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# How Culture Makes a Difference in Management: Applying Geert Hofstede's Cultural Dimensions to Management in Germany and China

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# How Culture Makes a Difference in Management: Applying Geert Hofstede's Cultural Dimensions to Management in Germany and China

## **Abstract**

Culture has been defined by many different individuals in a variety of fields with wide ranging definitions. The following paper will define culture and give the reader a framework at how to look at differences in cultures abroad. It will elaborate upon some cultural concepts of German and Chinese individuals and then go on to use Geert Hofstede's Cultural Dimensions Theory to diagnose some of the issues that may arise when working with individuals identifying as German or Chinese. For the purpose of this paper, the individuals being referred to are the citizens in both the German and Chinese mainland. The paper will conclude with an analysis of each country comparing their cultural identity to their quantitative values for the Cultural Dimensions that Hofstede has laid out.

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**How Culture Makes a Difference in Management: Applying Geert Hofstede's  
Cultural Dimensions to Management in Germany and China**

**By**

**Brock Foster**

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**Eastern Michigan University**

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**with Honors in International Business**

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## Abstract

Culture has been defined by many different individuals in a variety of fields with wide ranging definitions. The following paper will define culture and give the reader a framework at how to look at differences in cultures abroad. It will elaborate upon some cultural concepts of German and Chinese individuals and then go on to use Geert Hofstede's Cultural Dimensions Theory to diagnose some of the issues that may arise when working with individuals identifying as German or Chinese. For the purpose of this paper, the individuals being referred to are the citizens in both the German and Chinese mainland. The paper will conclude with an analysis of each country comparing their cultural identity to their quantitative values for the Cultural Dimensions that Hofstede has laid out.

## Introduction: Culture in Business

The ways in which business is conducted globally are affected by many factors. One leading factor that plays a role in many facets of business, as well as in the lives of those who conduct business is culture. Culture is defined by Geert Hofstede (1980) as being, "the collective programming of the mind distinguishing the members of one group or category of people from others". The concept of culture is one that varies on many different scales. Within the framework of Geert Hofstede's Cultural Dimensions Theory, cultures were researched and displayed to vary on a national scale. Even so, cultures vary widely within national borders, and are shown to change over time depending on many factors.

As an overview of components that change cross-culturally, Dr. David Victor's (1992) LESCANT model is very useful for diagnosing issues that may arise with different cultures, as well as investigating an individual culture's communication habits. The seven components of culture that are indicated in the model as changing within international business communication are: language, environment and technology, social organization, contexting, authority conception, non-verbal communication, and temporal perception.

The LESCANT model is not an isolated examination of a culture and is not a definitive guide for all individuals that inhabit a country. The model serves as a guide to better debrief issues that arise and to better understand various cultures. For any given culture, the language that is spoken in any part of a nation and the attitude about the language(s) that are spoken within a nation largely influence learned behaviors and social tendencies.

The environment and technology of a culture affects all of the inhabitants of a nation and has a large impact on communication. As Dr. David Victor writes, (2015) "the five physical elements most likely to influence business communications are: climate, topography, population size, population density and space usage, and the relative availability of natural resources". Technology access, the perceptions of technology, and the attitudes towards the physical environment all affect individual attitudes and behaviors of a culture.

The social organization of a culture which includes family structure, institutions, religion, the adherence to laws, and many relationships within a culture determine the standing of an individual within a culture. This component also includes how a culture organizes itself into a hierarchy; whether informal or formal, and how members of society are viewed by one another.

Contexting is a concept that was created by Edward T. Hall. "Meaning and context are inextricably bound up with each other. In real life the code, the context, and the meaning can only be seen as different aspects of a single event." (1976, p.90) The context of communication has a profound impact on whether a culture is more focused on what is said/written in an interaction (explicit communication) or the stored information that is based upon the relationship that the sender and receiver of the interaction have (implicit communication). Defined by Hall (1959) and diagrammed by interlocking triangles with the relationship of the amount of stored and transmitted information, cultures are seen to range from low context to high context cultures (see Figure 4). Low context cultures are those that have little information stored between interactions and thus, communicators must explicitly express their message. In high context cultures, the converse can be seen as information being stored between correspondences thus not as much explicit communication is shared in subsequent correspondence.

Authority conception can be split into many different components. The components that are increasingly important in management are how power is defined,

the perception of power, and the behaviors of those in power. Another component is leadership and how leaders behave and are expected to behave.

Non-verbal communication involves how members of a culture dress, tone of voice, eye contact, touching behavior, gestures that are made (when speaking, listening, or encouraging/discouraging dialogue), or paralanguage.

Temporal perception deals with the attitudes towards time and how time is conceived. Whether a culture is structured based on the absolute time of the clock, or whether time is a function of a relationship amongst individuals and the absolute time is not as important. As defined by Edward T. Hall (1959), cultures are said to be monochronic or polychronic and are judged on the basis of how strictly time adheres to a task. In monochronic cultures, time is more absolute and it will be honored above other relationships. In polychronic cultures, an individual would honor a relationship before the absolute time of the clock is honored. For example, a monochronic culture would place a greater emphasis on timeliness in meetings and appointments would be viewed as having to be met. In a polychronic culture, if one is speaking to a friend or a relative, the relationship of the communicators would be vital to establishing how long and how frequent communication would be. All of the above factors vary from culture to culture and determine how cultures communicate, as well as how cultures view one another.

To demonstrate how culture affects a business function, let us take the example of national holidays to illustrate the impact of a cross cultural perspective. Even though

the United States has no official religion, December 25 marks the observance of Christmas in many Christian practices. The United States has an observance of a national holiday for December 25, as well as 10 states have an observance of December 24 as a holiday for Christmas Eve. From a legal perspective, the United States does not have Christianity as a definitive religion; however, 78.4% of Americans identify as practicing one of many denominations of Christianity.

