Individualism-Collectivism: A Comparative Study of Malaysian and Australian Managers

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ABSTRACT

The purpose of this study is to examine the level of individualism-collectivism of managers in Malaysia and Australia. This study revealed that there are significant differences between Malaysian and Australian managers on the levels of vertical individualism, horizontal collectivism, and vertical collectivism. The results of this study may be of interest and assistance to managers of multinational and international organizations who need to manage in global contexts and, therefore, need to understand cultural-driven differences in personal and interpersonal work-related conditions between and across nations. The implications of the study findings to organizations and directions for future research are also discussed.

Keywords: Vertical individualism, horizontal individualism, vertical collectivism, horizontal collectivism

Introduction

Culture influences an individual’s responses to the environment. Culture is rooted in the values shared by members of a human group. Cultures differ in the extent to which goals, co-operation, competition, relationships, and individualism are emphasised. Since Hofstede’s (1980) comprehensive study of work values across cultures, his
conceptualisation of cultural differences in terms of individualism-collectivism has been widely used to explain differences in work attitudes, especially in comparative studies of Asian and Western nations. A widely accepted idea is that Asians are collectivist, with the self identified with an in-group, while Westerners are individualists, with the self distinct from the in-group. Although this assumption is generally accepted at a conceptual level, empirical evidence of these assumptions an empirical level is lacking.

Typically, individualism and collectivism are defined in terms of one another, and cultures high in collectivism (for eg., Malaysia) are assumed, explicitly or implicitly, to be low in individualism and vice-versa. For example, East Asian individuals are described as group oriented and promoting the goals of others (Triandis, 1995), emphasising collective identity (Triandis, 1989), and stressing the importance of external and public roles and relatives (Markus and Kitayama, 1994). In contrast, Euro-Americans are depicted as self oriented and promoting their own goals (Triandis, 1995), emphasising private identity (Triandis, 1989), and focusing on internal abilities, thoughts and feelings (Markus and Kitayama, 1994).

In collectivist cultures, the organisation often becomes the family or in-group to which members have a strong affiliation and loyalty and leaders are expected to show strong feelings of obligation to the in-group (Adam, 1989). Collectivists place a high degree of importance on personal relationships and maintaining harmony within the group (Ouchi, 1982). Individual autonomy and recognition are also important, but only in so far as they benefit the group.

Individuals in individualistic societies feel free to flow between in-groups based on the benefits they offer. In this respect, higher labour mobility is expected in individualistic than in collectivist cultures. Collectivistic cultures have paternalistic organisations that expect worker loyalty to duty. This paternalistic role in an employee’s life is not viewed as intrusive, because workers expect their organisation to play a significant role in their lives and expect their superiors to participate as a parental or guiding figure. In collectivistic cultures work is structured around the needs of the collective or work-group, whereas work in an individualistic culture stresses individual action and autonomy. This paper reports a study on individualism-collectivism among managers in the different cultural environments of Malaysia and Australia.
Individualism–Collectivism

The dimension of individualism–collectivism refers to the relationship one perceives between one’s self and the group of which one is a member. Hofstede (1980) describes members in individualistic societies as self-centred, competitive rather than co-operative, having low loyalty for the organisations they work for, pursuing their own goals, having a low need for dependency upon others, and being calculative. Members of the collectivistic societies, on the other hand, have a “we,” rather than “I” orientation, have high loyalty for the organisation and work toward its goals, interact with each other in an interdependent mode, and take action jointly as a group in a co-operative fashion rather than on an individual competitive basis, thus subscribing to the moralistic values of joint efforts and group rewards. Hofstede (1980) also states that, in an individualistic society, each individual manager is likely to look out for his/her own interest and try to maximise the gains from any opportunity that might present itself. In collectivistic societies, on the other hand, members identify with the organisation and act in unison to accomplish the organisation’s goals. This sense of interdependence, loyalty, and joint obligation to the system would also foster a more co-operative and informal communication and co-ordination mechanism to operate in the system as the goals of the organisation are being achieved.

Tata and Prasad (1992) postulate that the cultural norms prevalent in a society about the degree of collectivism versus individualism expected from its members can influence the nature of interdependence between employees and the organisations. They add that in collectivist societies, a collective sense of responsibility and accountability encourages interdependence of employees in decision making (Rohlen, 1974; Takezawa and Whitehill, 1991; Clark, 1979) and that employees feel a greater amount of emotional attachment to the organisation, want to participate in decision making and accept collective responsibility for the decision (Hofstede, 1984; Hjelholt, 1976). In individualistic societies, employees feel less attachment to the organization, and decisions made by individuals are considered to be of higher quality than those made by groups (Hofstede, 1984).

Survey data collected by Cha (1994), show that, for Koreans in the late 1970s collectivism had come to include a new in-group in addition to family and clan: school. He further states that the significance of extended family or clan has declined greatly in the recent years, especially in the 1970s, when Korea was well on the way to industrialisation. According
to Cha (1994), it appears that school has taken over the place that was occupied by extended family or clan and that the decline of the value of clan or kamun is apparent in the differences between younger and older generations in their beliefs and attitudes. This is consistent with Cha’s (1980) earlier findings in which he states: “It seems that the younger generation of Koreans is in a word steeped in individualist thoughts to a greater extent than the older generation are and that they are steadily moving away from clan- or family-centred thoughts and toward society-centred thoughts.” From this observation, Cha (1994) perceives that there are three distinct trends in the diverse changes. These trends are decline in traditional collectivism and a concomitant rise in individualism, displacement of the locus of loyalty away from clan and community to nuclear family and country, and a heightened awareness of the vertical structure or hierarchy.

