



Munich Personal RePEc Archive

**National cultures and new forms of work
organisation in EU countries:
convergence or divergence?**

Ferreira, Pedro

Portuguese Institute of Marketing Management

2008

Online at <https://mpra.ub.uni-muenchen.de/34528/>
MPRA Paper No. 34528, posted 05 Nov 2011 03:07 UTC

NATIONAL CULTURES AND NEW FORMS OF WORK ORGANISATION IN EU COUNTRIES: CONVERGENCE OR DIVERGENCE?

Pedro Ferreira, Instituto Português de Administração de Marketing de Matosinhos (Portuguese Institute of Marketing Management), Portugal, pferreira@ipam.pt

Conference paper presented at the 6th EIASM Workshop on International Strategy & Cross Cultural Management, International Research Center on Organizations (IRCO), IESE Business School September 22-23, 2008, Barcelona, Spain

ABSTRACT

In Europe, anthropocentric organization models had their maximum expression in the Swedish model, which came to be known as “uddevalism” or “volvoism”. There are several factors that were presented as conditioners of this success (cf. Durand, 1994). Some critical factors to the success of that organization models were pointed out for the special case of LIMS (Less Industrialized Member States), such as Portugal. However, in both cases, it wasn't paid much attention to the importance of cultural factor.

The purpose of this paper is to assess the viability of the hypothesis that culture of countries is a determinant factor to the success of different organization models. This assessment will be based on the confrontation of Portuguese and Swedish cultural characteristics using Hofstede's cultural dimensions. Some concluding remarks are made, namely that the cultural environment on which the Swedish model emerged is very different from the Portuguese one, which can help to explain the lack of success of anthropocentric models in Portugal.

KEYWORDS

Cultural; Hofstede; Management; Portugal; Sweden; Work Organization

INTRODUCTION

The importance of a European strategy for competitiveness has led to the development of several studies focusing on a large set of issues. One of the focuses was on the forms of work organization or organization models. In the 1990's Fast-Monitor reports developed deep research on the topic which led to a set of conclusions about the European countries' reality as far as the forms of work was concerned. One of the main conclusions was the persistence of a large gap between what has been called Industrialized Member States and Less Industrialized Member States (LIMS). Several factors were pointed out, but the cultural factor, although underlined, was never really taken into account.

In Europe, and on the sequence of Fast-Monitor reports, new forms of work organization were named as anthropocentric organization models – an updated version of the socio-technique approach. They had their maximum expression in the Swedish model, which came to be known as “uddevalism” or “volvoism”. Several factors were presented as conditioners of this success (Durand, 1994), and some critical factors to the success of that organization models were pointed out for the special case of LIMS, such as Portugal. Furthermore, there is some evidence (Kovacs, Moniz and Mateus, 1990; Ferreira, 2001) that stress the lack of success of anthropocentric models in Portugal. However, in any case, it wasn't paid much attention to the importance of culture as a booster of the introduction of new organization models.

The purpose of this paper is to assess the viability of the general and exploratory hypothesis that national culture is an important factor to consider in the success of new organization models. Considering that the example which best expresses the anthropocentric approach came from Sweden, this assessment will be based on the confrontation of Portuguese and Swedish cultural characteristics using Hofstede's cultural dimensions.

This paper starts by framing the different organization models, describing in more detail the Swedish model, which inspired anthropocentric organization models. The description of cultural dimensions is followed by a discussion of the dimensions' results for both cultures. Some concluding remarks are made, namely that the cultural environment on which the Swedish model emerged is very different from the Portuguese one, which can help to explain the lack of success of anthropocentric models in Portugal. It should be noted, however, that this is an exploratory study and doesn't intend by no means to jump to final conclusions.

ORGANIZATION MODELS AND NATIONAL CULTURES

Between Technocentrism and Anthropocentrism

Organization models can be classified in numerous ways. However, for the purpose of this paper, it will be used a perspective presented by Kovacs (1998).

[INSERT TABLE 1 ABOUT HERE]

Technocentric perspective assumes that the solution for the challenges presented by the new economic context is on the use of high technology, which is believed to guarantee competitiveness offering quality and flexibility. High technology will allow a higher centralization and automation of mechanisms and processes and, at the same time, allows production diversification. Software can incorporate human knowledge and skills in a formalized and regular fashion.

