The Impact of Academic Mobility on the Convergence of Cultures and Its Consequences for Organizational Behavior

by

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ABSTRACT

The age of globalization does not only lead to increased flow of goods around the world, it also tremendously increases the interaction between people from different cultural backgrounds. Management research in the past decade has succeeded in developing recommendations about organizational behavior practices that cater to the idiosyncrasies of the culture of the country a company is located in.

While these recommendations adequately address differences in value perceptions of the general population of countries, they do not account for peculiarities that are specific to the senior management of a multinational company. Unlike the general population of a country, this subgroup is mostly composed of individuals that are constantly exposed to an international setting.

This study argues that this international exposure, through academic mobility or through professional activities in a global context, deeply impacts the cultural value perceptions of individuals. The setting of MIT Sloan as an international business school is used as a proxy to replicate the senior management setting of multinational companies. A comparison of the national dimensions of culture that exist within this sample is conducted to support the claim that cultures within such a setting converge. I find that individuals within these settings no longer represent a cultural profile that is consistent with that of their home countries but that they rather converge around a specific cultural profile.

Based on these findings, contemporary organizational behavior practices for cross-cultural contexts are examined. Potential changes to organizational processes that are derived from the findings in the MIT Sloan sample are described to establish the practical implications of the conducted study.

Thesis Supervisor: Emilio J. Castilla
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1. Introduction

A. Sense of urgency

“The world is coming together” – a statement widely used and taken for granted seemingly everywhere. Even though the trend of globalization appears to be generally accepted and regarded as one of the most impactful developments of our time (Gelfand, Realo 1999), few people take time to pause and reflect on what the implications of globalization for various areas of our daily lives actually are. Focusing on the implications for businesses all over the world, the reduced costs of communication and transportation allow companies of all sizes, on the one hand, to globally source their materials upstream. On the other hand, they are able to gain access to different markets downstream.

These developments do not, however, only benefit companies; they also require them to adapt their strategies, structures and general scope to reflect the increased complexities in their business models (Gelfand, Realo 1999). In order to cater to those required changes, Grosse (2011) reports that “almost 80% of [...] midsize and large companies send personnel abroad”, underlining the general awareness to fundamentally change the “as-usual” approach to modern business.

The consequences of globalization are not, however, exclusively positive. In addition to the potential benefits described above, Cullen (2002) also noted that “organizations that remain domestic-only are already falling behind their multinational counterparts”. Actively engaging in the trend of globalization therefore seems to be imperative for the survival of a firm, the decision of actually doing so is, however, not easily implemented. Not only do US expatriate assignments, for example, tend to have a high rate of failure (Gelfand, Raver et al. 2002), even the cooperation with foreign companies in the form of a joint venture is very likely to be unsuccessful (Chich-Jen Shieh, Wang et al. 2009).
While the reasons for these statistics are certainly multifaceted, the differences between the cultures of both home and host country constitute crucial factors that deeply impact the success or failure of any cross-border venture. Culture does not, however, specifically relate to situations in a global business environment, it rather spans various disciplines that are in some way linked to an international setting (Gelfand, Realo 1999). Conflicts in cross-border situations might arise for various reasons, “ethnocentrism, culture misreading and different cultural attitudes” (Chich-Jen Shieh, Wang et al. 2009) being only a few of them.

Naturally, one might wonder why it is still necessary to even consider these cultural differences, considering that globalization should actually lead to an increased integration of countries and therefore to a higher degree of standardization on a global scale (Ghemawat 2007). In order to better explain this phenomenon, Ghemawat introduced the term “semiglobalization”, supporting the claim that cultural differences still matter to an extent that is still underestimated by many management professionals.

Effectively addressing those differences and successfully adapting an organization is, according to Shieh and Wang et al. (2009), only possible “if the merging and cooperation of different cultures are found and balanced“; Rhinesmith (1993) goes even further by stating that both managers and organizations must have an “openness to other cultures” to allow for international cooperation.
B. Benefits of biculturalism

In order to effectively take advantage of those opportunities created by technological improvements and policy changes (Ghemawat 2007), addressing the issue of culture is therefore something that any company, regardless of the individual context, must engage in (Adler, Gunderson 2008). Due to the omnipresence of cultural differences, even low-level employees need to be aware of existing discrepancies and adequately address them.

Most employees shy away from work in an international context due to their lack of respective experience and their familiarity with their own culture that enables them to work effectively therein (Earley, Ang et al. 2006). In order to encourage more cultural openness and train prospective expatriates for their assignments abroad, companies have started to hire consultants that specialize on cross-border business activities to train their workforce and facilitate the shift from a domestic to a global perspective (Lindebaum 2009).

Critics, however, note that the financial success of this industry might be misleading. Something as complex as cultural intelligence, the ability to adapt to different cultural settings, cannot be taught or transmitted on an ad-hoc basis due to its inherently tacit nature (Blasco, Feldt et al. 2012). Instead, experts advocate the extended exposure to a different culture to improve employees’ familiarity with such a situation and their general intercultural competence (Fink, Neyer et al. 2006). According to various cultural researchers (de Anca, Vázquez Vega 2007, Greblikaite, Daugeliene 2010), experiencing a different cultural setting first-hand is crucial when trying to understand the underlying behavioral patterns, indicating that such insights cannot be simply trained without actually immersing oneself in the other culture. The process of attaining intercultural competence can therefore be seen as a learning experience that requires an extended international exposure that reflects the complexity of the cultural construct (Blasco, Feldt et al. 2012).
The possession of cultural intelligence seems to promise wondrous things, ranging from early descriptions of “sea dwellers who could change shape at will and become a fish, a lion, or a tree, or a fire” (Thomas, Inkson 2004) to less metaphoric ones that describe individuals that can “adopt multiple group identities” (Ferdman 1995). All fantastic attributions aside, studies do show, that an increased familiarity with different cultures seems to have certain benefits: Besides helping people to see beyond common stereotypes that lead others astray (Earley, Ang et al. 2006), it also increases their professional success and fosters their innovative capabilities (Tadmor, Galinsky et al. 2012).

Even though behavioral scientists seem to agree on the generally positive influence of such an extended international exposure, there are various theories regarding the origin of these effects. While some advocate the use of the term “Integrative Complexity”, that is the ability to permanently change cognitive processes in order to create long-lasting psychological benefits (Tadmor, Galinsky et al. 2012); others base these effects on “Cultural Metacognition”, that is the culture-general ability to perceive subtle changes in other people’s attitudes and behaviors (Blasco, Feldt et al. 2012). Regardless of the precise reasons, the general agreement about the positive implications amongst researchers seems to support a positive correlation between second-culture exposure and improvement in various areas.

Quantitative research in recent years has, however, yielded controversial results when only taking into consideration the number of years spent abroad (Wederspahn 1992). The mere willingness to spend time in such a setting is therefore not sufficient to establish the intercultural competence needed to successfully operate in a global environment. Tadmor, Galinsky et al. (2012) noted that the approach taken in the new culture would be a far better indicator, especially considering the emergence of so-called “Expat bubbles”, microcosms of expatriates that live in a foreign country without seeking to integrate themselves into the local culture. According to Kohonen (2008), another crucial determinant is the practice of “simultaneously maintaining a connection to one’s own cultural
heritage" that enables people to draw from their individual backgrounds to effectively distinguish between host and home country culture and thereby improve their cognitive abilities.
C. Missing link in management research

One would think that a multifaceted construct such as culture has attracted quite a bit of attention in organizational research over the last century, especially considering the various areas of daily life that it impacts. When further examining the development of culture research over the last century, however, it becomes apparent that it was not until the second half of the 20th century, more specifically the 1960s, that organizational researchers started to include cultural considerations in their research focus (de Anca, Vázquez Vega 2007). Until then, “business management was perceived as a culture-free science”, which only changed as a result of the increased exposure of multinational corporations to an international business setting.

Although the conduction of first research on the cultural impact on business practices helped to shed some light on the differences between purely domestic and increasingly international operations, criticism regarding the inadequacy of research practices continued throughout the 1980s. Adler (1983, 1986), as one example, expressed concerns about the missing representation of international issues in management science and the fact that research continued to lag behind actual developments in the business world. Child (1981) further emphasized this need by demanding “stronger theoretical underpinnings” of the concepts and theories published around that time. Even though first attempts were made to further explain the causal link between culture and organizational behavior and performance, 47.2% of management articles were based on single-culture studies, thereby not allowing for a direct evaluation of parallels or discrepancies between cultures (Adler, Doktor et al. 1986). Adler therefore advocated the use of comparative studies that include a multi-cultural perspective in the research approach, which was at that point used by only 34.2% of all management articles.

The increasing importance of globalization in the last decade of the 20th century caused this advocated shift in research to materialize in the early 2000s, leading to a “boom in globalization...
literature” (Ghemawat 2007) around the end of the century. In addition to the general shift towards comparative management studies, this was mirrored in the publication of more than 5,000 books on globalization between 2000 and 2004, compared to only 500 in the 1990s.

i. Western bias

The development in globalization literature has lead to the resolution of many problems in research practices that appeared throughout the years. A critical aspect still not adequately represented in management literature and an inherent flaw of this field of research, however, still remains: The Western bias of cross-cultural research.

As already identified by Adler (1986) in the 1980s, the approach to comparative management studies needs to focus more on including an oriental perspective that adequately caters to the idiosyncrasies of Asian societies. Adler based this criticism on the earlier work of Azumi (1974), who already advocated this urgency in the light of social sciences as a broader research field more than ten years earlier. Partly addressed by some studies conducted in the last quarter of the 20th century, the Western bias when trying to define cultures remained a problem throughout the years (Smith, Bond 1993). This is especially astonishing when considering the relatively small percentage of the world population (27%) that actually lives in Western societies (Triandis 1994). Gelfand et al. (2002) attribute this to the nature of research as a cultural process that is necessarily influenced by the home culture of the research team. A certain bias can therefore only be avoided when actually including oriental researchers in the conceptualization stage of research.

As a result of this continuous criticism, many contemporary research projects on cross-cultural issues have done exactly that (House, Quigley et al. 2010, Hofstede, Minkov 2010). The impossible task of guaranteeing that no cultural bias exists, however, has lead to the persistence of this type of criticism – the existence of a Western bias seems to be an inherent problem of globalization research.
(Emmerling, Boyatzis 2012) that still has not been perfectly solved to date. It is therefore crucial to always keep in mind the possible variations in results caused by a different framing of the research context, which in turn emphasizes the relativity of all globalization research.
D. Purpose and scope of this thesis

The omnipresence of cross-cultural interactions in every aspect of today’s business world has made it imperative to include cultural considerations in contemporary Organizational Behavior research. The current status quo of globalization research bases its implications on national samples taken from the overall population of a country. The purpose is to give insights about cultural value perceptions that come as close to mirroring everyone’s individual perceptions as possible. While this approach constitutes a great foundation for most social sciences, it does not necessarily cater to the idiosyncrasies of cross-cultural management research.

The senior management of modern multinational companies is not necessarily composed of individuals representing a single cultural background but rather of people who have been exposed to various cultural settings, including that of an international business school. This thesis argues that such an extended exposure to a different cultural setting deeply influences a person’s value perceptions and thereby the way he/she behaves in a professional context. Instead of being a representative of the country one grew up in, this thesis argues that the international school business setting leads to changes in people’s cultural value perceptions. In order to support that hypothesis, MIT Sloan is used as a setting to evaluate the cultural value perceptions of its international students. The hypothesized convergence of cultures around a common denominator differentiates those people from the rest of their respective national samples, which in turn requires cross-cultural research in Organizational Behavior to treat them differently.

In order to support the claim that value perceptions change as a result of the exposure to an international business school and to show the practical implications on international Organizational Behavior, this thesis will proceed as follows: Chapter 1 proposes the urgent need to include the cultural construct in modern Organizational Behavior research, further pointing out the benefits of biculturalism and the missing link between the professional context and modern research. Chapter 2
provides crucial background information about culture, which is a broadly defined and easily misunderstood term. It will further define the different levels of analysis that are used in modern research and the attempts to depict the complex cultural construct using quantitative measures.

The theoretical foundation provided in chapter 2 is complemented by the introduction of the main schools of thought dealing with cross-cultural phenomena in chapter 3. After first introducing some of the most impactful studies on cultural research, the framework of national dimensions of culture, first created by Hofstede et al. in 1980 and continuously improved upon throughout the following decades, is described in detail. Based on Hofstede’s framework, chapter 4 gives an overview of various practical implications of cross-cultural Organizational Behavior practices that were derived from these national dimensions of culture.

After the analysis of contemporary cross-cultural research is concluded, chapter 5 describes the reasons behind the choice of MIT Sloan students as a sample that replicates the senior management setting of a multinational company. Chapter 6 follows up with the description of the conducted survey and the way in which the 249 collected responses from students were analyzed. In addition to this, a detailed explanation of the empirical study in general is provided.

The findings of the survey are summed up in chapter 7, indicating whether or not the hypothesized convergence of cultural values can actually be found within the chosen sample. Chapter 8 then links those findings to the practical implications within a given professional context, allowing for some recommendations about the way in which senior management settings of multinationals should be differentiated from the countries the companies are located in. Chapter 9 sums up the main findings and concludes the thesis by pointing out limitations of the conducted study and potential areas of research.
2. Theoretical Background

A. Culture

i. Definition of culture

The heated discussion about whether or not to include culture in management research is further exemplified by the difficulties science has so far faced at the earliest stage of the research process: the agreement on how to actually define culture. First attempts to define culture reach back as far as 1874, when Edward Tylor described culture as “a complex whole which includes knowledge, belief, art, moral, law, customs and any other capabilities and habits required by men as a member of society” (Tylor 1874). Instead of agreeing on this admittedly broad definition of culture, researchers continued to further adapt or even completely change this definition, causing Kroeber and Kluckhorn (1952) to compose a list of existing definitions of the cultural concept in 1952, which included 164 different approaches published up to that date. The general criticism that culture and cultural influences were “concepts which neither anthropology nor management has defined consistently” (Adler, Doktor et al. 1986) continued throughout the 20th century, a fact that can be attributed to the methodological difficulty of “separating cultural causation from determination by other societal factors”. Up to this date, different schools of management research advocate different definitions of the term, even though an acceptance around certain basic components has formed over time (Child 1981, Alvesson 2002, Martin 2002).

In general, a distinction can be made between classification systems that are based on social-sciences theories and dimensional approaches that use empirical data from various comparative studies undertaken over the last decades (Dunning, Lin 2007). Especially over the course of the last years, definitions have started to converge and include a mixture of those two, using empirical data to replicate theoretical frameworks found in social sciences (House, Quigley et al. 2010, Peter B Smith 2006, Hofstede, Hofstede et al. 2010).
General aspects of the cultural concept that management research has been able to agree on can be found in the works of Thomas of Inkson (2004), which provide a meta-analysis of existing cultural research literature. According to their analysis, culture can be characterized by the following components:

- It is shared by a group of people.
- It consists of enduring patterns of behavior that are built up over a long period of time.
- It has a powerful influence on behavior, leading to behavioral patterns that are often difficult to break.
- It consists of an organized system of values, attitudes, beliefs and meanings that are embedded in an environmental context.
- It can be compared to an iceberg, where the deep underlying values and assumptions of a culture are at the invisible base of the iceberg.

