

Governing Energy

Culture's Consequences

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One of the seminal works on cross-cultural behaviors is Geert Hofstede's 1980 book, *Culture's Consequences: International Differences in Work—Related Values*. In this work, he develops a number of *invisible* cultural differences from two surveys (over 116,000 responses) conducted in 1968 and 1972.

He identified and labeled four main dimensions--Power Distance, Uncertainty Avoidance, Individualism, and Masculinity for 40 countries. These data have been updated and expanded since and details as well as definitions are available from The Hofstede Center.ⁱ

Statistical data can be descriptive, inferential and more recently predictive. Keeping it simple, the Hofstede dimensions provide some insight into high-level cultural behaviors. We recognize that an individual may not fall within one or more standard deviations and thus may behave somewhat different from the statistical norm. This does not make the assessment any less useful when looking at the overall population of a given country or perhaps subcultures within.

Since this initial data was acquired and the dimensions defined, a case can be made that cultural interactions are so substantial that simple descriptive analysis no longer provides the granularity necessary to meet the statistical significant test. Perhaps, multivariate analysis is the inferential statistical technique that should be applied to cultural data sets.ⁱⁱ In any event, as with any statistical assessment an abundance of caution is in order.

Most recognize and it has been discussed in these pages before, cross-cultural differences can lead to major misunderstandings and actions whose unintentional consequences can be catastrophic in some cases. One example was our assessment of possible cultural based miscommunication during the 2013 crisis on the Korean Peninsula.ⁱⁱⁱ That blog also noted the possible impact cultural based miscommunication might have had on events leading up to World War I—the 100th anniversary marked this month.^{iv}

This author is not advocating that a similar survey and set of cultural dimensions be developed for the oil and gas industry. However, this global industry and its multi-dimensional cultural richness is undergoing a transformation to one of a Culture of Safety. More correctly, a set of Cultures of Safety.

An organization's culture is part of this competitive advantage. It differentiates the entity from others--sometimes starkly but more often subtly. Therefore, by extension each organization and perhaps global divisions within a large organization will have slightly different implementations of a Culture of Safety.

The quality of cross-cultural communication can vary widely. As with any decision or approach there can be unintended consequences. Don't let a lack of understanding of the firm's culture as it relates to customer and supply chain culture generate unsafe unintended consequences.

What are the operational consequences of your organization's culture?

About the Author

Dr. [Scott M. Shemwell](#) has over 30 years technical and executive management experience primarily in the energy sector. He is the author of three books and has written extensively about the field of operations management. Shemwell is the Managing Director of The Rapid Response Institute, a firm that focuses on providing its customers with solutions enabling operations excellence and regulatory compliance management. He has studied cultural interactions for more than 30 years--his dissertation; *Cross Cultural Negotiations Between Japanese and American Businessmen: A Systems Analysis (Exploratory Study)* is an early peer reviewed manuscript addressing the systemic structure of social relationships.

End Notes

ⁱ <http://geert-hofstede.com/>

ⁱⁱ <http://www.unt.edu/rss/class/mike/6810/IntrotoMV.pdf>

ⁱⁱⁱ Shemwell, Scott M. (2013, April 16). It Must Be Spring. PennEnergy Governing Energy. Vol 2. No. 8

^{iv} <http://www.bbc.co.uk/remembrance/timeline/>