

ORGANIZATIONAL BEHAVIOR AND HUMAN RESOURCE MANAGEMENT
PRACTICES: A COMPARISON BETWEEN THE UNITED STATES AND BRAZIL
BASED ON HOFSTEDE'S CULTURAL FRAMEWORK

HONORS THESIS

Presented to the Honors Committee of
Texas State University-San Marcos
in Partial Fulfillment
of the Requirements

for Graduation in the Honors College

by

Silvia Clark

San Marcos, Texas
December 2013

ORGANIZATIONAL BEHAVIOR AND HUMAN RESOURCE MANAGEMENT
PRACTICES: A COMPARISON BETWEEN THE UNITED STATES AND BRAZIL
BASED ON HOFSTEDE'S CULTURAL FRAMEWORK

Thesis Supervisor:

Robert Konopaske, Ph.D.
Department of Management

Second Reader:

Stephanie Noll, MFA
Department of English

Approved:

Heather C. Galloway, Ph.D.
Dean, Honors College

COPYRIGHT

by

Silvia Clark

2013

FAIR USE AND AUTHOR'S PERMISSION STATEMENT

Fair Use

This work is protected by the Copyright Laws of the United States (Public Law 94-553, section 107). Consistent with fair use as defined in the Copyright Laws, brief quotations from this material are allowed with proper acknowledgment. Use of this material for financial gain without the author's express written permission is not allowed.

Duplication Permission

As the copyright holder of this work I, Silvia Clark, authorize duplication of this work, in whole or in part, for educational or scholarly purposes only.

ACKNOWLEDGMENTS

Foremost, I would like to express my sincere gratitude to my thesis advisor Dr. Robert Konopaske for the continuous support of my research, for his patience, motivation, and immense knowledge. His guidance helped me to stay focused throughout the thesis process. I could have not asked for a better mentor for my honors thesis and therefore also want to extend my gratitude to Dr. Turri and Dr. Mogab for introducing me to him.

A special ‘thank you’ also goes out to the second reader of my thesis Ms. Stephanie Noll. Her encouragement, insightful comments and hard editing greatly contributed to the finished version of my written thesis.

Being a student in the honors program has made my experience at Texas State a truly unique learning experience. I am very thankful for the opportunity I received to study under the guidance and support of very knowledgeable and enthusiastic instructors. All of my former honors professors have enhanced my education in their own ways and have been a great inspiration to me. Thank you for sharing your knowledge and guiding me on my path to the completion of this project.

This document was submitted on December 5th, 2013.

TABLE OF CONTENTS

ACKNOWLEDGMENTS	V
TABLE OF CONTENTS.....	VI
ABSTRACT.....	VIII
INTRODUCTION	1
Research Question	2
Methodology.....	2
Organization of the Thesis	2
CHAPTER 1: COUNTRY PORTRAIT BRAZIL.....	4
History.....	4
Geography.....	5
Political Structure	6
Social/demographic structure.....	7
Economy	11
a) Infrastructure	12
b) Export/Import between USA and Brazil	13
c) American companies in Brazil.....	14
d) Brazilian companies in the USA	15
National and Transnational Issues	16
CHAPTER 2: THE CONCEPT OF CULTURAL DIMENSIONS	19
Power Distance	20

Origins of Power Distance	21
Individualism versus Collectivism.....	23
Origins of Individualism versus Collectivism	24
Masculinity versus Femininity.....	26
Origins of Masculinity versus Femininity	27
Uncertainty Avoidance	28
Origins of Uncertainty Avoidance	28
CHAPTER 3: CULTURAL DIFFERENCES AT WORK: SOME IMPLICATIONS	30
Leadership.....	30
Motivation.....	33
Conflict	34
Communication.....	35
Negotiation.....	36
Teamwork	37
CHAPTER 4: INTERNATIONAL HUMAN RESOURCE MANAGEMENT	39
Staffing/Selection for International Assignments.....	39
Culture Shock Cycle	41
Training.....	43
CONCLUSION.....	45
WORKS CITED	47

ABSTRACT

Organizational Behavior and Human Resource Management Practices:

A Comparison between the United States and Brazil

Based on Hofstede's Cultural Framework

by

Silvia Clark, BAIS

Texas State University – San Marcos

December 2013

SUPERVISING PROFESSOR: ROBERT KONOPASKE

Geert Hofstede's cultural dimension theory is a widely used framework for cross-cultural communication that describes different values of a society that distinguish national cultures from each other. His original four dimensions have been used in several fields as a paradigm for research, particularly in cross-cultural communication and international management.

Cultural dimensions are useful in today's interconnected business world, where the trend of globalization requires managers to develop their intercultural competence, global mindsets, and trans-cultural leadership capabilities.

As one of the BRIC nations, Brazil has one of the fastest growing economies worldwide and is particularly interesting as a trading partner for the United States. This study will compare the scores of Brazil and the United States on each dimension and analyze their impact on organizational behavior and cross-cultural management practices.

Organizational Behavior and Human Resource Management Practices:

A Comparison between the United States and Brazil

Based on Hofstede's Cultural Framework

Introduction

More than 200 nations exist today and they are becoming increasingly interdependent caused by the continuing trend of globalization. Factors that have contributed to the development of an integrated global economy include sophisticated communication and transportation technologies, mass migration, and international trade agreements that enable free trade, free flow of capital and access to cheaper foreign labor markets. Multinational corporations discovered the revenue potential that exists beyond national borders decades ago, and they will continue to expand their businesses across these borders. Yet, it was not until the end of the 20th century that these organizations started to develop an understanding of international organizational behavior and managing global human resource systems in reference to cultural differences (Adler 6).

Globalization offers substantial potential profits and cost savings to companies and nations, but also presents certain managerial difficulties such as dealing with differing cultures and values. Therefore, a great deal of emphasis has been placed on cross-cultural research in recent years to promote cooperation among nations and to enhance managers' intercultural competence, global mindsets, and trans-cultural leadership capabilities.

Brazil has one of the fastest growing economies worldwide and is particularly interesting as a trading partner for the United States. The United States was the first country to recognize Brazil's independence from Portugal in 1822, and both countries have traditionally maintained strong cooperative relations with an emphasis on politics and

economics. As the two largest democracies and economies in the Western Hemisphere, the United States and Brazil are currently in the process of forming a solid foundation for a new partnership for the 21st century. Several bilateral agreements signed in recent years show the commitment of both countries to strengthen their relationships in order to engage in a broad range of areas of mutual interest.

Research Question:

- How do differences in cultural dimensions and work values impact organizational behavior and human resource management strategies?

Methodology:

Since it is difficult for a single researcher to measure and evaluate cultural differences without bias, I decided to familiarize myself with the existing literature and available databases and apply them critically to my research question. Drawing on the extensive research of Geert Hofstede, the following literature review focuses on the cultural differences between Brazil and the United States.

Organization of this thesis:

In order to analyze how cultural differences affect behavior and attitudes in the work environment, I will first give a brief country portrait of Brazil, and explain how history, geography, politics, economics, social/demographic structure and national/transnational problems are correlated with cultural traits. Then I will discuss how a nation's cultural preferences impact the behavior in the workplace based on Hofstede's framework. In the last section of this thesis I will explain the influence of cultural differences on human resource management strategies. I will conclude by explaining how

my findings can contribute toward a better understanding of the importance and challenges of cross-cultural management practices in today's interconnected world.

Chapter 1: Country Portrait Brazil

History

Brazil was discovered in 1500 by Portuguese explorers. It is estimated that the indigenous population of the territory was between 2.4 and 5.0 million prior to the arrival of the Portuguese. This number was drastically reduced after contact with Europeans, through death or intermarriage with the colonists (Morrison and Conaway 41). Brazil was ruled from Lisbon as a colony until 1808. Its economy was based on slave labor and the exportation of wood, sugar, and gold and diamond mining. The African slave trade proved to be a lucrative endeavor for the Portuguese, and approximately four million people were transported from Congo, Angola, Mozambique, Nigeria, and the Marfim Coast to Brazil and sold into slavery. The number of Africans exceeded the number of Portuguese by the 17th century, but much of the African culture and religion was preserved despite European domination (Country Watch).

