

# Avoid a high power distance culture

## UNDERSTAND POWER DISTANCE TO UNLOCK THE POTENTIAL OF YOUR PEOPLE.

VICKI MARAIS-SWANPEOEL

(m)

Malcolm Gladwell's book *Outliers, The Story of Success*, makes for compelling and thought provoking reading.

Gladwell claims that by understanding communication, culture, and sociologist Geert Hofstede's Power Distance Index, Korean Airlines (previously one of the world's most dangerous airlines) has become one of the world's safest airlines.

This contention has elicited lively debate worldwide. Gladwell argues that, "any attempt to downplay or sugar-coat what is being said," plays an important role in airline crashes. Deference to authority among airline crew results in a lack of team work and collaboration when needed most.

Using Hofstede's model, a high-power distance – the degree to which power differentials in society and organisations is accepted, means people are often reluctant to challenge their "superiors", or speak up and do what needs to be done when circumstance calls for swift action. The consequences are, often dire.

Fortunately, in the case of Worldcom, when Gene Morse saw an accounting expense of \$500 million, and could not find any invoices or documentation, he did not "beat about the bush". He took his concerns to his manager, company Vice President of Internal Audit, Cynthia Cooper. Cooper in turn, told the Auditing Committee that the company had been using suspect accounting practices.

It eventually transpired that fraud amounting to \$79.5bn had been committed.

Morse's decision to take action was arguably possible because the power distance in the USA is 40 – considerably lower than the world average of 55, very low relative to Malaysia, which has a power distance of 104, but high nevertheless, when compared to Austria, which only has a power distance of 11.

This begs the question, based on Hofstede's model: are fraudulent practices being perpetrated in organisations worldwide because employees are reluctant to blow the whistle because of:

- ❖ a large power distance culture (centralised authority, autocratic leadership, paternalistic management style, many hierarchical levels, large number of supervisory staff, acceptance that power has its privileges, an expectation of inequality and power differences);
- ❖ weak uncertainty avoidance (avoidance of risk, respect of authority, clearly delineated structures, many written rules, lack of tolerance for deviants, strong need for consensus, standardised procedures);
- ❖ strong collectivistic cultures (behave according to social norms to maintain social harmony among members of an in-group, consider implications of their actions for wider collective, emphasise hierarchy and harmony within the group, regulate behaviour through groups norms);
- ❖ strong masculine cultures (gender roles are clearly distinct, men are supposed to be assertive, tough and focused on material success, do not place great importance on benevolence, places importance in the value of mastery); and
- ❖ low Confucian values (short-term orientation) (emphasises protecting

face, emphasises respect for tradition, reflects a relatively static, tradition-oriented mentality)?

Does a high power distance in your organisation, mean employees miss deadlines or fail to deliver because they lack the necessary confidence to raise the alarm, or to challenge and reschedule deadlines when they know these cannot be met? Could a failure to understand the implications of a high power distance culture, weak uncertainty avoidance, strong collectivistic cultures, strong masculine cultures and low Confucian values be holding back women in workplaces worldwide?

Research findings released by the Business Women's Association (BWA) and the World Economic Forum provide food for thought. According to the BWA 2010 Census Report, only 16.4% of directors in South Africa are women, only 10.4% of CEOs and board chairs are females and women executives only constitute 19.3%. At present rates South African women will only achieve 50% representivity on boards in 2031 and at executive management level in 2050.

The findings of the Corporate Gender Gap Report released by the WEF in March 2010 reveal that "while a certain set of companies in Scandinavia, the US and the UK are indeed leaders in integrating women, the idea that most corporations have become gender-balanced or women-friendly is still a myth".

### COULD THERE BE MORE TO THESE STATISTICS THAN MEETS THE EYE?

Organisations need to assess the impact of a high power distance culture, weak uncertainty avoidance, strong collectivistic cultures, strong masculine cultures, and low Confucian values to unlock and identify potential they will then become more gender-representative at executive and board level. (*HRJ*)