

## CULTURAL CONDITIONING OF BEHAVIOUR DURING CRISIS SITUATIONS

### Introduction

As Roland Robertson claims, ongoing globalization processes made “[...] the social world united”<sup>1</sup>, which enables ability to act in a variety of different fields as a whole<sup>2</sup>. That, in turn, started a number of unifying methods of conduct in the economy, culture, politics and other fields. The enthusiasts of those changes see huge potential in the uniformity of rules, processes and laws which become binding all over the world. The skeptics claim that such a situation creates a chance not only for optimized methods of conduct but also for faulty ones and, moreover, those actions are not always consciously taken. Such a view supports that globalization is “*a name for the new mess of the world*”<sup>3</sup>. Zygmund Bauman, in the introduction to his “*Globalization and what results from it*”<sup>4</sup>, that globalization to the same degree unites, as well as divides. As he puts it: “*When business, finance and commerce reach the planetary level and the information flow takes place on a worldwide scale, the process of localization comes into action and its purpose is to accurately define spaces and organize them spatially*”<sup>5</sup>. Processes that occur in a worldwide scale are linked to local ones. That phenomenon is called “glo-cation”<sup>6</sup>. This notion describes a form of dependence of phenomena and global processes that define the character of local changes, yet they originate in locally occurring phenomena. A perfect example of such a trend is occurrence of the financial crisis, which originated in the mortgage market of the USA, yet it spread in a very short time to the banking systems of the whole world and those banks had to make local decisions to counteract the results of the crisis. Therefore, it seems that the will to understand those undergoing social changes resulting from economical processes requires analysis of both local and global points of view. Moreover, as some economists underline, such analysis must take into consideration a number of psychological or cultural factors, as the belief that simple equations can describe those complex changes that take place in the globalized

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<sup>1</sup> P. Sztompka, *Socjologia zmian społecznych*, Karków 2005, p. 93.

<sup>2</sup> M. Castells points that out, see: M. Castells, *Spółeczeństwo sieci*, Warszawa 2007, p. 107.

<sup>3</sup> See: Z. Bauman, *Globalizacja. I co dla ludzi z tego wynika*, Warszawa 1998, pp 71 -78`.

<sup>4</sup> Z. Bauman, *Globalizacja. I co dla ludzi z tego wynika*, Warszawa 1998.

<sup>5</sup> Ibid, p. 6.

<sup>6</sup> See: L.W. Zacher, *Transformacje społeczeństw. Od informacji do wiedzy*, Warszawa 2007, ss.156 – 157.

economy leads to faulty decisions being made as a result of such assumption<sup>7</sup>. This analysis assumes a local perspective in connection with cultural conditioning.

Considerations of this analysis focus on the issues of the crisis as a turning point in undertaking social actions. That approach was taken mainly to stress the main factors that determine possible directions of such turning. It was assumed that, if we understand the crisis as a problem situation<sup>8</sup>, the way of dealing with it depends on cultural conditioning, particularly on the cultural dimension described by Geert Hofstede as “*the Uncertainty Avoidance Index*”<sup>9</sup>.

Such going into details is justified with formal limitations and, what is even more important, the purpose of such elaboration is to focus attention on the innovative potential necessary to conduct any changes or, to the contrary, its absence rooted in the culture.

### **Crisis as a problem situation**

In the modern social works, there exists a rather common tendency to treat anomies as an essential element of the social life. That approach is connected with the way of understanding such notions as a conflict, crisis, protest, etc. As an example, we can present L.A. Croser's approach who discovered not only destabilizing forces hidden in the core of the conflict but also focused on the potential that a conflict situation can have<sup>10</sup>. Economic science understands crisis similarly, that is as one of the stages of the economic situation after which a revival period occurs, a turning point that starts a new cycle<sup>11</sup>. A. Giddens claims that “*a crisis occurs when entities or communities demonstrate sudden maladjustment to reality*”<sup>12</sup>, therefore the very matter of this situation makes it impossible to fall into routine. Crisis can be treated as a revolution in the existing state of affairs. The original meaning of that notion is from medical glossary and is associated with a stage of illness in which a life threat occurs<sup>13</sup>. If we relate to that definition, crisis is, on one hand, destructive and destabilizing, yet from another point of view, when a given organism, social or economic

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<sup>7</sup> An example of necessity of complex understanding can be found in a concept of behavioural economy by G. A. Akerlof and R. J. Shiller, in: J. Żakowski, *Zwierzęca natura rynku. O wadze emocji w gospodarce*, Polityka – Niezbędnik inteligenta, no 28 2009, pp 2 - 7.