Following more than three centuries under Portuguese rule, Brazil peacefully gained its independence in 1822. It adopted a constitutional monarchy as its form of government. The monarchy was abolished shortly after the end of slavery, and a republic was proclaimed by the military in 1889. A coup in 1964 subjugated Brazil to military rule for 21 years until 1985 when the military regime peacefully ceded power to civilian rulers. Today, Brazil is the leading economic power in South America and continues to pursue industrial and agricultural growth and development of its interior (United States). This economic growth has been positively impacted by its geographic size and location.

Geography



Source: <http://www.operationworld.org/files/ow/maps/lgmap/braz-MMAP-md.png>

Brazil is the largest country in South America and shares common boundaries with every South American country except Chile and Ecuador. It is located in Eastern South America with an area of 8,514,877 sq km, which makes it the 5th largest country in the world and only slightly smaller than the USA with a total of 9,826,675 sq km. Its Atlantic coastline is 7,491 km (Country Watch). More than 10 % of its population lives in the three largest cities: Sao Paulo, Rio de Janeiro, and the capital Brasilia. Brazil is south of the equator and has a mostly tropical climate, which is more temperate in the Southern highlands. Elevation ranges from the lowest point at the Atlantic Ocean to the highest point of 2,994 meters at Pico da Neblina. Forests cover more than half of Brazil's territory and include the world's largest tropical rain forest in the Amazon River Basin. The Amazon that runs through Brazil is the longest river in the world (CultureGrams).

The southern part of the country, which is the most densely populated and industrialized region, is rich in minerals and natural resources that include bauxite, gold,

iron ore, manganese, nickel, phosphates, platinum, tin, uranium, petroleum, hydropower, and timber (United States).

Political Structure

With its capital in Brasilia, Brazil is governed by a Federative Republic that consists of twenty-six states and one federal district. Brazil gained its independence from Portugal on September 7, 1822 and implemented its Constitution on October 5, 1988. The legal system is based on civil law and suffrage is mandatory for citizens between the ages of 18 and 70 years. Military conscripts, however, do not vote by law.

Compulsory voting is not uncommon in Latin America which contains about half of the world's countries that use this kind of voting system in which electors are obliged to vote. This system is used as a measure to increase voter turnout and has many arguments for and against it. Proponents argue that political leaders in nations with compulsory voting systems have a higher degree of political legitimacy than those political leaders of non-compulsory nations that were elected by only politically motivated individuals. Opponents on the other hand argue that forcing someone to vote is against the principles of basic freedom (Power).

The Constitution established three branches of government: legislative, executive, and judicial (United States). The current head of the executive branch is President Dilma Rousseff who has been in office since January 01, 2011, and is Brazil's first female president. Other members include the Vice President, Michel Temer, and a cabinet that is appointed by the president. The Legislative branch (the bicameral national congress) consists of the Federal Senate with 81 seats (3 members from each state and the federal district), serving eight-year terms, and the Chamber of Deputies with 513 seats, elected to

serve four-year terms. The Judicial branch consists of the Supreme Federal Tribunal, the Superior Tribunal of Justice, the Superior Electoral Tribunal, and the Regional Federal Tribunals. All judges are appointed for life by the president and confirmed by the Senate, however they do have a mandatory retirement age of 70 like all federal employees (United States).

Despite a great number of political parties and leaders, and political lobbying groups such as the Landless Workers' Movement and industrial federations, labor unions, large farmers' associations, and religious groups, Brazil's political risk index is low. Political risk refers to a type of risk faced by investors and governments. The political risk rating of a country consists of several components such as government stability, socioeconomic conditions, investment profile, internal and external conflicts, corruption, military in politics, religious tensions, law and order, ethnic tensions, democratic accountability, and bureaucracy quality. The purpose of the political risk rating is to provide a measure for a country's political stability in comparison to other countries (PRS Group).

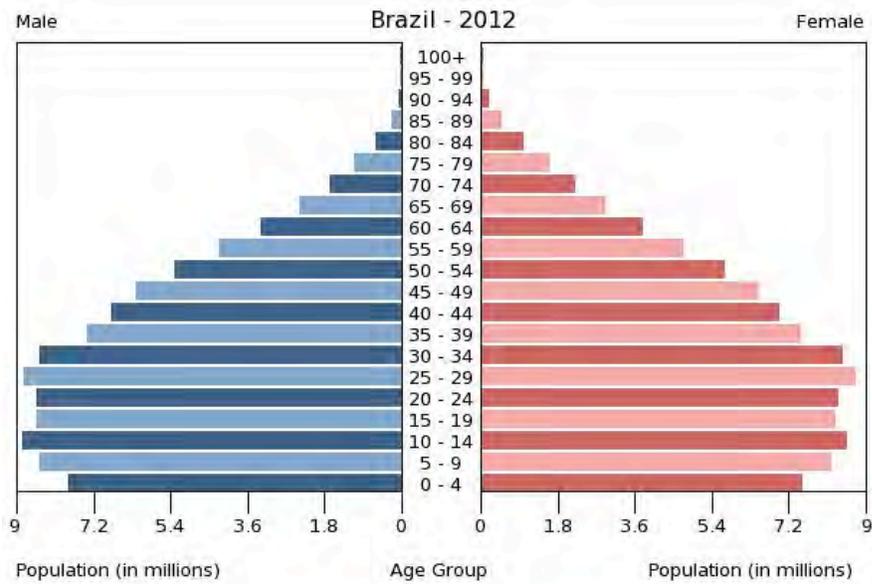
Brazil's low political risk rating suggests that even a large and ethnically diverse population such as Brazil's can result in political stability, equal political representation, democratic accountability, freedom of expression, human development, and low economic risk and corruption (Country Watch).

Social/demographic structure

With a population of 199,321,413 (July 2012 est.), Brazil is the 5th most populous country in the world and its diverse population is composed of many different ethnic groups including 53.7 % white, 38.5 % mixed races, 6.2 % black, 0.9% Japanese, Arab

and Amerindian, and 0.7 % unspecified others. The official language of Brazil is Portuguese, and other less commonly spoken languages include: Spanish, especially at border areas with other South American countries, German, Italian, Japanese, English, and several Amerindian languages. The predominant religion is Roman Catholic with approximately 73.6 %, followed by Protestant with 15.4 %, and other spiritualist/voodoo practices (United States).

The majority of Brazil’s population is young with a median age of 29.6 years, and as the population’s age pyramid below illustrates, there is currently a large working-age population. However, the favorable age structure is expected to shift by 2025 due to declining population growth, which will result in a shrinking labor force as the elderly compose an increasing share of the total population (United States).



Source: <https://www.cia.gov/library/publications/the-world-factbook/>

The main factor behind Brazil’s slowing population growth and aging population can be found in the rapid decline in fertility beginning in the 1960s. The national fertility rate is currently 1.82 children born per woman. The life expectancy of the total

population is 72.8 years but varies significantly between males (69.2 years) and females (76.5) (United States).

Eighty-seven percent of the total population lives in urban areas, and the rate of urbanization is expected to increase. The most populous and also most industrialized city in Brazil is Sao Paulo with a population of almost 20 million people followed by Rio de Janeiro with 11.8 million. The capital Brasilia is relatively small in terms of population compared to these two major cities and has a population of only 3.8 million (United States).

Brasilia was created in 1956 and is located in the interior of Brazil. When Juscelino Kubitschek was elected as president in 1955 he made the creation of the capital city a symbol of his policy to upgrade the image of the entire country, to expand industry, and to undertake major construction projects. In 1956 he appointed a commission to determine an exact location for the city and set up an executive body to carry out the construction work. Created from nothing in the center of the country Brasilia is a landmark in the history of urban planning, from the layout of the residential and administrative districts to the symmetry of the buildings themselves. The Brazilian capital is the only city in the world built in the twentieth century to be awarded by UNESCO as a world heritage site (UNESCO).

In recent years, poverty among the older and retired population in Brazil has been drastically reduced through well-funded public pensions, but restricted investment in education still limits the possibilities for many children to escape poverty. Education expenditures account for only 5% of GDP placing Brazil at the 59th position worldwide. Therefore, the literacy rate of people above 15 years of age is only 88.6 %, but it is

equally distributed between males and females. In comparison, the US has a literacy rate of 99 %. Among other BRIC nations (Brazil, Russia, India and China) only India has a lower literacy rate at 61% than Brazil. China and Russia have literacy rates of 92.2 % and 99.6 %, respectively, which places Russia above the United States (United States).