The organizational model that better illustrates or represents this perspective is known as neo-fordism or neo-taylorism, which can be defined as an update of Taylor's classic work organization model with the incorporation of high technology. The principles of Taylor's work organization model are well known. The introduction of high technology allows expanding these principles reinforcing its rigid, centralised and controlling approach. The presence control strategies are substituted by absent control strategies Kovacs, Ferreira and Santos, 1994).

On a different angle, anthropocentric perspective argues that the best way to face a segmented and demanding market is in the ability to quickly change and adapt. In this way, high technology is not sufficient to guarantee that competitive advantage. It should be followed by flexible human resources and organization models.

Taking the opposite approach of technocentrism, anthropocentric perspective stresses the importance of human resources to promote a flexible organization capable of change and adapt to market contingencies. This perspective can be seen

on the adoption of participation, decentralization of the decision process and information, cooperation among workers through the implementation of working teams.

Technology in this scenario loses its deterministic status and becomes an important backup of human skills, allowing individual and collective creativity. This principle inverts the classic thinking, because it becomes necessary the development of technological systems capable of adapt to people and not the opposite. This frame is the basis of the development of anthropocentric technological systems, built on information, decision and control transparency and with user friendly interfaces, able to facilitate learning (Wobbe, 1991).

A Northern European Experience

The example that better illustrates the anthropocentric perspective is the model popularized by the experiences of Volvo car manufacturer, especially its Uddevalla factory in Sweden. Formerly, Volvo has developed a first attempt in Kalmar factory, the first to eliminate the traditional assembly line.

The development of this model in Sweden didn't occur by mere chance. The favourable social environment combined with Volvo's strategy created the necessary context to the development of this new production concept. Moreover, the product and labour markets' pressure were decisive to the development of work models centred in the human factor (Sandberg, 1995).

Uddevalla's experience was the result of a process of intense cooperation between Volvo engineers and managers, unions and researchers. Out of this cooperation came out some decisions regarding the work organization principles, namely the importance of long working cycles, product quality, flexibility and working life quality. However, there are some resemblances with Japanese model, lean production, regarding customer orientation, reduced delivery schedules and workers

involvement. The main contrast with lean production is on the concept of “reflexive production system”, i.e. the development of new production techniques using workers knowledge and learning capacity (Sandberg, 1995).

On the base of these principles, Uddevalla 700 workers assembly line was transformed in 8 workers teams who assembled the vehicle. From this point on, teamwork became the main characteristic of Uddevalla model.

Working teams allow its members to take control over vehicles assembly and the pace of work. Workers’ control and the reduction of repeated tasks only were possible due to the introduction of long working cycles. On the other hand, teams had to develop other tasks such as breaks and holydays planning, communication, recruiting, maintenance and training. Vertical and horizontal integration of tasks was the key element (Ellegard, 1995).

Teams were integrated in a flat structure with only three hierarchical levels, which facilitated the information flux in any direction. On the other hand, recruiting strategy was embedded on teamwork philosophy. The main goal was to recruit workers from different gender and ages, guaranteeing a heterogeneous team constitution, allowing a better internal equilibrium (Ellegard, 1995).

Other characteristics supported the team work design: technology was developed on the basis of workers’ needs and characteristics, without much heavy machinery; ergonomics was studied in order to promote more comfortable conditions, which contributed to more efficiency, quality and productivity (Wobbe, 1991); logistics was also developed according the workers’ natural learning processes (Nilsson, 1995).

Hofstede’s Cultural Dimensions

The use of culture to study how national characteristics can help explain the success of different organization models needs an approach that presents some particular characteristics, namely: (1) it should be able to allow comparisons between

countries, (2) a typology well tested and suited to organizations' context, and finally (3) it should present characteristics allowing comparison with the organization models. Hofstede's Cultural Dimensions (Hofstede, 1980) fulfil these requisites in so far that his model offers solid standards which had been used to understand cultures of many countries. Furthermore it was born from the study of organizational context.

Hofstede's interest for cultural phenomenon goes back to the 1970's when he started the study of cultural differences using IBM workers from over 50 countries as an empirical ground. He starts from the definition of culture, which can be seen as collective mental programming that distinguishes members of a group (Hofstede, 1997). This computer metaphor doesn't mean that there is no room for creativity; on the contrary, individuals can adapt their "software" in order to adjust to different contexts and goals. Another important point about culture is that it allows individuals and groups to solve problems and, thus, facing the same problem, individuals from different cultures can present different solutions.