Triandis (1988) suggests that changes in individualist and collectivist orientations may take place with migration, religious changes, and changes in conditions of affluence and education. Sinha and Tripathi (1994), in their research using Master-level students in India discover that Western literature and exposure to mass media have led their student subjects to express more idiocentric than allocentric characteristics. Triandis (1994) comments that mass media are produced in affluent cultures, and exposure to the mass media has the effect of exposing individuals to individualistic norms. Therefore, the greater the exposure to the mass media, the greater the individualism. Mishra (1994) supports this findings. He states that upbringing in a liberal family atmosphere and greater susceptibility to the effects to mass media seem to be factors promoting individualist orientations among younger people in urban as compared with rural environments. His findings further show that young, highly educated, and urban people tended to be less collectivistic, reflecting a kind of generation gap owing to urbanisation. Similarly, higher education, with which the urban people tended to shift somewhat toward individualism, did not lead to much change in the orientation of rural people. Thus, it appears that rural and urban residence represent separate dimensions, each of which contributes to behavioural development among individuals in different ways.

Reykowski’s (1994) findings show that there exists a relationship between education and the normative orientations. Other studies have similarly shown a systematic relationship between education and value orientations, higher levels of education tending to be associated with higher acceptance of self-direction (Alwin, 1989). According to social
impact theory (Latane, 1981; Nowak, Szamrej, and Latane, 1990), changes in opinions and attitudes will expand at an accelerated pace as the number and importance of the sources of impact increase. In other words, according to Reykowski (1994), it can be expected that the greater the number of people espousing an individualist orientation and the higher their social position, the faster will be the dissemination of individualistic beliefs. Thus, as educated classes (the bearers of the individualist beliefs) increase in size and importance, their attitudes that may engender have a greater chance to be conveyed to other groups.

Triandis (1989) suggests that people become more individualistic in affluent societies. He states that, in a complex and affluent society, people attain financial independence which, in turn, leads them to be socially and emotionally independent. The more complex the social structure, the greater the number of groups a person may be a member of. Individuals can then join or leave groups according to whether the groups satisfy their personal needs. He argues that people in affluent societies tend to give priority to personal goals over in-group goals. Thus, as societies become more complex and affluent, they can also become more individualistic. Yamaguchi (1994) reasons that, because Japan has achieved substantial economic success, Japanese can afford to be more individualistic than before. He adds that the effects of affluence are most prominent among younger Japanese because they did not experience the poverty that previous generations endured. Older Japanese have been influenced by their society’s collectivist atmosphere more than their younger counterparts. According to Yamaguchi (1994), education in Japan has changed drastically since World War II, from a totalitarian system to a more democratic system in which students are allowed to behave more individualistically. These changes have seemingly contributed to the shift to individualism in Japan. Gibson (1996) states that, in Japan, people are overcoming a cultural aversion to taking risks and daring to be different. This movement, according to him, reflects the rise of individualism in a society that is based on collectivism, and is seen by some as critical for a country that is striving to live well in low-growth climate. With this shift toward individualism, it is hoped that it will foster the creativity that many Japanese believe is lacking in their management system. In addition, Triandis (1994) postulates that cultural heterogeneity has the effect of exposing people to diverse standards and normative conflicts, which can delegate to the individual the task of deciding which norm to follow. The more individuals rather than groups decide what norms are applicable, the more individualistic is the culture.
The effects of acculturation on individuals have also been investigated. Bierbrauer et al.’s (1994) findings confirmed their expectation that during the process of acculturation, the assessment of the samples (Koreans) would shift toward the perceived norms of their host country (Germany). The Korean students who had stayed from 2 to 8 years in Germany became significantly less collectivistic compared with the Koreans who had stayed in Germany for less than 1 year.

The individualism-collectivism scores utilised in this study were taken from Hofstede’s (1980) culture dimension index. Hofstede’s analyses were based on data gathered from 1967 to 1973. Major cultural changes have occurred throughout the world, especially in the Pacific Basin, in Eastern Europe and among developing countries over the last two decades. It is therefore desirable to update the information about the dimensions of cultural variations and the relative positions of different countries on these dimensions. If substantial change has occurred, then updated country score are critical for future research aimed at testing hypotheses that relate the standings of countries on the cultural dimensions of other variables. The findings discussed above may have important bearing on the explanation of the changes in the level of individualism-collectivism in the countries included in this study which, in turn, may have affect the level of work attitudes of the employees in those countries as they endorse individualist cultural values. This may be an area worth looking into in future studies.

This raises two questions. The first question is whether the research instruments used elicit the same conceptual frame of reference in the culturally diverse groups. It is possible that members of the different cultures do not use the same frame of reference when responding to the items of a given instrument. Millsap and Everson (1991) and Millsap and Hartog (1988) state that the use of different frames of reference by the diverse cultural groups renders comparison between cultures impossible, because scores on the instrument refer to different constructs for each group. In support of this, Riordan and Vandenberg (1994) emphasise that any comparison between cultural groups is only appropriate if construct equivalence between them is established first.