<sup>8</sup> A problem situation should be understood as a situation which triggers creative potential and innovation, where innovation is invention connected with application, see: Schermerborn J. R., *Management for Productivity*, New York 1993, p. 656.

<sup>9</sup> G. Hofstede, G.J. Hofstede, *Kultury i organizacje*, Warszawa 2007, s. 181.

<sup>10</sup> See: Croser L. A. [2006] *Społeczne funkcje konfliktu*, in: *Współczesne teorie socjologiczne*, t.1, Issue. SCHOLAR, Warszawa, p. 479 -481.

<sup>11</sup> D. Begg, S. Fischer, R. Dornbusch, *Makroekonomia*, PWE, Warszawa 2007, ss. 332 – 333.

<sup>12</sup> A. Gidenns, *Nowoczesność i tożsamość*, Warszawa 2001, pp 252.

<sup>13</sup> J. Habermas, *Na czym polega kryzys? Problemy uprawomocnienia w późnym kapitalizmie*, in: A. Gidenns, *Nowoczesność i tożsamość*, Warszawa 2001, pp 252.

system reaches the critical point, it mobilizes for action and allows to overcome the state of crisis. Therefore, we can understand crisis as a kind of problematic situation or unsolved issue “[...] which requires to make a decision[...]” to assure recovery of control “over the influence of the discontinuity which is present in the environment”<sup>14</sup>. In their work entitled “*Crisis Management*”<sup>15</sup>, Michael Regester and Judy Larkin pay particular attention to the way of conduct in a problematic situation. They claim that such conduct depends on the degree of success in dealing with the matter and on effectiveness of that actions. Those factors, in turn, depend on the feedback to the changes and on openness or resistance to it. Among primary resistance to change factors, the following notions are mentioned: type of personality, age and cultural conditioning<sup>16</sup>. In his culture studies, G. Hofstede describes those factors as elements of the *Uncertainty Avoidance Index*. Avoidance of uncertainty is, according to the author “a degree of danger demonstrated by members of a given culture in the face of new, ambiguous or uncertain situations”<sup>17</sup>. A crisis situation can undoubtedly be considered ambiguous and uncertain, therefore it seems justified to recognize the influence the cultural aspect of uncertainty avoidance has on dealing with the crisis. Simultaneously, it is an attempt to recognize relations between the influence of the local cultural aspect on global trends in occurring changes. That issue will be furthermore discussed in this work.

### **Uncertainty avoidance as a behaviour-conditioning factor in crisis situations**

In order to explore dependencies between culture and behavioural ways of conduct, it is necessary to assume that culture is indeed a factor that conditions activity of particular entities. Edward Hall claims that there are three levels on which culture influences people “immersed” in it. The first level is conscious, even technical. It refers to meanings transferred as part of the language and material symbols and it seems to reflect the definition of culture given by G. Philipsen who describes a notion as “[...] a pattern of symbols, meanings, premises and rules created by a society and transferred by history”<sup>18</sup>. The second, private level is a reflection of an individual experience of culture. The last, unconscious level is also called primary or the deep culture level<sup>19</sup>. The primary level of culture includes elements that

<sup>14</sup> M. Regester, J. Larkin, *Zarządzanie kryzysem*, Warszawa 2005, pp 47 – 48.

<sup>15</sup> M. Regester, J. Larkin, *Zarządzanie kryzysem*, PWE, Warszawa 2005

<sup>16</sup> J. R. Schermerborn, *Management for Productivity*, John Wiley & Sons, Inc, New York 1993, p. 56.

<sup>17</sup> G. Hofstede, G.J Hofstede, *Kultury i organizacje*, PWE, Warszawa 2007, p. 181.

<sup>18</sup> Philipsen G., *Speaking Culturally: Exploration in Social Communication*, in: Griffin E., *Podstawy komunikacji społecznej*, Gdańsk 2003, p.7.

<sup>19</sup> E. Hall uses the notion *core culture* which is a core and a base for thinking and actions.

shape thinking, a set of assumptions that allow to understand reality. It is “*a hidden, fundamental level of culture, a highly systematized set of silent, default rules of behaviour and thinking, which controls all our actions. It is the grammar of that hidden culture that establishes the way people perceive the world, their values and a basic pace and rhythm of life*”<sup>20</sup>. According to G. Hofstede, independently from vast culture diversification, a few basic problems common for all nations can be distinguished, as follows:

- social inequality and attitude to authority,
- types of relations between an individual and a group,
- ways of perception of male and female categories,
- way of dealing with uncertainty and ambiguity connected with expression of emotions and control of aggression.