The theoretic model is made up of dimensions. In Hofstede's terms, this means that (1) they are independent of each other, (2) it's possible to combine them in different ways, and (3) they operate with two opposite extremes along a continuum. The theoretic model presented initially four dimensions (Hofstede, 1983):

(i) *Power Distance (PDI)*

Defines how people deal with inequalities. These inequalities can be measured in terms of power and wealth. The power distance index gives us a clue on the social and individual level of tolerance of those differences. A high score on power distance index means that the society has a fairly high acceptance of differences in power and wealth distribution, both at the top and bottom of social hierarchy. According to Hofstede, this situation can remain so because there is a high level of dependence of the less powerful and wealthier.

This dimension seems to be correlated with collectivism: in countries where collectivism scores high, there's also a tendency to score high on power distance. However, the results are not so clear to the relation of individualism and power distance.

(ii) Individualism (IDV)

This dimension is about the relation between an individual and other individuals. At one end is individualism which is translated in very loose ties. At the other end is collectivism which, on the opposite, is traduced by very strong ties. In individualist societies is supposed that the individuals take care of their self-interests and perhaps of their near family. Individual freedom is a very important value. On the other hand, the concern with groups of belonging in collectivist societies is very important and, in exchange, the group functions as a shield against external threats.

This dimension seems to be correlated with national wealth: more individualist societies tend to be wealthier.

(iii) Masculinity (MAS)

Masculinity accounts for the (social) division of roles between sexes. Traditionally, men take more assertive and dominant roles, when women are devoted to more service-oriented and caring roles. When a society is mainly "masculine" it means that masculine values spread out all society, including women, such as performing, achieving and materialism. The opposite, "feminine" societies, are more concerned with relationships, quality of life and the preservation of the environment. A high score means a "masculine" society; a low score means a "feminine" society.

(iv) Uncertainty Avoidance (UAI)

Uncertainty avoidance refers to the way societies deal with the unknown, an unchangeable characteristic of the future. Societies that score low on uncertainty avoidance tend to prepare their members to accept with ease the uncertainty, taking risks more easily. Another characteristic of low uncertainty avoidance societies is the high level of tolerance regarding others' opinions and behaviour. High score societies

on uncertainty avoidance tend to develop strategies to control the future making it more predictable, which can be reflected on the creation of institutions specially devoted to diminish risk and create security. This can be done on three levels: technology, law and religion.

A fifth dimension was added after a study developed by Chinese scholars (Hofstede, 1983):

(v) *Long/short term orientation*

It deals with what has been called Virtue and Truth, which is found in the thinking of Confucius. The former is associated with thrift and perseverance; the latter emphasises tradition and the fulfilling of social obligations.

Although Hofstede's Cultural Dimensions are a comprehensive model which allows the study of national cultures and the comparison between cultures it's not immune to criticism. One of its more tough opponents is McSweeney (2002) that criticizes the entire model, from the basis (the notion of culture) to the methodology approach.

It's not our goal to go through, step by step, the arguments of McSweeney, and the answer to his critics was already given by Hofstede (2002) himself elsewhere. Although the model is far from being perfect and to cover all the aspects of such a complex concept as culture, it should be considered the wide applicability of its principles in areas such as organizations, consumption, tourism, marketing and others. Furthermore every theoretic development should be under scrutiny, but it should be made on a construction and not a destruction basis. In other words, the criticisms should be followed by new enlightening proposals which were not the case.

WHAT CULTURE HAS TO DO WITH IT

Swedish and Portuguese Cultural Dimensions

We now turn to the description of Portuguese and Swedish cultural dimensions' results. As was stated before, the choice of the latter is based on the fact that the most successful experiences regarding the application of anthropocentric organization models came from Sweden. The data used on this section doesn't include long/short-term orientation because there is no data for Portugal in order to establish a comparison.

[INSERT FIGURE 1 ABOUT HERE]

Two dimensions reveal a strong presence in the Portuguese culture: power distance (PDI) and uncertainty avoidance (UAI). On the other hand, masculinity (MAS) has a weak presence, revealing that Portuguese culture is more feminine. In the same way, the score for individualism (IDV) shows that Portuguese culture has a strong presence of collectivism.

