while males were more favourably evaluated than females on structuring behaviour. The different evaluations of identical leader

behaviour, depending upon the sex of a leader, gives impetus to the growing body of data indicating the existence of strong sex stereotypes for managers. The results of Bartol and Butterfield's study illicit proof of different standards being applied in the evaluation of male and female managers. The findings also lend support to the hypothesis that the sex of the evaluator also has an influence on the assessments of managerial style. Women do take, and have always taken a leadership role in organizations with nurturing goals. The nurturing mission and goals concur with the traditional nurturing female role.

Herzberg, Mausner, Peterson and Capwell (1957, pp 13-15) found inclusive results with regard to studies relating sex roles to job attitudes. Some studies indicated women to have more serious psychological problems than men in adjusting to work under conditions of stress, e.g. the difficult conditions of wartime factory work in Great Britain. Peck (in Herzberg et al, 1957, p 14) describes women school teachers as more poorly adjusted to their jobs than even the potential teachers attending teacher's college. Other studies report women's job satisfaction to be high. Davenport (in Herzberg et al, 1957, p 14) found a much greater need for achievement among college freshmen who were career orientated than among those who merely expected to work for a short time after college and before marriage. The peculiar problems experienced by married employed women who have to divide their interest and attention between their jobs and their traditional roles as housewife and mother, may also impede adjustment to the working world.

4.2.4.3 Work occupies a more important place in the lives of men than women. Men derive much more satisfaction from their careers or occupations than women. Women's primary life satisfaction usually comes from family relationships. Job satisfaction is more highly correlated with general satisfaction among employed men than among employed women (Vroom, 1964, pp 42-43). Sex also influences occupational choices. Males usually plan to enter law, engineering, farming and/or business whereas females usually choose teaching, social work, secretarial work, art, journalism and drama. The "masculine" occupations, with the exception of farming, usually provide high status and financial rewards. The female or "feminine" occupations tend to be nurturing and/or humanitarian in nature and tend to require creativity (Vroom, 1964, pp 92-93).

The association between occupational choices and sex roles stems, at least in part, from different patterns of socialization. Hofstede (1980a, p 265) sees socialization as the process by which culture patterns are transferred from one generation to the next. Both men and women learn what their place and accompanying behaviour in society is, and once they have learnt it, the majority of them want it that way. Sex role socialization is furthered through the parental home, religious upbringing, peer groups, schools, and the media.

Organization Development (OD) programmes and procedures which stress openness and expression of emotion, represent a counter-culture in the modern business world which fits traditional feminine values.

4.2.4.3 SEX DIFFERENCES IN WORK GOALS

Significant sex differences exist in regard to work goals. Herzberg et al (1957, p 52) find that opportunity for advancement and higher earnings are work goals more important to men while work goals such as a good working relationship with supervisors, good physical working conditions, well-defined working hours, social aspects of the job, e.g. good co-operation with co-workers and ease of work, are favoured by women. Crowley, Levitin and Quinn (in Hofstede, 1980a, p 269) see considerable freedom to adopt an own approach to the job as the most important work goal for men. Work goals that are more important to women include co-operation with co-workers, well-defined job situations with clearly defined responsibilities, well-defined working hours, good physical working conditions and convenient travel arrangements to and from work. Manhardt (1972) finds significant differences between the work goals of male and female employees of an insurance company. Male employees consider opportunity for advancement, responsibility, opportunity to increase earnings, creativeness and working on problems central to the organization, as the more important work goals. Female employees display a preference for congenial associates, ample leisure time, relationship with superiors, good physical working conditions and an element of variety and adventure in the job.

Bartol (1976, p 368) examine indications that differences in job orientation may be more closely related to professional interests as reflected in one's professional training area than to differences in sex. The results (op cit, pp

369-370) indicate that male and female business majors differ significantly on the dimension of a comfortable working environment and pleasant interpersonal relationships. The female business majors have a greater preference for both factors than the male business majors. Female psychology majors rated these work goals lower than the male business majors, which is an indication that the result cannot be explained solely by the sex variable. The business majors, both male and female, also placed a higher premium on career aspirations than the female psychology majors. However, the female psychology majors gave a higher rating to intrinsic job aspects than both male and female business majors. The results of this study clearly supports the hypothesis that members of the same profession, male as well as female, may have similar job interests than members of the same sex in different professions.