As a general guideline for further research purposes, the definition published by Hofstede (2010) serves to best illustrate the current status quo of cultural research and to facilitate understanding of the complex construct that is culture. According to Hofstede, culture is “the collective programming of the mind that distinguishes the members of one group or category of people from others”.

To further underline the critical importance of culture regardless of the respective context, it is noteworthy that culture can be described as “omnipresent in all social relations, [...] regardless of whether we are considering relations at the individual, substate, or international level” (Bercovitch, Foulkes 2012). To better visualize the complex array of components of the cultural concept, the analogy of a “cultural lens”, described by Bercovitch and Foulkes in 2012, serves as a practical tool to facilitate understanding. Instead of fundamentally influencing the reality as it is, they advocate that
culture changes the way that one perceives reality. Culture therefore shapes individuals’ subjective interpretation of objective facts, not the facts themselves. As every social interaction necessarily includes at least two different parties that see reality through their respective cultural lens, however, the importance of cultural influence should not be underestimated.

ii. Development of cultural values

Consistent with the discussion regarding the initial step of the cultural research process, the definition of the cultural construct, the controversies in globalization literature continue to be in the center of a lot of heated arguments among behavioral scientists. Even though the importance of cultural aspects and the existence of differences according to social context are generally agreed upon, there are quite a few disagreements regarding the process of how cultural values are actually developed.

Over the last decades, two different schools of thought have emerged that each advocate a different theory explaining the factors that are responsible for the diverging developments across the globe. These different approaches can be subsumed under the “nature vs. nurture” dichotomy (Hofstede, McCrae 2004) that contrasts the existence of an inherent set of values with the value development according to context.

Whereas proponents of the “nature” approach advocate the influence of genetic factors and the stability of individual value perceptions after a certain point in life (Minkov, Hofstede 2011, Emmerling, Boyatzis 2012), the majority of recent studies support the “nurture” perspective, categorizing culture as a “dynamic and practical process rather than a static concept” (de Anca, Vázquez Vega 2007). The basis for this explanation can be found in the primordialist school of thought, which defines culture as a type of tacit knowledge that cannot be easily transferred but that can be shared amongst members and thereby learned (Appadurai 1996). Consistent with this
attribution is the claim made by Inkeles and Levinson (1997) that culture refers to patterns that are “modal among the adult members of the society”, implying that “culture is passed on through socialization processes” (Fischer 2009) and that it is therefore “learned and not transmitted genetically”. The definition of culture as a learning process can be found throughout modern literature about behavioral research, which mostly emphasizes the acculturation process as something that is not an innate phenomenon but rather something acquired through extended membership in a specific society (Hofstede, Hofstede et al. 2010, Jahoda 1993).

Interestingly enough, although culture is seen as such a dynamic phenomenon that is created through the exposure to a certain setting, cultures in specific regions of the world are described as being consistent throughout time. Especially in times of globalization, one would assume that cultures undergo fundamental changes due to people’s access to international media, higher frequency of international travel and facilitated diffusion of Western trends. Researchers argue, however, that even though simultaneous adoption of different cultural practices becomes much more common (Blasco, Feldt et al. 2012), individual cultures themselves stay quite static, showing a resistance to the influences of globalization (Bercovitch, Foulkes 2012).
B. Different dimensions of culture

The term “culture” can be found in various schools of thought, including social psychology, anthropology and management; the use of the term regarding the subject of those scientific undertakings varies substantially. Most researchers, in line with the theoretical basis of this paper, tend to measure cultural phenomena on the societal level. While this a widely accepted level of analysis, culture actually spans many spheres, from the individual, through the organizational, to the societal level (Earley, Ang et al. 2006), as depicted in Exhibit 1.

Exhibit 1: Levels of Analysis

The challenge and the widespread failure to adequately separate those three dimensions and focus on one particular level of analysis is known as the “ecological fallacy” (Robinson 2009, Thorndike 1939), leading to confusion among behavioral scientists and decreased comparability of findings.

In addition to the adequate separation of those three dimensions, researchers have criticized that “cultural boundaries between nations are increasingly fuzzy” (Fukuyama 1995), a point that goes back to the origin of national borders and the subcultures that might existing within them. The basis
for this reproach is the claim that "boundaries of cultures are conventionally assumed to coincide with those of nation-states" (Child 1981), an oversimplification that becomes especially problematic in regions which have been subject to extensive colonization, like Sub-Saharan Africa. In general, it can be said that affiliation to a specific culture, even though it mostly coincides with a certain national identity, correlates a lot more positively with a specific "ethnicity and linguistic or geographic affiliation" (Amoako-Agyei 2009). While Gerhart (2008) takes these intra-national divergences as a sufficient reason to question the validity of all cross-cultural research in general, most researchers advocate the point that "substantial internal differentiation is the inevitable feature of cultures" (Meyer 2001), some going as far as stating that "no two individuals or groups can be thought of as possessing the same culture" (Bercovitch, Foulkes 2012). Even though the existence of subcultures creates the problem of defining the exact barriers of a specific cultural setting, the currently used national boundaries do offer a mostly consistent model that facilitates understanding and provides a good overview of the societal practices in a given region (House, Quigley et al. 2010). The reason for the substitution of the more linguistically correct term "cross-national" with the commonly used term "cross-cultural" can thereby rather be found in the historical development of the field instead of the actual implication of the word (Adler, Doktor et al. 1986).

The interdependencies between different levels of analysis are manifold, increasing the complexity when trying to explain all existing links and causal relationships. The following paragraphs therefore focus on the links most important for the scope of this study: The link between individual and national cultures and the link between organizational and national cultures.
i. Link between individuals and national cultures

“Individuals are to societies as trees are to forests” (Hofstede, McCrae 2004). Considering the fact that a society is made up of a multitude of individuals that all influence the setting of which they are an integral part, it is no surprise that the link between individual characteristics and societal norms and values is particularly strong. Individual behavior therefore never takes place in a “social vacuum”; it is rather a product of a person’s personality traits and the respective culture system (Fink, Neyer et al. 2006). In order to better explain the connection between cultural context and individual personality, Parson’s and Shil’s (1951) model of action defined the social system as the platform on which social action and interaction takes place and which is deeply influenced by both the culture system and the personality system, as depicted in Exhibit 2.

Exhibit 2: Influences on social interaction

The specific connection between an individual’s personality and cultural norms and values has sparked interest in the last quarter of the 20th century, especially regarding the cross-cultural validity of single-culture studies about psychological phenomena (Emmerling, Boyatzis 2012). Findings indicating that some personality traits benefit cultural integration and competence more than others
have also attracted the interest of cross-cultural management researchers (Arthur, Bennett 1995, Gudykunst, Matsumoto et al. 1996).

Critics of the attempt to link individual personality to national culture, however, have continued to question the transferability of psychological constructs across national samples, arguing that this might lead to “discriminatory and suboptimal decisions that are ultimately damaging” (Fischer 2009). In order to counter these criticisms, Hofstede and McCrae (2004) compared findings from trait psychology on the individual level to dimensions of national cultures found through the use of empirical research across various countries. Focusing on the main approach of contemporary personal psychology, the trait approach, they examined whether or not there were any existing parallels between the Five-Factor Model (Digman 1990) and the five dimensions advocated by Hofstede (2001). Due to the fact that quantitative research has become available for both constructs in recent times, they were able to find significant and substantial correlations between mean personality scores and culture dimension scores, indicating a certain causal link between the two levels of analysis. Even though the exact causal relationship – whether national culture impacts individual personality traits or whether it is actually the other way around – has not yet been established, the correlation points to a validity of the culture dimension concept itself.
Whereas the connection between individual personality traits and national cultures has been mainly approached from a behavioral psychology perspective (McCrae, Terracciano et al. 2008), the link between organizational and national cultures has been mostly the focus of management research scholars. After first attempts to include organizational culture into management studies were undertaken by Blake and Mouton in 1964, it was in the beginning of the 70s that organizational culture gained recognition (de Anca, Vázquez Vega 2007). Since that time, there has been a dispute about whether organizational culture is a meaningful concept that actually contributes additional value (Thomas 2008) or rather an attempt to subsume aspects of organizational performance that cannot be explained otherwise (Child 1981). Most critics of the organizational culture concept have been silenced lately, evidenced by the flood of organizational culture literature published over the last decade (Schein 2006, Gelfand, Leslie et al. in press, Fehr, R. & Gelfand, M. J. in press).

Opinions diverge about whether or not to completely separate the organizational perspective from the national level, although it is generally agreed that there is a certain value in the inclusion of the culture perspective at the organizational level. While both schools of thought admit to a causal link between the two levels of analysis, the exact nature of this link is still unclear: Proponents of the GLOBE-initiative (House, Quigley et al. 2010, House, Javidan et al. 2002) have developed a theory that spans both organizational and national level whereas supporters of Hofstede’s model of cultural dimensions prefer to separate the two concepts (Hofstede, Hofstede et al. 2010, Minkov, Blagoev 2012, Adler, Gunderson 2008).

Regardless of the approach, a causal link between organizational and national culture is widely supported throughout management literature (de Anca, Vázquez Vega 2007, Trice, Beyer 1993). The exact effect, however, must be described as ambiguous at least due to the inherent complexity of the cultural concept (Goodman, Moore 1972). The main reason for the criticized
ambiguity is the inherent difficulty to separate the effects of organizational from those of national culture (Gelfand, Raver et al. 2002), an issue that can only be resolved by a large-scale comparative study. Recent research in that direction has allowed for first insights into the causal relationship between the two levels of analysis, indicating that national cultures usually limit the organizational cultures of firms established within the national boundaries (Johns 2006). The reason for this causal link can be found in a study published by Adler and Jelinek, indicating that “culture that enters the organization through employees limit[s] the influence of management-created organizational culture and structure” (Adler, Jelinek 1986). Rather than diminishing national culture, organizational culture further accentuates it (Adler, Gunderson 2008).
C. Emergence of quantitative measures of national cultures

The difficulties that scientific research is facing regarding even the simplest steps in the cultural research process, such as a consistent definition and an adequate level of analysis, have lead to the widespread opinion that culture is far too complex to be measured in quantitative terms. In order to effectively design strategies that target specific cultural discrepancies between countries, however, the identification of cultural distance between countries proves far too useful to be completely ignored.

Ghemawat (2007) identified a comprehensive framework of various types of distances between countries – cultural, administrative, geographic and economic – that all impact the ease of cooperation between individuals and organizations belonging to those countries. Similar to the first component of the framework, international business research has made “extensive use of the concept of national cultural distance” (Drogendijk, Slangen 2006). Used to explain the success and failure rates of multinational enterprises all over the world, the “dimensional analysis of culture has been advocated at both the organizational level as well as the national level” (Burchell, Gilden 2008). The employment of statistical tools to facilitate the understanding of cultures, even though it greatly reduces the complexity of the cultural construct (Braudel 1958), still continues to be questioned by cultural anthropologists (D'Andrade 2000).

Supporters of quantitative methods to define and compare cultures all over the world point to the link between modern tools of cultural research and the early research by Kluckhorn and Strodtbeck (1961) that identified supposedly universal value orientations that cut across cultures. According to them, there are five value orientations that exist regardless of the cultural context:

- Human Nature Orientation
- Man Nature Orientation
• Time Orientation
• Activity Orientation
• Relational Orientation

These value orientations constitute the basis for all quantitative measures of national dimensions, allowing for a certain consistency in research approaches and comparability of dimensional scores (Fink, Neyer et al. 2006). Throughout the last quarter of the 20th century, various attempts to adequately identify and measure dimensions of national cultures have been made, leading to heated discussions among behavioral research scientists.

Works from Hofstede (2010), Trompenaars (1996), Triandis (1994), Schwartz (2000), Rieger/Wong-Rieger (1988) and House et al. (2002) all contributed to the advancement of national culture research and resulted in a complex array of dimensional scores. These scores, although based on the same original approach, lead to different interpretations of cultures. It should therefore be noted that a contextual interpretation of the numbers is still required (Minkov, Hofstede 2011); the dimensional scores merely offer a good indication of tendencies within a given region.
3. Research on national dimensions of culture

Throughout the years, cross-cultural management research succeeded in developing various different approaches to explain national cultures in quantitative terms. Publications by Smith, Dugan et al. (1996), Triandis (1998), Rieger and Wong-Rieger (1988) all contributed to the current status quo of the field. In order to facilitate understanding, the following paragraphs only explain two main schools of thought before giving a detailed overview of the approach used as the basis for this study, the national dimensions of culture by Geert Hofstede.

A. Main schools of thought

i. Schwartz

Due to alleged shortcomings of existing models of national culture in the early 1990s, Shalom H. Schwartz developed a framework to capture the essence of natural cultures in 1994. Based on a list of 56 different values categorized into ten different hypothesized values types (Universalism, Benevolence, Tradition, Conformity, Security, Power, Achievement, Hedonism, Stimulation, Self-direction), as depicted in Exhibit 3. He used samples of students and elementary school teachers across more than 40 countries to underline the statistical relevance of his findings (Schwartz 1994).
Based on these constructs of individual values, he derived six different dimensions of national cultures that were then split into pairs of two that each constituted a culture scale. Using the dimensions of Embeddedness vs. Autonomy (further divided into Affective Autonomy and Intellectual Autonomy), Hierarchy vs. Egalitarianism and Mastery vs. Harmony (Schwartz 1994), he succeeded in describing differences between national cultures and effectively measuring the difference between cultures in quantitative terms.
ii. GLOBE

The most recent approach to identify national dimensions of cultures, the GLOBE (Global Leadership and Organizational Behavior Effectiveness) study of 62 societies (House, Hanges et al. 2004) was created to specifically address the alleged shortcomings of the to that date prevalent model, the national dimensions of culture by Geert Hofstede (1980). Created by a multitude of cross-cultural researchers from all over the world, data from more than 17,000 managers was collected and thoroughly analyzed under the directive of Robert J. House from the University of Pennsylvania. Whereas most other models focused on providing specific dimensions of cultures that were to adequately represent the complexity of the cultural construct, the GLOBE project started out differently, by distinguishing between national values (What should be common behaviors) and practices (What are common behaviors).