Sweden presents a more balanced result. The strongest dimension is IDV; the weakest dimension is MAS, meaning a greater presence of femininity. PDI and UAI also have low scores when compared with other dimensions and with Portugal's results for these two dimensions.

[INSERT FIGURE 2 ABOUT HERE]

When compared, cultural differences between these two countries are well visible. Portugal clearly has a more power distant culture, meaning that inequalities are more persistent and accepted in Portugal than in Sweden. But the major difference is in the UAI. Portugal has a score three times superior when compared with Sweden. This

means that Portuguese culture is less open to changes, to deal with the unknown and to cope with it. On the opposite, Swedish culture is a more open minded culture, which accepts fairly well the unknown.

This is a very important characteristic when the subject is change, because a high UAI can be a predictor of strong resistances to change. Moreover, this high score can lead a society to create and impose a very formal and standardized approach to change.

[INSERT FIGURE 3 ABOUT HERE]

On the other hand, Portugal has a low score on MAS, but Sweden score is even lesser. This means that we are facing two societies that value harmony. This is consistent with Portugal results for IDV (or collectivism), because these two dimensions reveal the value of relationships for Portuguese culture.

However, the explanation for the low score of Sweden must be found somewhere else, because it scores the double of Portugal for IDV. The reason for this may be on the scores for PDI and UAI. The low scores for these two dimensions mean that Swedish culture has a looser control over uncertainty – coping better with change – and doesn't value differences and inequalities, which in turn can be argued to give them more security to turn to and fulfil there own personal goals.

Is there cultural context for anthropocentric models in Portugal?

Organization models have their own characteristics which can be said to suit better or worse depending on the context on which they are implemented. In other words, context factors are of utter importance if we want to understand the success or failure of an organization model implementation.

This also the case; anthropocentric models, namely the example that came from Sweden, uddevalism, as some characteristics that imply a certain cultural environmental context. For example, the high level of autonomy, appeals to the capacity of workers to discuss problems and find their own solutions without being told how and what. This implies a capacity to manage conflicts and deal with new problems. It can be argued that this calls for a low UAI.

Another example is the flat structure promoted by this model. With only three levels of hierarchy, the bottom and top are closer presenting less power differences. This type of structure appeals for a low PDI score in order to cope with shorter inequalities among different (few) hierarchical levels.

A final example is teamwork. In this kind of context, workers are part of a small team which has to do all the tasks related to the working process. Obviously, this means more qualifications and skills. However it also means that workers have to cope with horizontal and vertical integration of tasks, have a more flexible approach, and manage constant changes in their day-to-day functions. This description suits with a less individualist and masculine culture.

According to Hofstede's model Portuguese cultural characteristics don't seem to present the appropriated context for anthropocentric organization models. The most inappropriate dimensions are PDI and UAI. In fact, Portuguese culture score high on these two dimensions and to be successful anthropocentric organization models need a low UAI and a lesser PDI score in order to be easier the introduction of flat structures and a more flexible approach to work processes.

However, Portuguese scores for IDV and MAS allow arguing that there are some favourable characteristics. The low score for IDV points out the importance of groups and tight relationships which is a very important factor in the implementation of teamwork. Also, low scores on MAS dimension anticipate a strong possibility of

success for anthropocentric models due to the emphasis on harmony and quality of life.

In figure 4 is presented an exploratory explanation diagram of the combination between cultural dimensions and organization models. The diagram uses PDI and AI dimensions because, as Hofstede (1994) argues, some cultural dimensions, such as PDI and UAI, are more significant than others when explaining organizations' functioning. The most favourable cultural context for new forms of work organization is the one located at the left bottom of the diagram. This quadrant represents a context of low PDI, UAI. According to the comparison between Portuguese and Swedish cultures, IDV and UAI seem to play an important role in the success of new forms of work organization. Though, it can be argued that contexts with high score on IDV can also represent a favourable context for new forms of work organization, such as the Swedish case shows.

[INSERT FIGURE 4 ABOUT HERE]

CONCLUDING REMARKS

The main goal of this paper was to explore the viability of culture as a factor to take into account when explaining the success of new organization models. Hofstede's cultural dimensions model was used as an instrument to frame and compare two cultural contexts, one as the birth of the most successful anthropocentric model and Portugal as a host culture.