In Saudi Arabia, Islam is a national religion and law requires both residents and guest workers to practice Islam. Eid al-Adha is Arabic for the Festival of Sacrifice and the holiday commemorates the willingness of Ibrahim (Abraham) to follow Allah's command to sacrifice his son Ismail. The holiday is marked as a national holiday for 10 days and affects private institutions for 3 to 7 days. Knowledge of culture for both nations and cultures within nations greatly affects one's ability to do business in any location.

Many examples of the utility of cultural aptitude can be found in many applications. From knowing the distribution and use of languages for business applications in West Africa, to the knowledge of the importance of relationship building as a prerequisite for conducting business in Southeast Asia, knowledge of culture and its applications will not only enhance the aptitude of a business professional, but will grant an individual with a knowledge of culture greater opportunities within locations.

For the purposes of the following thesis, national cultural identities will be looked at using Geert Hofstede's definition in his Cultural Dimensions theory. This theory will serve as a baseline of cultural variance when analyzing nations. Even though



the theory encompasses many components of cross cultural differences and applications, there are many ways to view culture and many different models which assess cultural differences. The following analysis of how culture affects German and Chinese managers based upon the Cultural Dimensions framework is a small portion of review for a broad topic. The dimensions that will be viewed as having the widest variance on the Cultural Dimensions Framework from Germany to China are the dimensions of: power distance, uncertainty avoidance, and the individualism vs. collectivism spectrum.

An introduction into the culture of both countries will be done based upon the above introduced LESCANT model. Following this brief analysis of both countries based upon their respective LESCANT qualities, an analysis will be done to show how the countries vary on the power distance spectrum, the uncertainty avoidance spectrum, and the individualism vs. collectivism spectrum. Following the analyses, conclusions will be drawn to show how culture plays a role in management, as well as how the role of management changes depending on the various national culture.

## Culture in China

### Background

To categorize a country into one singular culture that has roughly 20 percent of the world's population within its borders is something that is both challenging and tedious. Chinese companies account for 95 of the world's top 500 companies by

revenue, as well as it is the second country in terms of nominal GDP. With a Communist government and a strong sense of nationalism and pride, China is in a state of flux trying to balance the interests of the government with the interests of the people.

China has a very rich history with the first dynasty described in ancient records dating back to 2100 BC. With many languages and a broad geographical area, the idea of being Chinese changes in different areas of the nation. Complex relationships with neighboring areas and within the mainland lead to various attitudes with the government. The role of government in everyday life is one that creates intrigue for the life of a business person. With the world changing at an ever faster pace, China maintains its relationship with the past, as well as it will be one of the driving forces of the world economy in the 21<sup>st</sup> Century. The following are some of the challenges and features of Chinese culture and are all vital to developing a broader understanding of the cultural landscape in China.

## Language

Perhaps the most noticeable feature of any individual's culture is the language that one speaks. According to Ethnologue, as many as 297 living languages exist in China. The dominant family of languages within China is Hanyu with approximately 1.2 billion people speaking different dialects of it. As Ethnologue (2015) states, the largest of any dialect is the Mandarin dialect with over 840 million people speaking Mandarin as a first language, as well as many that speak it as a secondary language. Within a business context for international companies trying to do business within China, it is

important to understand that many languages are spoken and there may not be a best language for one region of the country.

One unique characteristic of the Hanyu language is that all dialects are mutually unintelligible. For example, an individual who speaks the Mandarin dialect may not understand another individual who is speaking the Cantonese dialect (also broadly called Yue), even though both dialects are in the same family of language (Hanyu). Snow (2004) highlights the differences between Cantonese and Mandarin by writing about pronunciation.

The most important difference between the *spoken* forms of Cantonese and Mandarin lies in pronunciation. Even though Cantonese and Mandarin have many words in common, the pronunciation of such words is often very different, and this is the major reason why the two languages are mutually unintelligible in spoken form.

If an organization has a language strategy, the strategy will be complicated by the difficulties of many dialects. The issue of language selection and the difficulty of many Chinese in understanding different dialects leads to many speakers learning multiple languages. In figure 2, the different dialects of the Han are mapped out so that the reader can clearly see where different dialects are used. This is used as an illustration of the difficulty that one may have when speaking with Chinese who speak different dialects. The use of multiple languages is common in China and is not limited to Hanyu. Currently, English is placed at the forefront of language learning in China. To

illustrate this, Wei and Su (2012) state that there are 390 million learners of English in Mainland China itself.

As an overview of the level at which language is used professionally, literacy is at 91% in China. The written language is complex and requires the memorization of many characters. An educated Chinese individual knows around 4000 characters with each character typically representing one syllable of spoken Chinese. Characters are often made up of parts that represent physical or visual objects and abstract notions. Some also represent how to pronounce the syllable when speaking verbally. To simplify the written language to those who do not read characters, Pinyin was created by using the Latin alphabet to represent the sounds of the Mandarin dialect. A company doing business in China would also have to understand the implications of selecting to write corporate communications in various alphabets or characters.

### Environment and Technology

As it pertains to business applications, knowledge of the environment of a country is significant in many international business transactions including transportation, export management, and supply chain management. Understanding the use of technology in China not only affects a company's ability to do business within the entire country, but regional differences in the use and understanding of technology also affect how an organization can use technology to their benefit. Some of the more poignant issues that are facing China currently pertaining to the environment are

greenhouse gas emissions and solutions to reduce emissions, air pollution, water pollution, and natural resource usage.

The issue with pollution and contamination has many implications on both urban and rural areas. Additionally, the problem of pollution has compounded since the initiation of economic reforms in 1978. From 1978 to 1999, China saw an urban population rise of 222 million residents. Zhang and Song (2003) write that in 21 years, population went from being concentrated 18% in urban areas, to 31% of China's population residing in urban areas. The total in 2014 as calculated by World Bank is that 53% of Chinese residents are living in an urban area. This rapid migration and urbanization of China has led to an increased wage gap, as well as growing inequalities between different regions.