Exhibit 4: GLOBE dimensions of culture

Those two different levels of analysis included in the model are each mapped throughout nine different dimensions, resulting in a total of eighteen respective data points per national culture to be found in Exhibit 4 (House, Quigley et al. 2010). Those eighteen data points depicted above are measured to identify the exact cultural distance between two national samples and then mostly applied to management in the context of leadership, organizational behavior, societal values and practices (Minkov, Blagoev 2012). Since its publication in the early 2000s, the GLOBE model has lead to various heated debates between its creators and the supporters of other, more established quantitative models of culture (Fischer 2009), resulting in the emergence of hundreds of scientific papers and articles regarding the subject (Javidan, House et al. 2006).
B. Basis for further analysis: Hofstede et al.

i. Background

First developed in 1980, the work of Geert Hofstede and, later on, his son Gert Jan Hofstede and their collaborator Michael Minkov, can be considered as the most influential contribution to research about national cultures and their impact on management practices. Whereas culture had before been mostly "treated as a single variable" (Minkov, Hofstede 2011), Hofstede was the first who showed how "culture can be unpackaged into independent dimensions". Applying the theoretical concepts of Inkeles and Levinson (1954), he used a sample of more than 162,000 IBM employees worldwide to determine to which extent cultures vary and how to put that into a dimensional model that allows for a quantitative measurement of cultural distance. Throughout the years, his works have been adopted by other studies on national cultures and especially further developed by himself and his collaborators, which allowed him to include other data samples to support his claims and to add other relevant dimensions (Hofstede 1980, Hofstede 1998, Hofstede, Hofstede et al. 2010).

ii. Concept

In his first works in 1980 that were purely based on the IBM data sample, Hofstede (1980) identified four dimensions of national cultures that were statistically unrelated and significantly correlated throughout individual populations of the observed countries.

The following paragraph provides an overview of the first four dimensions of Hofstede’s model based on his elaborations in the World Values Survey Module (Hofstede, Hofstede 2008):

- **Power Distance (PDI)**

  "Power Distance is defined as the extent to which the less powerful members of institutions and organizations within a society expect and accept that power is distributed unequally."
- **Individualism (IDV)**

  "Individualism is the opposite of Collectivism. Individualism stands for a society in which the ties between individuals are loose: a person is expected to look after himself or herself and his or her immediate family only. Collectivism stands for a society in which people from birth onwards are integrated into strong, cohesive in-groups, which continue to protect them throughout their lifetime in exchange for unquestioning loyalty."

- **Masculinity (MAS)**

  "Masculinity is the opposite of Femininity. Masculinity stands for a society in which social gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success; women are supposed to be more modest, tender, and concerned with the quality of life. Femininity stands for a society in which social gender roles overlap: both men and women are supposed to be modest, tender, and concerned with the quality of life."

- **Uncertainty Avoidance (UAI)**

  "Uncertainty Avoidance is defined as the extent to which the members of institutions and organizations within a society feel threatened by uncertain, unknown, ambiguous, or unstructured situations."

Whereas all four dimensions have produced significant amounts of further research, most practical implications have been derived from the Individualism/Collectivism dimension that "has been used most often as an explanatory variable in subsequent research" (Schwartz 1994).

The introduction of Hofstede's framework in the 1980s sparked various different attempts to decipher the mystery of the cultural construct, amongst them the Chinese Culture Connection in 1987. The context of this study allowed for the inclusion of an Eastern perspective in the field of cross-
cultural research, an aspect missing until that point in time. The results of the Chinese Culture connection and the exchange with its author Michael Harris Bond, a professor at the Chinese University of Hong Kong, lead Hofstede to further adapt his model in his 1991 publication of “Cultures and Organizations: Software of the Mind”, adding a fifth dimension, Long-term Orientation (Hofstede, Hofstede et al. 1991). The following definition of Long-term Orientation is, in line with the definitions of the dimensions introduced above, taken from the Values Survey Module (Hofstede, Hofstede et al. 2008):

- **Long-term orientation (LTO)**

  “Long Term Orientation is the opposite of Short Term Orientation. Long Term Orientation stands for a society which fosters virtues oriented towards future rewards, in particular adaptation, perseverance and thrift. Short Term orientation stands for a society which fosters virtues related to the past and present, in particular respect for tradition, preservation of “face”, and fulfilling social obligations.”

After having originally been named “Confucian Dynamism”, Hofstede decided to change the wording of this dimension in order to better reflect the global perspective of long-term orientation, considering the existence of high-scoring countries in Eastern Europe (Minkov, Hofstede 2012).

The further development of Hofstede’s framework can be mostly attributed to the research the Bulgarian professor Michael Minkov of Sofia University. Minkov used the World Values Survey (2013), a global research project that has been conducted since 1981 in over 100 countries, to support Hofstede’s claims about national dimensions of culture (Minkov 2007). The importance of Minkov’s contributions to Hofstede’s work are exemplified by their further collaboration in the following years, which lead Hofstede to further adapt his dimensional model to include two more dimensions, “Indulgence vs. Restraint” and “Monumentalism vs. Self-Effacement” (Hofstede, Minkov 2010).
Inspired by the works of the Canadian psychologists Steve Heine (2003), Minkov’s analysis of the World Values Survey yielded these dimensions that were later on included in Hofstede’s work and that are defined as followed (Hofstede, Hofstede et al. 2008):

- **Indulgence vs. Restraint (IVR)**

  “Indulgence stands for a society which allows relatively free gratification of some desires and feelings, especially those that have to do with leisure, merrymaking with friends, spending, consumption and sex. Its opposite pole, Restraint, stands for a society which controls such gratification, and where people feel less able to enjoy their lives.”

- **Monumentalism vs. Self-Effacement (MON)**

  “Monumentalism stands for a society which rewards people who are, metaphorically speaking, like monuments: proud and unchangeable. Its opposite pole, Self-Effacement, stands for a society which rewards humility and flexibility.”

These seven dimensions that currently make up Hofstede’s model of national dimensions of culture allow for a graphic representation of the complex cultural construct and for the determination of a specific cultural distance between two nations in a quantitative way. As depicted in Exhibit 5, the original model, which consisted of four dimensions of culture, has changed throughout the years to include the current status quo of cultural research.
Exhibit 5: Hofstede’s dimensions of national cultures

In its current form, seven dimensions allow for an inclusion of a sufficient degree of complexity while still providing a model that is understandable enough to be used for practical advice and application.

iii. Criticism and responses

Developing the pioneer approach of cross-cultural research does not only allow you to become respected by the global academia in social studies, it also exposes you to a lot of criticism and scrutinizing by you fellow researchers. In the light of the success and global acceptance of Hofstede’s approach to the definition of cultural dimensions, various forms of criticism have emerged that target distinctive points of his research approach. Especially the creators of additional models of cultural constructs have not been shy in pointing out flaws and deficiencies in Hofstede’s work, conveniently suggesting that their respective frameworks were superior to Hofstede’s specifically because they addressed those issues that Hofstede’s frameworks did not.

The following paragraphs give a short overview of common criticisms, allowing for a more controversial view on Hofstede’s work and potential areas of improvement.
1. Western/Eastern bias

As a logical consequence of being the most widely used framework for national culture studies, Hofstede’s work has been used to exemplify deficiencies of cross-cultural research in general. In particular, Hofstede’s first attempts to define culture in the 1980s have been criticized due to their failure to include an Oriental perspective in their logic, pointing towards idiosyncrasies of Asian societies that cannot be identified by only focusing on their Western counterparts (Fang 2003). While those criticisms might have been valid prior to Hofstede’s addition of long-term orientation as a fifth dimension in 2001 (Hofstede 2001), the close cooperation with Asian researchers and the inclusion of the Chinese Value Survey (1987) specifically addressed this form of criticism (Minkov, Hofstede 2012).

2. Insufficient number of dimensions

The complexity of culture as an intangible concept leads to the question of whether or not the dimensions identified by Hofstede really allow for final conclusion about what the exact components of culture actually are. Especially Schwartz (1994) pointed out that Hofstede’s dimensions are far from being completely exhaustive due to the fact that they were so tightly linked to the questions asked as part of the IBM questionnaire. Different types of questions might therefore have yielded completely different dimensions, leading to the claim of missing objectivity of Hofstede’s findings. Even though the criticism is valid to the extent that the existence of additional dimensions can never be conclusively disproven, Hofstede responds by underlining the importance of statistical independence of all dimensions – something that is currently the case for the Hofstede dimensions but that is rather problematic in case of other models, e.g. the GLOBE model (Hofstede 1998).

3. Insufficient number of samples

A further early criticism regarded the relatively small number of samples that constituted the foundation of Hofstede’s early work in the 1980s. As his first work was exclusively based on the IBM
questionnaire that had been distributed in 40 countries (Hofstede 1980), fellow researchers opposed his findings due to the fact that limited availability of data only allowed for the discovery of partial structures (Berry 1980). This criticism, although valid at that time, can nowadays be dismissed due to the extension of the number of samples in the following years as well as the contributions of Minkov, who based his findings on a survey distributed in over 100 countries throughout more than 30 years of research (Minkov 2007).

4. Missing multi-method measurement

Adding to the criticism of not basing his findings on a sufficient number of samples, cross-cultural scientists advocated the use of more than one type of survey to adequately support the claims made by Hofstede regarding the existence of national dimensions of culture. The validity of this type of criticism cannot be questioned, the application of multiple scientific methods to verify theoretical frameworks is necessary to provide as much of a scientific foundation as possible (Triandis, McCusker et al. 1990). In order to do so, Hofstede allowed free access to his research for fellow researchers in order to create a transparent platform to enhance collaboration between different schools of thought. As a result, the inclusion of Bond’s (1986) and Minkov’s (2007) work in Hofstede’s approach and the addition of three more dimensions exemplifies the author’s willingness to further adapt and optimize his framework.

5. Research bias due to sampling method

Another issue that allowed for criticism among the academic community was the background of the questionnaire used for the first research done in the late 1970s (Hofstede 1980). Due to the affiliation with IBM and the use of international IBM personnel as a respondent set, the questions arose whether or not the sample was actually representative of the overall nation is was supposed to represent (Schwartz 1994). To counteract this criticism, Hofstede claimed that a potential bias due to the specific subsample would not be as much of an issue as it was consistent throughout national samples,
thereby still allowing for a realistic measurement of cultural differences, if not national cultures themselves (Hofstede 1998).

6. Missing equivalence of meaning of values

A questionnaire distributed amongst dozens of nations necessarily needs to be translated into the respective local language in order for citizens of that country to understand and answer the included questions appropriately (Berry 1980, Schwartz 1994). As the criticism was mostly directed at the wording of the dimensions themselves, not the specific questions included in the questionnaire (Fang 2003), however, Hofstede dismisses those claims. According to him, the dimensions themselves are purely intangible constructs that do not necessarily need to be understood in the same way across cultures (Hofstede, Hofstede et al. 2010). The statistical independence of dimensions and the significant correlation within the national samples are therefore to be considered far more important, allowing for continuing support of Hofstede’s work in modern times.

7. Missing theoretical foundation

A further criticism of Hofstede’s approach regards the foundation of his findings, which is purely empirical and therefore lacks any connection to theoretical constructs taken from social psychology (Fischer 2009). Whereas the idea behind this type of reproach is valid regarding the early work of Hofstede, he later pointed out the specific link between his dimensions and the early works of Inkeles and Levinson (1954) as well as the connection to individual-level types of theoretical frameworks (Hofstede, McCrae 2004).

8. Inadequate levels of analysis

Consistent with most schools of thought in cross-cultural research, Hofstede used national borders as substitutes for cultural boundaries in order to facilitate understanding and improve comparability with other schools of thought. The existence of subcultures within certain regional contexts, however,
allows for criticism of this approach (Fukuyama 1995). Hofstede (1998) counteracts this argument by stating that the logic of House, Quigley et al. (2010), that the overall consistency of local subcultures and national cultures is high enough to validate this type of generalization, also applies here.

9. Ecological Fallacy

The difficulty of adequately separating the individual from the national dimension of culture remains a key issue in cross-cultural research (Schwartz 1994) that was first clarified in the early 2000s. Hofstede and McCrae (2004), while admitting the inherent difficulty of analyzing the two separately, point to statistical correlations between the two that establish a statistical link while approaching both concepts from different angles.

10. Outdated information

Critics further argue that the origin of Hofstede’s research, the IBM survey that was distributed between 1967 and 1973, is far too outdated to provide valid support for his national dimensions of culture (Schwartz 1994). While some researchers argue that a major shift in national value perceptions has occurred since then (Ohmae 1999), Hofstede argues that the century-old roots of those values allow for a global consistency of cultures (Hofstede 1998). In addition to this point, the validation of Hofstede’s dimensions throughout multi-method measurement (Minkov 2007) supports the assumption of cultural consistency.
iv. Conclusions about Hofstede’s national dimensions of culture

As mentioned above, Hofstede’s exposure to criticism from various other fellow researchers cannot solely be based on deficiencies of his theory but should also be attributed to his status as the most significant contributor to cross-cultural research of our times. It is therefore necessary to not only take the supposed flaws of his model at face value, the actual validity of those criticisms must first be proven before passing judgment on his model as a whole.

<table>
<thead>
<tr>
<th>Criticism Type</th>
<th>Response</th>
<th>Validity of criticism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient number of dimensions</td>
<td>Need for statistical independence, continuing adaptation</td>
<td>To be further adapted</td>
</tr>
<tr>
<td>Insufficient number of samples</td>
<td>Inclusion of data from World Values Survey</td>
<td>Critical</td>
</tr>
<tr>
<td>Research bias due to sampling method</td>
<td>Consistent bias throughout national samples</td>
<td>Unproblematic</td>
</tr>
<tr>
<td>Missing equivalence of meaning of values</td>
<td>Dimensions as intangible constructs</td>
<td>Unproblematic</td>
</tr>
<tr>
<td>Missing theoretical foundation</td>
<td>Connection to Inkeles &amp; Levinson</td>
<td>Unproblematic</td>
</tr>
<tr>
<td>Inadequate level of analysis</td>
<td>National borders as best available proxies</td>
<td>Critical</td>
</tr>
<tr>
<td>Ecological Fallacy</td>
<td>Link to research by McCrae (2004)</td>
<td>Critical</td>
</tr>
<tr>
<td>Outdated information</td>
<td>Dimensions replicated in more recent studies</td>
<td>Unproblematic</td>
</tr>
</tbody>
</table>

Exhibit 6: Overview Hofstede criticism & responses

Exhibit 6 gives an overview of the previous section and rates each type of criticism according to its validity. While some types of criticism are well founded, others are either polemic or invalidated by new findings in cross-cultural research. In general, the various types of criticism regarding Hofstede’s dimensions are mostly consistent with those that all cross-cultural schools of thought have to deal with, not Hofstede as an individual researcher.
C. Reasons for adoption of chosen approach

The previously described attempts to define national dimensions of culture have, even though not fundamentally different from each other, sparked “one of the most heated discussions in contemporary cross-cultural management research” (Fischer 2009). Some researchers, in order to combine different schools of thought and harmonize findings, have even tried to unify those theories by creating a “Wheel of Fortune”, a comprehensive model consisting of value dimensions developed by different authors (Kets de Vries 2001).