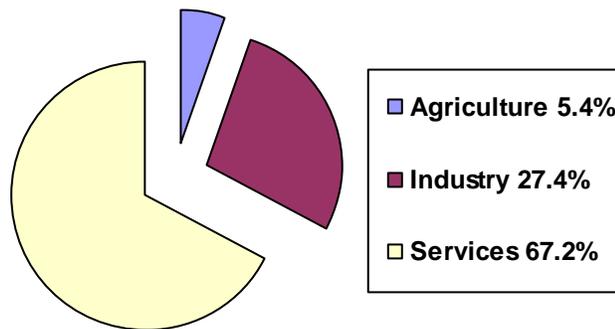
Brazil has traditionally been the destination of many different groups of immigrants, with its southeast being the prime destination. After abolishing slavery in the mid-19th century, Brazil recruited Europeans (Italians, Portuguese, Spaniards, and Germans) and later Asians (Japanese) to work in agriculture, especially coffee cultivation. In recent years the majority of immigrants come from Argentina, Chile, and Andean countries, of which many of them are unskilled illegal migrants. The Andean countries are a group of nations in South America that share a common geography (Andes mountain range) and/or a common culture or language such as the Quechua language. They consist of Colombia, Venezuela, Ecuador, Peru, and Bolivia. Argentina and Chile are culturally oriented more towards Europe and are therefore usually not considered to be part of the Andean States in political terms.

Since Brazil's economic downturn in the 1980s, emigration of well-educated and middle class Brazilians to the United States, Europe, and Japan has been rising but is small in relation to Brazil's total population (United States). The largest economy in South America has recovered since its downturn and continues to expand its share of global markets.

Economy

Large and well-developed agricultural, mining, manufacturing, and service sectors contribute to Brazil's economy. The service sector contributes the largest amount to gross domestic product (GDP) which is the sum of everything that a country produces.

GDP Sectors:



Agriculture accounts for 5.4 % of Brazil's GDP. The country is the world's largest producer of sugar cane, coffee and tropical fruits, and has the world's largest commercial cattle herd. Other important agricultural products include soybeans, corn, cotton, cocoa, tobacco, and forest products. Industry accounts for about 27.4 % of GDP, with well-diversified sectors ranging from automobiles, machinery and equipment, steel, textiles, cement, petrochemicals and consumer durables (Country Watch). Brazil's service sector is diverse and sophisticated and contributes approximately 67 percent to GDP. It includes tourism, telecommunications, banking, commerce and computing (United States).

Since 2003, Brazil has steadily improved its macroeconomic stability, building up foreign reserves, and reducing its debt. After strong growth in 2007 and 2008, the global financial crisis hit the country in 2008. As global demand for its exports decreased, Brazil

experienced two quarters of recession. However, Brazil was one of the first emerging markets to begin a recovery as consumers and investors gained confidence again. Growing at the fastest rate in the past 25 years, GDP increased by 7.5% in 2010. Authorities implemented new policies in an attempt to reduce inflation that is currently at 5.5%. As a result, economic growth slowed to 2.7% in 2011, and 1.5% in 2012. However, in 2011 the country became the sixth largest economy in the world when it surpassed the United Kingdom. This ranking is based on GDP (United States).

Despite the economic downturn, unemployment is at a historic low at 6.2 %, and Brazil's traditionally high level of income inequality continues to decline. Foreign investors are attracted by Brazil's historically high interest rates. These large capital inflows over the past several years have contributed to the appreciation of the currency, which in turn has had a negative effect on the competitiveness of Brazilian exports. The Brazilian government has tried to intervene by raising taxes on some foreign capital inflows. In 2012, President Rousseff's administration implemented a series of monetary and fiscal policies to stimulate growth without much success. Brazil's revenues and expenditures resulted in a surplus of 2.7 % of GDP in 2012; the public debt, however increased from 54.2% in 2011 to 54.9 % of the GDP (United States).

a. Infrastructure

Despite its large size, Brazil has an efficient communication/infrastructure with 43 million telephone main lines in use and 244.4 million cell phones which puts the country in 6th and 5th positions, respectively, compared to the rest of the world. The communication system consists of a stable fixed-line telephone system and inexpensive mobile-cellular technology. Mobile-cellular technology has increasingly expanded to

lower-income segments of the population. A state-operated and also privately owned media network consists of more than 1,000 radio stations and more than 100 TV channels and is highly concentrated in Brazil's largest cities. Brazil has 26.6 million Internet hosts, the third largest number worldwide and 75.9 million Internet users (United States).

Brazil's infrastructure consists of 28,538 km of railways, and 1,580,964 km of roadways, and 50,000 km waterways. Several large cargo and container ports in Ilha Grande, Paranagua, Rio Grande, Santos Sao Sebastio, Tubarao and Itajai serve as an entry to the country. However, territorial and offshore waters in the Atlantic Ocean remain a significant risk for piracy and armed robbery against ships. In 2010, the attacks on commercial vessels increased by 80% (United States).

b. Export/Import between countries

Brazil runs regular trade surpluses primarily due to the export of mining and agricultural products. In 2012, Brazil exported products and services in the amount of \$256 billion with its main export partners being China (17.3%), the United States (10.1%), Argentina (8.9%), and the Netherlands (5.3%). Most exported products included transportation equipment, iron, soybeans, textiles, coffee, automobiles and parts (United States).

Brazil imported goods in the amount of \$238.8 billion in 2012 with the most imported items being machinery, electrical and transport equipment, chemical products, oil, automotive parts, and electronics. The United States is Brazil's largest source of imports accounting for 15.1 % of all imports, followed by China (14.5%), Argentina (7.5 %), Germany (6.7 %), and South Korea at 4.5% (United States). U.S. merchandise

exports to Brazil in 2011 were US\$42.9 billion, and United States imports from Brazil were US\$31.3 billion (National Export Initiative).

Despite large reserves, Brazil lacks the capacity to refine all of the oil it extracts. Consequently, the country must import a quarter of the 2.46 million barrels of oil it uses daily. Much of Brazil's natural gas is also imported (Culture Grams).

c. American companies in Brazil

Brazil's ascent to the world's sixth largest economy has introduced new factors into Brazilian-American relations. As reported by the Brazil-United States Business Council: "President Obama acknowledged the need to strengthen economic ties between the United States and Brazil to create jobs and business opportunities for both countries" during the United States-Brazil business summit in 2011 (U.S. Chamber of Commerce). Brazil is viewed as a top emerging market among global corporations that provides plenty of opportunity for growth. As a result more than one hundred large US corporations are now doing business in Brazil.

The Brazilian OTC pharmaceuticals market grew by 7.3 % in 2009 and generated total revenues of 3.7 billion. Cough and cold preparations sales proved the most lucrative for this market, and although growth is expected to slow down Brazil will remain as the second strongest market segment in the Americas for US pharmaceutical companies with a market share of 10.6%. Johnson and Johnson is the leading player in the Brazilian OTC pharmaceuticals market with a 12.3% share of the market's value, and Abbott Laboratories places third with a market share of 9.4% (OTC Pharmaceuticals Industry Profile: Brazil).

Other large American companies that operate in Brazil include Shell, Chevron and Exxon from the oil refining industry, and companies from financial and technology sectors, such as Citigroup, Bank of America, IBM and Hewlett Packard (U.S Chamber of Commerce).

d. Brazilian companies in the USA

Not only is the country the host of numerous multinational companies from the United States and Europe, it is also home to dozens of Brazilian-controlled multinational enterprises that have dramatically expanded their operations worldwide. The growing presence of Brazilian companies in the United States is dominated by the private sector, although Petrobras, a state-controlled corporation ranks among Brazil's top five multinationals in terms of foreign direct investment. The largest companies come from a variety of different sectors such as manufacturing, services, agriculture, and petroleum and natural gas extraction.

A survey conducted in 2010 by Sociedade Brasileira de Estudos e Empresas Transnacionais e da Globalização Econômica (SOBEET) found that nearly half of the survey participants had intentions to increase their investment abroad with the preferred destinations being Argentina, China, South Africa, and India. Reasons for these planned expansions included international competitiveness, growing demand, search for economies of scale, and to reduce dependence on the domestic market (Vale Columbia Center).