This paper presents an exploratory study, which needs more empirical research in order to present more solid conclusions. However, it can be said that the approach and analyses presented opens a solid topic of research, meaning that there is sufficient ground for the study of culture as an influencing factor for the introduction of new organization models.

As an empirical instrument Hofstede's cultural dimensions seems to have capacity to explain the importance of culture in this context. Moreover, and although Hofstede's cultural dimensions may have its limitations, it stresses the problem of management in a global environment, namely the simple transposition of models from one culture to another.

Regarding the evidence presented in this paper, UAI and PDI dimensions seem to be the main cultural threats to the implementation of anthropocentric organization models in Portugal; on the other hand, IDV and MAS dimensions represent the main opportunity. However, it should be noted that the strong presence of UAI and PDI may be a strong conditioner.

FAST-Monitor reports already have stated this problem, classifying Portugal as a Less Industrialized Member State (LIMS), which represented greater difficulties on the adoption of new organization models, such an anthropocentric model (Kovacs, Moniz and Mateus, 1990 ; O'Siochrù, 1990).

Three sets of limitations can be pointed out to this exploratory study. First, a methodological one, and already stated, is the fact that it is an exploratory study. The second set of limitations can be found on the critics to Hofstede's cultural dimensions model. Finally, the methodological approach should be refined in order to develop a more broad and accurate picture of the subject.

Regarding this last limitation, our attention should be focused on other topics for further research, namely (1) the development of more country case studies, (2) establish comparisons between different countries, and finally (3) look for regional and sector differences combined for the results of cultural dimensions and the success of new organization models.

References

- Durand, J.P. (1994) Questions sur une brisure, in Durand, La fin du modèle suédois, Paris: Syros, pp. 12-39
- Ellegard, K. (1995) The creation of a new production system at the Volvo automobile assembly plant in Uddevalla, Sweden, in Sandberg, Enriching Production. Perspectives on Volvo's Uddevalla plant as an alternative to lean production, Aldershot: Avebury, pp. 37-59
- Ferreira, P. (2001) Condições de Implementação dos Sistemas Antropocêntricos de Produção: estudo de caso no sector da metalomecânica, Lisboa: ISEG/UTL (Master's dissertation, not published)
- Hofstede, G. (1980) Culture's Consequences, Beverly Hills CA: Sage
- Hofstede, G. (1983) The cultural relativity of organizational practices and theories, Journal of International Business Studies, 14, 75-89
- Hofstede, G. (1994) Cultures and Organizations: software of the mind: intercultural cooperation and its importance for survival, London: HarperCollins
- Hofstede, G. (1997) Culturas e Organizações. Compreender a nossa programação mental, Lisboa: Edições Sílabo
- Hofstede, G (2002) Dimensions do not exist. A reply to Brendan McSweeney, Human Relations, 55 (11), 1355-1361
- Kovács, I.; Moniz, A.B.; Mateus, A. (1990) Introduction of Anthropocentric Automated Systems in Portugal: problems and trends, APS Research Papers, CEC/FAST, vol. 16, FOP 260, Bruxelles: CEC
- Kovács, I.; Ferreira, J.M; Santos, M. J. (1994) Mudança Tecnológica e Organizacional: análise de tendências na indústria, SOCIUS Working Papers, n.º 2/94, Lisboa: UTL.
- Kovács, I. (1998) Sistemas Antropocêntricos de Produção. Uma alternativa para a Europa?, in Kovács and Castillo, Novos Modelos de Produção. Trabalho e pessoas, Oeiras: Celta Editora, pp. 93-114.
- McSweeney, B. (2002) Hofstede's model of national cultural differences and their consequences: a triumph of faith – a failure of analysis, Human Relations, 55 (1), 89-118

Nilsson, L. (1995) The Uddevalla plant: why did it succeed with a holistic approach and why did it come to an end?, in Sandberg, Enriching Production. Perspectives on Volvo's Uddevalla plant as an alternative to lean production, Aldershot: Avebury, pp. 1-32

O'Siochrù, Sean, *Propects for APS in Less Industrialised Member States – Synthesis Report*, 1990. APS Research Papers, CEC/FAST, vol. 6, FOP 250, Bruxelles: CEC