The second question is whether there is a true-score equivalence between the cultural groups investigated. According to Millsap and Hartog (1988), cultural backgrounds may also alter how the rating scales on measurement instruments are interpreted, and thus, how the groups perceive differences between the intervals underlying the scale. For instance, a 3 (neither agree nor disagree) on a 5-point Likert scale may
mean ‘no opinion’ to a group of Australian employees, while a group of Malaysian employees may interpret it as a very slight agreement. The consequences of the lack of true-score equivalence may result in an inappropriate interpretation of data.

In conclusion, further study is needed to explain the findings in this review and explore the effect of individualism-collectivism. The findings of the study will prove useful in enhancing our understanding of how people from different cultures perceive their work lives and act upon the array of opportunities and constraints presented to them by the world of work. The present study works toward achieving this objective.

Based on the discussion above, the objectives of the present study are (1) To examine the level of horizontal and vertical dimensions of individualism and collectivism in different cultural environments of Malaysia and (2) To examine the level of horizontal and vertical dimensions of individualism and collectivism in different cultural environments of Australia.

The Study

Subjects and Data Collection
Data was collected by questionnaire from middle managers in a total of 28 organisations in Selangor, Malaysia (18 organisations) and Queensland, Australia (10 organisations). The Kompass Directories of Industries for Malaysia and Australia were used as sampling frames because they provide the most up-to-date and comprehensive information on organisations in the two countries.

Middle managers were the target subjects because studying middle managers reduces the occupational and organisational response effects found to influence work values, norms and beliefs (Hofstede, 1984; Lundberg and Peterson, 1994; MOW International Research Group, 1987). Hofstede (1984), for example, reports that very low-level employees, especially unskilled manufacturing workers, tend to answer questionnaires with socially desirable responses that are meant to impress management. Middle managers are defined for this study as people who report to senior managers, and who have either supervisors or professional staff people reporting to them (Lundberg and Peterson, 1994).

Each organisation was mailed 15 questionnaires. The organisations used their discretion in distributing them to employees who met the definition of manager we supplied. Of the 420 total questionnaires
(Malaysia - 15 questionnaires x 28 organizations = 270 questionnaires and Australia - 15 questionnaires x 10 organisations =150 total questionnaires), 327 sets were returned. After exclusion of inappropriate and unusable responses, a final analytical sample of 323 (Malaysia =203 and Australia = 120) was obtained, resulting in effective response rates of 75% in Malaysia, 80% in Australia, and 77% overall.

The Malaysian sample includes 27.1% females and 72.9% males whereas the Australian sample is even more male-dominated with 20.8% females and 79.2% males. Malaysian respondents have an average of 11.2 years of employment with their current organisations compared to Australians’ average of 8.6 years. The mean age of Malaysian managers in the sample is 39.4 years and that of the Australian managers is 41.2 years. The modal educational level was having a university degree in both countries (68.5% for the Malaysians and 50.0% for the Australians). Most of the managers were married; 84.7% for the Malaysians and 81.7% for the Australians.

Measurement
Individualism-collectivism was measured using Singelis, Triandis, Bhawuk, and Gelfand’ s. (1995) 32-item scale. The items in the scale are designed to measure the horizontal and vertical aspects of individualism-collectivism. The items were answered on seven-point scale where 1 indicates strong disagreement and 7 indicates strong agreement.

Since our study is a cross-national investigation, it was essential to prepare the measures in both the English and the Malay languages, and to ensure that the two versions are comparable. The processes of back-translation and decentering of instrument items were conducted by four bilingual individuals who were expert in both the English and the Malay languages. The method of back-translation and decentering developed by Werner and Campbell (1970), Brislin (1970), and Brislin, Lonner, and Thomdike (1973) was employed.

A pilot test of the questionnaire was conducted prior to the main study. In addition, a set of 15 demographic items was developed and included in the questionnaire.

Analyses

Exploratory principal axis factor analysis was undertaken to determine a structure for the individualism-collectivism data. A similar procedures to
Dunham et al. (1994) and Vendenberghe (1996) was used to examine the structural validity of the individualism-collectivism conceptualization in the Malaysian and Australian contexts. Then multiple group confirmatory factor analysis was employed to assess whether measurement equivalence was operating in the two cultural groups. Independent groups t-tests of means were conducted to examine differences between Malaysian and Australian respondents on the four dimensions of individualism-collectivism.

The first step was to compare different a priori measurement models of theoretical interest. The overall fit of each model was first evaluated with a chi-square statistic and four other goodness-of-fit indices. Second, a statistical comparison between models was performed by chi-square difference tests (Bender and Bonnett, 1980) and the practical significance of the differences was further examined by comparing them with other goodness-of-fit indices for the various models. Four complementary fit indices were used to assess the validity of the models: (1) the goodness-of-fit index (GFI), (2) the adjusted-goodness-of-fit index (AGFI), (3) the parsimonious normed fit index (PNFI; James et al., 1982) and (4) the comparative fit index (CFI; Bentler, 1990). Chi-square, GFI and AGFI are absolute, or stand alone, measures of fit in that they assess directly how well the model accounts for the observed covariance (Gerbing and Andersen, 1993). GFI and AGH indices are optimal when their values are above .90 (McDonald and Marsh, 1990; Medsker et al., 1994). Potential problems with using chi-square, GFI and AGFI have been well documented (see Bentler and Bonnett, 1980; Bolien, 1989; Browne and Cudeck, 1989; Mulaik et al., 1989). Therefore, two additional goodness-of-fit measures (PNFI and CFI) were included in the analysis. Essentially, PNFI and CFI compare the fit of a model against an absolute null model where all observed variables are constrained to be orthogonal. They provide an indication of the amounts of variance and covariance accounted for by a particular model over a baseline one.