In 2013 the disclosures of United States surveillance practices by former CIA and NSA employee Edward J. Snowden worsened Washington's ties with an array of nations, including European allies like Germany and also Brazil. At the U.N. General Assembly

in September of 2013, Brazilian President Rousseff accused the United States of spying on her private email and Brazil's largest company, Petrobras. She suspended a state visit to the United States and her government demanded a full explanation from Washington. Even though President Obama has said that he understands the concerns and is committed to working together with President Rousseff, a full explanation of alleged U.S. intelligence activities in Brazil has not yet been given to the satisfaction of the Brazilian government (Trotta).

Meanwhile, while commerce is still thriving between Brazil and the United States, business leaders in both countries fear a possible negative effect on economic ties between the United States and Brazil in the future if political leaders fail to move beyond this issue and re-build trust. The NSA revelations clearly cast a dark shadow over the relationship between Brazil and the United States and threaten to disintegrate years of Washington's efforts to recognize Brazil's rising profile in the developing world and the Southern hemisphere.

6. National and Transnational Issues

Brazil faces a variety of national and transnational problems that will have an impact on political and economic decision making in the future. Rapid urban growth in Brazil has aided economic development but has also created serious social, environmental and political problems for major cities.

One major environmental issue is the deforestation in the Amazon Basin that destroys the habitat and endangers a multitude of plant and animal species. The rate of deforestation is much higher in the Amazon Basin than in any other part of the world. The Amazon rainforest has lost 15% of its forest since 1970 alone, and Brazil has been

experiencing an average annual loss of 21,536 square miles in recent years. Deforestation in the Amazon Basin can be attributed to the expansion of cattle ranches and agriculture (World Preservation Foundation).

Air and water pollution impose major problems to large cities such as Rio de Janeiro and Sao Paulo. Land degradation and water pollution caused by improper mining activities and severe oil spills are additional environmental problems with which Brazil has to confront.

Brazil's income inequality has continuously decreased over the last decade and a half, but poverty levels remain high despite these improvements. For example, several “favelas” (or “shantytowns”) that line the hills overlooking Rio de Janeiro and other large cities are still home to hundreds of thousands of impoverished citizens. The poor are disproportionately represented in the North, and Central West, and consist mainly of women, black, mixed race, and indigenous populations. The lack of equal opportunities contributes to Brazil's high crime rate, especially in large cities.



Source: <http://www.thecollectiveint.com/2013/03/favelas-of-brazil-boundary-between.html>

Illicit drug use in Brazil also constitutes a big problem. The country is the second-largest consumer of cocaine in the world and a major producer of cannabis. Brazil is also an important transit country for Bolivian, Colombian, and Peruvian cocaine headed for Europe. An increase of drug-related violence and weapons smuggling has been the subject of large-scale government eradication and intervention programs. The proceeds of the illegal drug business are often laundered through the financial system (United States).

Brazil will be hosting the FIFA World Cup in 2014 and the Olympics in 2016, and while the government has been spending billions of dollars for stadiums and other prestige infrastructure projects before these two sporting events, critics say that neglecting to improve Brazil's economic and social infrastructures could create the potential for violent unrest among the millions of poor Brazilian citizens.

Chapter 2: The Concept of Cultural Dimensions

Culture has often been defined as the “civilization” of a nation, but this does not capture the full meaning of this phenomenon. “A national culture is a set of values, attitudes, beliefs and norms shared by the majority of the inhabitants of a country” (Gibson et al. 64). Culture therefore refers to the “mental programming” of a person’s mind as explained by Hofstede (Hofstede, Hofstede and Minkov 5). Most cross-cultural experts agree that values that represent the core of culture are learned, not innate. The source of one’s culture can therefore be found within the social environment in which one grew up and one’s collective life experiences. Since many of these values are acquired early in lives, they usually continue to exist even when the individual becomes a permanent member of a different society with different cultural values.

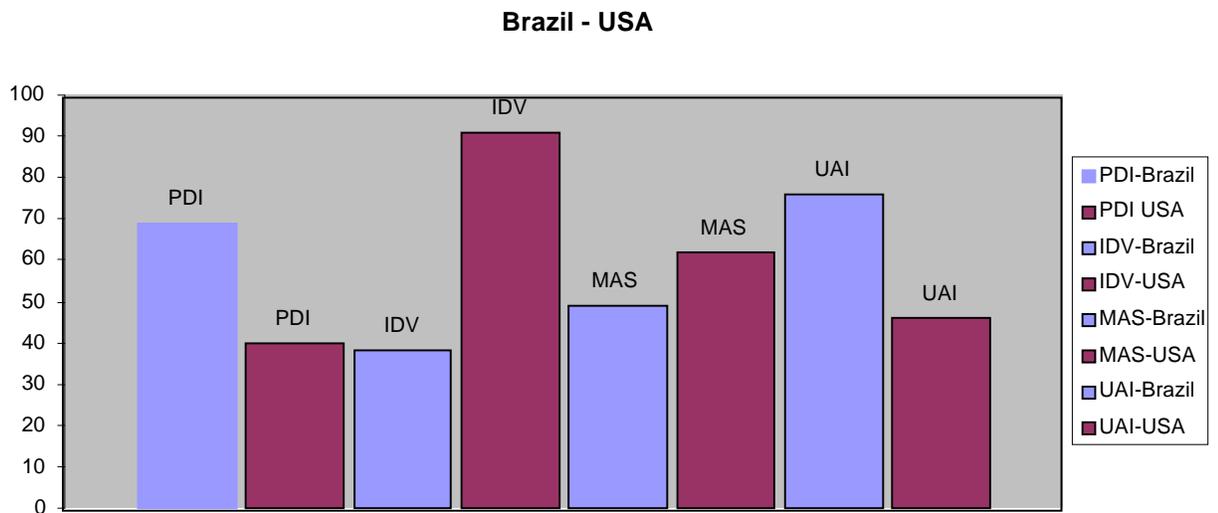
In order to research how values in the workplace are influenced by culture, Geert Hofstede conducted one of the most comprehensive studies between 1967 and 1973 in which he collected data from more than 70 countries. The result of his research is known as “Hofstede’s dimensions” of national culture. These dimensions consist of four groups that explain different values that distinguish national cultures from each other.

The following brief description of each dimension can be found on Geert Hofstede’s website: “<http://geert-hofstede.com>.” These dimensions can be associated with differences in family, school, state and other areas of a society. However, the present analysis will only focus on how these cross-cultural differences impact behaviors and attitudes in the work place in Brazil and in the United States. The last part of this paper will discuss how these cultural differences need to be taken into consideration by

multinational corporations for the implementation of human resource management strategies.

Power Distance (PDI)

“This dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally, and how a society deals with these inequalities among people” (Hofstede and Hofstede). Societies with a large degree of power distance implement hierarchical orders in which everybody has his/her place. People in societies with low power distance strive for an equal distribution of power.



The table above shows that Brazil has a score of 69 in power distance compared to a score of 40 for the United States. This indicates that Brazilian society believes inequalities amongst people are acceptable and that it is important to respect hierarchy. Power holders are expected to have more benefits and influence over less powerful groups in society, and “the concepts of class and status are strong and may determine

what job a person will have” (Morrison and Conaway 44). The lower PDI score for the United States suggests that American society and government are focused on equal rights and opportunities for all citizens (Hofstede and Hofstede).

Origins of power distance

The origins of a culture’s power distance score can be found in its history, geography, political system, economy and demographics. Elements that explain Brazil’s power distance can clearly be found in the country’s history. Geert Hofstede’s study shows a relationship between power distance and language. Countries with Romance languages such as Portuguese or Spanish tend to score higher on power distance than countries with Germanic languages. The reason for this can be traced back to the Roman Empire and its single power center. According to Hofstede: “people developed mental programs to survive political and social systems” which became part of their culture (Hofstede, Hofstede and Minkov 84). Brazil was colonized by Portugal, which in turn, was part of the Roman Empire and it is therefore not surprising that these mental programs still exist today and are reflected in the culture’s high power distance.

Power distance describes the desire for independence of a nation. In a society in which power distances are large, authority tends to be traditional and is often rooted in history (Hofstede, Hofstede and Minkov 77). Brazil has a long history of strong authoritative rule. When Pedro I declared independence from Portugal in 1822 he created the Brazilian empire which was ruled as a monarchy that had absolute power over its citizens until a republic was proclaimed by the military. Military dictatorships are also common in countries with high power distance; this fact can be linked to Brazil’s history as well. Brazilians have often accepted military dictatorships in times of crisis. After a

military revolt in 1964, the country was put under authoritarian military dictatorship for 21 years (United States).

