

# **The Differentiating Characteristics of Societal Cultures: An Examination of Societal Values, Practices and Potential for Change**

by

**Hossein Baniasadi**

Iran Industrial Foundation Tehran, Iran

**Ali Dastmalchian**

Gustavson School of Business, University of Victoria, Canada

*This paper explores the difference between societal cultural practices (the way societal culture is perceived to be, or “as is”) and cultural values (the way societal culture “should be”) using the GLOBE project’s (House et al, 2004) published data and findings from 62 societies. The difference between cultural practices and values is referred to as ‘cultural differentiation’. The paper suggests that cultural differentiation can be an indicator for potential for societal change. GLOBE’s overall data as well as those for selected countries are examined. The latter is done by focusing on several developed countries from Europe and several developing societies from the Middle East and by measuring and comparing their cultural differentiation scores and their potential for and patterns of change. The implications of this approach to cultural differentiation for societal change and for leadership and organizational practices across cultures are discussed*

## **1. Introduction**

This paper will examine the difference between cultural practices and values at the societal level, by utilizing the GLOBE project’s findings (House, Hanges, Javidan, Dorfman and Gupta, 2004). Our intent is to elaborate on the implications of such differences with a goal of developing a deeper understanding of the forces that shape change at the societal level (e.g. Inglehart, 1990; 1997; Schwartz, 1999).

The GLOBE project with its twenty years of rigorous investigation in 62 societies (Dorfman, Javidan, Hanges, Dastmalchian and House, 2012), and more recently in 24 countries (House, Dorfman, Javidan, Hanges and Sully, 2014) has provided us with an invaluable data on such differences and will allow us to identify relevant cultural characteristics in order to develop cultural metrics of societal and organizational potentials for change. Based on the GLOBE project’s data, we will attempt to develop the concept of “cultural differentiation” as a measure of potential for societal change. In doing so, we will also use the empirical findings of the GLOBE project for several developed European and several developing Middle Eastern societies to measure and compare their cultural differentiation and their potential for societal change. Finally, we will attempt to evaluate the implications of this view of cultural differentiation and change for studying leadership and organizational practices across cultures.

## 2. GLOBE and Meaning of Cultural Differentiation

Cultural differentiation, as defined in this paper, is the difference between the cultural values (ideal cultures) and the cultural practices (current culture) of members of a social system. GLOBE (Global Leadership and Organizational Behaviour Effectiveness) is a multi-phase, multi-method project examining the interrelationships between societal culture, organizational culture, leadership, and societal achievements. About 170 social scientists and management scholars from 62 countries representing all major regions of the world are engaged in this long-term programmatic series of cross-cultural leadership studies. It involved over 17000 middle managers from 951 companies who provide the data used in this research project. The meta-goal of GLOBE is to develop empirically based theories to describe, understand, and predict the impact of specific cultural variables on leadership effectiveness and organizational processes, and economic and human achievements in societies.

GLOBE defines culture as "shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives and are transmitted across age generations". Culture is measured through commonality of values and practices. Values are expressed, for example, in response to questionnaire items in the form of judgments of 'What Should Be'. Practices are measured by indicators assessing 'What Is', or 'What Are', common behaviours and institutional practices. The GLOBE project began in early 1993 as a long term research program and which continues in 2014 (see House et al, 2014; Kabasakal, Dastmalchian, Gaye and Bayraktar, 2012). The nine GLOBE dimensions of societal and organizational culture are shown in Table 1. More detailed information is available on GLOBE's public web site at <http://business.nmsu.edu/programs-centers/globe>. (See: House et al, 2004; Dorfman, et al. 2012; and Javidan and Dastmalchian, 2003).

Using data reported by House et al (2004), we show the scores for values and practices on all nine societal cultural dimensions for the entire sample of 62 societies (including the minimum, maximum, the mean, and the difference between values and practices) in Table 1.

**Table 1: Cultural Dimensions and Their Global Minimum, Maximum, Mean, and Difference Scores**

<b>Cultural dimensions and definitions</b>	<b>Values Practices</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Difference</b>
<b>POWER DISTANCE:</b> The degree to which members of a collective expect power to be distributed equally	Values Practices	2.04 3.89	3.65 5.80	2.75 5.17	2.42
<b>UNCERTAINTY AVOIDANCE:</b> The extent to which a collective relies on social norms, rules, and procedures to alleviate unpredictability of future events	Values Practices	3.83 2.88	5.65 5.37	4.62 4.16	0.46
<b>HUMANE ORIENTATION:</b> The degree to which a collective encourages and rewards individuals for being altruistic, generous, caring, and kind to others.	Values Practices	4.49 3.18	6.09 5.23	5.42 4.09	1.33
<b>INSTITUTIONAL COLLECTIVISM:</b> The degree to which a collective encourages and rewards individuals for being altruistic, generous, caring, and kind to others.	Values Practices	3.83 3.25	5.65 5.22	4.73 4.25	0.48
<b>IN-GROUP COLLECTIVISM:</b> The degree to which a collective encourages and rewards	Values Practices	4.94 3.53	6.52 6.36	5.66 5.13	0.53