The results of the Mc Cann - Erikson study (in Hofstede, 1980a, p 270) of Dutch youth indicate that girls display a humanitarian attitude, choosing helping others and the ability to make friends, as the most important factors in choosing a job. Boys prefer exciting, challenging work, advancement opportunities, money and long-term security as determinants of a career. Herzbergian and Maslowian categories of need classification do not apply to sex differences just as little as they apply to national cultures (Hofstede, 1980a, p 271). However, when clustering work goals on the basis of differences between occupations, Hofstede does find two factors which he calls "intrinsic - extrinsic" and "social-ego". The work goals related to the intrinsic - extrinsic factor do not differ significantly in importance for the sexes.

The "social-ego" factor contains four goals significantly more important to women on the social side, viz manager, co-operation, friendly atmosphere and physical conditions. This factor also contains four goals significantly more important to men on the ego-side, viz up-to-dateness, advancement, training and earnings. The social-ego factor is virtually identical with Hofstede's male-preference-female-preference factor. Hofstede (op cit, pp 271-276) in his cross-national research in 40 countries using \pm 160 000 subjects found seven occupations performed by both men and women in sufficient numbers to allow for statistical treatment of data and not subject to an internal division of labour in which the women still perform tasks differently from men. Hofstede finds across these seven occupations significant sex difference trends. The work goals more important to men are opportunity for advancement to higher paying jobs, having an opportunity for high earnings, having an opportunity for training and up-to-dateness. Females, on the other hand give preference to a friendly and co-operative atmosphere, security of employment, good physical working conditions and good working relationships with the manager.

Table 4.15.

Hofstede could not find any significant sex differences for job content goals and for private life goals. However, his data indicate a possible interaction between sex roles and education.

Women in higher educated occupations seem to be relatively more job-content orientated than men while the opposite holds good for lower educated occupations. Hofstede's data confirms the results of studies cited earlier. Herzberg et al (1957) for example, already reported sex differences for

Loading

0,69

0,69

0,59

0,48

-0,54

-0,56

-0,58

-0,70

Recognition

Earnings

advancement, earnings, atmosphere plus co-operation, physical conditions and preferred manager. Hofstede concludes that "it seems that the differences in sex roles which determine the reference groups of these women and men when they score their goal importances are pervasive in our modern industrialized world" (Hofstede, 1980a, p 274).

4.2.4.4 THE MASCULINITY INDEX

A masculinity index can also be computed for the different cultures (across cultures). As is the case with the computation of the individualism index, the computation of the masculinity index also revolves around the 18 work goal questions of the format "How important would it be to you to ...?". Hofstede (1980a, pp 276-279) bases the masculinity index on the second main factor, labelled "social-ego" which also explains the country (culture) differences in employees' answers to the 18 work goal questions. A factor analysis (principal axis factoring with varimax rotation) attributes 22 percent of the variance in a culture's mean scores to this factor. This factor is composed of the work goals presented in Table 4.15.

Table 4.15: FACTOR SCORES - SOCIAL EGO WORK GOAL QUESTIONS.

Loading	Work goals
0,69	Manager
0,69	Co-operation
0,59	Desirable area
0,48	Employment security
-0,54	Challenge
-0,56	Advancement
-0,59	Recognition
-0,70	Earnings

The loading represents the correlation coefficient across the 40 countries between the factor score and the country mean score for each work goal. Table 4.15 reveals that the social-ego factor is composed of four goals with positive loadings and four with negative loadings. The four goals with positive loadings stress femininity as the dominant sex role pattern. It points to a social inclination. The four goals with negative loadings stress masculinity as the dominant sex role pattern with its ego inclination.

The masculinity/femininity dimension refers to the dominant sex role pattern in the vast majority of both traditional and modern societies, viz male assertiveness and female nurturing. The fact that the social-ego difference appears on a worldwide ecological level, implies, according to Hofstede, an association with nurturance interests versus assertiveness interests.