Countries with Germanic languages were never fully absorbed by the Roman Empire and typically score lower on power distance. The United States was predominantly colonized by Great Britain which had remained “barbaric” in Roman days. This explains the mental programming of North Americans in the United States, who seemed to be more focused on gaining independence from its colonizers. The American Revolution was forcefully executed and what followed was an immediate establishment of a democratic political system.

According to Hofstede, other predictors of PDI are linked to population size and geographic latitude. Larger populations are assumed to depend on a more authoritative government that is less accessible than do smaller populations. However, this theory does not apply to the United States and Brazil. Both countries are very populous, with the United States’ population being much larger than that of Brazil’s. Geert Hofstede explains the logic of the relationship between geographical latitude and PDI with the observation that at lower latitudes societies depend more heavily on agriculture because of their abundant natural resources and favorable climate. Competition with other human groups for the same territory and resources is strong and therefore the establishment of an organized hierarchical society provides better chances for peaceful survival. In countries located at higher latitudes, nature is less abundant. In order to survive, people created industry along with pursuing agriculture and were therefore less dependent on powerful rulers. Less traditional agriculture and more industrialization eventually led to more modern technology, more urban living, more social mobility, a better educational system

and a larger middle class. All these conditions can be found in the United States and fit with Hofstede's theory regarding characteristics of countries with lower levels of power distance. It should be noted, however, that while Brazil has a tropical climate and is rich in natural resources, currently, its agriculture accounts for only about 5 % of Brazil's GDP.

In some countries power differences between citizens and the government are much larger than in others, depending on their political system. Brazil and the United States both have a democratic system with more than one political party where power can shift peacefully from one party to another. However, in the case of Brazil, the perception of what power, tradition and authority should look like cannot easily be changed after hundreds of years of colonialism, monarchy and military rule.

The degree of power distance is often related to the wealth of a country. When education is accessible to everyone, this results in a larger middle class. Less educated people usually hold different values and prefer a more authoritarian rule. Incomes in countries with high power distance are generally more unequally distributed, with a few very rich people and many extremely poor people. Brazil exhibits a more unequal distribution of wealth compared to the United States and still struggles with poverty among certain groups of its population despite its relatively high GDP and strong economic power in Latin America.

Individualism versus collectivism (IDV)

This dimension addresses "the degree of interdependence a society maintains among its members. A society's position on this dimension is reflected on whether people's self-image is defined in terms of "I" or "We"" (Hofstede and Hofstede).

Brazil's score of 38 reflects a collectivist society in which people are integrated into strong, cohesive groups that provide a major source of one's identity and in which members take care of each other in exchange for loyalty. "The family is more important in Brazil than in any other Latin American country and has been the single most important institution in the formation of Brazilian society" according to Morrison and Conaway (45). The United States, on the other hand, has one of the highest individualist cultures with a score of 91 on this dimension (Hofstede). Ties between single members of an individualist society are loose. People define themselves based on personal characteristics and individual achievements, and tend to look after only themselves and their immediate families (Adler 27). They generally put their own interest over the interest of the group.

Although power distance and individualism are two different dimensions, it can generally be stated that the indexes for both are negatively correlated. This implies that in collectivist cultures in which people depend on "in-groups" they also tend to depend on strong authoritative power figures and vice versa.

Origins of Individualism/Collectivism

The degree to which a country is individualistic can be explained by looking at various elements such as geography, economy and history. Cultural anthropologists discovered that agricultural societies mostly show complex extended families or village community in-groups. When people migrate to cities their family complexity decreases and the typical urban family becomes nuclear. In most countries today, modernization corresponds to individualization (Hofstede and Hofstede).

This suggests that countries where most of their population lives in rural areas, agriculture contributes a significant part to the country's GDP and people live in large extended cohesive families making it a collectivist culture. On the other hand, an individualist culture would be represented by industrial societies that consist of small nuclear families who live in urban areas.

This theory holds true for US society where agriculture makes up only 1.1 % of the total GDP, 82 % of its population lives in urban areas and the fertility rate is 2.1 children born per woman (United States). These statistics represent a highly individualist culture.

With a score of 38, Brazilian culture can be described as a collectivist society. (Hofstede and Hofstede). A large portion of Brazil's population (87 %) lives in urban areas, and the rate of urbanization is expected to increase. The fertility rate is even lower than in the United States with 1.8 children born per woman. However, even despite the industrialization of recent decades Brazil still has a very large and important agricultural sector that contributes about 5.4 % to the country's GDP. Industrialization started much later and took place at a slower rate than in the United States (United States).

Geert Hofstede also claims that a country's level of individualism can be measured by its wealth and geographical latitude. A country's industrialization often results in an increase in wealth which is then reflected in a higher score on individualism. The reasons for this can be found in the access of citizens to resources that allow them to pursue their own interests once a country's wealth increases. Dependency on the extended family or in-group decreases and a collective lifestyle is replaced by an individual lifestyle. If we measure a nation's wealth for simplistic reasons by its GDP

only, we can conclude that the much higher GDP of the US (\$ 50,700 per capita) can be viewed as a correlate of its high score on individualism. In comparison, Brazil's GDP of \$ 12,700 per capita may be correlated to a low individualism score (United States).

Geographical latitude is not only correlated to power distance, but also to a country's score on individualism. Moderate or cold climates favored a degree of individualism because people's survival depended on the ability to take care of themselves and meet their own needs first.

Masculinity versus femininity (MAS)

According to Hofstede: "The masculinity side of this dimension represents a preference in society for achievement, heroism, assertiveness and material reward for success. Society at large is more competitive. Its opposite, femininity, stands for a preference for cooperation, modesty, caring for the weak, and quality of life. Society at large is more consensus-oriented."

The table above shows that Brazil's score on this dimension can be found in the middle of the index at 49 compared to the United States' score of 62. Consensus and sympathy for others are expected and equally important as benefits for the more powerful members of this society. The United States is considered a "masculine" society with a score of 62 on this dimension. This indicates that people tend to be highly assertive and competitive. They have been socialized to boost their egos by over-stating their competencies and they expect to be rewarded for their achievements (Hofstede and Hofstede).

Origins of masculinity/femininity

A country's score on the masculinity/femininity dimension is unrelated to its degree of economic development. Hofstede's study found both masculine and feminine countries across rich and poor nations. However, he draws conclusions about how a culture's score on this dimension is influenced by the share of the population living in poverty. Since masculine cultures are performance-oriented societies and feminine countries tend to be welfare societies, the share of people living in poverty tends to be higher in masculine cultures. The comparison between the US and Brazil proves to be difficult in this regard since the two countries do not place themselves on opposite poles. With a score of 49, Brazil cannot be clearly defined as either a masculine or a feminine country and instead has both types of characteristics (Hofstede and Hofstede).

The way in which a country deals with gender rules is rooted in its history. One possible explanation for Brazil's middle score on this dimension might be that its population is highly diverse. Unlike European immigrants in the United States, the predominantly Portuguese immigrants in Brazil often intermarried and reproduced with indigenous people. Today, Brazil's population reflects this mixed heritage with a large percentage (almost 40 %) being of mixed race.

The United States also has a very diverse population. However, as a former colony of Great Britain, the earliest immigrants to the United States came predominantly from a society that also had a very masculine mindset with 66 on this dimension. People from Great Britain usually migrated as families and rarely reproduced with the native population. For centuries these English settlers dominated North America, creating the

mindset of “modern day Americans.” It can therefore be said that the US inherited its masculinity from its former colonizer Great Britain (Hofstede and Hofstede).

Uncertainty avoidance (UAI)

According to Hofstede: “The uncertainty avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. Countries exhibiting strong uncertainty avoidance maintain a need for predictability and written or unwritten rules. They are intolerant of unorthodox behavior and ideas. Weak uncertainty avoidance societies maintain a more relaxed attitude in which practice counts more than principles.”

Latin American societies, including Brazil which has a score of 76, generally score high on the uncertainty avoidance index. People in such cultures are often motivated by the fear of the unknown (Gibson, et al. 68). A high score on this dimension expresses the need for explicit rules, laws and bureaucracy in order to structure life. The United States scores 46 on this dimension which reflects a society that is more open to new ideas and different opinions from anyone. Americans generally feel comfortable with the inability to predict future events, and do not require a lot of rules and regulations. They are also less emotionally expressive than higher-scoring cultures (Hofstede and Hofstede).