individuals for being altruistic, generous, caring, and kind to others.					
<b>ASSERTIVENESS:</b> The degree to which individuals are assertive, confrontational, and aggressive in their relationships with others.	Values	2.66	5.56	3.82	-0.32
	Practices	3.38	4.89	4.14	
<b>GENDER EGALITARIANISM:</b> The degree to which a collective minimizes gender inequality.	Values	3.18	5.17	4.51	1.14
	Practices	2.50	4.08	3.37	
<b>FUTURE ORIENTATION:</b> The degree to which individuals engage in future-oriented behaviors such as delaying gratification, planning, and investing in the future.	Values	4.33	6.20	5.49	1.64
	Practices	2.88	5.07	3.85	
<b>PERFORMANCE ORIENTATION:</b> The degree to which a collective encourages and rewards group members for performance improvement and excellence.	Values	4.92	6.58	5.94	1.84
	Practices	3.20	4.94	4.10	
<b>TOTAL (sum of ) Differentiation</b>					9.84
<b>AVERAGE Difference PER DIMENSION</b>					1.09

The difference between the means of “should be” and “as is” scores of 62 countries show the cultural differentiation and are given in the last column of Table 1. (i.e. the global mean). The sum of these differences is 9.84 and the average is 1.09. We suggest that the differences between the scores of “as is” and “as should be” indicate the extent of desire for change. The greater the difference, the higher is the desire for change. We further suggest that this applies not only to each individual dimension, but to the sum of all differences for each society and that these differences represent the potential for cultural change of any specific cultural dimension, or to the overall culture of any given society. Societies with a total differentiation larger than the global mean have higher potentials for change as compared to those with smaller difference.

## 2.1 Elaborating on Cultural Differentiation

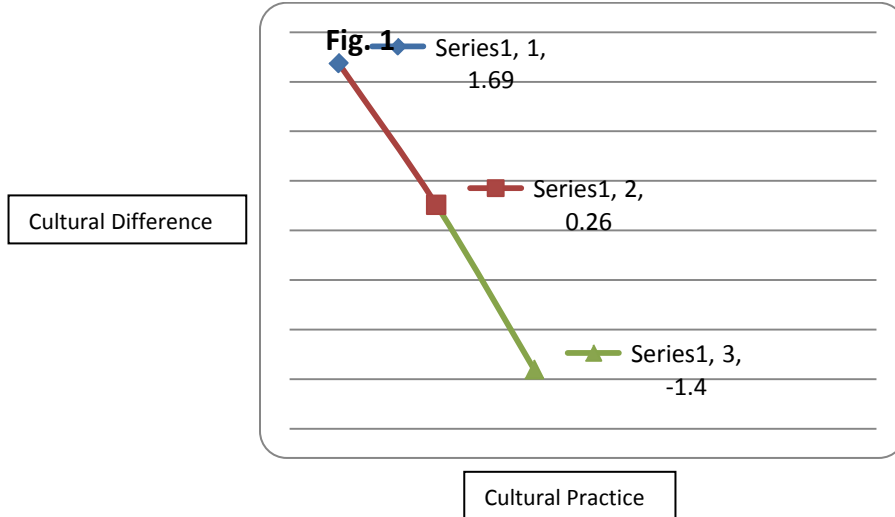
GLOBE found negative and significant correlation between cultural values and practices in seven out of nine dimensions (House et al, 2004, p.736). Only one dimension showed a significant positive correlation (gender egalitarianism) and one showed positive but insignificant correlation (in-group collectivism). In explaining this seemingly paradoxical result, House et al (2004) suggested that: “The relationship between values and practices is nonlinear and more complex than initially assumed ..... people may hold views on what should be based on what they observe in action . . . The negative correlation between practices and values occurs because for societies with higher practices scores, the difference between values and practices scores (i.e., the increment) is much smaller than it is for these with low practices scores.” (p. 730). The same GLOBE study later states: “In short, our findings point to the need for a more complex understanding of this relationship which views it as dynamic and double directional, rather than static and uni-directional. . . . Unless we can better understand the relationship between cultural practices and values, we are unable to explain this complex situation and have little to offer to leaders who are trying to improve their societies’ well beings” (p.730).