Even though the model developed by Hofstede does, like the other published approaches, allow for criticism regarding its contextual limitations (Chiang 2005), it would premature to therefore dismiss it altogether, especially considering the fact that the validity of Hofstede’s dimensions of national cultures has been verified throughout a multitude of studies in various settings (Drogendijk, Slangen 2006). The seven proposed dimensions by Hofstede et al. can therefore assumed to be the most often criticized but also the most thoroughly adapted and optimized approach to national dimensions to this day, allowing for its use in a particular research context.
4. Impact of cross-cultural research on Organizational Behavior

Throughout the years, various studies have been conducted on the basis of the works of Hofstede et al. (1980), leading to interesting insights into organizational processes in general. Culture as a complex, multidimensional construct basically affects every aspect of international business; organizational behavior in general is specifically impacted as it deals with interactions between people in various parts of the organization. Various researchers of international organizational behavior use Hofstede's framework to point out how dynamics in one cultural context differ from those in another. This explicit use of the national dimensions of culture allows for the clustering of practical implications according to the cultural dimension that makes it imperative to change the approach in another cultural setting. Additionally, cross-cultural organizational behavior affects organizations on two different levels: On the one hand, the ways an individual perceives his/her position relative to the company as a whole; on the other hand, team dynamics as a constellation of several individuals change tremendously.

The following section addresses different fields of organizational behavior that are impacted by cross-cultural differences and then points out the dimensions of culture that actually cause these differences. The following aspects, mostly based on the works of Michele Gelfand (2007) and Geert Hofstede (2010), therefore represent some of the most astonishing findings on the impact of cross-cultural differences on business practices.

A. Individual scope

i. Personal motives

Power Distance (PDI)

Sources of guidance are furthermore influenced by the prevalence of power distance in a respective society. Managers from low-PDI countries rely more on their own experience and include feedback from their subordinates in their decisions, unlike those in high-PDI countries who stick to formal rules
and input by their superiors (Hofstede, Hofstede et al. 2010). Another factor influenced by power
distance is the intrinsic motivation of employees: Whereas a low PDI score implies the preference for
individual choices made by each employee, an inclination towards choices made by superiors is
prevalent in high-scoring countries (Iyengar, Lepper 1999).

**Individualism (IDV)**

The most distinct influence on personal motives within organizational contexts, individualism can be
used to generally distinguish between Western and Eastern countries. Even though the usage of those
terms might lead to an oversimplification of the cultural concept, their use can be found throughout
various types of literature. In general, employees in individualist countries see themselves mostly as
individuals, not as parts of groups composed of a variety of actors. They are therefore rather motivated
by individual goals instead of group goals (Niles 1998, Lam, Chen et al. 2002); control mechanisms
should also be instituted individually, not in a group context (Earley 1999). Personal achievement as a
personal motivation is much more common in individualistic cultures, it is therefore important to
ensure the alignment of individual and corporate goals (Hofstede, Hofstede et al. 2010). Diverse tasks
and the opportunity to explore new areas of interest are highly valued (Kim, Drolet 2003), as long as it
is incentivized by promise of promotion (Heine, Kitayama et al. 2001). While shame as a motivational
strategy might be perceived as inappropriate in an individualistic culture, it is rather common in a
collectivist context (Bagozzi, Verbeke et al. 2003).

**Uncertainty avoidance (UAI)**

Sources of guidance act as reminders for employees to ensure that their goals are aligned with
corporate goals and to foster their independence within the organizational framework. While
employees in high-UAI countries are in need for more details regarding planning processes and prefer
more formalized, precise directives, low-UAI countries tend to value more flexibility and freedom
regarding the near future (Hofstede, Hofstede et al. 2010). Low scores in UAI also imply that
employees prefer a broader range of information to make decisions, beyond what is required for the specific task at hand.

ii. Goals

Power Distance (PDI)

Goal commitment is a crucial aspect when trying to determine reasons for employees' respective performance. Whereas a high PDI score implies employees' preference for assigned goal setting, therefore more influence on part of the superior, employees from low-scoring countries tend to be more involved in their professional goals, leading to participative goal setting mechanisms (Sue-Chan, Ong 2002).

Long-term orientation (LTO)

In addition to a specific level of analysis, the time horizon when determining specific goals is also culture-dependent, being affected by the LTO score of a specific cultural setting. The tendency for immediate results and quarterly goal setting prevails in low-scoring countries; high-LTO countries rather focus on a longer horizon, implying that long-term take precedence over short-term goals (Hofstede, Hofstede et al. 2010).

iii. Feedback

Power Distance (PDI)

A high degree of power distance implies rather one-sided dialogues, allowing only the superior to give feedback without the subordinate having the chance to explain himself or ask clarifying questions (Hofstede, Hofstede et al. 2010). Especially new employees, which are in dire need for feedback in order to determine whether or not they fit in, tend to be cautious to quickly ask for feedback, which is not the case in low-scoring cultures (Morrison, Chen et al. 2004).
Individualism (IDV)
Target as well as type of feedback varies quite a bit according to the degree to which individualism is prevalent in the respective cultural context. Whereas there is a preference for open and constructive feedback on an individual basis in high-IDV cultures (Masumoto 2004), low-scoring cultures usually emphasize feedback in a group context, which is mostly delivered implicitly without going into specifics (Van De Vliert, Shi et al. 2004).

Masculinity (MAS)
The way in which performance is measured might also differ between manager and subordinate, depending on cultural perceptions within society. Whereas both parties evaluate performance in factual, quantitative terms in masculine cultures, their interpretations might diverge in a low-MAS setting because intangible factors are considered more important (Hofstede, Hofstede et al. 2010). Social harmony and group fit play a far more important role in more feminine cultures, employees tend to value their intangible contributions differently than their supervisor, who is not able to perceive their effort in this area.

Uncertainty Avoidance (UAI)
The relationship between superiors and their subordinates differs tremendously between cultural contexts, specifically when it comes to the way feedback about prior performances is communicated. Whereas both parties tend to accept some ambiguity in meaning when it comes to appraising performance in low-UAI cultures, feedback is given in a very precise and unambiguous way in high-scoring cultures (Hofstede, Hofstede et al. 2010).
iv. Rewards

Even though compensation as a crucial factor of employee satisfaction and determining force behind the choice of employer is omnipresent in all cultures, the way of evaluating performance and attributing rewards differs substantially.

Power Distance (PDI)
Gaps between compensation levels are specifically dependent on the cultural context and the extent to which the individual perceives his position compared to his superiors. In general, the salary gap between the top and the bottom of the organization is far higher in high-PDI countries, which also leads to conceivably higher levels of CEO salaries (Tosi, Greckhamer 2004). Regarding the form of compensation, employees within those high-scoring countries also prefer purely financial types of compensation whereas companies in low-PDI countries extend their offerings to include stock options and non-financial benefits (Hofstede, Hofstede et al. 2010).

Individualism (IDV)
The identification with a group or the company as a whole in more collectivist countries also has an impact on the way performance is rewarded within those contexts. Collectivism usually implies a focus on group-based compensation and bonus payments based on the overall company performance when compared to individualistic contexts (Hofstede, Hofstede et al. 2010). In collectivist countries, payment based on seniority is generally well received (Brown, Reich 1997), as are saving plans that benefit employees while tying them to the company in the long-term (Miller, Hom et al. 2001).

Masculinity (MAS)
Equality-based, low-MAS societies are also reflected in organizations’ compensation models, especially when it comes to the provision of non-financial benefits. Whereas financial bonuses are
more common in masculine countries that reward performance on the basis of equity, flexible benefits and equality-based compensation is the norm in low-MAS countries (Hofstede, Hofstede et al. 2010).

**Uncertainty Avoidance (UAI)**

Amongst other cultural influences, UAI impacts the role of seniority with regards to compensation levels. Whereas high-scoring cultures perceive seniority as a major driver behind compensation, low-UAI countries mostly focus on skills and proven performance, regardless of the track record within the firm (Hofstede, Hofstede et al. 2010).

**Long-term orientation (LTO)**

Career development as a form of compensation varies substantially according to the time horizon of a society, represented in the LTO dimension. Whereas low-scoring cultures emphasize meritocracy and differentiation according to abilities, high-LTO cultures promote equality throughout societies and similar economic and social conditions for all employees (Hofstede, Hofstede et al. 2010).

**v. Job Satisfaction**

Many aspects of daily work and a multitude of different factors influence job satisfaction. Statistical tools have, however, allowed capturing that complexity and determining the impact that a specific cultural setting has on the attitude towards employment in general.

**Individualism (IDV)**

Collectivism generally implies lower levels of job satisfaction, leading to the question why such a correlation could have been found across cultures regardless of other external influences (Vecernik 2003). An explanation of this phenomenon can be found in the collectivist preference for a “warm, congenial atmosphere” at work (Hui, Yee 1999), a standard that is not always being catered to by
organizations. As more individualistic cultures have a greater internal focus, job satisfaction is not as much influenced by the work setting, leading to an overall higher job satisfaction.

**Masculinity (MAS)**

Masculinity in a cultural context is a further indicator of employment preferences. Whereas high-MAS cultures imply the prevalence of larger organizations that emphasize the motivation for employees to climb up the corporate ladder as quickly as possible, employees in low-MAS countries tend to prefer smaller companies that allow for a better work-life balance (Hofstede, Hofstede et al. 2010).

**Uncertainty Avoidance (UAI)**

The level of uncertainty avoidance in a specific society mostly influences employee preferences regarding the type of organization they like to work in, the time horizon of their employment and the use of their time. Whereas employees in high-UAI countries prefer to work in larger organizations with a relatively high degree of job security, a low UAI score implies the prevalence of smaller companies and more liberal hire-and-fire practices (Hofstede, Hofstede et al. 2010). In addition to this, high levels of UAI cause people to prefer a constant stream of work in order to feel productive, low scores imply that people prefer to make different use of their time as long as their tasks do not go towards the achievement of a specific goal.

**vi. Job and Organizational Characteristics**

In addition to job satisfaction, which is based on the individual perception of the employees towards the organization, there are also some more factual characteristics that vary across cultures.

**Power Distance (PDI)**

The degree to which individuals are allowed to make autonomous decisions largely depends on the gap between senior- and lower-level employees. In high-scoring cultures, empowerment of employees
actually has the inverse effect, it reduces productivity as it increases accountability and shifts the focus on individual rather than group goals (Eylon, Au 1999).

**Individualism (IDV)**

The nature of relationships with the employer and others at work in general is mostly dependent on the extent to which society advocates an individualistic lifestyle. Employees in high-scoring countries see the relationship with their employers more rationally, which also explains why relationships at work are rather frowned upon due to the danger of nepotism taking place (Hofstede, Hofstede et al. 2010). Collectivist countries regard these issues differently, however, as stronger relationships foster the identification with the organizations and, hence, the employees’ intrinsic motivation.

**Uncertainty Avoidance (UAI)**

The reliance on experts and technical expertise to solve not only specific problems but also to manage a whole business is a feature of high-UAI cultures that thereby try to require their supervisors to be aware of micro-level issues. Low-scoring cultures, on the other hand, prefer more generalist functions that serve as supervisors to monitor overall trends within companies (Hofstede, Hofstede et al. 2010).
B. Team scope

Whereas individuals’ perceptions about their own role in the context of an organization are, as described above, impacted by the specificities of the cultural context, interpersonal relationships can also be perceived and interpreted differently.

i. Attitudes about teams

Power Distance (PDI)

As it is to be expected, individuals’ perceptions about their own role in a team setting are mostly influenced by the extent to which PDI plays a crucial role in the respective society. Even the perception of superiors differs tremendously. While employees in high-PDI cultures see leaders as clearly superior to themselves, they are considered to be of equal status in low-PDI cultures (Hofstede, Hofstede et al. 2010). This difference in perception causes leaders in high-PDI cultures to be the only ones allowed to begin a conversation with a subordinate and to explicitly show status symbols to lay claim to their authority, something perceived very negatively in low-scoring cultures. The age of the supervisor and the relationship with him is a further aspect that is perceived quite differently: Younger superiors are accepted in low-PDI cultures because relationships are mostly based on rational criteria like his professional skill set. High-PDI cultures, on the other hand, usually infer that age equals experience; the superior is therefore rather regarded as a paternal figure. The way that a society approaches self-management and trust towards lower-level employees is a further indication of the PDI within that specific setting (Kirkman, Shapiro 1997). Lower-scoring nations welcome self-management and therefore place more trust in lower-level employees whereas high-PDI nations emphasize the traditional chain of command.

Individualism (IDV)

The degree to which teams are implemented within organizations is closely linked to the individualistic tendencies within a given society. Teambuilding is generally more resisted in high-
scoring cultures due to the increased need for coordination (Kirkman, Shapiro 2001); this also leads to a higher acceptance of short-term rotation of team members (Harrison, McKinnon et al. 2000). In collectivist cultures, on the other hand, employees regard teams as their in-groups; they therefore prefer stable team settings that do not require a high turnover. The prerequisites for successful teamwork are additional aspects that differ between cultures. Whereas the establishment of trust is essential when conducting any type of cooperation in low-IDV cultures, employees in high-scoring cultures do not necessarily the need to do so first (Hofstede, Hofstede et al. 2010).

Long-term orientation (LTO)

The importance of a network of contacts one can rely on to advance his career is far more pronounced in high-LTO cultures. While members of short-term oriented cultures base their personal success and career plans mostly on their individual skill set and expertise, the adherence to social status as a career driver is most often found in high-scoring cultures (Hofstede, Hofstede et al. 2010).

ii. Team processes

Power Distance (PDI)

The extent to which different members of a team contribute to the solution of the task at hand is a further aspect of organizational processes that is affected by the culture within the respective country. Whereas all members, regardless of formal authority, contribute equally in low-PDI countries, judgments are strongly tied to status in high-PDI countries (Earley, Gibson et al. 1999). Perception of enrichment is another difference; while mostly affecting team processes positively in low-scoring countries, this is not the case in countries on the opposite side of the scale (Drach-Zahavy 2004).

Individualism (IDV)

Members of collectivist nations mostly perceive themselves as parts of a whole, of a team, than as individuals per se (Chi-Yue, Morris et al. 2000). Collaboration is therefore a much more common
feature of collectivist nations (Eby, Dobbins 1997), which also emphasize the importance of socio-emotional factors of cooperation (Chen, Chen et al. 1998). Less individualistic countries furthermore show a tendency to repress creativity in employees due to the pressure of conformity (Goncalo, Staw 2006). High-scoring cultures, on the other hand, foster creativity but focus more on instrumental factors when determining whether collaboration on a specific task would be useful or not.

**Masculinity (MAS)**

The need for consensus is an aspect of feminine cultures that deeply impacts decision-making processes within organizations. Where meetings are used to discuss current problems and find a consensus-based solution to a given problem, employees in high-scoring nations show an inclination to use meetings as platforms to prove their point of view and convince others of its validity (Hofstede, Hofstede et al. 2010). This furthermore explains the focus on mutual help and social contacts in low-scoring cultures in contrast to the emphasis on independent achievement in high-MAS settings.
5. Description and relevance of approach

The impact of cross-cultural factors on daily life in a professional context, as described above, stretches across various management disciplines and is exacerbated or mediated through various other factors. Research so far has looked at representatives of certain national cultures as products of one singular country, assuming a consistent upbringing in one specific cultural setting.