Origins of uncertainty avoidance

Sources for strong or weak uncertainty avoidance can be traced to a nation’s history. Geographic latitude, population size, economic development and national wealth are not sufficient predictors for the score on this dimension.

Brazil's (strong) and the United States' (weak) difference in uncertainty avoidance is another example of how deeply rooted these cultural differences are in the history of a country. This difference can be traced back to the colonization of both countries. As explained previously under the power distance section, Brazil was colonized by the Portuguese that in turn had been impacted by the power of the Roman Empire. As a powerful centralized state, the Roman Empire mentally programmed its population by creating a unique system of codified laws that had to be strictly followed by all people regardless of origin. Great Britain, on the other hand, never knew such centralized laws. In fact, as of today Great Britain does not have a written constitution. In Hofstede's study, countries with Roman inheritance scored higher on uncertainty avoidance than countries with English or Germanic inheritance.

The fact that Brazil established a monarchy after its independence, which was later followed by a military dictatorship, further underscores the validity of this theory. Citizens continued to rely on the expertise of authorities and existence of strict laws around which to structure their lives.

Chapter 3: Cultural Differences at Work: Some Implications

When young adults enter their working lives, the mental programming instilled by parents and teachers is transferred towards their bosses and colleagues. The working climate in an organization is therefore strongly influenced by young employees' cultural values that were attained in early childhood. All of the previously discussed differences of national cultures have implications for organizations and management processes such as leadership, motivation and performance, conflict resolution, teamwork, and communication and negotiation styles.

Leadership

The importance of global leadership capabilities is reflected by the increasing volume of foreign sales by multinational corporations that now exceed \$7 trillion annually. However, 85 percent of Fortune 500 companies have reported a shortage of global managers with the skill-set and perspective required to implement global strategies (House).

The Global Leadership and Organizational Behavior Effectiveness Research Project (GLOBE) is an international group of social scientists and management scholars who study cross-cultural leadership. Their findings are divided into different dimensions or cultural clusters similar to those of Hofstede's. The GLOBE research revealed that while there are differences among countries that have implications for managers, there are also similarities. Honesty, decisiveness, and positive motivational dynamics were believed to be universally desirable leadership behaviors in all GLOBE countries. Universally undesirable leadership attributes include irritability, egocentricity and anti-social behavior (House).

This section discusses the cultural differences of leadership attributes between the United States and Brazil and their implications on organizational behaviors.

Effective organizational leadership provides objectives for subordinates and guidance toward achieving defined organizational goals. Global leadership is a critical success factor for multinational corporations, and therefore knowledge of culture and its influences on business operations is extremely valuable to executives. Management needs to take the strength and influence of local culture into account when making decisions in order to successfully achieve their organizational goals. A widely accepted theoretical framework such as Hofstede's dimensions helps to explain the effectiveness of different leadership styles on subordinates' attitudes, behaviors and job performance in cross-cultural business environments.

For example, the degree of power distance strongly influences leadership style in an organization. In national cultures that are characterized by large power distance such as Brazil, superiors and subordinates consider each other as unequal which provides the basis for a strong hierarchical order. Power tends to be centralized within the organization limiting decision making to only a few high-level individuals who then give clear instructions to subordinates about what to do and when to provide detailed reporting. The ideal boss is a benign autocrat who is highly respected by subordinates. The salary system shows wide gaps between top and bottom in the organization and superiors are entitled to privileges (Hofstede, Hofstede and Minkov 76).

These findings were confirmed by literature that examines other research projects such as GLOBE. Robert J. House asserts that Brazilian managers are expected to set boundaries based on class and status, and that people are treated according to their social

and organizational levels. Blue and white-collar workers from the same companies rarely socialize within or outside of work. Their high power distance culture explains why Brazilians believe that people of higher status deserve to be treated with respect and why they prefer a formal relationship between the superior and the subordinate. Brazilian subordinates accept their own decision-making limitations, unlike their American counterparts who expect to be involved in the decision making process (House).

Small power distance is reflected in an organizational structure where subordinates and superiors consider each other as equal. Organizations with this cultural attribute are mostly decentralized with a more flexible system that allows movements within the hierarchy. Salary ranges between top and bottom jobs are smaller and superiors are generally not entitled to as many privileges. The ideal boss is a supportive democrat who expects subordinate involvement and self-initiative. Subordinates are not afraid of their bosses and prefer to be consulted before the final decision is made. The United States is a nation with relatively small power distance which indicates that hierarchy within an organization is established for convenience only and superiors are accessible. A consultative leadership style is preferred by both managers and employees and information is shared frequently between these groups (Hofstede, Hofstede and Minkov 76).

Whether a society is defined as individualist or collectivist also influences the needs of subordinates. Employees in individualist societies such as the United States list personal time, freedom and challenging work as their main motivators for a job that is fulfilling to them. Employees from collectivist societies such as Brazil prefer training opportunities to improve their skills, having good physical working conditions, and being

able to fully use their skills on the job. In order to positively influence satisfaction and productivity of subordinates the right type of leadership style must be established to avoid dysfunctional operations (Hofstede, 76).

The degree of uncertainty tolerance of a culture can be associated with the way in which managers are willing to take certain risks. American managers are generally less cautious in their approach than Brazilian managers who prefer a more risk avoidance approach. Due to a stronger performance orientation in American culture US managers generally prefer a speedier decision making process. Brazilian managers on the other hand, are more sensitive to group harmony and take longer to make decisions. (House).

Motivation

Motivation refers to “the forces acting on or within an individual to initiate and direct behavior” (Gibson, et al. 126). Managers know that high levels of motivation result in exceptional performance and therefore they seek to find the perfect motivators for their employees. Numerous motivational theories attempt to explain what motivates individuals. However, there is no universal answer. Each person is driven by his or her unique individual needs and goals. These needs and goals vary depending on social, educational and cultural factors.

Motivation can be divided into extrinsic and intrinsic motivators. Extrinsic motivators include salary and wages, or any kind of financial reward or promotion. Intrinsic motivators include rewards that are part of the job itself such as achievement, autonomy and personal growth (Ryan and Deci).

Hofstede’s cultural dimensions that help explain motivation patterns include masculinity/femininity and individualism/collectivism. Typically, Americans can easily

be motivated by extrinsic rewards such as pay raises and financial bonuses. The strong masculine character of this culture in combination with its high degree of individualism promotes the desire to earn monetary rewards and attain higher status based on performance. Incentives and bonuses should be linked to individual's performance. Members of such societies strive for personal success and extrinsic rewards.

Brazil can be described as a moderate masculine country with a high level of collectivism. Employees see themselves as part of a group, and the extended family plays a major role in their lives; therefore individual needs often coincide with the needs of the family or any type of "in-group." Recognition, incentives and bonuses should be given to the group, not the individual (Hofstede and Hofstede).

Conflict

Relationships between individuals and among groups in organizations sometimes result in conflict which can have disruptive effects on the organization's performance. Managers, therefore, spend more than 20 percent of their time managing and resolving conflicts (Gibson, et al. 273).

The way in which people engage in conflicts is strongly influenced by the degree of masculinity and individualism characteristic of the society. Members of a feminine society tend to avoid conflicts in their private and work lives, and, try to consensus at the end of the conflict. Conflicts in a masculine and individualist society such as the United States are resolved at the individual level where the goal is to win. Avoiding internal conflict in order to maintain group harmony is not a tendency of Americans. In individualist cultures, conflict is perceived as a normal part of life and different opinions

are often believed to lead to a “higher truth.” Also, such individuals are expected to take feedback in a constructive manner (Hofstede, Hofstede and Minkov 113).

National cultures such as Brazil that are highly collectivist perceive direct confrontation and conflict as rude. Social harmony is considered to be crucial for organizational functioning. As members of “in-groups,” Brazilians need to have positive moments in their everyday life, such as chatting with colleagues or enjoying long meals with guests and friends. Direct criticism should be avoided in such societies and may best be given through a trusted intermediary (Hofstede, Hofstede and Minkov 119-123).