Hofstede has found the highest masculinity index (MAS) score for Japan. German-speaking countries as well as Latin cultures (Italy and South American) obtain high MAS scores. However Latin countries such as France, Spain, Portugal, Peru and Chile are low scorers on the MAS. Anglo-Saxon and post-Confucian cultures other than Japan, obtain average scores on the MAS while Nordic countries, Yugoslavia and the Netherlands are at the lowest end of the MAS. Comparing MAS across occupations, Hofstede finds a social-ego factor which is largely similar to the social-ego factor found across countries. In both instances nurturance interests are found to oppose assertiveness interests. Thus occupations can be identified as either more masculine (ego) or more feminine (social).

Hofstede (op cit, p 281) finds a high MAS (more masculine) score to correlate significantly with high stress-levels, the view that a large corporation is generally a more desirable place to work for than a small company and the view that most employees have an inherent dislike for work and will avoid it if they can. Hofstede (1980a, p 285) observes a correlation between MAS and overall job satisfaction. It suggests a central position for the job in the life span of employees. Especially higher educated positions or occupations (managers and professionals) rate as personally and socially desirable those facets which go together with high overall job satisfaction. This may be seen as work centrality or central life interests. Work centrality⁶ is also closely related to job involvement. It may be postulated that people in more masculine countries "live to work" while people in more feminine countries "work to live".

4.2.4.5 THE MASCULINITY NORM

Hofstede (1980a, p 291) statistically explores the relationship of MAS with economic, geographic and demographic indicators. He obtains a zero-order (highest) correlation of MAS with geographical latitude in the sense that countries closer to the equator tend to be more masculine and those closer to the poles tend to be more feminine. A complex relationship was found to exist between MAS and population growth. The correlation is negative

⁶ Work centrality implies the important primary social relationships that surround job and task performance in and at the work place.

for the wealthier countries and positive for the poorer ones. This implies an association between femininity and slower population growth in poorer countries and between femininity and faster population growth in wealthier countries⁷. Population growth depends strongly on the average family size.

It appears as if there is not only a feeling of Positive correlations exist between MAS and a country's population size as well as the size of organizations. In both cases Hofstede (1980a, p 292) finds size and masculine values to go together. There is also a relationship between masculinity and religion.

Data indicate, on the average, that countries with a Catholic culture tend to be more masculine and those with a Protestant culture more feminine. Catholicism has indeed produced some very tough masculine currents, e.g. the Templars and Jesuits. However, some Protestant groups like the Mormons have a strong masculine value system. An explanation for this may perhaps be found in the Bible which portrays a dual value system: the Old Testament with its teaching of an "eye for eye and tooth for tooth" is more masculine while the New Testament is more feminine with its teaching of "turn the other cheek".

Table 4.16: THE MASCULINITY SOCIETAL NORM

⁷ Population growth depends strongly on the average family size and on the level of medical care. Thus femininity means smaller families in poorer countries and larger families in wealthier countries (Hofstede, 1980a, p 292).

* Quality of life and environment are important. * Performance and growth are important.

Table 4.16: There is also a positive correlation between MAS and traffic habits. In more masculine cultures people are allowed to drive faster and more deaths occur in traffic accidents per 1 000 vehicles. Both these phenomena are consistent with the masculine societal norm of greater assertiveness.

It appears as if there is not only a feeling of "small is beautiful" in feminine cultures but also of "slow is beautiful". Lesser traffic deaths also occur in feminine countries. The Gross Domestic Product (GDP) is strongly negatively correlated with the masculinity index ($\rho = -.81$). Hofstede (1980a, p 293) advances the argument that the greater benevolence and need for helping the weak and the poor in more feminine countries, the greater the percentage of the GDP which governments of wealthier countries spend on development assistance to Third World countries. However, MAS is virtually uncorrelated with national wealth (GDP per capita) per se. It is therefore clear that a value complex and not an economic condition determines what a government will give in development assistance (Hofstede, 1980a, p 293).

An integrated picture of masculinity as a societal norm is presented in Table 4.16.

Table 4.16: THE MASCULINITY SOCIETAL NORM.

Low MAS	High MAS
* People orientation.	* Money and things orientation
* Quality of life and environment are important.	* Performance and growth are important.