Given the ordinal nature of the items being analysed, polychoric correlation matrices and their asymptotic variances and covariances formed from separate Malaysian and Australian data were produced using PRELIS software (Joreskok and Sorbom, 1996b). The confirmatory factor analyses and multiple group comparisons were done with LISREL 8 software (Joreskok and Sorbom, 1996a) using the weighted least square (WLS) fitting function.
Results

Tests of Model Equivalence
The following hierarchy of hypotheses: $H_{\text{form}}$, $H_{\text{Ax}}$ and $H_{\text{Ax}\theta\delta}$ was tested for equivalence. Table 1 shows the results of the tests for each hypothesis for each component of the variables in the study.

The first hypothesis, $H_{\text{form}}$, tested whether the patterns of fixed and free parameters of the factors used in the study were equivalent between the Malaysian and Australian groups. All the individualism-collectivism dimensions (horizontal individualism, vertical individualism, horizontal collectivism and vertical collectivism) have high GFI values of > .90 which indicate a good fit. The high values of NNFI and CFI, which are less sensitive to sample size, also indicate reasonable fits. This supports the hypothesis of equivalent factor form across the two samples for all measures used in the study.

The second hypothesis, $H_{\text{Ax}}$, tested whether the factor loadings relating the indicators to the latent factors were invariant across the two samples. A chi-square difference test was used to test this hypothesis, in addition to GFI, NNFI and CFI, because the hypothesised model was nested within the previous model. The non-significant $\Delta \chi^2$ ($p < .05$) and only slight changes ($= .03$) in NNFI and CFI in all measures (except for horizontal individualism where the difference for NNFI was .11 which was slightly higher but still within acceptable range) indicated that the factor loadings were invariant across the two culture groups (see Table 1).

The final step was to test the hypothesis, $H_{\text{Ax}\theta\delta}$, which revealed whether the measurement errors were different across groups. This step was performed when $H_{\text{form}}$ and $H_{\text{Ax}}$ were accepted, and by constraining all measurement errors to be invariant across groups in the $H_{\text{Ax}}$ model. Then the fit of this model was compared with the fit of $H_{\text{Ax}}$. The resulting $\Delta \chi^2$ for all measures were not significant at $p = .05$, and only slight changes of $=.06$ in NNFI and CFI for all measures (except HIS where the difference in NNFI was .12 which was still acceptable) indicated that the equivalent of measurement errors across groups were invariant.
Table 1: Tests of Invariance of Horizontal and Vertical Individualism and Collectivism

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>$X^2$ (df)</th>
<th>$\Delta X^2 (\Delta df)$</th>
<th>GFI</th>
<th>NNFI</th>
<th>CFI</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Horizontal Individualism</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Factor form</td>
<td>23.44 (10)</td>
<td>- -</td>
<td>.97</td>
<td>.67</td>
<td>.83</td>
<td>accept</td>
</tr>
<tr>
<td>Factorial invariance</td>
<td>26.50 (14)</td>
<td>3.06 (4)</td>
<td>.96</td>
<td>.78</td>
<td>.85</td>
<td>accept</td>
</tr>
<tr>
<td>Equivalence of reliability</td>
<td>26.52 (19)</td>
<td>.02 (5)</td>
<td>.96</td>
<td>.90</td>
<td>.91</td>
<td>accept</td>
</tr>
<tr>
<td><strong>Vertical Individualism</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factor form</td>
<td>31.97 (18)</td>
<td>- -</td>
<td>.98</td>
<td>.89</td>
<td>.94</td>
<td>accept</td>
</tr>
<tr>
<td>Factorial invariance</td>
<td>42.75 (23)</td>
<td>10.78 (5)</td>
<td>.97</td>
<td>.88</td>
<td>.91</td>
<td>accept</td>
</tr>
<tr>
<td>Equivalence of reliability</td>
<td>44.41 (29)</td>
<td>1.66 (6)</td>
<td>.97</td>
<td>.93</td>
<td>.93</td>
<td>accept</td>
</tr>
<tr>
<td><strong>Horizontal Collectivism</strong></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Factor form</td>
<td>55.46 (28)</td>
<td>- -</td>
<td>.96</td>
<td>.87</td>
<td>.91</td>
<td>accept</td>
</tr>
<tr>
<td>Factorial invariance</td>
<td>65.33 (34)</td>
<td>9.87 (6)</td>
<td>.94</td>
<td>.87</td>
<td>.90</td>
<td>accept</td>
</tr>
<tr>
<td>Equivalence of reliability</td>
<td>65.51 (41)</td>
<td>0.19 (7)</td>
<td>.94</td>
<td>.92</td>
<td>.92</td>
<td>accept</td>
</tr>
<tr>
<td><strong>Vertical Collectivism</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Factor form</td>
<td>54.33 (28)</td>
<td>- -</td>
<td>.95</td>
<td>.82</td>
<td>.88</td>
<td>accept</td>
</tr>
<tr>
<td>Factorial invariance</td>
<td>56.85 (34)</td>
<td>2.52 (6)</td>
<td>.95</td>
<td>.87</td>
<td>.89</td>
<td>accept</td>
</tr>
<tr>
<td>Equivalence of reliability</td>
<td>57.00 (41)</td>
<td>.15 (7)</td>
<td>.95</td>
<td>.92</td>
<td>.93</td>
<td>accept</td>
</tr>
</tbody>
</table>