This negative association was referred to by Javidan, House, Dorfman, Hanges and Sully de Luque (2006). It was also the focus of a paper by Maseland and van Hoorn (2009) in which they concluded that this shows “...marginal preferences rather than underlying values” (p.527) and thus that the use of the value surveys is problematic. Hofstede (2006) in his article challenging the GLOBE project’s

findings explained the negative relationships between values and practice in terms of “the respondents’ inability to describe ‘practices’ in any other way than by applying their values” (p.886). In other words he objected to the way in which values and practices were measured in GLOBE and justified the negative association between cultural values and practices using the notions of ‘desired’ vs. ‘desirable’. That is, Hofstede (2006) --as did Maseland and van Hooven (2009), did not provide constructive explanations to better understand the negative relationship between cultural values and practices—rather they explained this in terms of methodological problems with measuring the constructs.

Using an example based on data from 3 countries we hope to provide an explanation of the negative association between values and practices. This is shown in Figure 1 below. We have selected scores on Uncertainty Avoidance, the cultural dimension with highest negative relationship between practices and value ( $r=-.62$ ,  $p\leq.05$ ; see House et al, 2004, p.737) using data from Iran, Japan, and Denmark. These countries represent different stages of development and geographical regions. These three countries also represent the difference scores that were close to the mean (Japan), above the mean (Iran) and below the mean (Denmark) for Uncertainty Avoidance. Cultural practices scores for these countries are respectively 3.67, 4.07, and 5.22, while the cultural values scores of these countries are respectively 5.36, 4.33, and 3.82; the related difference scores are 1.69, 0.26, and -1.40, respectively (House et al, 2004). This example not only illustrates the negative relationship between values and practices on Uncertainty Avoidance, it also highlights that the differences between values and practices run in both directions (sometimes values are higher than practices and sometime the other way around).

**Figure 1: A three country example of Cultural Differences and Cultural Practice**



House et al (2004) in attempting to explain the negative association between values and practices, pointed out that it was indeed contrary to the conventional wisdom in the literature and that much of the writing “on culture suggests implicitly or explicitly that cultural practices are driven by cultural values and that there is a linear and positive relationship between them” (House, et al., 2004 P. 729). This assumption that cultural values precede cultural practice is the one we have adopted in explaining the differences between the two aspects of culture.

We may assume that the present cultural practices are products of past cultural values and future practices will be the products of today's values. It takes time for values to impact behaviours. Negative correlation of current values and practices does not imply that the current cultural values of a society will not have a positive correlation with future practices of that society. In his seminal work "The Achieving Society", David McClelland (1961) demonstrated how the economic and cultural growth of a nation stems from the increase in achievement motivation in previous decades. McClelland showed the impact that change in achievement motivation had on the future economic success of countries he studied. His greatest achievement may be in demonstrating that individuals and nations get what they really want. Even though some of his analysis has been questioned in subsequent years (Mazur and Eugene, 1977), McClelland's work has been regarded as one of the major contributions to and one of the most audacious investigations in social sciences (Brown, 1965, p.450). We may be able explain the negative association (and the differential scores) between values and practices with the assumption that cultural values affect the cultural practices of the following generation—or at least at a later time frame.

Apart from the time lag, the negative correlation of cultural values and practices is evidence of the potential or the desire for change. This finding is contrary to conventional wisdom in the literature, and GLOBE's researchers state: "It is not clear why the relationship should be negative, rather than positive. In general, it is unclear as to whether a high or low level of any dimension is necessarily desirable." (House et al. 2004, P.730). The "diminishing marginal utility" argument (Marshall, 1920)--used also by Maseland and van Hooven (2006), can perhaps further explain this relationship. Generally, people desire things that they do not have more intensely than things they have. The need and desire for water is stronger for someone who is thirsty than someone who is not. A prisoner's desire for freedom is much stronger than someone who is free. People in a chaotic, lawless society desire and appreciate law and order much more than people living securely. The opposite is also true in that the relative importance people attach to consumption of commodities declines as the availability of these commodities increases. Javidan et al (2006, p.902), show how the GLOBE project's findings could be explained by the latter argument that when people perceive the lack of some specific existing cultural norms (cultural practices) they attach higher values to those norms. For example, countries with low scores on cultural practices such as: Uncertainly Avoidance, Future Orientation, and Performance Orientation are dissatisfied with their present conditions and naturally want future higher emphasis on these. Thus, their "as should be" (or values) scores would be expected to be higher. It appears that the negative correlation and the differential scores between cultural practices and value could be seen as reasonable and acceptable as social phenomena.