With increased population, comes greater need for systems to handle with the influx of an urban population. Population density is an area of focus as well and urban areas that are very dense have led to implementation of initiatives by the government to develop systems and infrastructure to handle population influx (See Figure 1). One of the instances that garnered international attention was in 2010 when Beijing had a traffic jam that was 62 miles long. Gorzelany (2013) writes that in Beijing also regularly sees pollution that is thick enough to obstruct drivers from seeing traffic signals and cars in front of them. As a final example of the difficulties that face China with pollution and urban development, a 2002 study found that greater than 50% of all river sections that

were examined for water quality and safety are rated as unsafe for human contact.

(Wang, et. al. 2006)

One of the most important metrics in understanding how technologically advanced a culture is becoming is the percentage of a population that uses the internet. In China, as of June 2014, the internet had a penetration rate of 46.9% (2014). The percentage of mobile users of the internet in China is 83.4 % of the total users of the internet, which is greater than the percentage of individuals who access the internet using personal computers (80.9%). With increasing internet users, the infrastructure of urban China will have to keep up with the demand that the increased population brings. For an international application, companies that understand the trends in technology, the environment, and the relationship between the two are the organizations that will succeed and better integrate into Chinese culture.

### Social Organization

To understand the social organization of China and to better outline the institutions that comprise the complex landscape of Chinese culture, it is best to understand the common background that many ethnic Chinese share. Chinese culture encompasses diverse and sometimes competing schools of thought including Confucianism, Taoism, Buddhism, etc., and a host of regional cultures. Nevertheless, Confucianism is undisputedly the most influential thought, which forms the foundation of the Chinese cultural tradition and still provides the basis for the norms of Chinese interpersonal behavior. (Pye, 1972)

For many Chinese, Confucianism is the moral doctrine that governs many human relationships, social structures, virtuous behaviors, and work ethic. In Confucianism, five basic human relations are defined, which are referred to as *Wu Lun*. The five basic human relations are master and follower, father and son, husband and wife, elder and younger brothers, and friend and friend. The relationships represent different principle and within the specific relationships, different principles are represented. Maintaining balance to a relationship, as well as being cognizant of the role that an individual serves is very important to any individual who describes to these beliefs. It is also important to note that by definition, no two citizens are ever even in this system. Variances based upon title, role in the family, age, gender, as well as an individual's role in the community lead to a difference in status. A contemporary question that is often asked is how well does Confucianism play within the bounds of Communism in present-day China.

Confucianism can be further classified into five distinct and constant virtues; humanity, righteousness, propriety, wisdom, and faithfulness. These virtues are to be maintained within relationships. Defining relationships between people and between groups of people is very important, and knowing ones role within a company or an organization becomes increasingly important as one begins to further understand Chinese culture.

A concept that is vital to the business landscape of China is *gaizhi* which translates into "changing the system". This concept means that with the change from a

command approach to the economy to more of a market fueled economy, many companies had to change the way that they did business. Some of the newer additions into the company landscape are the joint ventures between governments and companies, local government investing in startups, as well as the government running a publicly traded company. This idea of "State Capitalism" is one that continues to change and shape the different ways to conduct business in China (2011).

### Contexting

The extent to which communication from managers is explicit and implicit depends on how highly or lowly contexted a culture is. This relative metric is measured by what proportion of communication is explicit or implicit. As a national culture, the Chinese are very highly contexted. This means that the ratio of stored information (implicit communication) to transferred information (explicit communication) is very high. To put this into a real life example, a Chinese manager would seldom directly criticize his/her subordinate and would do so far less than his/her German counterpart. In this relative notion, the stored information by the relationship of the two colleagues outweighs the explicit communication that is said or written to the subordinate.

In a high context culture, people are deeply involved with one another. To expand upon this, the relationships that individuals have imply "commitment, expectation, and mutual goodwill. There is an emphasis on conformity and group orientation." The concept of face is attached to this context as well. Face has many definitions, and Lin Yutang (1935) defined the psychology of "face".



“Interesting as the Chinese physiological face is, the psychological face makes a still more fascinating study. It is not a face that can be washed or shaved, but a face that can be "granted" and "lost" and "fought for" and "presented as a gift". Here we arrive at the most curious point of Chinese social psychology. Abstract and intangible, it is yet the most delicate standard by which Chinese social intercourse is regulated.”

To be able to understand face and the way that relationships determine the way in which to communicate is to understand a deeper meaning of Chinese business communication. For organizations abroad, a lower contexted culture may not understand the implications of something that may be considered harmless in other places, such as criticizing the work of others. The concept of face as well as how stored information is used to communicate rather than using explicit communication is a concept that holds a large amount of importance when conducting business in China

### Authority Conception

Within the five bonds (hierarchical relationships) laid out by Confucian doctrine, roles are defined in such a way as that the member of a relationship class understands which role the individual should play in the relationship. The five relationships are ruler and subject, father and son, older brother and younger brother, husband and wife, senior friend and junior friend. Jonathan Tan writes;

Within the Confucian conception of society, there are no strangers in society, the basic relation is at least friend-to-friend. The Five Relations

reveals that the hierarchical ordering of familial relations is the principle foundation upon which complex, interlocking human relations in the Chinese society are constructed. Before a person is able to do great things in society, that person must first be a proper spouse, parent, child, sibling, or friend to another.

Understanding the complex role that relationships play in a business is one that is rooted in Confucian thought. A hierarchy is established based upon the complex relationship of the connection amongst all five of the five relations. The extent to which a direct subordinate is subordinate to their superior largely depends on how close the bond is, but the subordinate will always be subordinate and be satisfied within that role.

How power is thought of is central to the idea that power distance defines a relationship between superior and subordinate. As Dr. David Victor (1992) writes, "In Asian cultures the powerful eschew decision making, a power is not an abstract ideal but instead is seen as circumstantial Asian power conception is characterized by a desire to avoid decision making." This greatly differs from an American concept of power which has a much greater emphasis on the individual in a position of power not only make decisions, but have the power to make future decisions and to override decisions of individuals of a lower position.