Note: $X^2 =$ chi-square; df = degree of freedom; GFI = goodness of fit index; NNFI = non-normed fit index; CFI = comparative fit index. GFI for factor form equivalence is >.90 and this indicates a good fit. All the $X^2$ differences were not significant, indicating that the constructs were invariant in the last two hypotheses, i.e. factorial invariance and equivalence of reliability.
Based on the results of the tests of model equivalence, it was concluded that the form, factor loadings and reliability of the measures under study were invariant across the two cultures of interest. These tests of model equivalence are of prime importance in cross-national research that seeks to compare findings from different countries, because lack of measurement equivalence could threaten the reliability and validity of the results (Mullen, 1995).

Reliabilities of the Measures
For the total sample, most of the measures, except horizontal individualism, showed acceptable levels of reliability (ranging from 0.54 to 0.73). The reliability coefficient of horizontal individualism measure was 0.54. Nunnaly (1967) has argued that reliability estimates of .50 to .60 are sufficient for basic research.

<table>
<thead>
<tr>
<th>Group Measures (No. of Items)</th>
<th>Total Group (N=323)</th>
<th>Malaysian (N=203)</th>
<th>Australia (N=120)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDIVIDUALISM-COLLECTIVISM</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Horizontal Individualism (5)</td>
<td>.54</td>
<td>.56</td>
<td>.52</td>
</tr>
<tr>
<td>Vertical Individualism (6)</td>
<td>.62</td>
<td>.58</td>
<td>.64</td>
</tr>
<tr>
<td>Horizontal Collectivism (7)</td>
<td>.68</td>
<td>.67</td>
<td>.64</td>
</tr>
<tr>
<td>Vertical Collectivism (7)</td>
<td>.73</td>
<td>.63</td>
<td>.65</td>
</tr>
</tbody>
</table>

The differences in reliability coefficients between the two culture groups were not bigger than 0.10 for all measures. A total of 4 measures for individualism-collectivism were included in the primary data analysis. The fact that the same items were utilised in calculating the reliability coefficients for all constructs in both countries provides additional evidence of construct and measure equivalence. Overall, the reliability coefficients in Table 2 indicate that each of the measure possesses a moderate to high level of internal consistency.

T-Tests Comparisons
To determine whether the differences between means for the two culture groups of concern, Malaysia and Australia, were significant, four sets of t-tests were conducted.
Horizontal and Vertical Dimensions of Individualism-Collectivism: Cross-Cultural Comparison

At the cultural level, the t-tests on the four dimensions of individualism and collectivism found that there is no significant difference between Australian and Malaysian managers in terms of horizontal individualism. But Malaysian managers perceive themselves more as vertical individualists, as well as horizontal and vertical collectivists than their Australian counterparts.

Table 3: Independent Groups T-Test: Malaysian (N=203) And Australian (N=120) Respondents

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>MEAN</th>
<th>STANDARD DEVIATION</th>
<th>T-VALUE</th>
<th>2-TAIL SIG.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horizontal Individualism</td>
<td></td>
<td></td>
<td>-.67</td>
<td>.502</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4.8851</td>
<td>.977</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>4.9576</td>
<td>.864</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vertical Individualism</td>
<td></td>
<td></td>
<td>4.29</td>
<td>.000</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4.7196</td>
<td>1.046</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>4.1906</td>
<td>1.112</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Horizontal Collectivism</td>
<td></td>
<td></td>
<td>5.70</td>
<td>.000</td>
</tr>
<tr>
<td>Malaysia</td>
<td>6.0005</td>
<td>.590</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>5.5931</td>
<td>.671</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vertical Collectivism</td>
<td></td>
<td></td>
<td>9.06</td>
<td>.000</td>
</tr>
<tr>
<td>Malaysia</td>
<td>4.9218</td>
<td>.946</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>3.9052</td>
<td>1.021</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In sum, Malaysian respondents are inclined towards collectivism in situations involving in-groups and tend to be individualistic in situations that involve out-groups. In this sense Malaysian managers are basically collectivistic in nature, but the rapid development of the Malaysian economy has undoubtedly introduced another element into the Malaysian culture, that is, competition.

Australians on the other hand, perceive self-reliance as an important virtue and believe that they are masters of their own fate. In this respect, Australian managers are basically inclined towards horizontal individualism. This pattern is consistent with Daun’s (1991) findings, where he reported that Australian and Swedish managers appear to fall in the category of horizontal individualism. Furthermore, Feather (1992) identified a tendency among Australians to bring down “tall
poppies”, that is, Australians want to bring down those who have high status. This “tall poppy” attitude is also consistent with the results of culture-level analysis reported by Schwartz (1994). He found that, whereas Australia and the Unites States were similar on most culture-level value dimensions, the United States had a higher mean importance score on mastery, and Australia had a higher mean importance score on harmony. These findings indicate that Australians can be described as horizontal individualists. Triandis (1995) describes horizontal individualism as a cultural pattern where an autonomous self is postulated, but the individual is more or less equal in status with others. The self is independent and the same as the self of others.