The above mentioned common problem areas allowed to establish measurements, that is measurable and comparable aspects of a given culture<sup>21</sup>. Those measurements are:

- Authority distance,
- Collectivity and individuality,
- Femininity and masculinity,
- Uncertainty avoidance.

From the perspective of further dissertations, the last issue is the most important one. Uncertainty Avoidance Index is a feeling of danger caused by loss of control over a given situation, break in routine actions, etc. Depending on its low or high degree, members of a given society tend to regulate that feeling with law, rules or customs. G. Hofstede examined the influence of the level of that factor intensity on various aspects of the social life. The following table includes essential features of cultures with high and low level of the Uncertainty Avoidance Index, chosen in accordance with the discussed subject matter.

**Table 1. Basic differences in cultures with high and low level of the Uncertainty Avoidance Index.**

Features of cultures with high Uncertainty Avoidance Index	Features of cultures with low Uncertainty Avoidance Index
<ul style="list-style-type: none"> <li>▪ Uncertainty specific for live is assumed as a threat and should be fought with,</li> <li>▪ High level of subjectively perceived stress,</li> </ul>	<ul style="list-style-type: none"> <li>▪ Feeling of uncertainty is an intrinsic part of the human life,</li> <li>▪ Low level of subjectively perceived stress,</li> </ul>

<sup>20</sup> E. T Hall., *Taniec życia. Inny wymiar czasu*, Warszawa 1999, p.12.

<sup>21</sup> G.Hofstede G.J. Hofstede, *Kultury i organizacje*, Warszawa 2007, p. 36.

<ul style="list-style-type: none"> <li>▪ Creation of socially accepted situations that allow to release stress,</li> <li>▪ Fear of ambiguity and unknown risk,</li> <li>▪ Creation of strict rules of behaviour,</li> <li>▪ Otherness is treated as a threat,</li> <li>▪ Strong drive to explicitness,</li> <li>▪ Strong feeling of necessity of action,</li> <li>▪ Emotional necessity of law regulation application,</li> <li>▪ Strong effect of motivators related to security and social identity,</li> <li>▪ Huge expression of behaviours,</li> <li>▪ Low innovativeness, resistance to changes.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack of social acceptance for stress-releasing behaviours,</li> <li>▪ Acceptance of ambiguity and risky situations,</li> <li>▪ Creation of general guides of behaviour,</li> <li>▪ Otherness causes interest,</li> <li>▪ Openness to diversification,</li> <li>▪ Acceptance of both activity and idleness,</li> <li>▪ No necessity of legal regulations of actions and behaviours,</li> <li>▪ Strong effect of motivation connected with the feeling of appreciation and self-fulfilment,</li> <li>▪ Small expression of behaviours,</li> <li>▪ High innovativeness, openness to changes.</li> </ul>
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Source: own research based on: Hofstede G. Hofstede G.J., *Kultury i organizacje*, Warszawa 2007, p. 197.

G. Hofstede provides Uncertainty Avoidance Indices for 50 countries. Yet, due to formal limitations, this consideration will be limited only to the European countries. Table 2 comprises Uncertainty Avoidance Index values for European countries that are members of the EU.

**Table 2. Uncertainty Avoidance Indices for the European countries**

Country	Uncertainty Avoidance Index
Greece	112
Portugal	104
Belgium	94
France	86
Spain	86
Turkey	85
Italy	75
Austria	70
Holland	53
Finland	59
Norway	50
Great Britain	36
Denmark	23
Sweden	20

Source: own research based on: Hofstede G. Hofstede G.J., *Kultury i organizacje*, Warszawa 2007, p. 180.