Sandberg, A. (1995) The Uddevalla experience in perspective, in Sandberg, Enriching Production. Perspectives on Volvo's Uddevalla plant as an alternative to lean production, Aldershot: Avebury, pp. 1-32

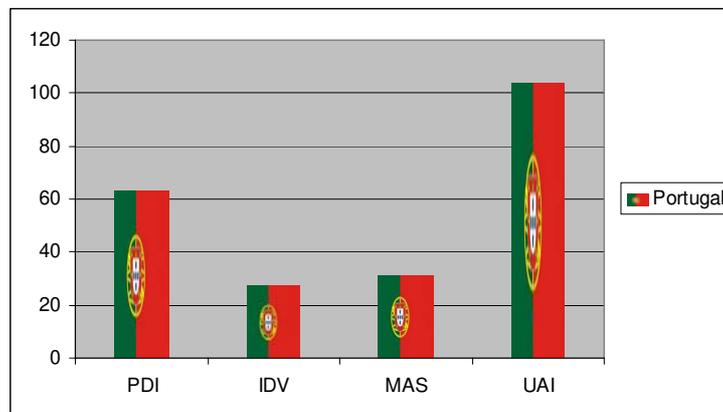
Wobbe, Werner (1991) Anthropocentric Production Systems: a strategig issue for Europe, APS Research Papers, CEC/FAST, vol. 1, FOP 245, Bruxelles: CEC.

Table 1 Two perspectives of organization models

| Technocentric perspective | Anthropocentric perspective |
|--|---|
| Introduction of new technologies in order to concentrate the potential control over production | Introduction of new technologies in order to obtain functional and organizational flexibility |
| Rigid working practices | Flexible working practices |
| Centralization and specialization | Decentralization and polyvalence |
| Vertical and horizontal division of work, strong hierarchical and professional divisions | Vertical and horizontal integration of work, unclear division between workers' tasks |
| Centralized technical solutions | Decentralized technical solutions |

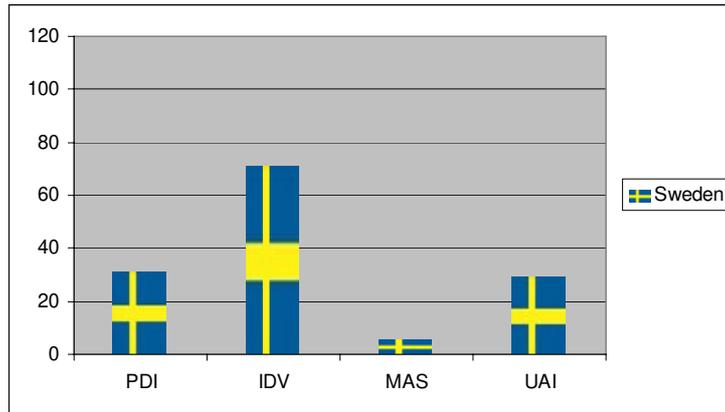
Source: adapted from Kovacs, 1998

Figure 1 Portuguese Cultural Dimensions



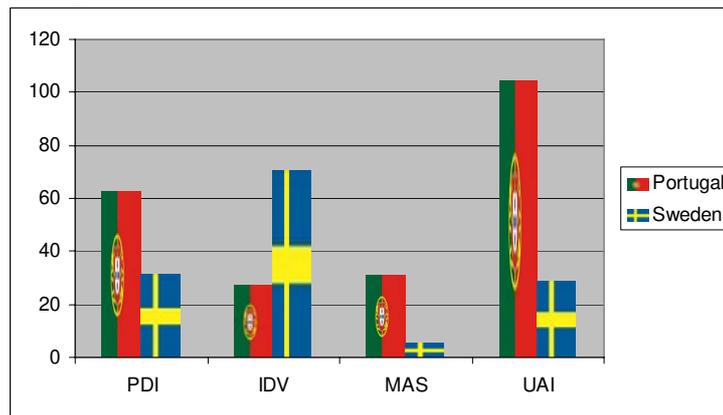
Source: <http://www.geert-hofstede.com>

Figure 2 Swedish Cultural Dimensions



Source: <http://www.geert-hofstede.com>

Figure 3 Portuguese and Swedish Cultural Dimensions Comparison



Source: <http://www.geert-hofstede.com>

Figure 4 Possible optimum combination of forms of work organization and cultural dimensions