Many commentators (for example, Encel 1970; Hancock, 1930; Lipset, 1963; Ward, 1958) have referred to equalitarianism in Australian society and to an Australian concern for ‘mateship’. Others have noted the tendency for Australians to be critical of “tall poppies”, who are atypical or different from others in their high levels of achievement, and to a related tendency for Australians to play down or devalue their accomplishments in relation to similar levels of achievement elsewhere (Feather 1975; 1986). Encel (1970, p. 56) notes that, “The conception of equality which prevails in Australia is one which places great stress on the enforcement of a high minimum standard of material well-being, on the outward show of equality and the minimisation of privileges due to formal rank, and almost by implication restricts the scope for the unusual, eccentric, or dissenting individual.” In a similar vein, Hancock (1930, p. 183) states that Australian democracy “is improperly resentful if anybody runs a fast race … its instinct is to make merit take place in the queue”.

According to Feather (1986), linked with equalitarianism is a concern with mateship, a value that social historians see as related to the loneliness and hardships of life in outback Australia where the male settlers had to contend with a difficult environment without much benefit of family (Clark, 1963; Ward, 1958). These conditions were assumed to reinforce a social, collectivist outlook involving loyalty to one’s mates, a willingness to share activities and reciprocate favours, and conformity to group norms within the outwardly masculine culture. Mateship is usually described in relation to male, working-class relationships and it involves a complex mixture of collectivist and equalitarian values, realised at the individual level in companionship, joint activities, sharing, and loyalty to one’s mates, supporting them in an emergency (Feather, 1986).

Present day Australia is now a complex, developed society with a mixture of different groups. It has a mature industrialised economy with
a large services sector, a broad-based manufacturing sector, large-scale resource development, productive primary industries, a rapidly expanding base of high technology, and a predominantly urban population. Feather (1986) observes that Australians live in a competitive social environment where progress and achievement are valued for what they bring. There is praise for those who succeed in sport, business, and other pursuits, admiration for the person who makes his/her own way in life often against difficult odds, and for the individuals who stands out against authority. The relative affluence and stability of Australia also promotes less concern with survival, safety, and security at the personal and national levels and more concern with love, affection, self-definition, and self-fulfilment (Feather, 1975, 1980).

It has been widely reported that Australia is an individualist nation while Malaysia is reported to be a collectivist country (see Hofstede 1980, 1984; Schwartz, 1994; Triandis, 1995). The data from the present study suggest that collectivism in Malaysia has shifted slightly. Malaysians are still basically collectivists in terms of their social relations, self-sacrifice and family integrity but, at the same time, they have inculcated the elements of competition, an individualism factor, at least in their working life. This change can be explained from the rapid economic development that has taken place in Malaysia since Hofstede’s studies on individualism-collectivism published in 1980 and 1984.

The Malaysian economy has gone through rapid structural changes since Independence in 1957. At the time of independence, there was a pervasive popular belief that Malaysia, with its perceived limitless resources, would ‘take off.’ Only 37 years ago, almost 40% of Malaysians lived in absolute poverty. Less than 5% did so in 1996 and even lesser today. The Malaysian economy has undergone significant structural change developing from largely a commodity producer to a predominantly industrialised country - Malaysia is now an important centre in the global electronics production process.

As a multiracial society, it has been necessary to ensure economic growth with social stability. Consequently, the New Economic Policy (NEP) was introduced in 1970, followed by the privatisation concepts, “Malaysia Incorporate” and “Look East” in the 1980s. One of the main goals of the NEP was the creation of a Malay business class. In 1970, Malay businesses were 14.2% of all businesses, by 1980 it had climbed to 24%, and by 1985 was 30.5%. This rate of growth was nearly twice the rate of non-Malay business expansion (Jesudason, 1989). These changes marked the emergence of a Malay bourgeoisie. Bellah et al.
Individualism is maximal in the middle class. Members of the upper class pay attention to traditions and social norms that secure their comfortable positions in the society, and members of the lower class have to do their duty in order to keep their jobs. From the 1980s Malaysia has been considered a ‘lower middle income economy’ (World Bank 1990); it is projected to join the ranks of industrialised nations by the first quarter of the twentieth century, indicating the dramatic success of national policies (Sudha, 1997). The development of a middle class presupposes social mobility and social mobility in turn leads to individualism. Individualism is born when rapid social change, including much social strife, results in the destruction of existing groups, making it necessary for individuals to act alone. Similarly, when there is high social mobility, individuals do not conform to groups. Thus, social change and social mobility lead to individualism.

Hofstede (1980) postulates that individualism–collectivism dimensions relate most closely to a country’s national wealth (GNP per capita). It is likely that individualism is associated with the development of middle-class values. The development of a middle-class presupposes social mobility. The nuclear rather than the extended family structure is supposed to be a central element in breeding individualism. The smaller population growth means also, that parents tend to have fewer children. The child from a small family, other factors being equal, learns to be more individualistic than the child from a large family (Hofstede, 1980).