### **Nonverbal Behavior**

The way that nonverbal behavior is used to communicate in business varies greatly depending on the culture that is being examined. In China, the use of eye

contact is very different to an application in America for instance. As an example, direct eye contact with authority figures is usually avoided and may convey disrespect in many situations. To compare with the American postulation that strong eye contact means that an individual is engaged and is listening to communication, not initiating and maintaining strong eye contact in China may mean that an individual is being respectful of the individual who is communicating. Other forms of nonverbal behavior that play a significant role in international business and will give an organization an advantage if the organization understand are dressing appropriately, the role of both movement and touching behaviors, and how often one is to use their hands to speak.

Silence is another component of nonverbal behavior and one that is viewed by different cultures as having different qualities. In a 2012 Allison Lemak interview with a Chinese participant, the participant says that, "sometimes if you like to doubt or you disagree with interlocutor, maybe you keep silence for a while.... Sometimes hesitate to response, sometimes refuse to do something, sometimes disagree with the interlocutor, try to find politer way to express that." Silence in social as well as work settings is largely viewed as positive, meaning that one is looking to think about what has been communicated. The context of the silence is important as well, as it could mean that one disagrees with another individual; however, it is not largely viewed as negative and immediacy of response is not as vital as many Western countries.

### Temporal Perception

The role of time is one that is not often attributed to being important in international business. This deals with how closely a culture follows appointments and how dependent a relationship is upon the time that is being spent maintaining the relationship. China is considered to be a polychronic culture; this means that largely individuals are doing many things at one time and can balance tasks, however, the culture also does not arrange meetings and task deadlines in advance as much as a monochronic culture does.

The importance of this distinction is that polychronic cultures need the constant nurturing of the relationship and are not so tied to prearranged meetings and agendas. This could mean that an important meeting may have to be put off because a manager has to deal with family matters. The importance of time is more tied to the relationship that one has with the people that one is spending time with, rather than the importance of the time that one has allocated to spend doing a specific task. In a cross-cultural setting, this becomes increasingly important when scheduling is taken into effect, as well as when multiple cultures are involved that have different time orientations.

## Culture in Germany

### Background

Germany is a country that has an extensive and a diverse business history. As a current economic and political power, the World Bank ranks Germany fourth in nominal GDP and ranks first amongst countries that belong to the European Union. Not only

does Germany rank well in economic terms, but in terms of soft power which is the amount of attractiveness and influence a country has as thought of by other countries, Germany ranks first amongst countries in the world (Albert, 2013). Germany is also home to 28 of the top 500 companies in the world as ranked by Forbes (2015), as well as is home to the third largest beer drinking population per capita (2012). Ethnically, Germany is home to 90% of those who identify as ethnically Germany, as well as almost equal shares of Roman Catholics and Protestants.

In terms of management, Germans have a high appreciation of performance and the technical ability. As a quality listed by 457 managers in German companies in 1999, performance orientation was the most pronounced German cultural value. "The hallmark of German cultural practices is high levels of uncertainty avoidance and assertiveness, along with low levels of humane orientation"(Brodbeck et. al. 2002). Also, effective German leaders are attributed with low compassion, low team orientation, high autonomy, and high participation. These values are based upon a cultural value of technical ability and skill, as well as an orientation towards data and hard occurrences, rather than that of ideas and opinions.

## Language

In the 2010 version of the *Nationalencyklopedin*, it is stated that 90 million people speak German as a native/first language. This ranks as number 11 in a ranking of languages with the highest number of native speakers (2007). As a proportion of those who speak German as a first language, 56% of Germans also have at least an elementary

knowledge of English. In 2005, a study was conducted to see how comfortable different EU countries are at holding an English conversation. In the study, 45% of Germans responded that they would feel comfortable holding a conversation in English, up from 35% in 1994. In a study as well of EU countries advertising in English, it was found that 57% of German advertisements contain English (Gerritsen et. al. 2007). To speak English is viewed as a technical skill in Germany, and is not viewed so much as one having a passion for language, but rather as a functional trait.

The use of dialects also is important to display which region a person has learned German from. In figure 3, Germany is shown to possess regional dialects. In addition to different dialects, Germany also has many minority and immigrant languages that play a major role in the lives of many Germans. Sorbian, Romani, Danish, and North Frisian are the recognized minority first languages in Germany; all of which add up to about 25 out of 1000 people speaking them as a first language. The most common of all immigrant languages is Turkish with almost 2% of the population speaking it as a first language. The BBC (2015) also lists Kurdish as another large minority language with 30 out of 1000 speaking it as a first language.

With widespread English use and a growing population of non-native German speakers, the number of native German speakers has not grown significantly in the last twenty years. As a result, making an attempt to speak German is both viewed as a sign of respect, as well as a display of care for German culture. This is beneficial for many

tourists on a vacation and also for a manager looking to better identify with his/her German counterparts.

## Environment and Technology

The attitude towards finding alternative sources of energy as well as limiting pollution and reducing emissions has become a large part of national strategy for Germans. The German government (2015) writes, "climate protection, promotion of renewable energy sources and protection of the environment are major focal points of German Government policy. These policies have also become a driving force for German businesses, which are already at the forefront of innovation and job creation in the field". This attitude is at the core of many German attitudes towards policies to become more environmentally friendly.

One theme that affects the working environment and many of the relationships that one has when working within German companies is compartmentalization. Neulien (2009) writes, "Germans have a tendency to isolate and divide many aspects of their lives into discrete, independent units". Within an office setting, this can lead to floor plans being adjusted so that different business units (such as Finance, Engineering, Sales, Human Resources) would be compartmentalized into their own spaces. This concept also affects task compartmentalization by causing more defined roles and a more structured and layered working environment. For example, a series of interviews was done to compare U.S. companies to German companies to understand cultural differences.