Communication

Managers and employees in multinational organizations are likely to be affected by cross-cultural misunderstandings. These can occur for a variety of reasons, but differences in communication patterns is a major factor that can be partially explained by looking at the scores on certain dimensions.

The degree of power distance plays a very important role in cross-cultural communication. In countries with high power distance, contacts between superiors and subordinates are initiated by superiors only. This creates a large emotional distance and it is very unlikely for Brazilian subordinates to directly approach or contradict their bosses.

In national cultures with low power distance, superiors are more accessible to subordinates and it is considered normal for employees to approach their bosses with ideas or concerns. Communication is preferred to be direct and participative. American managers often see formality as an obstacle to open debate (House 10).

The degree to which a country is either masculine or feminine also impacts communication styles. Masculine societies prefer direct communication and are generally

not afraid of conflict. In feminine societies, communication tends to be less direct with the word “no” being seldom used. Requests are turned down in a polite and indirect way. “Yes” is not necessarily an approval and is often used to maintain the line of communication (Hofstede, Hofstede and Minkov 164-170).

The highly individualist U.S culture explains why it is considered normal to talk freely about skills, achievements and successes in life. Hiring and promotion decisions are generally based on merit which fosters a competitive business environment in which individuals display their abilities and past successes. A masculine, individualist society with low power distance and low uncertainty avoidance scores tends to be tolerant of other’s ideas and opinions and allows freedom of expression across all levels within an organization.

In a moderate masculine, collectivist society with high power distance and high uncertainty avoidance scores such as Brazil, communication tends to be less direct and more formal.

Negotiation

Negotiation entails a dialogue between two or more sides with conflicting opinions and interests, intended to reach an understanding and resolve differences. Countries from North and South America have different negotiating styles, and in order to avoid frustrations and missed opportunities, cross-national negotiation skills require managers to be familiar with the influence that cultures have on negotiation practices (Volkema). Individuals from a particular culture favor negotiation strategies that are compatible with their cultural environment. For example, countries with a high-degree of femininity tend to apply negotiation styles that avoid conflict while preserving social

harmony. Global managers can use cultural frameworks like the one developed by Hofstede to assist in the development of an effective cross-cultural negotiation strategy (Gibson et al. 277).

The degree to which one's culture is characterized by individualism, uncertainty avoidance, power distance, and masculinity can help explain the type of negotiation approach that will fit within the cultural context. For example, people from a highly individualist and masculine society such as the United States will pursue a more aggressive and competitive negotiation style that is focused on their personal needs. Collectivist societies such as Brazil will put the needs of a group such as a team or extended family first. In addition to cultural values, differences in communication style also impact cross-cultural negotiations (Gibson et al. 277). For example American negotiators, known for being direct and plain spoken, tend to favor more aggressive negotiation strategies.

Teamwork

Global and virtual teamwork is becoming increasingly important for businesses that have subsidiaries in different countries. Thus, multinational corporations are faced with the challenge of managing culturally-diverse work groups. As explained by Konopaske and Ivancevich: "Groups with a substantial degree of cultural diversity are not able to solve complex problems as effectively as homogeneous groups" (Konopaske and Ivancevich, 245). It is therefore critical for team members and managers to be aware of their own stereotypes and to avoid cultural dominance (Gibson et al. 245).

Collectivist cultures such as Brazil reflect strong in-group cohesiveness and perceive the group as being more powerful than the individual and therefore put the

group's interest first. They try to maintain harmony and good relationships among group members. This strong sense of belonging to an established "in-group" often results in the rejection of new members and the exclusion of members of other groups. Smaller groups are preferred since employees may not speak up in large groups that are composed of relative strangers (Hofstede and Hofstede).

In a country that is characterized by a high degree of individualism such as the United States, tolerance and respect for others regardless of their group affiliation is considered to be the norm. Since relationships with others are established on an individual level and not pre-arranged by a certain "in-group," they have to be carefully fostered and treated with respect.

Chapter 4: International Human Resource Management

As previously discussed, multinational corporations need executives with global mindsets and cross-cultural leadership abilities. As pointed out by House, a large majority of Fortune 500 corporations report that it has been a challenge for human resource management to develop such global leaders that can successfully operate in diverse cultural environments (House). Expatriates must be able to adapt equally to different cultures at the same time including their culture of origin, the culture of their international assignment, and the culture of the organization that employs them (Trompenaars 4).

Although there is no single formula for developing successful expatriates, formal education and training can be helpful to enhance leadership capabilities. Hofstede's dimensions can help to understand the importance and impact of cultural differences between nations. However, most experts agree that work experience and long term international assignments are the most powerful ways for enhancing capabilities of effective global leaders (House). The global manager is a person who is open to diverse ideas, free of prejudices and aware of cultural differences from country to country (Gibson, et al. 59). The following section will examine cross-cultural transitions of expatriate managers.

Staffing/Selection for International Assignments

International assignments can be staffed by three different types of employees:

- Host-country nationals are workers from the local population
- Parent-country nationals are sent from the country in which the organization is headquartered. These persons are commonly known as expatriates.

- Third-country nationals are from a country other than the host country or where the parent organization is headquartered (Gibson et al. 75).

An expatriate manager is a person who is sent to live and work abroad for a defined period of time. Multinational organizations use expatriate assignments to transfer organizational knowledge when expanding into new international markets or to manage international subsidiaries. For expatriates, these assignments represent significant and high-potential career opportunities, but adjusting to a new country and culture often proves to be challenging for expatriates and their families.

The multinational corporation therefore needs to carefully select the right persons and manage the expatriate training and adjustment process. Selection for expatriate assignments can be challenging since a managers' domestic success does not guarantee the same outcome on international assignments (Gibson et al. 76).

Due to the high individualistic nature of the United States, Americans are more geographically mobile and their relationships with co-workers generally less permanent. This suggests that Americans can be more easily recruited for international assignments than their Brazilian counterparts.

A country's degree of individualism also determines who is hired for a job, and this in turn directly impacts the way individuals present themselves on their resumes. As Adler states, "Individual-oriented personnel directors tend to hire those best qualified to do the job based on personal skills and expertise" (Adler 28). Applicants therefore put an emphasis on listing their personal, educational, and professional achievements on their resumes. In contrast, personnel/HRM managers from collectivist countries emphasize qualifications such as trustworthiness, loyalty, and compatibility with co-workers of a

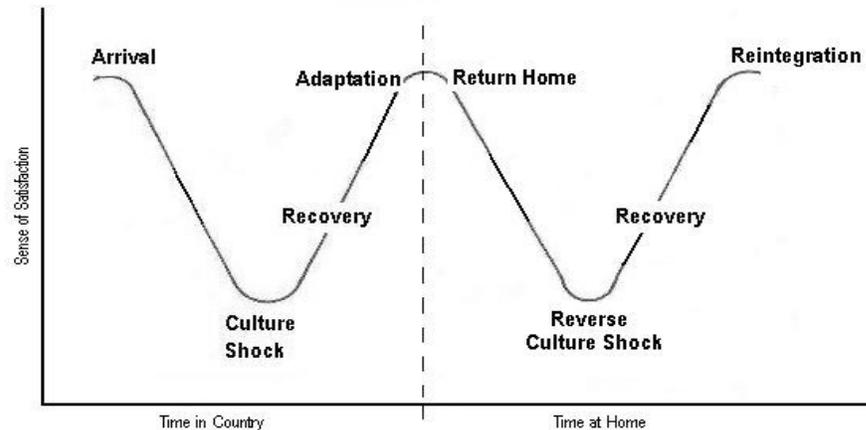
group. “They hire people who are well known to them including friends and relatives of people already working for the organization” (Adler, 28).

These contrasting hiring practices between individualist and collectivist cultures are often difficult to understand when viewed from the perspective of one’s own culture. Adler explains that “many individualist North Americans see group-oriented hiring practices such as those in Brazil as nepotism” while “many more group oriented Latin Americans such as Brazilians question the ethics of North American managers, who choose not to be loyal to their friends and family” (Adler 28).

Several key factors increase the probability for a successful international assignment and should be considered for the recruitment process. These include good language skills, complete family support, and cultural knowledge and flexibility. Characteristics that will most likely decrease the probability for success are family problems and lack of family support prior to departure, ineffective stress management skills, and inability to adapt to the host culture (Gibson et al. 77).