In order to find potential dependencies between culturally conditioned measurement of uncertainty avoidance and ability of coping with crisis situations, it is essential to establish a measurable parameter which will allow to analyse social and economical changes in connection with overcoming the crisis situation. It seems that the Economic Mood Index (*Economic sentiment indicato*) will be a perfect tool for that purpose. It is one of many indices<sup>22</sup> used to describe social and economic development trends. Assessment of EMI is based on answers to ten questions on both economical situation of a country (macro scale) and situation of households (micro scale). It allows to distinguish two sub-indices of EMI: the Economy Assessment Index (EAI) and the Household Self-Assessment Index (HSAI). EMI enables easy and quick verification of the influence of micro and macro-economic issues on the general level of economical mood that dominate a given society. It is given in a scale ranging from 0 to 200, where the lowest (0) value indicates extreme pessimism, the highest value (200) means extreme optimism, while the middle value (100) assumes a state of equilibrium between optimism and pessimism. The importance of EMI on assessment of the state of economy is based on the influence of diagnosed moods on actions taken by the entrepreneurs and consumer behaviours which, eventually, result in tangible economical changes<sup>23</sup>. From the point of view of this dissertation, that index seems especially useful as it corresponds to the cultural dimension of uncertainty avoidance, as both notions refer to “feelings”, yet those that condition behaviour of individuals in a given society. In that particular case, EMI was used for diagnosis of adjustment activities that are a response to a crisis situation. The following table comprises a set of values of the Uncertainty Avoidance Index and EMI for the European countries that are members of the European Union. Given EMI values are for two periods: first is February, 2009 which diagnoses moods in the moment of undertaking and beginning of execution of anti-crisis programmes, while the second should be considered as measurement of those programmes' effectiveness.

**Table 3. EMI values and uncertainty avoidance index for chosen EU countries**

Country	Economic Mood Index		Uncertainty Avoidance Index
	2009 (February)	2010 (January)	
Greece	63,1	75,7	112
Portugal	68,6	92,6	104

<sup>22</sup> The most obvious macro-economical indices of development are GDP, unemployment rate, inflation rate, etc.

<sup>23</sup> OBOP report, in: <http://www.tns-global.pl/archive-report/id/7810>, 22.01.2010.

Belgium	72,6	97,7	94
France	76,7	98,6	86
Spain	72,3	88,7	86
Turkey	74,9	101,4	75
Italy	77,1	95,5	70
Austria	65,6	93,4	53
Holland	78,5	99,4	59
Finland	65,6	98,2	36
Norway	66,5	105,2	23
Great Britain	82,6	106,6	20

Source: own research based on eurostat statistical data<sup>24</sup>

On the basis of the above presented data, it is difficult to explicitly confirm validity of assumptions taken at the beginning, that is dependencies between the existing cultural dimension of uncertainty avoidance and methods of conduct in a crisis situation. On the other hand, if we compare extreme values of the uncertainty avoidance index, that is Denmark – 23 and Sweden – 20, as well as Greece – 112 and Portugal – 104, we can notice that in case of the first two countries there was a significant increase of EMI in the time frame under consideration, which may prove those countries are able to react quickly to a crisis situation. Whereas in case of Greece and Portugal, EMI is among the lowest values in the whole set, therefore its values may be interpreted as lack of adaptation skills due to the fact those countries have high uncertainty avoidance index values and hence have difficulties in overcoming the crisis. That is true particularly for Greece, which currently undergoes a difficult period in terms of economical situation<sup>25</sup>. It should also be remembered that the cultural dimension of uncertainty avoidance is not the only factor that may influence the EMI values in a given country. Such deviations as in case of Italy or Spain may have their sources

<sup>24</sup> <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&plugin=1&language=en&pcode=teibs010>, 23.02. 2010.

<sup>25</sup> Greek debt amount to almost 300 billion Euro, while budget deficit exceeded 12% of the GDP in the last year. Maximum allowable deficit in the Euro zone is not more than 3%, see: <http://www.euractiv.pl/gospodarka/artykul/grecja-na-skraju-bankructwa-001601>, 23.02. 2010.

in the social situation context<sup>26</sup>, current course of politics or propagation of too optimistic economical forecasts. It seems that such scenario is particularly true for Italy<sup>27</sup>.

Lack of self-evident dependence does not nullify validity of assumptions stated in this dissertation, as it is still based on logical premises. This paper should be treated as only a sketch of research on the discussed problems, therefore observations made in it should be considered as an introduction to further, more deep analysis conduct.

## References

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<sup>26</sup> Economical analysts establish that Spain is the only EU country which has serious problems with overcoming the crisis, the main difficulty being still growing unemployment rate, see: <http://newsgastro.pl/2010020583716/news/gospodarka/hispania-jest-jedynym-krajem-ktorego-gospodarka-nie-zaczela-wychodzic-z-kryzysu.html> , 23.02.2010.

<sup>27</sup> See: <http://fistfulofeuros.net/afoe/economics-country-briefings/italys-economic-contraction-accelerates/> , 23.02. 2010.