Another theoretical angle we can use to examine the cultural differentiation or the negative correlation between cultural values and practices is rooted in the work of Swidler (1998). Swidler suggested that at the societal level, cultural values do not influence action; rather it is the cultural tool kit of habit, skills, styles, rituals, stories, symbols, and world views that influence action. It is from this tool kit that members of society construct strategies for action, rather than the ultimate values towards which the action is oriented. Swidler (1998) pointed out that societies that have 'settled' cultures provide resources for diverse courses of action, not values. They constrain action over time, because of the high cost of cultural retooling to adopt new patterns of behaviours. This view appears to oppose the position that cultural differences, and the unchanged cultural values, influence action and patterns of behaviours, but we suggest that it may not be so. We suggest that current cultural practices and actions are influenced

by our cultural tool kits of habits, skills, symbols, and world-views. However, our future cultural practices and patterns of action are influenced by other factors also.

We argue that present cultural values --that produce cultural differentiation-- will influence future cultural practice. This is because of the time needed for the process of transformation of values into practices. Our present cultural 'tool kits' (Swidler, 1989) which we use in our current practices are products of cultural values of the past. Our present cultural values produce the tool kits necessary to realize tomorrow's desired practices. We expect to find that such changes in cultural values and the tool kits are slow. Today, it seems that the speed of change in cultural values has accelerated in parts due to information technology and globalization. The necessary tool kits of skills, styles, and world views are produced more quickly. Therefore, cultural changes are larger and faster, and the influence of new cultural differentiation scores on practices is expected to be faster and more extensive than in the past. Building on Swidler's (1998) idea if cultural differences are to be effective in producing desired future cultural practices, it follows then that they first they need to be able produce their own cultural tool kits of skills, symbols, habits, world views. Thus we argue that it may not be sufficient for societies to focus on improving present cultural values but they need to create conditions for the necessary cultural 'tool kits' to be developed.

### **3. Cultural Differentiation and Societal Change**

Using GLOBE's data (House et al, 2004; Dorfman et al, 2012) we propose that new societal practices follow new cultural values and we also recognize that in societies there are forces and pressure that generate resistance to change (e.g. Lewin, 2008; 1946; Inglehart, 1990). In response to these pressures and forces, one would expect to observe that values and practices at the societal level are likely to change in a variety of different ways. We suggest developing a number of expected patterns of change behaviour at the societal level and will review GLOBE data to examine such expected patters.

In general, we would expect to find:

1. That the magnitude of the cultural differentiation between values and practice is directly related to the potential level of change in a society.
2. That the higher a society's overall differentiation score across all 9 dimensions, the higher would be that society's potential for social change.

We will use GLOBE's data from two groups of countries with different characteristics to calculate their societal cultural differentiation scores. The first group has shown very high potential for change with widespread social movements, uprising, regime change and unrest. This group of countries are Middle Eastern and North African (MENA) countries which have demonstrated signs of radical, abrupt, and uncontrolled social movements in the past few years, demanding democratic, ethical, and legal changes in current practices at the societal level. These countries are: Egypt, Kuwait, Qatar, Morocco, and Iran.

The second group of countries has exhibited a gradual, incremental, orderly, and controlled change and are generally perceived to be more stable socially, politically and economically. This second

group of North European countries consists of: Switzerland, the Netherlands, Sweden, Denmark, and Finland, and all show consistently similar patterns of change in their cultural practices that are different than the first group of countries. The GLOBE project's data on cultural values (should be) and current practices (as is) of all ten countries are given in Table 2.

**Table 2: Society values (should be) and practices (as is) of selected developing and developed countries**

	Uncertainty Avoidance	Human Orientation	Power distribution	In-Group Collectivism	Institutional Collectivism	Assertiveness	Gender Egalitarianism	Future Orientation	Performance Orientation
V Egypt	5.36	5.17	3.24	5.56	4.85	3.28	3.18	5.80	5.90
P Egypt	4.06	4.73	4.92	5.64	4.50	3.91	2.81	3.86	4.27
V Kuwait	4.77	5.06	3.17	5.43	5.15	3.76	3.45	5.74	6.03
P Kuwait	4.21	4.52	5.12	5.80	4.49	3.63	2.58	3.26	3.95
V Qatar	4.82	5.30	3.23	5.60	5.13	3.80	3.38	5.92	5.96
P Qatar	3.99	4.42	4.73	4.71	4.50	4.11	3.63	3.78	3.45
V Morocco	5.32	5.51	3.11	5.68	5.00	3.44	3.74	5.85	5.76
P Morocco	3.65	4.19	5.80	5.87	3.38	4.53	2.84	3.26	3.99
V Iran	5.36	5.61	2.80	5.86	5.54	4.99	3.75	5.84	6.08
P Iran	3.67	4.23	5.43	6.03	3.88	4.04	2.99	3.70	4.58
V Switzerland	3.16	5.54	2.44	4.94	4.69	3.21	4.92	4.79	5.82
P Switzerland	5.37	3.60	4.90	3.97	4.66	4.51	3.42	4.73	4.94
V Netherlands	3.24	5.20	2.45	5.17	4.55	3.02	4.99	5.07	5.49
P Netherlands	4.80	3.86	4.11	3.70	4.46	4.32	3.50	4.61	4.32
V Sweden	3.60	5.65	2.44	6.04	3.94	3.61	5.15	4.89	5.80
P Sweden	5.32	3.60	4.85	3.66	5.22	3.38	3.84	1.39	3.72
V Denmark	3.82	5.45	2.76	5.50	4.19	3.39	5.08	4.33	5.61
P Denmark	5.22	4.44	3.89	3.55	4.80	3.80	3.93	4.44	4.22
V Finland	3.85	5.81	2.18	5.42	4.11	3.68	4.24	5.07	6.11
P Finland	5.02	3.96	4.89	4.07	4.63	3.81	3.35	4.24	3.81