Table 4.16 (continued)

Low MAS	High MAS
* Work to live.	* Live to work.
* Service ideal.	* Achievement ideal.
* Interdependence ideal.	* Independence ideal.
* Intuition.	* Decisiveness.
* Sympathy for the unfortunate.	* Sympathy for the successful achiever.
* Levelling: don't try to be better than others.	* Excelling: try to be the best.
* Small and slow are beautiful.	* Big and fast are beautiful.
* Men need not be assertive but can also take caring roles.	* Men should behave assertively and women should care.
* Sex roles in society should be fluid.	* Sex roles in society should be clearly differentiated.
* Differences in sex roles should not mean differences in power.	* Men should dominate in all settings.
* Unisex and androgyny ideal.	* Machismo (ostentative manliness) ideal.

(Source: Hofstede, 1980a, p 294).

The masculinity norm should be seen as a value system shared especially by the majority in the middle classes of a society. According to Hofstede (1980a, p 294) much of the societal masculinity/femininity differences are historically and traditionally determined. The mechanism for the conservation of such differences is solid. There is no sign of a convergency in the direction of masculinity or femininity among modern nations. Hofstede advances as a possible explanation for the strong feminine cultures of Scandinavian countries that this is an inheritance from the Viking society in which the women had to manage the villages while the men were away on their long trips.

The consequences of national masculinity index differences are presented in Table 4.17.

Table 4.17: CONSEQUENCES OF NATIONAL MASCULINITY INDEX DIFFERENCES.

Low MAS countries	High MAS countries
Consequences for Society at Large	
* Trying to be better than others is neither socially nor materially rewarded.	* There are rewards in the form of wealth or status for the successful achiever.
* Social adaptation-oriented school system.	* Performance-orientated school system.
* More benevolence versus the Third World.	* Less benevolence versus the Third World.

Table 4.17 (continued)

Low MAS countries	High MAS countries
* Conservation of the environment is seen as a more important problem than economic growth.	* Economic growth is seen as a more important problem than conservation of the environment.
Consequences for Organizations	
* Small-scale enterprises, projects, etc. popular.	* Large-scale enterprises, projects, etc. popular.
* Men and women follow the same types of higher education.	* Men and women follow different types of higher-level education.
* Men and women can both be breadwinners.	* Men are breadwinners, women are cakewinners.
* Less occupational segregation: e.g. male nurses.	* Some occupations are considered typically male, others female.
* Slower car driving, fewer accidents.	* Faster car driving, more accidents.
Consequences for Religious Life and Philosophical and Ideological Thinking	
* In Christianity, greater affinity to Protestantism.	* In Christianity, greater affinity to Catholicism.
* Appeal of "tender" religious currents, philosophies and ideologies.	* Appeal of "tough" religious currents, philosophies and ideologies.
* Belief in equality of the sexes.	* Belief in inequality of the sexes.

Table 4.17 (continued) the consequences of different MAS levels as listed in Table 4.17 on statistical

Low MAS countries	High MAS countries
* More moderate women's liberation movements.	* Aggressive women's liberation movements.
Consequences for Organizations	
* Some young men and women want careers, others do not.	* Young men expect to make a career; those who don't see themselves as failures.
* Organizations should not interfere with people's private lives.	* Organizational interests are a legitimate reason for interfering with people's private lives.
* More women in more qualified and better-paid jobs.	* Fewer women in more qualified and better-paid jobs.
* Women in more qualified jobs not particularly assertive.	* Women in more qualified jobs are very assertive.
* Lower job stress.	* Higher job stress.
* Less industrial conflict.	* More industrial conflict.
* Appeal of job restructuring permitting group integration.	* Appeal of job restructuring permitting individual achievement.

(Source: Hofstede, 1980a, pp 296-297)

Hofstede based the consequences of different MAS levels as listed in Table 4.17 on statistical reasoning as well as on impressions. The different importance given to achievement in more masculine societies as opposed to more feminine societies, is reinforced by a difference in rewards. Successful achievers in high MAS countries are usually rewarded with wealth or status. Economic growth in high MAS cultures is much more important than conservation of the environment. Some occupations are clearly demarcated as male or female and men and women follow different types of higher level education. In religious life high MAS cultures pay greater affinity to Catholicism. A strong belief in the inequality of the sexes is entertained in high MAS countries. Organizational interests are the order of the day and are legitimate reasons for interfering with employees' private lives. Higher job stress and more industrial conflict prevail.