A. Description of approach

As described above, various researchers have introduced their dimensional frameworks that allow for a quantitative evaluation of national cultures. Even though several issues have been identified and properly addressed, there still remain aspects of cultural value development that need to be clarified. This thesis intends to shed some light on one of those remaining aspects and argues that the majority of current cross-cultural research does not adequately address current globalization tendencies when it comes to global management practices. I argue that contemporary research is, for that purpose, to be refined due to two reasons: First, individuals within a senior management setting are not merely products of a single culture. Secondly, there are inherent differences between the overall population of a country and the individuals of which a senior management setting is composed.

i. Criticism of current research approaches

a. Exposure to multiple cultural settings

Research has so far mostly relied on the approach of assuming the influence of only one culture on the cultural value perceptions of an individual, thereby advocating a constant upbringing in a single cultural context and the conclusion of national culture development at a comparatively young age. As discussed in the previous chapter, however, knowledge about cultural idiosyncrasies is of tacit nature and thereby transferred among individuals as a result of the exposure to a different cultural setting. Instead of categorizing individuals according to their national background, it would therefore be more helpful to actually consider the various types of cultural settings to which they have been
exposed. This can be achieved by sourcing information about their international mobility up to the
time of the study. By doing so, one could make inferences about the impact that those experiences
have had on the individual’s value perceptions, comparing the dimensional scores of the observed
sample with the ones currently advocated by cross-cultural research.

\textit{b. Discrepancies between samples and professional context}

The main intent of behavioral research on value dimensions of national cultures is the
identification of value perceptions that represent the population of a country as a whole. By offering
an explanation of how a society in general perceives certain things, this comparatively broad approach
helps to fend off criticism regarding the existence of subcultures and the thereof resulting
incompleteness of generalist approaches. While this makes sense when trying to give indications about
tendencies within a society as a whole, it does not necessarily support management-centric approaches
to cross-cultural literature. The senior management of a globally operative multinational company
does not consist of people that necessarily represent the countries they were born in, it is rather
composed of individuals that had lived in various cultural settings before assuming their current
position in the company. The reliance on broad national samples is therefore not the optimal choice
when trying to replicate a professional setting that is supposed to allow for deductions about
international management practices. It would therefore be recommendable to shift the focus of this
specific type of cultural research towards a setting that is further aligned with that of a multinational.

\textit{ii. Choice of sample for research purposes}

The two aspects mentioned above call for the choice of a far more refined research sample.
Even though such a sample might not give an overview of national cultures of countries in general, it
adequately represents the multinational composition of a management setting. An international
business school like MIT Sloan allows for a far more adequate sampling in terms of similarity of its
students and future members of the senior management layer of multinationals. Besides the obvious
link between a business school and a management setting, globalization tendencies in the business
world are also to be found in the academic setting of a business school. This claim that will be further
analyzed in the next section, which provides information to support the claim that the academic setting
of MIT Sloan can be a good setting to make adequate inferences about management.
B. International nature of business schools

The influence of various layers of culture on a person grows once that person is integrated into a specific work environment due to the increasing impact of organizational norms and values. It is therefore desirable to replicate a work force that becomes increasingly international without having to account for bias due to a strong organizational culture. The setting of an international business school helps to identify trends that allow for predictions about the composition of senior levels in multinationals in the decades to come.

The increased internationalization of the work force does not only start at employment; even business schools, as a common way for people from various backgrounds to assume management positions, show a strong internationalization tendency. When comparing the top 100 MBA programs according to the "Global MBA Ranking", published annually by the Financial Times since 1999, it becomes apparent that, even though MBA education is still mostly US-centric, there has been a slight increase in the reputation of programs from all over the world.

Exhibit 7: Composition of pool of top 100 business schools

Exhibit 7 shows the locations of the leading 100 business schools across the world and how those locations changed over time. Based on the Financial Times Global MBA rankings
between 2000 and 2012\(^1\), it allows for a first overview of trends in management education. Whereas North American and European MBA programs become less represented throughout the years, with a decrease from 68% in 2000 to 59% in 2012 and 32% to 25%, respectively, Asian programs gain an 11% share after not having been present in higher management education whatsoever in 2000. Even more interestingly, while the ranking was made up of only North American and European programs in 1999, schools from all six continents were represented in 2012, attesting to the increasing global scope of higher management education.

Admittedly, this broad overview only offers a general indication about internationalization tendencies while allowing for various types of criticism. Especially when considering the Western-centric view of a UK-based magazine like the Financial Times, the predictive power of such rankings remains questionable. In order to give better insights into internationalization tendencies and their impact on management education, it is therefore necessary to have a granular look at some of the main components that make up a business school: Sections i, ii and iii will therefore look at the composition of the board, the faculty and especially the student body of business schools.

In order to gain reliable information on a continental basis for each of these points, a sufficient sample size for each region is necessary to account for outliers and decrease unwarranted volatility. When clustering the locations of the top 100 business schools by continent, only North American and European universities are constantly among the top 100. While 62.3 out of the 100 top universities are located in North America, 27.4 out of 100 are located in Europe. African (0.6 universities per year), Asian (4.3 universities per year), Australian (2.2 universities per year) and South American (1.2 universities per year) universities are not numerous among the top 100 and therefore do not provide sufficient samples to evaluate them on an individual basis. North American and European universities

\(^1\) Data of 1999 excluded due to an increase in sample size from 50 in 1999 to 100 in the following years (exception: 74 schools in 2000, 101 schools in 2001) and incomplete data in 1999 required for further analysis.
better serve as objects of analysis. Therefore, for the following analysis, all universities among the top 100 schools in the ranking influence the overall average. When taking a more granular look on a continental basis, however, only the North American and European samples are considered.

i. International Board

As part of the global MBA Ranking, the Financial Times collected data about the composition of the boards of business schools offering MBA degrees between 2000 and 2012. More specifically, the “percentage of the board whose citizenship differs from the country in which the business school is based” (The Financial Times 2012) was examined. Exhibit 8 graphs the average percentage of the board that is composed of internationals, clustered by the continent on which the schools are located.

Exhibit 8: International Board – global

As can be inferred from Exhibit 8, which represents the board composition of top 100 business schools located on different continents, the percentage of international board members increased by 82% relatively, from 15% in 2000 to 28% in 2012. When comparing North American and European business schools in particular, as depicted in Exhibit 9, it becomes apparent that, even though American schools still have a far more domestic board, schools from both continents have started relying on far more nationally diverse boards than they used to.
Exhibit 9: International Board – local

The 73% relative increase from 29% to 51% of international board members in Europe as well as the 60% relative increase from 10% to 16% in North America underlines the increasing importance of global factors in decision-making processes of international business schools. Data suggests that universities have realized the need to provide a more internationally focused curriculum and to create ways for students to get exposure to an international setting out of the normal university context.

ii. International Faculty

In addition to information about the composition about business schools’ board compositions, the Financial Times also sourced information regarding the “the percentage of faculty whose citizenship differs from their country of employment” (The Financial Times 2012). Information regarding the composition of a school’s faculty allows for deductions about shifts in academic focus and awareness regarding the need to include more international content in the curriculum.
Exhibit 10 depicts the development of faculties of business schools around the world, showing the average percentage of international faculty. Clustered by the continent on which the schools are located, it indicates a consistent increase of international faculty members over the last 13 years. Across the overall sample, a relative increase of 51% from 26% to 39% is certainly notable, especially considering the fact that the tendency is consistent through all 13 years. When examining the schools located in North and America in more detail, it can be seen that, as in the case of the board membership, European schools show a far more international scope than their American counterparts.

Consistent with the absolute numbers, there is an indication for a stronger internationalization among European universities, based on a 62% relative increase from 33% to 53% between 2000 and 2012 (compare Exhibit 11). North American universities, even though starting out from a far lower level, have increased the number of their international faculty members by 52% from 21% to 32%.

The tendencies can be seen as far more significant than the absolute numbers in this case due to the size of the North American countries and the number of business schools located there – the pool of domestic professors is just greater than in the case of European countries.
iii. International Students

The most important indicator for the increasing internationalization of business schools can be found in the number of students whose national backgrounds differ from the one of the business school they are attending. This data point, similar to the others mentioned above, has been sourced by the Financial Times in order to contribute to business school scores in the Global MBA Ranking over the past 13 years. Exhibit 12 shows the average percentage of international students at all of the top 100 business schools that are located on a specific continent.

Exhibit 12: International Students – global

When examining the development in student bodies of the best 100 business schools around the world, a 24% relative increase of international students from 42% to 52% of the overall student body underlines the increasingly global scope of higher management education. As can be inferred from Exhibit 12, students do not only seek a well-founded management education but also expose themselves to an international setting that shapes a crucial part of their academic career and their whole life.
A granular look at North American and European business schools, as provided in Exhibit 13, shows that especially European universities have an incredibly diverse student body that has continued to increase over the last decade. Starting from a comparatively high level of 64%, the number of international students increased by another 39%, to 89% in 2012 in total. Even though the tendency in the case of North American universities is not as strong, there has still been a 16% increase between 2000 and 2012, augmenting the percentage of international students from 32% to 37%.
C. MIT Sloan as a specific sample

When examining the overall development of business schools around the world, it is hard to disprove a globalization tendency, regardless of the scope. The discrepancies when comparing North American and European business schools, summarized in Exhibit 14, can be attributed to the comparatively small country sizes. The exhibit sums up the data presented in the previous sections and contrasts the MIT Sloan data to allow for easier comparability. Other logical arguments are low barriers to exchange in Europe, which allow for a higher degree of mobility across national borders.

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>North America</th>
<th>Europe</th>
<th>MIT Sloan</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Board</td>
<td>15%</td>
<td>28%</td>
<td>+82%</td>
<td>10%</td>
</tr>
<tr>
<td>International Faculty</td>
<td>26%</td>
<td>39%</td>
<td>+51%</td>
<td>21%</td>
</tr>
<tr>
<td>International Students</td>
<td>42%</td>
<td>52%</td>
<td>+24%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Higher management education therefore seems to support the claim that the increased international exposure of the professional setting is mirrored in business schools around the world, allowing for a replication of the senior management of a multinational through the use of a business school sample.

In order to support the choice of an adequate sample and ensure that the specific sample chosen does not contrast the global average, it is furthermore useful to have a more detailed look at two aspects of MIT Sloan in particular: the internationalization tendencies over the last decade and the current composition of the student body.

i. Internationalization tendencies

Similar to the data about continents provided above, the Global MBA Ranking also allows for a more granular look at a specific business school. In order to put the developments at MIT Sloan into
perspective of global trends, data about the MIT Sloan board, the faculty as well as about the student body are extracted from the Global MBA Ranking, as depicted in Exhibit 15.

Exhibit 15: Internationality – MIT Sloan

The data sourced for the specific MIT Sloan sample, in line with the developments in the North American region, shows a positive trend for all three categories. The percentage of international board members of the school has multiplied by a factor of 14 between 2000 and 2012, leading to an increase from 4% to 60%. Compositions of faculty and student body show a less consistent positive tendency than the regional average, still amounting to a 27% (from 26% to 33%) and 38% (from 37% to 51%) relative increase, respectively. One can therefore assume that MIT Sloan is as deeply influenced by globalization trends as other top-ranked business schools in the North American region and around the world. Those parallels allow for the use of the MIT Sloan sample as a general predictor of global trends within business schools.

ii. Diversity of student body

As depicted above, the student body of MIT Sloan currently consists to 51% of international students, which is 14% above the North American average of 37% and consistent with the global average of 52%. More specifically, there are 69 different nations from six different continents represented at MIT Sloan, indicating an influx from countries all over the world. Out of those 69
different nations, 16 nations provide samples sizes that are sufficient\(^2\) to allow for a general indication about the cultural perceptions within that subsample in particular.

iii. Final remarks about MIT Sloan as a sample for further research

As described above, there are two major points that are crucial when trying to adequately replicate an international management setting, internationalization tendencies and the diversity of the current student body. MIT Sloan as a sample for cross-cultural research more than fulfills the outlined criteria, providing a truly international setting that inhabits a culturally diverse student body. It can therefore be regarded as an adequate sample that allows for general inferences about behavioral research.

\(^2\) Only samples that consist of ten or more students are considered for further research purposes.
6. Description of conducted survey

A. Research tool

In this thesis, I adopted a renowned and well-developed research tool provided by Geert Hofstede, the Values Survey Module (Hofstede, Hofstede 2008). The questionnaire was slightly adapted and distributed to 438 students at the MIT Sloan School of Management during the thesis process in April 2013. In order to better reflect the setting of a business school, some parts of the questionnaire were adapted to source information relevant for the clustering of responses and the identification of cultural backgrounds of respondents.

i. Origin of content and theoretical foundation

First published in 1982 by Hofstede et al., the Values Survey Module is a “questionnaire developed for comparing culturally influenced values and sentiments of similar respondents from two or more countries” (Hofstede, Hofstede et al. 2008). Initially covering the four first dimensions of national cultures identified by Hofstede (1980), it continually evolved to reflect the current status quo of cross-cultural research. The version used as a basis for the questionnaire distributed to MIT Sloan students consists of 34 questions, 28 out of which serve to generate scores for each of the seven national dimensions of culture identified by Hofstede et al. in 2007: Power Distance, Individualism vs. Collectivism, Masculinity vs. Femininity, Uncertainty Avoidance, Long- vs. Short-term orientation, Indulgence vs. Restraint and Monumentalism vs. Self-Effacement. The individual score for each dimension is therefore computed with the help of four different questions. The details about these scores and their computation can be found in appendix 2.

In addition to the 28 questions related to the dimensional scores, the remaining six questions collect important demographic information about the respondent. As the original questionnaire was developed for a sample taken from the general population of a company, some of them are not
relevant for the MIT Sloan setting. A pre-selection regarding the current employment situation has, for example, already been made; inquiring about it would therefore serve no purpose.

iii. Adaptations made to original questionnaire

For analysis purposes, it shall be noted that the 28 questions used for the computation of the national dimensions of culture were left untouched to ensure the validity of the underlying algorithm. However, the pre-selection undertaken by focusing exclusively on business school students also demands the addition of other questionnaire items targeted specifically at the business school population.

The six background questions included in the Values Survey Module 2008 (appendix 2) cover basic facts like age, gender, education and nationality. While four of these questions can be used for this research project, questions 31 and 32, referring to formal school education and current employment, needed to be removed form the questionnaire. Taking into account the international background of most respondents and the potential previous exposure to other cultural contexts, nationality as the only identifier of a respondent's cultural heritage was deemed insufficient. In order to complement the original question from the Values Survey Module, the questionnaire distributed to MIT Sloan students asked respondents to specify the countries they had lived in as well as the number of years spent in each country. This addition to the survey allowed for the comparison of nationality (cultural identity according to passport) and time actually spent in a country (that therefore deeply influenced respondents' cultural value perception).