\*V= values, P= practices

The differentiation scores related to cultural dimensions for both sets of countries are calculated and presented in Table 3.

**Table 3: Differences of Scores between cultural values and practices for selected developing and developed countries**

	Performance Orientation	Future Orientation	Gender Egalitarianism	Assertiveness	Institutional Collectivism	In-Group Collectivism	Power Distance	Human Orientation	Uncertainty Avoidance	SUM cultural differentiation scores
EGYPT	1.63	1.94	0.37	-0.63	0.35	-0.08	1.68	0.44	1.30	7.00
KUWAIT	2.08	2.48	0.87	0.13	0.66	-0.37	1.95	0.54	0.56	8.90
QATAR	2.51	2.14	-0.25	-0.31	0.63	0.89	1.50	0.88	0.83	8.82
MOROCCO	1.77	2.59	0.90	-1.09	1.62	-0.19	2.69	1.32	1.67	11.28
IRAN	1.50	2.14	0.76	0.95	1.66	0.17	2.63	1.37	1.69	12.53
<b>SUM 1</b>	<b>9.49</b>	<b>11.29</b>	<b>2.65</b>	<b>-0.95</b>	<b>4.92</b>	<b>-0.08</b>	<b>10.45</b>	<b>4.55</b>	<b>6.05</b>	<b>48.53</b>
SWITZERLAND	0.88	0.06	1.50	-1.30	0.63	0.97	2.46	1.94	-2.21	4.93
NETHERLANDS	1.17	1.46	1.49	-1.30	0.09	1.47	1.66	1.34	-1.46	5.92
SWEDEN	2.08	0.50	2.31	0.23	-1.28	2.38	2.41	2.05	-1.72	8.96
DENMARK	1.39	-0.11	1.15	-0.41	-0.61	1.95	1.13	1.01	-1.40	4.10
FINLAND	2.30	0.83	0.89	-0.13	-0.52	1.35	2.70	1.85	-1.17	8.10
<b>SUM 2</b>	<b>7.82</b>	<b>2.74</b>	<b>7.34</b>	<b>-2.91</b>	<b>-1.69</b>	<b>8.12</b>	<b>10.36</b>	<b>8.19</b>	<b>-7.96</b>	<b>32.05</b>
<b>SUM 1 – SUM2</b>	1.67	8.55	-4.69	-1.96	6.61	-8.20	0.90	-3.64	14.10	Total SUM1+SUM2 = 80.58 Total SUM1-SUM2 =13.34

We further selected a number of cultural dimensions for closer examination in two sub-samples from groups 1 and 2. The selected dimensions are: Uncertainty Avoidance, Institutional Collectivism, In-Group Collectivism, Power Distance, and Future Orientation. The selected sub-sample of countries from the first group are Iran and Morocco, and from the second group Denmark and Switzerland. Table 4 shows a comparison of cultural differentiation scores of these dimensions for four selected countries.

**Table 4: A comparison of cultural differentiation scores of selected dimensions for four countries**

Countries	Uncertainty Avoidance	Institutional Collectivism	In-Group Collectivism	Power Distance	Future Orientation	Sum of CULTURAL DIFFERENTIATION SCORE g
Iran	1.69	1.12	-0.17	2.13	2.14	6.91
Morocco	1.67	1.68	-0.19	2.69	2.59	8.44
<b>Sum of Differences</b>	<b>3.36</b>	<b>3.28</b>	<b>-0.36</b>	<b>5.32</b>	<b>4.73</b>	<b>15.35</b>
Denmark	-1.4	-0.61	1.95	1.13	-0.11	0.96
Switzerland	-2.21	0.63	0.97	2.46	0.06	1.91
<b>Sum of Differences</b>	<b>-3.61</b>	<b>-1.24</b>	<b>2.92</b>	<b>3.59</b>	<b>-0.05</b>	<b>2.87</b>