The opposite is true for low MAS countries. Achievement, for example, is neither socially nor materially rewarded. They show more benevolence toward the Third World. Less occupational segregation exists, e.g. male nurses. Low MAS countries have a greater affinity for Protestantism. A belief in the equality of sexes prevails. Lower stress levels and less industrial conflict are characteristic of low MAS societies. There is a firm belief that organizations should not interfere with people's private lives. The type of humanization of work (job restructuring) depends on the level of the MAS. In high MAS cultures, humanized jobs should give opportunities for recognition, advancement and challenge. In a feminine culture, humanization of work will stress co-operation and a working atmosphere (Hofstede, 1980a, p 298).

4.3 CONCLUSIONS

There are great promises and challenges as South Africa enters the so-called era of hope presenting the continent in which it is situated and the world with a new history of political creation to guard and foster freedom, diversity and progress within a framework of order and unity. In order to obtain this stability (order and unity), economic power has to be employed to create the necessary wealth to meet South Africa's peoples' aspirations. Economic and social development and political stability are predicted on the assumption of reasonable stable governance. Stable governance implies that the larger part of the population supports and accepts (at least passively) the authority of the government in power (Berger, 1992, p 23). The concepts of economic development and the attendant modernization and urbanization as well as the viability and feasibility of a democratic government are based, implicitly as well as explicitly, on value premises (Todaro, 1987, p 10).

The concepts and value dimensions discussed in this chapter have practical implications for political, social and organizational policy. They relate to goals such as economic and social equality, elimination of poverty, high education standards, rising levels of living, modernization, political and economic participation, grass-roots democracy and full industrial citizenship, self-reliance and personal fulfilment. The value dimensions form the invisible part of a culture and are collectively held by the majority of the population. These values have grown into societal norms which, to a very large extent determine the political and organizational solutions which are feasible within a particular country (Hofstede, 1980a, p 373).

Low power distance seems to be a desired end. It would not only guarantee equal group rights but would simultaneously guarantee equal rights, whether civil, industrial and political, of all individuals living within the boundaries of the Republic of South Africa. This would give articulation to a common South African nationality which would co-exists with but not obliterate the sense of belonging to a specific ethnic group. Groups would form indestructable parts of an indestructable whole (Smuts, 1926). Low power distance also pertains to equal employment opportunities, small wage differentials and less centralization.

Individualism corresponds with political democracy, competition and capitalism. The freemarket fosters individualism and economic development and in turn depends on individualism. High individualism would augur well for economic growth as well as political stability as individualism and balanced political power (lower power distance) are related through the distribution of wealth across sectors of the economy. This distribution of wealth may lead to greater upward social mobility, fostering the development of a middle class. Individualistic values would also foster modern industrial development with attendant urbanization and thus less traditional agriculture. Uncertainty avoidance is also related to economic growth. High uncertainty avoidance is attended with an agressiveness which augurs well for economic development. Economic development is a prerequisite of a more equitable distribution of wealth and income. Pragmatic resistance politics (characteristic of low power distance cultures) could contribute, to a large extent, to economic growth. The government concerned, should however, refrain from manipulations, regulations and political experimentation which have distorted the internal economics and markets (Schlemmer, 1991, p 7).

The masculine value system also has some relevance for economic growth as performance and rewards in the form of wealth and status are emphasized. Masculinity implies a strong achievement motivation with assertive managerial roles and a prevalence for economic growth which also may have a bearing on the distribution of wealth and the fostering of a stable middle class.

Also, the dimensions of locus of control have a bearing on political activity. Internals (internality inclined people) are more likely to participate in social action because they believe their behaviour would bring about the desired goals. Liberals are usually significantly more internally inclined than conservatives. Conservatives are usually externals who perceive little connection between their behaviour and the desired outcomes.

In conclusion then, a low power distance which is indicative of societies with less violence and stable pluralist governments, may bode well for a negotiated settlement at Codesa. Stability and economic activity may be furthered by pragmatically orientated trade unions which are also characteristic of low power distance societies. A high power distance would have the opposite effect with existential inequality and latent conflict between the powerful and the powerless. The chances of a negotiated settlement would then also be very dim. With high individualism, high masculinity and high uncertainty avoidance there is quite a good possibility for economic development which may foster a stable middle class which in time is the necessary precondition for a stable government. The opposite is true of low individualism, low masculinity and low uncertainty avoidance.