Three research chemists in this survey who worked at a large chemical corporation in the Rhein-Main area, unanimously reported that in the US, Ph. D. chemists do a considerable amount of their laboratory work themselves, even if they have technicians who normally perform this kind of work. They reported that in Germany, a Ph.D. chemist works almost exclusively in the office, rarely in the laboratory. (Hedderich, 1997)

Privacy and formality are significant components of the German working environment. The belief that one can place different functions of life into different identities is one that lends itself to having a strong preference for privacy. In the above mentioned series of interviews, it was also reported that, "People have a tendency to keep to themselves a lot more." (Neuliep, 2009) This not only affects social settings, but relationships are based upon function and not so much on the relationship between people.

### Social Organization

When describing one culture's social structure, it is important to note that all individuals do not have the same ideals when it comes to status. Some differ on the way that they judge one to be highly achieving, and by having this difference in opinion, an analyzer of culture has to use generalizations about social structures to try and create an order of class. As was stated above, Germans have a high appreciation for performance orientation. One that is able to perform quality tasks has an advantage over someone who cannot.



Education plays a very important role in German life and is influential to the rest of the world. Primary schooling starts at age six with grades one through four; each being completed one after another. After grade four, there are five options for secondary schooling, all which lead to vocational school, apprenticeships, or universities (as well as one can end schooling after secondary school if they wish). Since the path of the student is determined after grade four, which is accomplished by age 10, many times the fate of the student is decided at age 10 as after primary school the path for a student has a typical end result. As a detail to how schools function, each of the 16 states in Germany has its own school system and control the rules and regulations of the state sponsored schools.

The role of women and the role of minorities is one that is increasingly important for countries. Germany ranks third in the world in the gender inequality index that determines how well a country's men and women are integrated into the country and how fair policies are that affect both sexes. (2014) For minorities in Germany, many find it difficult to integrate into a system which some minorities do not believe they are welcome into. More than 3 million Turks live in Germany, as well as the largest population of Muslims in the EU; however, some Germans are hesitant to accept the influx of population as it is viewed as a threat to national culture. (Poggioli, 2009)

### Contexting

As a whole, Germany is a very low context culture. As a definition, this means that Germans are more likely to appreciate and seek very direct and explicit

communication and communicate through writing or talking readily. To contrast with the Chinese, Germans are much more likely to openly criticize coworkers, to speak to bosses about problems that they are having with tasks, as well as Germans will tend to speak and write more than a Chinese counterpart.

Since the orientation is more towards directness and explicitness, the view of truth is very different. When an individual may ask a German coworker how they are, one would respond honestly and directly. One may tell about the entire day leaving no details out because if one was to leave a detail out, the whole truth would not be told. Within a very low contexted culture, explicitness with answering as well as questioning becomes very important as one does not want to leave any answer untold.

As cultures move lower on the contexting scale, there begins to more transmitted information. For example, the importance of following rules becomes very important because without the detail of the rules, individuals would not feel comfortable within a task. This plays an important role when a manager has to detail a job description or write out work expectations for a coworker.

### Authority Conception

Power and authority are concepts that change depending on the culture that one is looking at. In Germany, power is viewed in a similar way to the United States. Those in power should be the technically best at the skill that they are in charge of. Technical ability is viewed as a way to determine who is the most powerful in an

organization and authority should not only be based upon which individual has stayed at the company the longest but also about who can complete tasks well.

Decision making also falls into authority conception and it is also a concept that changes depending on the culture. In Germany as well as China, long term decision making is the focus. Having a plan and maintaining that plan is an extremely important component of success in Germany. Since adherence to the plan determines success and failure, going off the plan or being uncertain of a plan is something that Germans are not comfortable with. Following the plan as well as the rules that keep the plan in place are so important that not following could cause a disruption of the entire business function.

To conclude, Germans value knowledge and technical ability as a measure of power and prowess. If one does not have technical ability, scrutiny will be placed upon the person in power. Another important part of being a good manager in Germany is to understand that having a long term orientation and planning ahead is something that is successful. Adhering to the plan as well as making a clear decision is important to performance. Once a decision is made from the top, all subordinates will honor the decision because the person in power knows what they are doing. This is because whichever individual is in power is typically the one that knows the most or has the most technical ability.

### Nonverbal Communication

For managers, not only is what is said important, but also the information surrounding the explicit communication. For Germans, eye contact is very valuable when having a conversation with an individual. Maintaining eye contact implies that one is listening as well as that one respects the individual who is speaking. As compared to a Chinese person who may be uncomfortable or view the extended period of eye contact as disrespectful, a German will hold eye contact to show respect for the peer.

In addition to eye contact, communication to show one is listening is vital to having a respectful conversation. In a typical conversation, a German will nod and say "ja" to indicate listening. Even though the direct translation is "yes" and nodding, this is merely an indication of listening. This means that if a salesman is negotiating with a German and the German is nodding and saying "ja", it is not an agreement for the sale of goods, it is a mere communication that the German understands what the salesman is saying and that the German is listening.

Another important function of nonverbal communication is a greeting. Many business communications in Germany begin with a handshake. The handshake in Germany is very firm and usually includes one pump of the hand. There are variations to this greeting; however, many Germans maintain that one pump is the norm for a handshake with other business professionals.

### Temporal Perception

As a national culture, Germany is characterized as having many monochronic traits. Being in the category of monochronic cultures, Germans prefer to adhere closely

to schedules, arrive to meetings at or before the scheduled time, as well as doing one task at a time. "In monochronic cultures such as those in the United States and Germany, keeping others waiting can be a deliberate putdown or a signal that the individual is very disorganized and can't keep to a schedule." (Thomas 2003)

Planning orientation is another component of the use and conception of time. In Germany, company goals and strategy are thought of for the long term. On Geert Hofstede's long-term orientation index, Germany scores an 83. To compare to the United States' score of 26, Germany is more focused on planning for the future and on the sustainability of the company, rather than worrying about performance results in a shorter time period (2015). This long term orientation shapes the way that many managers think about their work teams, as well as the way that many tasks are determined.