As shown in Table 4, the sum of differences for four out of the five the dimensions of culture and the sum of cultural differentiation scores are larger for the first group in comparison to the second group of the countries included in this analysis. For example for Uncertainty Avoidance, the sum of the differences scores of the first group (Iran and Morocco) is 3.36, while that of the second group (Denmark



and Switzerland) is -3.61. These are almost completely in the opposite direction to one another. One would expect to see more societal changes in the first group with positive difference score, and in the second group with no positive score difference scores one would expect to see little or no evidence of change. We have witnessed in Iran and Morocco ample evidence of uprising and demand for change in the form of societal order, while in Denmark and Switzerland, with highly stable, organized and regulated societies, we have witnessed either no major change or perhaps change in the direction of relaxation of bureaucratic control.

Scores on societal Institutional Collectivism and In-Group Collectivism as reported in Table 4 shows similar results. While the first group of countries show a high potential for increasing Institutional Collectivism (sum of difference score of 3.28), the second group shows a negative difference score, implying a need to reduce the level of Institutional Collectivism (sum of difference score of - 1.24). But their difference in In-Group Collectivism in fact shows the opposite result. While the countries of the first group demand a decrease in In-Group Collectivism (sum of difference score of -.36), the countries of the second group strongly demand a substantial increase in In-Group Collectivism (sum of difference score of 2.92). The data clearly differentiates two groups of countries. The first group's problems lie in extreme inter-group family relations, close circles, favoritism, and nepotism. As a result, they demand general welfare, national interests, and social justice. But the second group experiencing the problems caused by the weakening of family relations and emotional life (Putnam, 2000), seeks much stronger in-group relations (scores 2.92).

As shown in Table 4, the first group's total cultural differentiation score on the next dimension, Future Orientation, is high (4.73), but the second group's score is considerably lower (-.05). This too, indicates that the issue with first group of countries is insufficient planning. In fact, many have argued the complex set of social, political, and economical problems they face cannot be resolved without planning (Dastmalchian and Kabasakal, 2001; Kabasakal and Dastmalchian, 2001). The countries in this group have realized that their vast resources should be invested for the future needs of generations to come (as evidenced by their noticeably high sum of difference score of 4.73 in Table 4). Without investing now, the current problems will turn into crises. The Northern European countries have enjoyed well-planned and controlled changes and they believe that they have had sufficient planning. It could be suggested that perhaps a feeling of saturation with controlled change makes them reluctant to have more formal, structured planning.

Finally, Table 4 also shows that with respect to Power Distance the first group, with total differentiation scores of 5.32, compared with the second group score of 3.52, shows 50% more potential for change. The Power Distance's differentiation score is the second group's largest showing a desire for more participation and distribution of power. However, this need, or desire, is greater in the first group. Democracy has been one of the most important demands of all Middle Eastern movements in recent uprisings. This is also an indication of validity of cultural differentiation score a measure of potential for change.

Relatively smaller differentiated scores of the Northern European countries in Table 4 would imply that there is less sudden and profound change in cultural practices as compared to those countries with larger difference scores (MENA countries). However, the process of change for the smaller differentiated societies may have been more gradual. This may not necessarily be the case. These

countries might have had continuous and gradual change in their cultural practices over time. In comparison to the other group, their potential for change could have been continuously actualized and their practices may have gradually improved through democratic and improvement oriented processes. Thus they would have had smaller difference scores than the other group. Highly democratic societies could have smaller cultural differentiation scores, as compared to societies governed by more autocratic regimes with their tendency to resist social practices that challenge the status quo. Cultural differentiation may have increased substantially in many Middle Eastern and North African countries because their cultural values have not been actualized as future desired practices.

Table 4 shows a total differentiation score for both groups of selected countries. Iran and Morocco's sum of cultural differentiation scores are 6.91 and 8.44, respectively (with the total sum of 15.35), whereas the same for Denmark and Switzerland are 0.96 and 1.91, respectively (with a total sum of 2.87). The total sum of cultural differentiation score for the Iran and Morocco is of more than 5 times greater than for Denmark and Switzerland. This difference indicates a very high level of unmet social desires and demands in the first group of countries. Thus, these countries have a high potential for change. We suggest that this high potential for change has the capacity to manifest itself as drastic, often uncontrolled expression of change if it continues to remain unmet.