Economic development, according to Pareek (1968), is a function of a high “need for achievement” (which is often linked to individualism and competition), multiplied by high “need for extension” (use of large in-groups, not just the traditional narrow family concerns, and which might be referred to as “large in-groups collectivism”), minus the “need for affiliation.” In other words, the need for both achievement and extension are required. If one of these two is low, the other cannot be effective. In addition, if people spend most of their time enjoying social relationships, they will not develop the economy (Triandis, 1995). According to Triandis (1995), as affluence makes more choices possible, vertical collectivism changes one of its facets, that is, it changes into either horizontal collectivism or vertical individualism. When even more affluence is present and no external threats of any kind are detected, the other facet changes as well, that is, horizontal individualism. The results in Table 5-1 appear to indicate that at least one facet of individualism, that is competition, has infiltrated into the collectivistic values held by the Malaysians.
Triandis (1995) argues that individualism-collectivism constructs are situation-specific. For example, an individual may be very individualistic at work and quite collectivistic in the extended family. Collectivists tend to change themselves to fit into situations (Diaz-Guerrero, 1979, 1991; Diaz-Guerrero and Diaz-Loving, 1990); individualists try to change situations to fit themselves. Triandis (1995) postulates that cultural syndromes of individualism-collectivism are the consequences of a number of different influences - affluence, family structure, cultural complexity, and demographic factors. This conceptualisation was supported by a study reported by Gorney and Long (1980). They had the ethnographies of 58 cultures rated by 10 cultural experts on the dimensions of competition (related to need for achievement) within the culture, interpersonal intensity (related to need for affiliation) amount of aggression, and “synergy” (related to need for extension). They found that social development (high economic success of the ethnic group) was present in cultures high in competition and synergy and low in interpersonal intensity.

**Conclusion**

One purpose of the present study was to determine whether the reported categorisation of Malaysia as a collectivist country and Australia an individualist country (Hofstede, 1980, 1984; Schwartz, 1994; Triandis, 1995) holds true. The results of the independent groups t-tests showed that Malaysia has significantly high levels of horizontal and vertical collectivism compared to Australia. This supports the contention that Malaysian society is more collectivistic than Australian society.

Interestingly, the t-test result also shows that the level of vertical individualism for Malaysia is higher than Australia. The result seems to indicate a slight shift from collectivism to individualism in Malaysia. Triandis and his associates have observed that “there appears to be a shift from collectivism to individualism in many parts of the world” (Triandis et al., 1990, p. 1008), and Hofstede argues that increases in national wealth mediate this shift (Hofstede, 1991). The Malaysian data, assuming the continued expansion of urban-industrialisation development and rising incomes, would also point to a similar “shift” toward individualism occurring in this country more rapidly in the future. Therefore, the results of the t-tests indicate that collectivism and individualism tendencies may coexist in Malaysia.
One surprising finding was that the Australian sub-sample was not more horizontally individualistic than the Malaysian sub-sample. Several factors contributed to this finding. First, collectivism tendencies within Malaysia are changing. Past stereotypic notions of collectivism for the Malaysian culture are quickly eroding away, which is probably related to the affluence of the Malaysians, higher incomes and the competitive element of individualism in their work-life and in the educational system. These dynamics of individualism–collectivism in Malaysia were coupled with the fact that the Australian sub-sample consisted of older employees than the Malaysian sub-sample. Because of the relatively small and unequal sample sizes in Malaysian and Australian data, the data may not be entirely reliable and should be viewed with this caveat.

Some additional considerations about the changes warrant mention. Hofstede’s (1980) data were collected from employees of a large, rather well known organisation with a strong organisational culture. However, Hofstede (1980) has been criticised for using employees of a single multinational organisation because the sample may represent a “likeness” among individuals from otherwise differing cultures who would select themselves to work for this company (Smith, Dugan, and Trompenaars, 1996). Respondents in the present study did not belong to a common organisation and the different findings could be due to sample differences. The present sample may reflect with greater accuracy the prevailing work-related values and attitudes held by the culture under consideration because of the diversity of individuals in the sample. All respondents in this study were managers. They may represent the values attitudes of those working in diverse business organisations, which could differ from the country as a whole; however, because the purpose of this study was to examine work-related values and attitudes, the sample was considered appropriate.

Overall, the findings of the present study suggest that there have been significant shifts in value classifications in Malaysia since Hofstede (1980; 1984) conducted his original study. This finding underscores the fact that, although a nation’s work-related values and attitudes are deep-seated preferences for certain end states, they are subject to change over the years as external environmental changes shape a society. Therefore, researchers and practitioners should use caution before attempting to use work-related values and attitudes to understand human behaviour in organisations. At the least, managers should make an effort to determine the values and attitudes currently prevailing and not rely on classifications or labels placed on cultures by previous researchers.
The findings also highlight the importance of measuring horizontal and vertical dimensions of individualism and collectivism. Without the measurement of both, the study would not have been able to detect the differences that it did. Similarly, where the study found that the Malaysian and Australian samples did not differ in the predicted fashion, it would not have been able to relate those findings to non-differences on the four dimensions of individualism-collectivism had it not measured them. Thus, the measurement of the horizontal and vertical dimensions of individualism and collectivism differences in cross-cultural samples is important for predicting and explaining both findings and non-findings.

Overall, this study has revealed several areas of differences between Malaysian and Australian managers in the level of vertical individualism, horizontal collectivism and vertical collectivism. Despite these differences, there are also many similarities between the two culture groups on the variables considered in the present study. Both culture groups are similar in terms of horizontal individualism. These findings defy simplistic interpretations. One may challenge the study’s basic contention about the levels of horizontal and vertical dimensions of individualism and collectivism of both the Malaysian and Australian managers. Alternatively, one may argue that Malaysians may not be as collectivistic as the literature suggests in their orientations toward work (even though they may be within a family or in-group). One may further suspect that these Malaysian participants were atypical. Although this study cannot completely rule out these possibilities, there is ample evidence for some of the study’s research questions.