Being a monochronic culture, Germans are tied to the timing of doing a task and have a very high value of money. In some monochronic cultures, the expression "Time is money" denotes the relationship of time and how it has a value that extends to tangible wealth. Culturally Germans adhere to schedules and the timing of tasks throughout the work day. This directly conflicts with ideologies of polychronic cultures that place a higher value upon the relationship that one holds with the person that is taking up the time of an individual.

## Cultural Dimensions Theory

### Background

Geert Hofstede is a Dutch researcher who was one of the first ever to do research on cultural dimensions that change behavior of the populations living in a certain geographical region. His definition of culture says that culture is learned and leads to various behaviors, attitudes, and exhibited actions based upon programming. His original research was based upon managers for IBM quartered in 40 countries. From 1967 to 1973, he interviewed over 100,000 individuals and ended up with five different cross-cultural dimensions. The six dimensions that were indicated in his most recent research to vary cross-culturally are: the power distance index, individualism vs. collectivism, masculinity vs. femininity, the uncertainty avoidance index, and long term vs. short term orientation, and pragmatism vs. indulgence. As research becomes more extensive, some components may be added. It is also important to note that an individual culture may have scores change throughout different generations.

Based upon the broad differences that are possessed when discussing managing within a cultural context, German and Chinese managers display the largest difference in the cultural dimensions of individualism vs. collectivism, uncertainty avoidance, and power distance.

To introduce the topics, individualism vs. collectivism is the degree that society reinforces individual or collective achievement and interpersonal relationships. A high score indicates that individual rights and individuality are vital within a society and a low score on the individualism scale suggests a more collectivist culture with close ties between individuals.

The second index that will be discussed is the uncertainty avoidance index. Uncertainty avoidance focuses on the level of tolerance and acceptance for ambiguity within society and different work assignments and situations. A high score in this dimension indicates that a society prefers to have a rule-oriented society with little variation depending on the task. This may suggest a hierarchy, heavy regulations, and controls to reduce uncertainty. A low score would indicate that the culture has less concern about ambiguity and readily accepts change and takes risks when involved in an assignment with little direction.

Last, the power distance index indicates the degree of equality or inequality between people in the country's society, as well as within an organization or a professional or social setting. A high score on this index suggests that the inequalities of power and wealth have grown and are possibly institutionalized to help those who are in power. A low score on this index suggests that a culture does not emphasize a hierarchy and the lower the score the closer people within a culture are in power and in wealth. These cultures have an emphasis on equality and opportunity for all citizens of any level of society or organization.

## Germany

To understand the analysis of a culture as broad as the German culture, one must first clarify that to quantify a culture as a singular value based on an index is a generalization. There will be deviations from individual to individual; however,

Hofstede's research uses the average German manager as a measure of the culture as a whole.

For Germans, power distance ranks at a 35 on the power distance index. This means that relative to the rest of the world, Germany is a low power distanced culture. This also means that, "in Germany, subordinates are expected to be consulted. The ideal boss is a resourceful democrat, privileges and status symbols are frowned upon, and inequalities should be minimized." (2003) This means that although Germans value hierarchy, the distance between different levels of society is quite low. German managers will ask subordinates for feedback on a project, as well as subordinates will be readily available to give criticism at multiple levels of power.

Second, Germany scored a 67 on the individualism scale. Germans view themselves as an individualistic culture and German individuals are expected to only look after themselves and their direct families. There is a high belief in the ideal of learning from one's mistakes and Germans use their explicit communication to be honest and give the subordinate or manager at fault a chance to learn from their mistakes. To reference the above culture of individual Germans, each person in the German culture should be judged upon the technical skill that they possess on a task. For a manager to truly get to know a subordinate, that manager should see how a German worker completes a task as an individual. This determines value to a team more frequently than how well the German individual works within a cooperative setting.



Last, Germans scored a 65 in the uncertainty avoidance index. This high score indicates that Germans are less able to deal with task ambiguity than a culture with a low score in uncertainty avoidance. Details are important to lay a framework for decision making by managers and by subordinates, and it is seen as a benefit to have a systematic approach to problem solving and presenting in order to proceed with a task. "In combination with their low Power Distance, where the certainty for own decisions is not covered by the larger responsibility of the boss, Germans prefer to compensate for their higher uncertainty by strongly relying on expertise." (Hofstede, 1980)

As was stated above in the sections on German temporal perception and authority conception, Germans value what is certain. There is an inherent cultural value placed on detail orientation, as well as having schedules and plans. This cultural emphasis placed upon having things explicitly communicated adds to the need for schedules, calendars, and the added importance of a worker making it to a meeting on time.

## China

In contrast with all of the three dimensions given above, Chinese managers scored on opposite ends of the indices to provide for a readily available contrast to German styles of management. This contrast means that although the styles in which the two cultures may delegate work or perceive the meaning of management, there is not one correct way to manage; rather there are many ways that must fit the situation and the culture that an individual is managing in.

To begin, Chinese managers score an 80 on the power distance index. This score is relatively high, even based upon the average of 64 for Asian countries. This means that inequalities amongst different people are acceptable.

In the Chinese business world, every single member in Chinese companies is willing to follow office regulation and work guidelines made by the owner. Employees do not want to challenge their senior workers or supervisors and just want to obey the decisions or orders their superiors make. That is, the order of rank is anchored firmly and Chinese workers do not want to insubordinate occupational hierarchy. (Kim, 2012)

As was mentioned in the culture section above for social organization, Chinese relationships are tied to Confucian principles. The five bonds that members of society have with each other are denoted by Confucius and are laid out as doctrine. This is a contrast to the governmental system of Communism which means that inherently everyone is equal. The disconnect between the two philosophies adds to the difficulties of classifying China into one culture.