As shown in Tables 3, a comparison between the five countries in the first group and five countries in the second group shows similar results. The total differentiation score of the first group (48.53) is 51% higher than that of the second group (32.05), generally indicating a higher potential for change in the first group of countries (Egypt, Kuwait, Qatar, Morocco, and Iran). Recent social and political movements demonstrate the validity of cultural differentiation score as a measure of the potential for societal change.

We will also explore GLOBE's nine the individual cultural dimensions and compare the related cultural differentiation scores of two groups of countries. The most significant difference between the two groups is the cultural dimension of "Uncertainty Avoidance", which indicates the need and desire of a society for the rule of law, justice and order. The total cultural differentiation score of the first group is 6.05 and that of the second group is -7.96, resulting in a difference in magnitude of 14.1 (the highest magnitude among the nine cultural dimensions in Table 3). This indicates not only a sharp difference between the two groups, but it also points to a much higher basic desire or demand for rule of law, justice and societal predictability in the first group, where in recent years widespread political movements have swept many parts of regions they represent, as compared to the second group.

The second most significant difference between the two groups is societal In-Group Collectivism, indicating the need and desire for more family collectivism and ties, relationships, and loyalty. The first group's total cultural differentiation scores is -0.08, showing no further need or desire in this respect, whereas the second group, with a total cultural differentiation score of 8.12, shows a very strong need to strengthen its in-group or family ties, relationships, and loyalty.

Strong family ties, as an element of In-Group Collectivism cultural dimension, may be responsible for increased and wide-spread political and economic inbreeding, nepotism and possible corruption. On a positive side, family orientation has been shown to contribute to deepening the society's connectedness (Aycaan, 2006; Javidan and Dastmalchian, 2003; Dastmalchian, Rezac, Muzyka, Bayraktar,

Steinke and Imer, 2014) and avoid the kinds of social disconnections, isolation and lack of community orientation described by Putnam and others as causing undesirable social consequences (Putnam, 2000; Rezac, Muzyka and Dastmalchian, 2009; Dastmalchian, Rezac and Javidan, 2005). The families have ruled for decades in many of the countries in the first group in Table 3. This has occurred frequently in even in non-monarchical regimes such as Syria, Libya, and Egypt. Weakening of family structure and in-group relations apparently has produced deep psychological and social issues in the Northern European group of countries. In contrast to the case of In-Group, or family, Collectivism, the reverse would be evident with respect to “Institutional Collectivism.” The first group, with a cultural differentiation score of 4.92, is eager for increased social justice, commitment to national interests, participation, and more equal distribution of national resources. But the second group, with a negative cultural differentiation score (-1.69) is willing to decrease its institutionally collectivist practices.

The sum of cultural differentiation scores of Future Orientation of 11.29 (for the first group) and 2.74 (for the second group) show that the first group’s desire or demands for change for considerably more structured planning, investing and preparing the future as compared with the second group of countries where not much potential for change in this aspect of societal culture is likely due to the small differentiation score for this cultural dimension. This again shows that the data from GLOBE confirms the expected patterns of relationships we propose in this paper in that the differentiation score or cultural differentiation between what is and what is desired in a society has a relationship with the potential for societal change.

#### **4. Concluding Comments**

The GLOBE research project on global culture provides valuable data on the societal and organizational values and practices of 62 countries on nine cultural dimensions. The difference between the cultural values and practices indicates an important and useful means by which cultural change at the societal level could be explored. In this paper we have called this “Cultural Differentiation” and used the cultural differentiation score to examine and reanalyze some of GLOBE’s published results (House et al, 2004; Dorfman et al, 2012; Javidan et al, 2006). We discuss and elaborate on the negative relationship reported between GLOBE’s cultural values and practices. Our main focus was to demonstrate that cultural differentiation is likely to relate to society’s potential for change. The larger the differentiation score the more likely a society would have the potential to change its cultural practices.

To address the seemingly paradoxical questions posed by GLOBE findings of a negative correlation between cultural values and practices, we used McClelland’s (1961) theory and argued that the negative correlation between cultural values and practices scores of 62 countries does not dismiss a causal relationship between the two. Changes in cultural values will produce changes in cultural practices and in the cultural “tool kits” at a later period in time.

Through our analysis of GLOBE’s 62-nation data, we have demonstrated the utility of the notion of cultural differentiation as a measure or index of cultural characteristics and potential for societal change. Certain countries located in the Middle East and North Africa (MENA) have much higher cultural differentiation scores compared to North European countries. They also display a much higher potential for widespread, rapid change than do the North European countries. The magnitude of cultural

differentiation scores in the former group of countries compared to the latter also indicates different patterns of change. The former countries are characterized by large cultural differentiation scores, high potential for change, and postponed changes in cultural practices; they exhibit radical and uncontrolled changes, in the form of uprisings or revolutions. Conversely, the countries in Northern Europe (from Germanic and Nordic clusters) with small or negative cultural differentiation scores and low potential for change, demonstrate continuous, gradual, and controlled change in cultural practices. The magnitude of total cultural differentiation scores of societies may be used as an inverse index of good governance, participation, and democracy. The GLOBE project's contribution and the knowledge platform it provided us for this examination of societal culture issues is greatly appreciated and must be acknowledged. Clearly much larger samples and further data analysis is needed for a more thorough analysis of the suggestions made in this paper.