The results of this study are important for a number of reasons. First, they provide empirical corroboration of the theoretical perspectives of Singelis, Triandis, Bhawuk, and Gelfand (1995) on individualism-collectivism and horizontal and vertical dimensions of individualism and collectivism respectively. Second, they may be of interest and assistance to managers of multinational and international organisations who need to manage in global contexts and, therefore, need to understand culturally-driven differences in personal and interpersonal work-related conditions between and across nations. The study’s findings contribute to a growing body of research that illustrates the need to take a multidimensional approach to the study of individualism-collectivism.

The overall findings of this study are encouraging. However, by no means are the present results conclusive. Rather, interpretation and specification of the influence of horizontal and vertical dimensions of individualism and collectivism that are empirically examined in the present study must be regarded as tentative.
Implications and Future Research

The present research may provide guidance to organisations that wish to develop and maintain human resources management procedures on the basis of empirical data. As global competition increases in the private sector, and organisations hire a more ethnically and culturally diverse workforce, there seems to be a greater need for human resources management systems that are adaptable, comprehensive, and easy to operate.

In this context, the findings of this study also have several implications for international human resources management. One of the central functions of management is anticipating future actions of employees, colleagues, and competitors. Often, difficulty in predicting the behaviour of Malaysian employees is attributed to language issues or behavioural idiosyncrasies. More likely, these predictive problems arise from a lack of appreciation of the thought processes experienced by Asians in Western managerial environment. Australian managers may fail to understand how Malaysian employees are modelling their surroundings and what kinds of causal dimensions they use to see the world (Adler et al., 1986). By understanding the types of culture (horizontal and vertical dimension of individualism and collectivism) that Malaysian employees covet, Australian managers can tailor and adjust their organisational value type espoused by the organisation to more effectively manage the employees and more effectively communicate work assignments, requirements and priorities. This awareness also demonstrates that managers are sensitive to the needs and concerns of their Malaysian superiors, colleagues, and subordinates.

In addition, a manager who understand these facets of Malaysian culture can more effectively grasp how Malaysian employees see the organisational environment, and is better able to create a workplace that avoids intra-organisational culturally-based conflict. By comprehending how this segment of the corporate workforce thinks, a manager is better able to motivate, assign jobs and control interactions. Further, by knowing the Malaysian affinity for competition, social relationships, family integrity, and self-sacrifice, a manager can access a larger perspective from which to identify and analyse problems and develop and implement solutions.

The differences documented here hold considerable value for Australian managers working in Malaysia, or overseeing largely Asian employees in Australia. Managers who have been trained and have
operated in the Australian environment will have developed management
styles that are well suited to an Australian workforce. However, a reality
of global business is that these managers will be called on to manage,
supervise and negotiate with Asian employees. Hence, knowledge of
the nature of Asian culture will be better enable managers to effectively
and efficiently orchestrated organisational objectives.

In recent studies on the failure of expatriate managers in foreign
postings, those organisations with ethnocentric managerial attitudes were
those found to have the highest number of failures (Tung, 1987; Whitney
and Yaprak, 1991). The failures were closely linked to the managers’
belief that their own cultural values, that of parent organisation’s home-
base country, were superior to those of the host country’s.

The make-up of the workforce in Malaysia and Australia has
undergone, and is continuing to undergo, dramatic changes. The
employees of today come from a wide range of nationality, racial and
ethnic groups, have diverse sexual preferences and different
demographics. The management of successful organisations will need
to learn how to manage diversity. The reason is that the business world
is entering a period where organisations will face serious skilled labour
shortages. These organisations that fail to attract, train and promote
people who are different, will find themselves with a shrinking workforce.
It is hoped that the results of the present research will broaden the
knowledge base and be useful to the organisations in the “real” world.

Cross-cultural research examining patterns of employees’ tendencies
to individualism-collectivism and their potential ramifications is lacking.
Further research examining potential similarities and differences in this
regard would be quite fruitful. The significant amount of empirical
research evidence and data on such studies in various countries could
warrant suitable systematic (meta-analytic) comparisons. If performed,
these comparisons would provide valuable grounds for assessing
similarities and differences in aspects of work attitudes in different
institutional and economic sectors across different nations. These
comparisons would also help in highlighting some methodological issues
surrounding the multidimensional character of employee work behaviours
in different contexts.

In addition, the findings of this study has given rise to the same
important question that was raised by Wink (1997): Are values changing?
If so, which ones and in which direction? In the present study, this question
appear to be applicable to both Malaysia and Australia. The changes
may not necessarily be moving these values toward some universally
common point. Therefore, future research should seek answer to such questions as (1) Are particular values or value dimensions becoming more similar, becoming less similar, or staying the same? (2) Which values are converging, which are diverging, and which are following other patterns? A better understanding of horizontal and vertical dimensions of individualism and collectivism and values in general should contribute to understanding of similarities and differences of the Eastern and Western cultures (Bond, 1991). Awareness of similarities and differences should help managers better understand and appreciate their international counterparts and, ideally, should lead to improved cross-national working relationships.

Bibliography


Individualism-Collectivism


