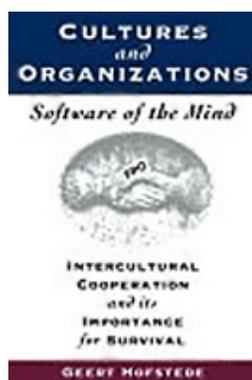


During the 1960's and 1970's, Geert Hofstede, a social scientist who later ran the Institute for Research on Intercultural Cooperation at the University of Limburg in the Netherlands, conducted major intercultural studies as part of a research project commissioned by IBM. Based on his findings, Hofstede published his first ground-breaking book, *Culture's Consequences*, in 1980. It was one of the most important studies on the subject of culture, at a time when globalization as we define it today was barely on the horizon.

*Cultures and Organizations*, which Hofstede subsequently published in 1991 (with several updates since), is based on his original work as well as on the findings of several others in the field. It aims to help its readers understand the differences in values and resolve the differences in practices between cultures. The book presents a comprehensive model to describe culture as a concept and to identify the characteristics of specific societies, mapping out a cultural atlas with descriptive data on more than 50 countries world-wide. The categories Hofstede used to describe differences have been widely adopted in the field of intercultural studies:



- Power Distance – the extent to which an unequal distribution of power is accepted;

- Individualism – whether a society is based on loose cooperation of individuals, as opposed to integrating people into cohesive groups;
- Masculinity – how central a role traditionally male values like earnings, recognition, advancement and challenge play in a society;
- Uncertainty Avoidance – the extent to which uncertain or unknown situations are seen as a threat.

Another dimension, not from his original model, is based on Confucian dynamism and includes a “Long-Term Orientation” category.

The value of Hofstede's book for the global business leader lies both in the foundation for thorough cross-cultural understanding it builds and in the discussion of organizational implications found in its final chapters. These include organizational structures, cooperation across cultures, international negotiations, and more.

Lately, the maturity of the research material most of this book is based upon has become a source for dispute. Some critics argue that many of the author's findings and observations are too dated, the world having changed much over the last thirty years. While the point has some validity, the speed at which cultures change usually gets overestimated. In my view, most of Hofstede's observations are still valid, and his suggestions remain applicable to a large degree. If you want to learn more about how to successfully conduct business in foreign places, *Cultures and Organizations* is still worth reading.



Lothar Katz is the founder of Leadership Crossroads. He has a wealth of experience in achieving productive cooperation across cultures and driving business success on a global scale.

A seasoned former executive of a Fortune 500 company, he regularly interacted with employees, customers, outsourcing partners, and third parties in more than 25 countries around the world. These included many parts of Asia, e.g., China, India, and Japan. Originally from Germany, he has lived and worked both in the United States and in Europe.