## References

- Aycan, Z. 2006. Paternalism: Towards conceptual refinement and operationalization. in K.S. Yang, K.K. Hwang and U.Kim (eds.). *Scientific advances in indigenous psychologies: Empirical, philosophical and cultural contributions*.(pp. 445-466). London: Sage.
- Brown, R. 1965. *Social Psychology*. NY: Free Press.
- Dastmalchian, A. and Kabasakal, H. 2001. Leadership and Culture in the Middle East: Norms, Practices and Effective Leadership Attributes in Iran, Kuwait, Turkey and Qatar. *Applied Psychology: An International Review, Special Issue*, 50 (4): 479-595.
- Dastmalchian, A., Rezac, D. and Javidan, M. 2005. Leadership & Positive Networking. *Social Capital Business Class (Spring)*, Victoria, BC. Gustavson School of Business, University of Victoria. pp. 12-13.
- Dorfman, P., Javidan, M., Hanges, P., Dastmalchian, A. and House, R. 2012. GLOBE: A Twenty Year Journey into the Intriguing World of Culture and Leadership *Journal of World Business*. Vol. 47 (4), pp. 504-518.
- Hofstede, G. 2006. What did GLOBE really measure? Researchers' minds versus respondents' minds. *Journal of International Business Studies*, 37 (6): 882-896.
- House, R.J., Hanges, P.J., Javidan, M., Dorfman, P.W. and Gupta, V. 2004. Culture, leadership and Organizations. *The GLOBE study of 62 societies*, Thousand Oak, CA: Sage.
- House, R.J., Dorfman, P.W., Javidan, M., Hanges, P.J. and Sully de Luque, M.F. 2014. Strategic leadership across cultures. *The GLOBE study of CEO leadership behavior and effectiveness in 24 countries*. Thousand Oak, CA; Sage.
- Inglehart, R. 1997. Modernization and post-modernization: Cultural, economic and political change in 43 societies. *Princeton, NJ*. Princeton University Press.

- Inglehart, R. 1990. Culture change in advanced industrial societies. *Princeton, NJ*. Princeton University Press.
- Javidan, M. House, R.J., Dorfman, P.W., Hanges, P.J., and Sully de Luque, M.F. 2006. Conceptualizing and measuring cultures and their consequences: A comparative review of GLOBE's and Hofstede's approaches. *Journal of International Business Studies*, 37 (6): 897-914.
- Javidan, M. and Dastmalchian, A. 2003. Culture and Leadership in Iran: The Land of Individual Achievers, Strong Family Ties and Powerful Elite. *Academy of Management Executive*, 17 (4), pp. 124-142.
- Kabasakal, H. and Dastmalchian, A. 2001. Introduction to: Leadership and Culture in the Middle Eastern Countries: Norms Practices and Effective Leadership Attributes in Iran, Kuwait, Turkey and Qatar. *Applied Psychology: An International Review*. 50 (4): 479-595.
- Lewin, K. 2008, 1946. *Resolving social conflict and field theory in social science*. Washington DC. American Psychological Association.
- Marshall, A. 1920. *Principles of economics: An introductory volume* (8th Ed.), London. The McMillan Press.
- Maseland, R., and van Hoorn, A. 2009. Explaining the negative correlation between values and practices: A note on the Hofstede-GLOBE debate. *Journal of International Business Studie*, 40 (3): 537-522.
- Mazur, A. and Eugene, R. 1977. An empirical test of McClelland's 'achievement society' theory. *Social Forces*, 55 (3): 769-774.
- McClelland, D. C. 1961. *The achieving society*. NY: Free Press.
- Putnam, R. 2000. Bowling Alone. *The collapse and revival of American community*. NY: Simon and Schuster.
- Rezac, D., Myzyka, D., and Dastmalchian, Ali. 2009. Corporate citizenship and engaged leadership. *Sounding Board*, Vancouver Board of Trade. 48 (12): 10-11.
- Schwartz, S.H. 1999. A theory of cultural values and some implications for work. *Applied Psychology: An International Review*, 48 (1): 23-47.
- Swidler, A. 1998. Culture in action: Symbolism and strategies. *American Sociological Review*, 51 (2): 273-286.