Culture Shock Cycle

After an expatriate has been selected for an international assignment by an organization he will most likely experience the culture shock cycle in the foreign country to which he is sent. Culture shock refers to the feelings of anxiety and disorientation that people experience when they are confronted with an entirely different cultural and social environment in a foreign country.



Source: <http://www2.pacific.edu/sis/culture>

The first stage which takes place before and immediately after the arrival at a new country represents a period of fascination, interest and excitement. This reaction is generally viewed as a positive feeling because the excitement of experiencing a foreign culture prevails over anxiety and stress.

This first phase of euphoria is followed by a period known as culture shock. “Culture shock refers to the frustration and confusion that result from being constantly subjected to strange and unfamiliar cues about what to do and how to get it done” (Gibson, et al. 78). It is a period in which the initial excitement has ended and the expatriate is settling down into a new cultural environment. Everyday tasks can be frustrating and the individual may feel disoriented, isolated, and irritable.

The final stage is adaptation during which feelings of isolation and frustration begin to lessen because the expatriate has managed to make reasonable adjustments that let him/her deal with the new way of life effectively. She/he begins to feel comfortable and may even feel like she/he is becoming a part of this new culture. However, it must be noted that the expatriate rarely experiences the same level of excitement that she/he did at the beginning of the assignment.

Upon completion of the international assignment, the expatriate manager often experiences what is known as reverse culture shock. Reverse culture shock is the feeling of anxiety and frustration upon returning to his or her home country. The stages of the reverse culture shock cycle are identical to the ones experienced during his international assignment. After an initial period of excitement about returning to the home country, anxiety and depression can set in because the individual needs to once again make reasonable adjustments to adapt to new lifestyle.

Training

This culture shock cycle can be positively influence by an organization that provides proper pre-departure training, training and mentoring during the expatriate's assignment, and support during repatriation. According to Gibson, "intercultural training has a positive effect on expatriate adjustment and performance while on an overseas assignment" (Gibson et al. 79). Since it is important for the success of the expatriate manager that his family adjusts to the host culture as well, it is strongly recommended that not only the manager receive the appropriate cultural orientation training, but also his spouse and children (Gibson et al. 79).

Pre-departure training prepares the expatriate and his family for the international assignment by providing a cultural orientation and host country language training. During pre-departure training the expatriate will also receive immigration and vaccination details, information about housing, shopping, medical care, recreation, schooling, and finalize the compensation details with the organization. The main goal of this pre-departure training is to facilitate adjustment and to reduce the negative effects of culture shock (Dowling and Welch 7).

Expatriate training continues during the assignment with language classes, mentoring relationships, and support groups within the organization (Gibson et al. 80). According to Dowling “many multinationals have an ‘International HR Services’ department that provides services such as handling the expatriate’s banking, investments, home rental while on assignment and coordinates home visits and final repatriation” (Dowling and Welch 9).

Repatriation refers to the process of returning an expatriate to his country of origin and reintegrate him/her into the organization. As mentioned earlier expatriates often experience a reverse culture shock cycle similar to the shock that occurred when they originally went on their overseas assignment. As Adler points out, expatriates from multinational companies who return from their international assignments, often find no job waiting for them (Adler 260). Support must therefore be provided in order to help them with critical issues such as financial adjustments, and career planning (Gibson 80).

Conclusion

The purpose of this study was to explore the role of Hofstede's cultural dimensions for multinational corporations and to identify similarities and differences between Brazil and the United States. Throughout this thesis I have discussed the impact of culture on organizational behavior and human resource management practices. To create a foundation for this thesis, I provided a brief country profile of Brazil including its history, geography, political structure, social and demographic structure, economy, and national and transnational issues. This kind of information helps to explain the origin of a country's culture.

In this thesis, I briefly explained each of Hofstede's dimensions such as power distance, masculinity vs. femininity, individualism vs. collectivism and uncertainty avoidance. I compared and contrasted the scores of Brazil and the United States on each one these dimensions and discussed their possible origins. Drawing from Hofstede's cultural framework, I then applied the scores on these four dimensions to organizational behavior and human resource management practices of United States and Brazilian-based multinational corporations and discussed their implications in a work environment.

A key finding of this thesis is that social interaction requires common ways of processing information among the people interacting. Cultural differences between people have consequences for interacting and doing business as well as managing across cultural boundaries. Even in their home country, managers today are confronted with an increasingly diverse and multicultural workforce that requires cross-cultural understanding and competence. Cultural frameworks such as Hofstede's, can be used to

distinguish a nation's collective attitudes, beliefs and values and help to explain their influence on the behavioral interactions between members of an organization.

WORKS CITED

- Adler, Nancy J. *International Dimensions of Organizational Behavior*. Cincinnati: South-Western, 2002. Print.
- “Brazil.” *Country Watch*. CountryWatch Inc. 2013. Web. 16 Feb. 2013.
- “Brazil.” *CultureGrams World Edition*. ProQuest, 2010. Web. 16 Feb. 2013.
- “Brazil.” Map. *Operation World*. 2013. Web. 14 April 2013.
- Dowling, Peter J. and Denice E. Welch. *International Human Resource Management*. Mason: South-Western, 2005. Print.
- Gibson, James, et al. *Organizations: Behavior, Structure, Processes*. New York: McGraw-Hill, 2012. Print.
- Gouvea, Raul. "Doing Business in Brazil: A Strategic Approach." *Thunderbird International Business Review* 46.2 (2004): 165-89. *ABI/INFORM Global*. Web. 20 Feb. 2013.
- Hofstede, Geert, Gert Jan Hofstede, and Michael Minkov. *Cultures and Organizations*. New York: McGraw-Hill, 2010. Print.
- Hofstede, Geert and Gert Jan Hofstede. Home page. Web. 16 Feb. 2013.
- Morrison, Terri and Wayne A. Conaway. *Kiss, Bow, or Shake Hands: Latin America*. Avon: Adams Media, 2007. Print.
- National Export Initiative. *Export.gov*. NEI. Web. 15 Mar 2013.
- “OTC Pharmaceuticals Industry Profile: Brazil.” *OTC Pharmaceuticals Industry Profile: Brazil*. 2010. *Business Source Complete*. Web. 6 May 2013.

Power, Timothy. "Compulsory for Whom? Mandatory Voting and Electoral Participation in Brazil, 1986-2006." *Journal of Politics in Latin America*. 1.1 (2009): 97-122. Web. 2 Nov 2013.

Robert J. House, et al. "In The Eye Of The Beholder: Cross Cultural Lessons In Leadership From Project GLOBE." *Academy Of Management Perspectives* 20.1 (2006): 67-90. *Business Source Complete*. Web. 14 Oct. 2013.

Ryan, RM, and Deci, EL. "Intrinsic and Extrinsic Motivation: Classic Definitions and New Directions." *Contemporary Educational Psychology*. 26.1 (2000): 54-67. *Web of Science*. Web. 14 Oct. 2013.

The PRS Group. *Political Risk Services*. 12 Nov. 2013. Web. 12 Nov. 2013.

Trompenaars, Fons and Charles Hampden-Turner. *Riding the Waves of Culture*. New York: McGraw-Hill, 2012. Print.

Trotta, Daniel. "At U.N., Brazil's Rousseff blasts U.S. spying as breach of law." *Reuters*. Thomson Reuters, 24 Sep. 2013. Web. 4 Nov. 2013.

Tuller, Lawrence W., *An American's Guide to Doing Business in Latin America*. Avon: Adams Business, 2008. Print.

UNESCO World Heritage Center. *World Heritage List*. 2013. Web. 21 April 2013.

United States. Central Intelligence Agency. *The World Fact Book*. CIA, weekly. Web. 16 Feb. 2013.

University of Pittsburgh. *Culture Shock*. 2013. Web. 24 October 2013.

U.S. Chamber of Commerce. *Brazil-U.S. Business Council*. BUSBC, 2011. Web. 6 May 2013.

Vale Columbia Center. *Brazilian multinationals positive after the global crisis*. 2010.

Web. 6 May 2013.

Volkema, Roger J. and Maria Tereza Leme Fleury. "Alternative Negotiating Conditions and the Choice of Negotiation Tactics: A Cross-Cultural Comparison." *Journal of Business Ethics* 36.4 (2002): 381-98. *ProQuest*. Web. 15 Oct. 2013.

World Preservation Foundation. Deforestation Statistics. WPF, 29 June 2010. Web.

4 Nov. 2013.