The whole questionnaire distributed at MIT Sloan can be found in appendix 1; all adaptations to the module originally designed by Hofstede are included in the “Demographic Information” part at the end of the survey. The questionnaire was distributed via email between April 8th and April 19th, 2013 to 438 students from 16 different nationalities, 249 out of which responded to it.
B. Description of final sample

The survey described above was distributed via email at the MIT Sloan School of Management, consisting of an international student body with more than half of its students coming from countries other than the US. As shown in Exhibit 16, 438 students from 16 different nationalities, including the US, were contacted for the purpose of filling out the survey via email. Even though the focus of the survey was on the international students at MIT Sloan in order to evaluate the impact of their international exposure, US students were also contacted to provide a control group and as a point of reference for differences between the MIT Sloan and the Hofstede sample.

The students were approached with a personalized email that explained the background of the survey and the goal of this thesis in general (for the exact information provided to students, please refer to Appendix 1). The email included a link to an online survey created with the Qualtrics survey tool. Students were incentivized to participate by raffling off 10 $20-coupons that could be used at the Sloan Cafeteria. There was no guaranteed financial compensation for students’ participation. Winners were selected randomly from all participants and awarded the coupons in May 2013.

![Response statistics chart]

Exhibit 16: Response Statistics
The choice of 16 nations was based on the number of students at the school from each respective nation – only students from nations with more than 10 students were contacted in order to have a sufficiently large sample from each nation. Out of the 438 contacted students, 249 responded to the survey, equaling a response rate of 56.8%. After accounting for incorrectly/partially-completed surveys, a total of 202 usable responses remained, with a response rate of 50.5% (compare Exhibit 16).

As can be seen in Exhibit 17, the decision to only include respondents from national subsamples with ten or more respondents lead to the exclusion of 31 responses from students from France, Germany, Israel, Thailand and Turkey. Even though this decision decreased the number of subsamples from 16 to 11, the remaining 171 responses still allowed for sufficient data to point out general trends within the national samples.

<table>
<thead>
<tr>
<th>National Sample</th>
<th>Students who received survey</th>
<th>Usable responses received</th>
<th>Percentage of received responses</th>
<th>Sample usable (&gt;=10)</th>
<th>Usable responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>33</td>
<td>18</td>
<td>54.5%</td>
<td>Yes</td>
<td>18</td>
</tr>
<tr>
<td>Canada</td>
<td>33</td>
<td>12</td>
<td>36.4%</td>
<td>Yes</td>
<td>12</td>
</tr>
<tr>
<td>Chile</td>
<td>15</td>
<td>12</td>
<td>80.0%</td>
<td>Yes</td>
<td>12</td>
</tr>
<tr>
<td>China</td>
<td>60</td>
<td>22</td>
<td>36.7%</td>
<td>Yes</td>
<td>22</td>
</tr>
<tr>
<td>France</td>
<td>11</td>
<td>7</td>
<td>63.6%</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>13</td>
<td>6</td>
<td>46.2%</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>43</td>
<td>12</td>
<td>27.9%</td>
<td>Yes</td>
<td>12</td>
</tr>
<tr>
<td>Israel</td>
<td>16</td>
<td>6</td>
<td>37.5%</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>38</td>
<td>23</td>
<td>60.5%</td>
<td>Yes</td>
<td>23</td>
</tr>
<tr>
<td>Mexico</td>
<td>29</td>
<td>19</td>
<td>65.5%</td>
<td>Yes</td>
<td>19</td>
</tr>
<tr>
<td>Singapore</td>
<td>20</td>
<td>11</td>
<td>55.0%</td>
<td>Yes</td>
<td>11</td>
</tr>
<tr>
<td>South Korea</td>
<td>36</td>
<td>15</td>
<td>41.7%</td>
<td>Yes</td>
<td>15</td>
</tr>
<tr>
<td>Spain</td>
<td>16</td>
<td>10</td>
<td>62.5%</td>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>Thailand</td>
<td>12</td>
<td>7</td>
<td>58.3%</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Turkey</td>
<td>10</td>
<td>5</td>
<td>50.0%</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>United States of America</td>
<td>53</td>
<td>17</td>
<td>32.1%</td>
<td>Yes</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>438</strong></td>
<td><strong>202</strong></td>
<td><strong>50.5%</strong></td>
<td><strong>Yes</strong></td>
<td><strong>171</strong></td>
</tr>
</tbody>
</table>

Exhibit 17: Response Rates

As described in section 6.A, the survey used two different ways of measuring the cultural background of the respondents, nationality and the time actually spent in a specific country. Although nationality serves as a good proxy for the context that shaped respondents' cultural perceptions, the
social context people spend time in is actually the driving force behind cultural values (Hofstede, Hofstede et al. 2010). When analyzing the 202 responses from MIT Sloan students, 16 out of those 202 students indicated a nationality that differed from the country that they spend most of their lives in. Clustering the responses by nationality would have therefore provided misleading answers: Some of the supposedly Japanese respondents might never have lived in Japan. In order to allow for better insights into national cultures, I therefore used the main country of respondents (the country that respondents spent most of their lives in) to attribute responses to a specific subsample.
C. Specifics of utilized questionnaire

In order to examine the impact of an international business school setting on individuals' cultural value perceptions, the Values Survey module provides a solid tool that allows for comparisons across cultures. The scores provided by the analysis of the 28 value-related questions could by design stretch from -300 to 300 in case of some dimensions, in the most extreme cases. As a score of 300, for example, would require consistently extreme answers from all respondents of a national sample, however, this merely represents a theoretical possibility. It does, however, allow for scores outside of the 0-100 scale used for Hofstede's national dimensions of cultures. It is therefore not possible to compare the absolute scores found in the MIT Sloan sample with their counterparts in the Hofstede sample.
7. Findings

A. General patterns

The patterns outlined in this chapter are based on the average dimensional scores of the MIT Sloan sample of eleven national cultures, each consisting of ten or more respondents. In order to allow for comparability of results, the averages used for Hofstede’s average dimensions of cultures are based on the same set of countries instead of a global average. As mentioned above, the provided option to vertically shift a specific dimensional score has not been taken advantage of, leading to party negative scores as can be seen in Exhibit 18.

i. Dimensional Averages – MIT Sloan

Exhibit 18 provides an overview of general tendencies within the MIT Sloan population and the respective importance attributed to specific national dimensions of culture.

Exhibit 18: Dimensional Averages: MIT Sloan
The six average dimensions scores as well as the variation in responses depicted below all fall in the 0-100 range also used by Hofstede, with the exception of Uncertainty Avoidance (avg. -75.7). The extremely low range of UAI found in the MIT Sloan sample indicates a far more competitive nature of the business school setting when compared to the overall population of countries sampled. The variation in national dimensions throughout the sample points toward a certain cultural convergence, a feature that will be further elaborated later on. The most fluctuating dimension, individualism, contains scores between 14 and 74 with a standard deviation of 21.35. Taking into consideration the potential range of -300 to 300, the intervals can be considered relatively small.

ii. Dimensional Averages – Hofstede

Contrasting the MIT Sloan one, the Hofstede sample, consisting of respondents representing a country’s overall population, includes far more divergent national scores. With the intervals varying between ranges of 42 (PDI) and 84 (UAI), the responses are far less similar, a feature that might be explained by the higher degree of diversity within the respective national samples.
The maximum standard deviation of 28.38 in the case of Uncertainty Avoidance is only slightly higher than in the case of the MIT Sloan sample (IDV, 21.35); the overall range of answers is, however, also limited to a range between 0 and 100, unlike the MIT Sloan sample. The UAI range of scores is also notably different from the business school sample, representing second-highest scoring dimension (61.7 vs. -75.7 in the MIT Sloan sample).

The absolute numbers of the dimensional averages, however, might be misleading due to two distinct reasons. First of all, Hofstede’s national dimensions of culture are not exclusively based on the Values Survey module but rather on various other data sets. A further reason is the potential vertical shift of dimensional scores: As the module serves primarily for the comparison of dimensions between countries of the same underlying sample, it is not known whether or not Hofstede actually shifted his dimensional scores to fit into the 0-100 interval.

Instead of comparing averages across samples, it is therefore more useful to focus on the relative differences between dimensions of the same population, thereby measuring the relative importance of those dimensions throughout the respective sample. This is done in the next section.
iii. Comparison of differences in dimensions within the sample

Whereas the previous two sections helped to understand the general ranges of dimensional scores in the MIT Sloan sample compared to the ones advocated by Hofstede, a direct comparison of the respective importance within the two samples is needed to derive any practical implications. In order to do so, Exhibit 20 depicts the range of dimensional averages in each sample and the ranking of dimensions according to their relative importance to the respective population sampled.

![Relative Importance of national dimensions of cultures](image)

Exhibit 20: Relative importance of national dimensions of culture

Whereas the individual dimensional scores varied more within the Hofstede sample (maximum standard deviation of 28.38) than within the MIT Sloan sample (21.35), the average scores behave quite differently: The overall MIT Sloan interval is 140.5, between -75.7 and 65.8, whereas the Hofstede range lies between 42.3 and 63.1 (interval of 20.8). This indicates cultural value perceptions that fluctuate a lot more but that are also a lot more clear-cut in the MIT Sloan sample. I will further elaborate on the practical implications of these findings later on in this thesis.
Comparing the two samples, distinct differences in the respective importance of dimensions are easily perceived. The most striking difference, as mentioned in section 7.A.ii, is the immensely low score of Uncertainty Avoidance (-75.7) found in the MIT Sloan sample. Especially compared to Hofstede’s data, which identifies it as the second-highest dimension with a score of 61.7, this discrepancy has staggering implications for Organizational Behavior practices across cultures. Perceptions about job security, compensation models and involvement of senior management in daily operations are deeply impacted by people’s level of Uncertainty Avoidance within a given nation.

A further divergence between original and business school sample concerns the respective importance of Indulgence vs. Restraint and Individualism vs. Collectivism across samples. Those two dimensions, both dealing with the wish for self-fulfillment and hedonism, represent the two most important aspects within the MIT Sloan sample (65.8 and 41.9, respectively). In the original sample, perceptions are quite contrary: Although the distance to other dimensional averages is not as high as in the MIT Sloan sample, they still rank as the two lowest-scoring dimensions of cultures (51.3 and 42.3, respectively). It should be noted that the relative proximity of the absolute values across samples does not carry any meaning; it is rather the relative position within the respective sample that serves as a basis.

The variations of Masculinity and Long-Term Orientation are not distinct enough to allow for the identification of any significant divergences between samples (3rd vs. 4th and 5th vs. 3rd rank, respectively). The relative position of Power Distance, however, indicates a further difference. Whereas the original population tended to perceive a far larger gap between senior- and lower-level employees (PDI of 63.1, ranked 1st), the business school valued equality a lot more (PDI of 18.7, ranked 4th). The practical implications of this change mostly concern the relationship between employees and their superiors, which will be further discussed in section 8.
B. Existing links and correlations

The previous section helped to identify specific dimensional differences between the business school setting and the original data, allowing for specific recommendations on Organizational Behavior that refer to dimensional scores throughout national samples. While those points address the practical implications of the value discrepancies, this section helps to answer the original question of this thesis: Does the exposure to an international business school setting influence an individual’s cultural value perceptions? In order to do so, I will first examine whether or not a certain degree of cultural convergence can be demonstrated within the individual national samples when compared to the rest of the MIT Sloan sample. As a second step, I will provide an overview of all those convergences that allows for an overarching take-away regarding the MIT Sloan sample as a whole.

i. Description of statistical tool used to prove the convergence of cultures

In order to test whether a certain degree of convergence within the business school setting exists, I will compare the averages of each nation’s cultural dimension scores to the average score of the rest of the sample within the same dimensions. It is important to note that the average of the responses not included in the respective national sample changes depending on the country that is being compared. A specific national sample is therefore not compared to the overall average of the MIT Sloan sample (which would imply that the dimensional averages for the rest of the sample are constant regardless of the country examined) but rather to all responses not representing that specific nation. The reason for this approach is the statistical independence of the two samples that are compared: Using an overall average would lead to a sample overlap, which would decrease the statistical validity of results.

The comparison of national and the other average scores serves to support the claim of a cultural convergence by showing that the dimensional averages of the two samples are not significantly different from each other. The main hypothesis is that belonging to a certain national
sample does not help to give a better indication about an individual’s value perceptions than being part of the overall MIT Sloan population.

In order to statistically prove this, I used a student’s t-test to compare the dimensional averages of the two samples. I conducted this test for all six dimensions of all eleven countries lead to an overall of 66 different results, allowing for a general outline as well as more specific indications about individual national samples. While this chapter serves to have a more granular look at individual countries, an overview of the findings and a general outline can be found in the next chapter.

The null hypothesis of the t-test assumes that the averages of the two samples are not significantly different from each other, thereby

\[ H_0: \mu_1 = \mu_2 \]

where \( \mu_1 \) equals the mean of the respective national sample and \( \mu_2 \) represents the mean of all responses that were not part of the specific national sample. The underlying populations of the samples do therefore not overlap. The t-test I run assumes unequal sample sizes as well as unequal variances. The purpose is also to test that no difference between the two exists, a two-tailed test is therefore used to determine differences regardless of which of the two averages is larger.

The t-test yields p-values as results for each of the 66 comparisons. A p-value represents the “probability of obtaining a test statistic at least as extreme as the one that was actually observed, assuming that the null hypothesis is true” (Goodman 1999). In order to reject the null hypothesis of similar dimensional averages, ergo the convergence of cultures, the p-values need to be compared to the chosen significance level, usually 0.1 or 0.05. The null hypothesis is rejected when the p-value of
the respective test is smaller than the chosen significance level. Cultural convergence can therefore be assumed if the p-values found throughout the sample tend to be above 0.05.
ii. Individual country scores and comparisons within MIT Sloan sample

In the following part, absolute averages scores and the respective p-values are shown for each of the national samples in order to give a comprehensive overview of findings throughout the sample:

Brazil

The Brazilian population at MIT Sloan generally shows cultural value preferences that are surprisingly similar to the ones of the overall MIT Sloan population.

As depicted in Exhibit 21, all six t-tests conducted for the Brazilian sample yield p-values that are greater or equal to 0.4, far higher than the 5% significance level.

The null hypothesis can therefore not be rejected. The averages of the Brazilian subsample and the rest of the MIT Sloan population are not significantly different from each other, supporting the claim of a convergence of cultures.
Canada

While the p-values yielded by the t-tests conducted for the Canadian subsample are not as high as in the case of Brazil, all of them lie above the 10% threshold. As can be seen in Exhibit 22, p-values vary between 0.11 and 0.86, clearly supporting the null hypothesis.

Exhibit 22: Comparison of country and residual scores - Canada

Chile

Exhibit 23 represents another example of cultural convergence resulting from international exposure.

Exhibit 23: Comparison of country and residual scores - Chile
Consistent with the previously mentioned examples of Brazil and Canada, the Chilean population at MIT Sloan does not show tendencies that diverge significantly from the rest of the sample. The p-values that range between 0.47 and 0.81 rather show a clear alignment of the Chilean and the overall sample.