The second index discussed was the individualism vs. collectivism index. The rank for individualism in China is 20. This means that China is a highly collectivist culture where people act determined by the interests of the group rather than self-interest. The business application of this variation on individualism may affect hiring and promotions within the organization. A worker may be promoted if he/she has the

correct connections within certain groups of the company and if the decision is made that this is the collective will of the organization, all of the employees will follow this decision.

To tie into this score, Chinese strive to be recognized as a group. This is also shown in how the Chinese are identified by their family name. Chinese identify as a group, and the same goes for working groups within an organization. There is a very strong sense of what it means to be Han Chinese, as well as the pride that comes with being in a group of Han Chinese. This pride and appreciation of being in a group is in stark contrast with Americans who view themselves first as individuals and then parts of smaller groups.

Last, China scores a 30 on uncertainty avoidance. This may mean that instead of having detail oriented ways of doing things, the Chinese may have a flexible adherence to laws as well as a solution must be suitable to fit each situation. Having a schedule and a certain way to do something may be available, but a Chinese man or woman may be comfortable not following the way that is stated and will feel normal if the law is not followed. Implicit language may be used for a task and it is understood what the task is, however an individual with a higher score in uncertainty avoidance may be confused or even uncomfortable with the level of clarification of the task.

As a low score on the uncertainty avoidance indicates, the Chinese may have policies that do not mandate the strict following of laws. As was also stated in the section on temporal perception, Chinese have a more relaxed view of time. The

importance of time is contingent upon the relationship that one has with the one whom they are communicating with. If a culturally Chinese person communicates with one who has the same understanding of time as them, they would both understand that a conversation with a childhood friend may take precedence over an appointment that was scheduled at the same time.

## Conclusion

Culturally, Chinese and German individuals have very different perspectives when it comes to many different components of life. This can be seen within the LESCANT model for each culture, as well as it is reflected in the behaviors and attitudes of the individuals within the culture. For a cross-cultural application, it is best for one to be aware that there is may not be only one correct way of doing things. Rather, looking at tasks in a broad sense, just because one culture views different performances as being significant and good does not mean that every culture will have the same idea regarding specific behaviors.

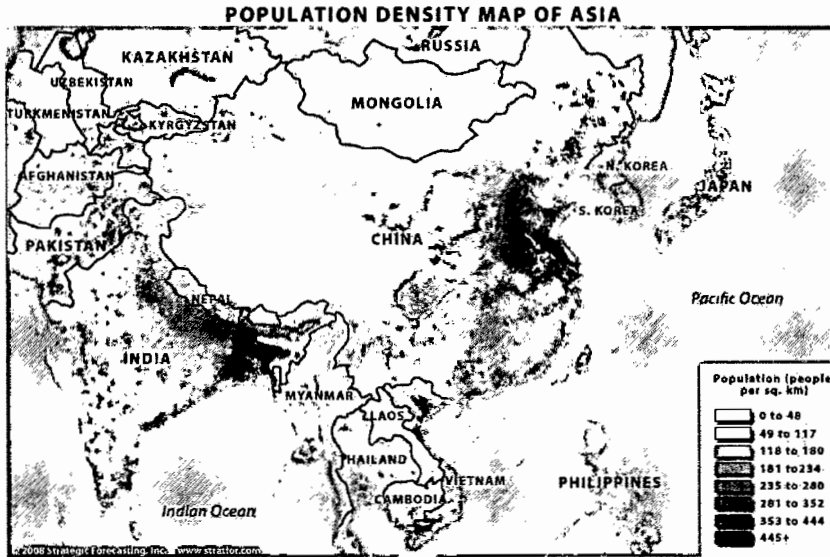
Germany and China have very different ways of conducting business and this is important to note from a business perspective. Conducting business globally is a challenge and one doing so must realize that there are differences that occur both at the national culture level, and at the individual level. This thesis provides insight into the cultural values of Germany and China, but also into the business applications for both of those cultures. Noting that not any two people are exactly the same, but

understanding the need to generalize some characteristics, one can gain a better broad understanding of a culture.

The best experience is to go and explore a culture as an individual and see things first hand. Additional research is being conducted every day to lessen the gap of understanding from culture to culture. Not only does understanding different cultures broaden the understanding for an individual, it also makes them more aware of how tasks are completed, decisions are made, and how different perspectives lead to differing outcomes globally. This broad understanding of various perspectives is valuable in a sense that even though individuals all may belong to separate national cultures; all individuals are different. Being cognizant of this is often the difference between success and failure in an international assignment.

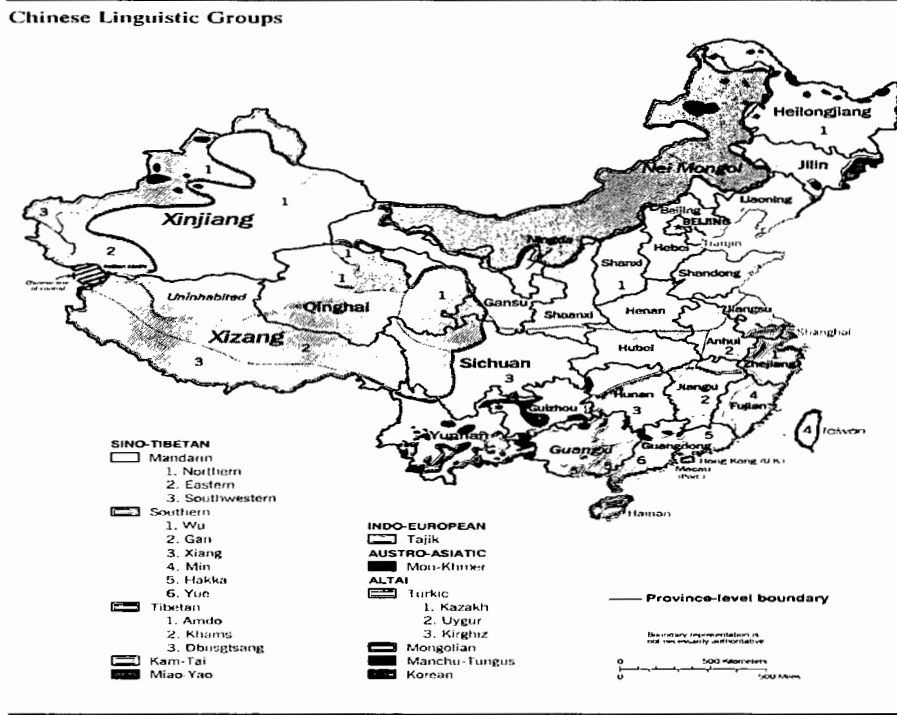
In conclusion, based upon the learned behaviors of one's upbringing, culture is engrained in the way that many organizations within a country do business. This is seen within the contrast of Chinese and German managers based upon Geert Hofstede's cultural dimensions of individualism, uncertainty avoidance, and power distance. Although German and Chinese cultures differ greatly on the historical understanding of management and the ideals on how typical management should be done, it should be noted that neither one is right nor wrong, rather; each style has advantages based upon the context of which it is put in to place. All actions occur within context and have a significant advantage when conducted within the context they are meant to be.