China

The subsamples mentioned so far clearly indicated that the null hypothesis of consistent averages throughout the sample is not to be rejected. The subsample of Chinese students at the MIT Sloan School of Management, depicted in Exhibit 24, however, shows some cultural value preferences that differ slightly from the rest of the sample. Whereas five out of the six dimensions show p-values between 0.16 and 0.79, the national dimension of Individualism shows a certain degree of divergence. The Chinese Individualism score of 14 is contrasted by the residual average score of 45, leading to a p-value of 0.08. While the null hypothesis would still be supported at a significance level of 10%, a 5% level would lead to a rejection of the hypothesis of cultural convergence.

Exhibit 24: Comparison of country and residual scores - China

The comparatively low Individualism scores within the Chinese subsample could be attributed to the relatively high importance that the Individualism dimension of culture has in the Chinese context.
China is usually used as the prime example for collectivism, which could explain the continuing importance for Chinese nationals even after the consideration of a pre-selection bias and the impact of international exposure.

India

Although originally representing a cultural setting quite different from that of the US, the dimensional averages of the Indian subsample at MIT Sloan are not significantly different from the ones of the rest of the population.

Exhibit 25: Comparison of country and residual scores - India

Exhibit 25 shows the p-values resulting from a comparison of Indian dimensions and those of the rest of the sample. Similar to the other country samples, p-values between 0.15 and 0.4 support the claim of cultural convergence within the MIT Sloan sample.
Japan

The responses from the Japanese subsample depicted in Exhibit 26 indicate a general support of the null hypothesis. T-tests of five out of six dimensions yield p-values greater than 0.1, between 0.18 and 0.82. The dimension of Long-Term Orientation, however, shows some discrepancies between the Japanese and the residual MIT Sloan population, yielding a p-value of only 0.06. This would imply a rejection of the null hypothesis at a significance level of 10%.

Exhibit 26: Comparison of country and residual scores - Japan (N=23)

Although impossible to test statistically with the collected data, a reason for the divergence of this specific dimension might lie, similar to the Chinese case, in the relative importance attached to Long-Term Orientation by the Japanese culture. Japan serves as one of the main examples of a culture that emphasizes the importance of sound planning and lifetime employment.
Mexico

While the previous subsamples do not show a significant difference between the respective national samples and the average MIT Sloan culture, there are quite a few statistical differences within the Mexican subsample. As seen in Exhibit 27, three out the six dimensions show p-values that are below the 10% significance threshold; two out those three do not even exceed the 5% significance level.

![Comparison of country and residual scores - Mexico (N=19)](image)

Exhibit 27: Comparison of country and residual scores - Mexico

The divergences in Individualism, Uncertainty Avoidance and Indulgence vs. Restraint cannot, as done in the case of China and Japan, be based on the original cultural setting of the respondents. The implications of the differences within the Mexican sample should, however, not be overestimated but rather evaluated in the context all other national samples. An overview of all national samples and implications about the general trends can be found in the next chapter.

Singapore

In the case of the Singaporean population at MIT Sloan, as depicted in Exhibit 28, p-values between 0.17 and 0.79 do not allow for a rejection of the null hypothesis and therefore clearly support the claim of cultural convergence.
Regardless of the utilized significance level, the data clearly indicates an adherence to the original hypothesis.

**South Korea**

Five out of the six South Korean national dimensions of cultures do not significantly differ from the average scores of the residual MIT Sloan population.
The data shown in Exhibit 29 shows p-values between 0.12 and 0.97 for those five cases, the only outlier being Power Distance with an average score of 43. Compared to the average of the MIT Sloan sample of 43, this results in a p-value of only 0.02, pointing out statistical differences between the Korean and the overall sample. Similar to the Chinese and the Japanese sample, the underlying reason for this could be found in the cultural setting of South Korea. Power Distance, the custom to trust in hierarchies and treat your superiors with a lot of respect, is deeply engrained in the Korean culture itself.

Spain

Along with Brazil, Spain represents the sample most consistent with the overall MIT Sloan culture. The t-tests of the national sample all yielded p-values between 0.37 and 0.83, pointing towards a clear statistical link between the averages of the two samples.

Exhibit 30: Comparison of country and residual scores - Spain

Exhibit 30 shows that all p-values lie above the proposed significance levels of 5% and 10%, the null hypothesis of cultural convergence can be accepted.
USA

The US culture was assumed to be the reference group for the MIT Sloan sample. One would therefore assume a strong similarity between the cultural values of US students and the residual sample. While three of the p-values yielded by the t-tests lie above 0.7, one is even below the minimum threshold for statistical significance.

Exhibit 31: Comparison of country and residual scores - USA

As depicted in Exhibit 31, the US Long-Term Orientation score of -3 diverges quite a bit from the rest of the sample average of 20, indicated by the p-value of 0.02. Even though the Shareholder-Value approach that originated in the USA is an indicator of thinking rather short-term, the cultural setting of the US does not serve as an adequate argument to support this difference.
iii. Overview of cultural convergences

The analysis of cultural convergence on country level provided in the last chapter allows for a granular look at the individual national samples. While all cultural dimensions of 6 out of the 11 examined national samples show are in line with the respective average scores of the MIT Sloan sample, there are significant differences in the cases of China, Japan, Mexico, South Korea and the USA.

A summary of the findings of the various t-tests that were conducted in order to support the claim of a cultural convergence within the business school setting is provided in Exhibit 32.

<table>
<thead>
<tr>
<th>Absolute Scores &amp; associated p-values</th>
<th>Power Distance</th>
<th>Individualism</th>
<th>Masculinity</th>
<th>Uncertainty Avoidance</th>
<th>Long Term Orientation</th>
<th>Indulgence vs. Restraint</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>Brazil</td>
<td>0.40</td>
<td>0.61</td>
<td>0.48</td>
<td>0.85</td>
<td>0.71</td>
</tr>
<tr>
<td>Residual Average</td>
<td>0.86</td>
<td>0.17</td>
<td>0.19</td>
<td>0.13</td>
<td>0.11</td>
<td>0.34</td>
</tr>
<tr>
<td>Associated p-value</td>
<td>0.69</td>
<td>0.77</td>
<td>0.64</td>
<td>0.81</td>
<td>0.47</td>
<td>0.47</td>
</tr>
<tr>
<td>China</td>
<td>China</td>
<td>0.30</td>
<td>0.06</td>
<td>0.79</td>
<td>0.18</td>
<td>0.67</td>
</tr>
<tr>
<td>Residual Average</td>
<td>0.32</td>
<td>0.45</td>
<td>0.79</td>
<td>0.18</td>
<td>0.47</td>
<td>0.47</td>
</tr>
<tr>
<td>Associated p-value</td>
<td>0.32</td>
<td>0.18</td>
<td>0.82</td>
<td>0.25</td>
<td>0.06</td>
<td>0.42</td>
</tr>
<tr>
<td>Mexico</td>
<td>Mexico</td>
<td>0.19</td>
<td>0.02</td>
<td>0.34</td>
<td>0.05</td>
<td>0.54</td>
</tr>
<tr>
<td>Residual Average</td>
<td>0.20</td>
<td>0.38</td>
<td>0.9</td>
<td>0.05</td>
<td>0.34</td>
<td>0.02</td>
</tr>
<tr>
<td>Associated p-value</td>
<td>0.43</td>
<td>0.28</td>
<td>0.8</td>
<td>0.64</td>
<td>0.16</td>
<td>0.45</td>
</tr>
<tr>
<td>South Korea</td>
<td>South Korea</td>
<td>0.47</td>
<td>0.79</td>
<td>0.26</td>
<td>0.23</td>
<td>0.17</td>
</tr>
<tr>
<td>Residual Average</td>
<td>0.43</td>
<td>0.43</td>
<td>10</td>
<td>0.78</td>
<td>0.17</td>
<td>0.58</td>
</tr>
<tr>
<td>Associated p-value</td>
<td>0.43</td>
<td>0.28</td>
<td>0.8</td>
<td>0.64</td>
<td>0.16</td>
<td>0.45</td>
</tr>
<tr>
<td>Spain</td>
<td>Spain</td>
<td>0.63</td>
<td>0.60</td>
<td>0.56</td>
<td>0.83</td>
<td>0.70</td>
</tr>
<tr>
<td>Residual Average</td>
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<td>0.56</td>
<td>0.83</td>
<td>0.70</td>
<td>0.37</td>
</tr>
<tr>
<td>Associated p-value</td>
<td>0.83</td>
<td>0.63</td>
<td>0.56</td>
<td>0.83</td>
<td>0.70</td>
<td>0.37</td>
</tr>
<tr>
<td>USA</td>
<td>USA</td>
<td>0.37</td>
<td>0.72</td>
<td>0.27</td>
<td>0.85</td>
<td>0.02</td>
</tr>
</tbody>
</table>

Exhibit 32: Absolute Scores & Associated p-values
As part of this thesis, 66 t-tests were conducted in order to demonstrate to which extent the national dimensions of culture of MIT Sloan students convergence. Out of these 66 tests, 57 yielded p-values that were greater than 0.1, 60 yielded p-values greater than 0.05.

The findings indicate that the null hypothesis of cultural convergence cannot be rejected in 86.4% (57/66) of the cases at a 10% significance level. When comparing the dimensional averages of the national samples and the respective residual population at a 5% significance level, 90.9% (60/66) of the cases show that the null hypothesis needs to be adhered to. While there are some discrepancies in individual cases, the overwhelming majority of t-tests support the claim that cultural value preferences at MIT Sloan do indeed converge.

The possibility that cultural differences are less prominent due to a pre-selection bias and the impact of international exposure can therefore assumed to be true. Most cross-cultural management literature deals with how to best handle the cultural differences found in the overall population of a country. The provided findings show that there is a difference between such a population and the senior management setting of a company located within that country. Practical applications referring to Organizational Behavior in a senior management setting should therefore be adapted to distinguish between the two different settings. The next chapter therefore evaluates the practical implications described in chapter 4 in the light of the provided findings about cultural convergence.
8. Impact on organizational behavior across cultures

The convergence around specific dimensional scores throughout the MIT Sloan sample, as described within the previous chapter, leads to various implications for organizational behavior within multinational corporations. Exhibit 33 represents an overview of the segments of Organizational Behavior that are impacted by the six different national dimensions of cultures. The exhibit gives an overview of the findings from chapter 4 and indicates which national dimensional of culture impacts which field of Organizational Behavior. Although this only includes the research found in the process of this thesis, it gives a good impression of which cultural dimensions have the greatest impact on cross-cultural Organizational Behavior.

![Exhibit 33: Overview - Practical impact on OB](https://example.com)

The original four dimensions, to be found on the left-hand side of Exhibit 25, are omnipresent in both the individual as well as the team scope, demonstrating the importance attributed to them by current cross-cultural research. Ordered by the time of their introduction, it is only logical that the
most recent additions to Hofstede's model, Indulgence vs. Restraint and Monumentalism vs. Flexhumility, have not yet been the subject of more in-depth research.

As described in chapter 7, distinct convergence tendencies can especially be found in the dimensions of Power Distance, Individualism, Uncertainty Avoidance and Indulgence vs. Restraint. Whereas the former three play a crucial role in how cross-cultural organizational behavior is influenced, the latter has not yet been the subject of intense management research. The following sections will therefore focus on the extent to which discrepancies in Power Distance, Individualism and Uncertainty Avoidance allow for indications about cross-border organizational behavior practices.

It is further notable that the underlying sample, the business school setting at MIT Sloan, allows for indications about internationally composed senior management contexts due to the similarity in students' and managers' profiles. Cultural value perceptions of lower-level employees might still be far more similar to the national averages of the countries examined by Hofstede; an application of the findings to all levels of a corporation should therefore be avoided.

The next section is structured similarly to chapter 4, which deals with the various fields of Organizational Behavior that are impacted by culture. The section examines the aspects of Organizational Behavior that should be adapted when employing them in a senior management setting of multinational company. As the conducted study only indicated that only Power Distance, Individualism, Uncertainty Avoidance and Indulgence vs. Restraint differed significantly between the MIT Sloan and the Hofstede sample, the next section only addresses organizational processes impacted by those dimensions.
A. Individual Scope

Personal Motives

The convergence within the MIT Sloan sample around far lower scores of power distance influences the relative importance of sources of guidance as well as sources of intrinsic motivation of employees. Instead of focusing on a variety of formal rules that guide employee behavior and the tendency that employees prefer decisions to be made by their superiors, a higher degree of authority should be passed down to allow for decentralized decision-making. The extremely low scores of uncertainty avoidance further emphasize that point: Employees value flexibility and freedom regarding the near future, job security is not perceived as a huge contributor towards personal motivation. The tendency of MIT Sloan students to define themselves as individuals rather than parts of an in-group, as exemplified of their individualistic value perceptions when compared to populations of their respective home countries, leads to various other implications. Incentives as well as control mechanisms should be instituted on an individual instead of a group level, an alignment of individual and corporate goals is furthermore crucial. Instead of specializing in specific areas, employees should be given the opportunity to explore different areas of interest to continually diversify their skill set.

Goals

The tendency towards more individualistic behavior also impacts preferences for specific goal setting mechanisms across cultures. The comparatively high individualism scores indicate that higher goal commitment of senior level employees could be achieved by including them in the process through participative goal setting. Instead of assigning annual or quarterly targets top-down, the institution of feedback loops allows for the collaborative determination of those targets.

Feedback

The indicated low scores in Power Distance point towards willingness of employees to engage in conversations with their superiors and demand feedback to continually develop further. This need for
open and constructive dialogue is further supported by the high degree of individualism throughout the sample. Instead of demanding specific reasons for their performance appraisal, however, low levels of uncertainty avoidance imply employees' readiness to accept some ambiguity, as long as the feedback is communicated individually.

**Rewards**

The perceived fairness of reward systems differs between cultural contexts, mostly influenced by measures of power distance and individualism. The tendencies of the scores within the MIT Sloan sample point in the same direction: Discrepancies in compensation levels throughout the corporation are not well-received, the underlying reasons for a specific level of compensation should further be meritocratic rather than based on seniority. The low uncertainty avoidance scores found throughout the sample further support this fact. Bonus payments should also reward individual rather than group performance and be composed of monetary components rather than saving plans that tie employees to the company in the long term.

**Job Satisfaction**

While the high scores of individualism imply less reliance on external factors and therefore higher levels of job satisfaction, the extremely low level of uncertainty avoidance has far more diverse effects. Whereas the preference for more liberal hire-and-fire practices is in line with the competitive nature of business students in general, the preference for smaller companies as a work setting seems counterintuitive given the employment statistics of Western business schools: Most graduates focus on internationally operative companies of a larger size. A further point is the way in which business school students prefer to use their time: The need to know that an activity goes towards the achievement of a specific goal is far more typical of a senior management setting, lower levels imply far more repetitive and standardized tasks.
Job and Organizational Characteristics

Consistent with the similarity of a business school setting and the senior management of a multinational, the low levels of power distance observed in the sample emphasize the preference for employee empowerment and decentralized decision-making processes. The relationship with the company is regarded as a business transaction, exemplified by the individualistic tendencies within the sample. Relationships at work and, in their most extreme form, nepotism, are frowned upon, as this would make the separation of private and professional life seemingly impossible. Low levels of uncertainty avoidance further emphasize the reliance on more generalist functions within a corporation, which appears logical when considering that a business school education prepares students for these exact functions.
B. Team Scope

While the individual scope of cross-cultural Organizational Behavior was also deeply influenced by perceived differences in uncertainty avoidance, the impact on the team scope merely depends on discrepancies in power distance and individualism.

Attitudes about teams

The low levels of power distance within the MIT Sloan sample imply a perception of superiors that focuses a lot more on equality across formal ranks within a corporation. Rather than using age or status symbols as identifiers of real authority, respect is established by far more meritocratic mechanisms. Collaborative decision-making and feedback loops that span across different hierarchical levels are other features of low-PDI cultures, emphasizing the need for employee empowerment. The individualistic tendencies indicate a reluctance to work in a team setting due to increased coordination costs, which could be attributed to the competitive environment a business school represents. High turnover of team members and the low importance of trust establishment further support the previously mentioned rational outlook on the professional context and its separation from employees' personal life.

Team processes

The involvement of employee input regardless of formal authority within a corporation is a preference within the sample shown by relatively low levels of power distance. The positive impact on team processes is further complemented by job enrichment, allowing employees to continuously diversify their skill set. The reluctance to form teams due to high scores of individualism is supported by the use of more instrumental factors when making the decision about whether or not collaboration on a specific task might be useful. The refusal to let socio-emotional factors impact team performance also decreases the pressure of conformity within teams, leading to higher levels of creativity.
9. Conclusion and potential directions for future research

Cross-cultural research advocates that individuals are the products of the cultural setting they were brought up in and that their cultural value perceptions remain constant throughout life. Recommendations about organizational processes in a cross-border are therefore based on the assumption that all members of a society show the same cultural profile. Decades of research on international management have lead to the identification of those cultural profiles and the thereof resulting differences between national contexts. As the effectiveness of management practices is impacted by the cultural profile of the respective national setting, an organizational process that works in one country therefore does not necessarily have to be the right choice when employing it across borders.

While this thesis does not try to contradict any of these findings, it does advocate that current developments around the globe lead to changes in individuals' mindsets. Individuals are no longer merely the product of a single cultural setting, academic mobility and the increased exposure to international contexts causes them to perceive the world around them differently. These effects become most visible in the part of multinational companies that operate on a global scale on a daily basis: the senior management. While current profiles of national dimensions of culture might still adequately represent large parts of countries' populations, they do not cater to the idiosyncrasies of a senior management setting.

The sample of a business school like MIT Sloan helps to point out patterns that also exist on the upper level of companies. People from various industries with diverging academic backgrounds, attending a program developed to prepare them for the challenges they will have to face in their professional lives on a daily basis. By providing several national subgroups of the MIT Sloan student body with a questionnaire about their cultural value preferences, I was able to quantitatively measure
the national dimensions of culture across the sample. The comparison of these findings with those of their respective overall national samples as well as with each other yielded several findings. The dimensional averages of the national subgroups did not statistically differ from the ones of the rest of the population. This finding indicates a convergence of national cultures within the MIT Sloan sample – individuals across the sample are actually more similar to each other than they are to other members of their respective home cultures.

As most cross-cultural research is based on the assumption that every individual can be seen as a representative of his or her home culture, this finding requires a shift in the way organizational behavior practices are implemented in a cross-border setting. Practices targeted at the senior management of companies should be adapted, especially when referring to cultural preferences involving uncertainty avoidance, individualism and power distance.

Although the MIT Sloan sample serves as a good setting to represent the composition of senior management of multinational companies, further studies should be conducted to support the validity of these findings. Extending the sample size and including schools from different cultural settings would help to prevent a bias due to the idiosyncrasies of the MIT Sloan setting as well as a potential pre-selection bias. Further notable is the link between the business school setting and the overall population of a country. While the comparison with country scores generated by Hofstede et al. (2010) allowed for general indications about the respective importance of dimensions for the MIT Sloan population, a comparison of the absolute scores was not possible. The survey tool used in this study, originally developed by Hofstede himself, provided the opportunity to shift scores vertically to improve their comparability. This shift, in combination with the potential scaling of original responses to generate scores between 0 and 100, makes it impossible to reliably compare individual dimension scores across samples.
Regardless of the limitations caused by the chosen sample and approach, the findings provide a sound basis for the extension of the research scope and shed some light on the influence that academic mobility has on the development of people's cultural value perceptions. Contemporary cross-cultural management should therefore realize the implications that this might have for organizational processes – the assumption of consistent values across a cultural setting might lead to a dangerous oversimplification when it comes to cross-border activities.
10. Bibliography


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THORNDIKE, E.L., 1939. On the fallacy of imputing the correlations found for groups to the individuals or smaller groups composing them. The American Journal of Psychology, 52(1), pp. 122-124.


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Appendices

Appendix 1: Survey distributed to MIT Sloan students

Introduction

Welcome everyone!

As I am currently working on my Master's thesis in order to graduate from MIT Sloan in June 2013, I would like to ask you for your support regarding this survey. The topic of my thesis is

"The impact of academic mobility on the convergence of cultures and its consequences for cross-cultural management"

and it deals with the most interesting and amazing part of our daily life at MIT Sloan: the students! The following survey will include questions about your preferences regarding various work-related topics and your behavior in certain situations. Please take a second to think about each question carefully before answering, I promise that the whole survey will not take you more than a couple of minutes!

To make it more interesting for you, everyone in the survey has the chance to win one out of ten $20-coupons for the Sloan Cafeteria! In order to participate in the raffle, please enter your email address on the last page of the questionnaire.

I would like you to know that you can stop at any time during the survey if you do not feel comfortable answering the questions - it is completely voluntary and up to you to fill it out!

In case of any questions, please feel free to contact me at any time (ebruegge@mit.edu).

Please know that I really appreciate your support in this, I would not be able to do it without you!

Thanks everyone!

Best,

Eric Brueggemann

Consent

By continuing, I confirm that the data I enter in the following questionnaire may be used for research purposes in the context of the Master's thesis

"The impact of academic mobility on the convergence of cultures and its consequences for cross-cultural management"

written by Eric Brueggemann at MIT Sloan School of Management in 2013. I am aware of the fact that my response is completely voluntary and that I may stop at any time if I do not feel comfortable answering any of the questions.
Professional Life

Please think of an ideal job. In choosing an ideal job, how important would it be to you to ... (please choose one answer in each line across)

1 = of utmost importance
2 = very important
3 = of moderate importance
4 = of little importance
5 = of very little or no importance

...have sufficient time for your personal or home life?

1 2 3 4 5

...have a boss (direct superior) you can respect?

1 2 3 4 5

...get recognition for good performance?

1 2 3 4 5

...have security of employment?

1 2 3 4 5

...have pleasant people to work with?

1 2 3 4 5

...do work that is interesting?

1 2 3 4 5

...be consulted by your boss in decisions involving your work?

1 2 3 4 5

...live in a desirable area?

1 2 3 4 5

...have a job respected by your family and friends?

1 2 3 4 5

...have chances for promotion?

1 2 3 4 5
Private Life

In your private life, how important would it be to you to...
(please choose one answer in each line across):

1 = of utmost importance
2 = very important
3 = of moderate importance
4 = of little importance
5 = of very little or no importance

...keep time free for fun?

1  2  3  4  5

...be moderate, to have few desires?

1  2  3  4  5

...be generous to other people?

1  2  3  4  5

...be modest, to look small, not big?

1  2  3  4  5
Self-Evaluation

If there is something expensive you really want to buy but you do not have enough money, what do you do?
- always save before buying
- usually save first
- sometimes save, sometimes borrow to buy
- usually borrow and pay off later
- always buy now, pay off later

How often do you feel nervous or tense?
- always
- usually
- sometimes
- seldom
- never

Are you a happy person?
- always
- usually
- sometimes
- seldom
- never

Are you the same person at work and at home?
- quite the same
- mostly the same
- don't know
- mostly different
- quite different

Do other people or circumstances ever prevent you from doing what you really want to?
- yes, always
- yes, usually
- sometimes
- no, seldom
- no, never

All in all, how would you describe your state of health these days?
- very good
- good
- fair
- poor
- very poor
How important is religion in your life?
- of utmost importance
- very important
- of moderate importance
- of little importance
- of no importance

How proud are you to be a citizen of your country?
- not proud at all
- not very proud
- somewhat proud
- fairly proud
- very proud

How often, in your experience, are subordinates afraid to contradict their boss?
- never
- seldom
- sometimes
- usually
- always
Managerial Behavior

To what extent do you agree or disagree with each of the following statements? (please choose one answer in each line across)

1 = strongly agree
2 = agree
3 = undecided
4 = disagree
5 = strongly disagree

One can be a good manager without having a precise answer to every question that a subordinate may raise about his or her work.

1 2 3 4 5

Persistent efforts are the surest way to result.

1 2 3 4 5

An organizational structure in which certain subordinates have two bosses should be avoided at all cost.

1 2 3 4 5

A company's or organization's rules should not be broken - not even when the employee thinks breaking the rule would be in the organization's best interest

1 2 3 4 5

We should honour our heroes from the past.

1 2 3 4 5
Demographic Information

Are you:
- Male
- Female

How old are you?
- 24 or below
- 25-29
- 30-34
- 35-39
- 40-49
- 50 or over

Which program at MIT Sloan do you represent?
- MBA
- Sloan Fellows
- Master of Finance
- Master of Science in Management Studies (MSMS)
- Other

What is your primary nationality?
(If it has changed at some point in your life, what was your nationality at birth?)

What was your industry background before coming to MIT Sloan?

Which industry would you like to work in after graduation?
In which countries have you lived for more than six months? Please specify the number of years you lived in each country.
(The sum of the entries should be equal or at least close to your age)

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<th>Country</th>
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<td>Algeria</td>
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<td>Andorra</td>
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<td>Canada</td>
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<td>Cape Verde</td>
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<td>Central African Republic</td>
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Mail

To show my appreciation for your support in this, I am raffling off 10 x $20-coupons for the Sloan cafeteria among all participants! The lucky winners will be contacted via email by April 21st, 2013.

If you would like to participate in the raffle, please enter your email address below:

Again, I want to thank you for your participation in my survey, I could not have done it without you!

Best,

Eric
INTERNATIONAL QUESTIONNAIRE (VSM 08)- page 1

Please think of an ideal job, disregarding your present job, if you have one. In choosing an ideal job, how important would it be to you to ... (please circle one answer in each line across):

1 = of utmost importance
2 = very important
3 = of moderate importance
4 = of little importance
5 = of very little or no importance

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<tr>
<td>01. have sufficient time for your personal or home life</td>
<td>1</td>
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<td>3</td>
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<td>5</td>
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<tr>
<td>02. have a boss (direct superior) you can respect</td>
<td>1</td>
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<td>5</td>
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<td>03. get recognition for good performance</td>
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<td>3</td>
<td>4</td>
<td>5</td>
</tr>
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<td>04. have security of employment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
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<td>05. have pleasant people to work with</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>06. do work that is interesting</td>
<td>1</td>
<td>2</td>
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<td>4</td>
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<td>07. be consulted by your boss in decisions involving your work</td>
<td>1</td>
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<td>08. live in a desirable area</td>
<td>1</td>
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<tr>
<td>09. have a job respected by your family and friends</td>
<td>1</td>
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<tr>
<td>10. have chances for promotion</td>
<td>1</td>
<td>2</td>
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</table>

In your private life, how important is each of the following to you: (please circle one answer in each line across):

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<tbody>
<tr>
<td>11. keeping time free for fun</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>12. moderation: having few desires</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>13. being generous to other people</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>14. modesty: looking small, not big</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
15. If there is something expensive you really want to buy but you do not have enough money, what do you do?
   1. always save before buying
   2. usually save first
   3. sometimes save, sometimes borrow to buy
   4. usually borrow and pay off later
   5. always buy now, pay off later

16. How often do you feel nervous or tense?
   1. always
   2. usually
   3. sometimes
   4. seldom
   5. never

17. Are you a happy person?
   1. always
   2. usually
   3. sometimes
   4. seldom
   5. never

18. Are you the same person at work (or at school if you're a student) and at home?
   1. quite the same
   2. mostly the same
   3. don't know
   4. mostly different
   5. quite different

19. Do other people or circumstances ever prevent you from doing what you really want to?
   1. yes, always
   2. yes, usually
   3. sometimes
   4. no, seldom
   5. no, never

20. All in all, how would you describe your state of health these days?
   1. very good
   2. good
   3. fair
   4. poor
   5. very poor

21. How important is religion in your life?
   1. of utmost importance
   2. very important
   3. of moderate importance
   4. of little importance
   5. of no importance

22. How proud are you to be a citizen of your country?
1. not proud at all
2. not very proud
3. somewhat proud
4. fairly proud
5. very proud

INTERNATIONAL QUESTIONNAIRE (VSM 08) – page 3

23. How often, in your experience, are subordinates afraid to contradict their boss (or students their teacher?)
   1. never
   2. seldom
   3. sometimes
   4. usually
   5. always

To what extent do you agree or disagree with each of the following statements? (please circle one answer in each line across):

1 = strongly agree
2 = agree
3 = undecided
4 = disagree
5 = strongly disagree

24. One can be a good manager without having a precise answer to every question that a subordinate may raise about his or her work

25. Persistent efforts are the surest way to results

26. An organization structure in which certain subordinates have two bosses should be avoided at all cost

27. A company's or organization's rules should not be broken - not even when the employee thinks breaking the rule would be in the organization's best interest

28. We should honour our heroes from the past
Some information about yourself (for statistical purposes):

29. Are you:
   1. male
   2. female

30. How old are you?
   1. Under 20
   2. 20-24
   3. 25-29
   4. 30-34
   5. 35-39
   6. 40-49
   7. 50-59
   8. 60 or over

31. How many years of formal school education (or their equivalent) did you complete (starting with primary school)?
   1. 10 years or less
   2. 11 years
   3. 12 years
   4. 13 years
   5. 14 years
   6. 15 years
   7. 16 years
   8. 17 years
   9. 18 years or over

32. If you have or have had a paid job, what kind of job is it / was it?
   1. No paid job (includes full-time students)
   2. Unskilled or semi-skilled manual worker
   3. Generally trained office worker or secretary
   4. Vocationally trained craftsperson, technician, IT-specialist, nurse, artist or equivalent
   5. Academically trained professional or equivalent (but not a manager of people)
   6. Manager of one or more subordinates (non-managers)
   7. Manager of one or more managers

33. What is your nationality?

34. What was your nationality at birth (if different)?