Figure 1



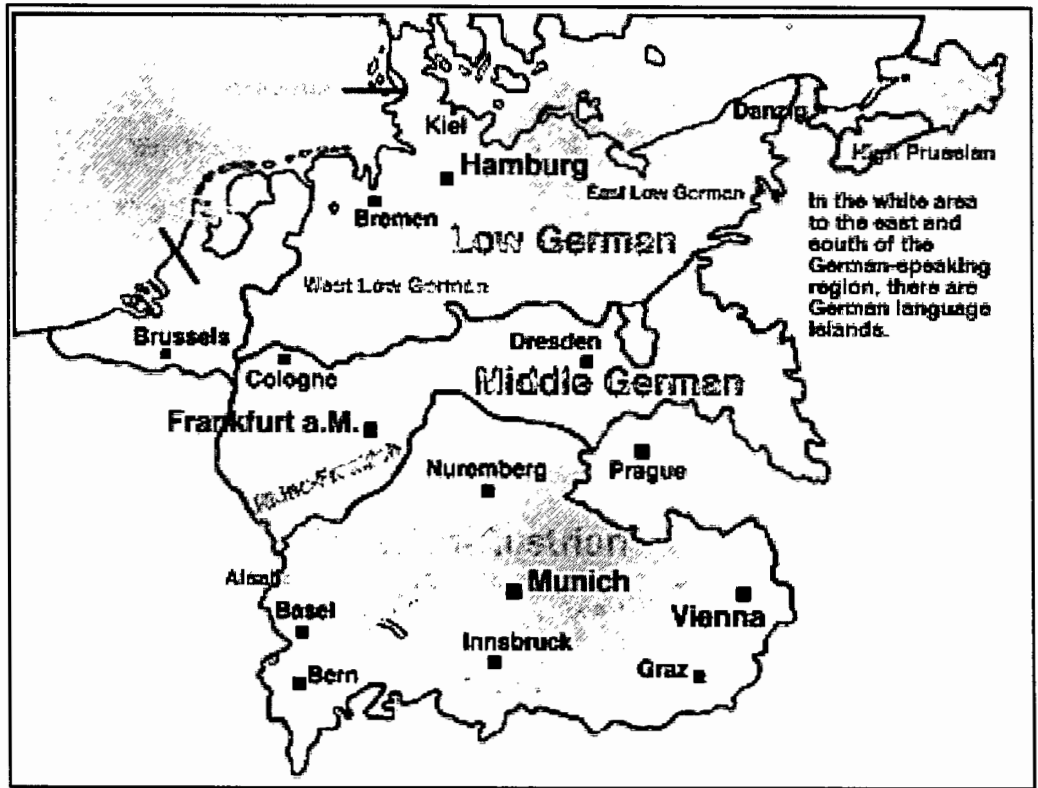
Source: Strategic Forecasting, Inc. www. Stratfor.com

Figure 2



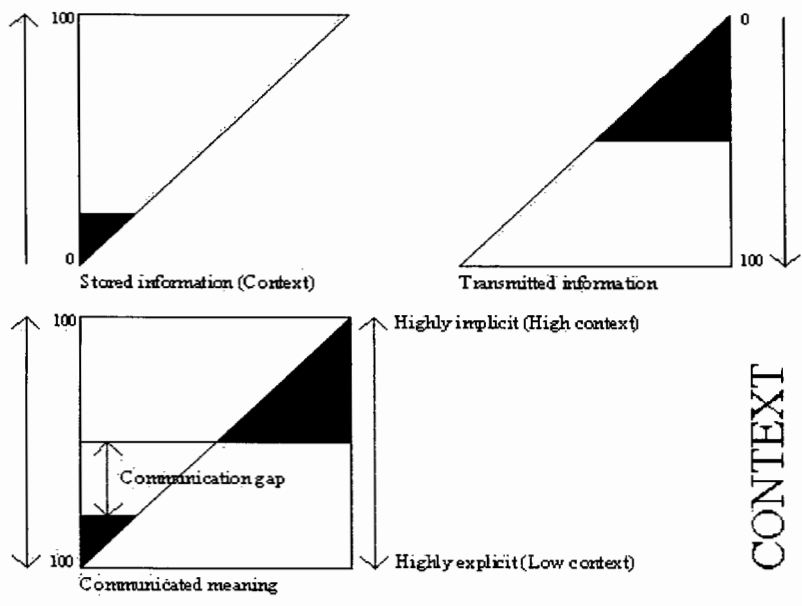
Source: Werran Public Domain

Figure 3



Source: Hyde Flippo

Figure 4



Source: Edward T. Hall (1990)

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