Exploring the Nature of Power Distance: Implications for Micro- and Macro-Level Theories, Processes, and Outcomes

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Power distance is a value that differentiates individuals, groups, organizations, and nations based on the degree to which inequalities are accepted either as unavoidable or as functional. Understanding power distance is especially important in organizational research because power is fundamental to all relationships, is inherent in hierarchical organizations, and affects many organizational processes and outcomes. We begin by reviewing existing value taxonomies and definitional elements of power distance. Next, we review theories and research linking power distance to micro and macro work-related outcomes. We conclude by identifying areas where additional organizational research on power distance is needed and, in doing so, provide an agenda for future research in this area. Our review highlights power distance as an important explanatory variable and boundary condition for many relations that organizational (not just cross-cultural) scientists examine.

Keywords: power; power distance; culture; cross-cultural; international OB

The continued globalization of organizations and the increased diversity of the workforce have made understanding the influence of cultural values on individual and organizational phenomena a business necessity (Sagie & Aycan, 2003). Thanks to the exponential increase in cross-cultural management research (Khatri, 2009), much is known about how cultural...

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values impact employees and organizations. One cultural value, power distance, is especially important in organizational research because power is fundamental to all relationships, is inherent in hierarchical organizations, and affects many organizational processes and outcomes (e.g., Keltner, Gruenfield, & Anderson, 2003). After individualism/collectivism, power distance is the most frequently studied cultural value in organizational research (Erez, 2011).

Power distance refers to the degree to which individuals, groups, or societies accept inequalities (e.g., inequalities in power, status, wealth) as unavoidable, legitimate, or functional (Hofstede, 1980). The acceptance of inequalities in power shapes views about how individuals with differing levels of power should interact (Javidan & House, 2001). For example, individuals higher on power distance believe that authority figures should be respected and shown deference (Yang, Mossholder, & Peng, 2007), whereas individuals lower on power distance do not perceive many distinctions based on social strata, power, or hierarchical position (Javidan & House, 2001). Although power distance is sometimes treated as a homogeneous national value, it varies at the individual, group, organizational, and societal levels and relates to various criteria across these different levels (for a recent meta-analysis, see Taras, Kirkman, & Steel, 2010).

In this article, we identify and review what we believe to be the primary theoretical frameworks, themes, and empirical findings related to power distance and its important role for employees and within organizations. We begin by reviewing existing value taxonomies, definitional elements of power distance, and issues associated with levels of analysis. We then review the theoretical rationale and empirical evidence linking power distance to micro and macro work-related outcomes. We conclude by discussing recent research areas that have started to consider power distance’s role and by providing an agenda for future research in these areas. To prepare this review, we used a variety of databases and search engines (e.g., EBSCOhost, ScienceDirect, Google Scholar) to collect articles on power distance. When appropriate, we expanded our list to include articles that investigated related constructs (e.g., position power). The articles reviewed are representative of the research within each domain rather than exhaustive.

**Cultural Values and Value Orientations**

Hofstede (1991: 9) defines culture as “the collective programming of the mind that distinguishes the members of one group or category of people from another.” In this definition, culture is a group-level phenomenon and values are a defining feature of a culture (Hofstede, 1980). Values are broad-based beliefs that signal what is desirable and undesirable in an environment and may be conceptualized and measured at the individual, group, organizational, or national/societal level. For example, Hofstede (1980) conceptualized his taxonomy of cultural values at the national level, whereas other researchers (e.g., Maznevski, Gomez, DiStefano, Noorderhaven, & Wu, 2002; Triandis, 1995) have conceptualized values at the individual level. As with research on other value domains (e.g., work values), research on cultural values has generated a number of different taxonomies.

**Value Taxonomies**

Hofstede’s (1980) taxonomy is arguably the most well-known, referenced, and adopted cultural value taxonomy in the organizational sciences. Using data collected from IBM
employees across 40 countries, Hofstede (1980) identified four cultural values: power distance, individualism–collectivism, uncertainty avoidance, and masculinity–femininity (for more information on Hofstede’s country-level scores, see Hofstede, 2001: 86-87). Later a fifth dimension, long- versus short-term orientation, and more recently a sixth dimension, indulgence versus restraint, were added (Hofstede, Hofstede, & Minkov, 2010). Sondergaard (1994) reviewed 61 replications of Hofstede’s cultural dimensions and concluded that these replications typically supported his original classification. Although Hofstede’s (1980) taxonomy is not without its critics (e.g., his original taxonomy is based on responses from a single multinational firm; Hunt, 1981), research firmly supports the relevance and utility of his framework for understanding cultural differences in values (e.g., Smith, Dugan, & Trompenaars, 1996).

Other taxonomies of cultural values greatly overlap with Hofstede’s (1980, 1991). Although labeled differently, each has a cultural value that reflects the value of power. For example, in Schwartz’s (1994, 1999) taxonomy, the hierarchy–egalitarianism dimension differentiates cultures based on the degree to which hierarchical roles are accepted. Inglehart (1997) identified a dimension labeled tradition versus secular–rational, which differentiates cultures based on the extent to which they respect authority and tradition. The GLOBE (Global Leadership and Organizational Behavior Effectiveness; House, Hanges, Javidan, Dorfman, & Gupta, 2004) studies identified nine cultural dimensions, of which one was power distance. Finally, at the individual level, Maznevski et al. (2002) identified a dimension related to preferences for hierarchy and is similar to that of power distance. Taken together, the evidence is overwhelming that the extent to which cultures or individuals accept inequalities in power and status is an important value on which both cultures and individuals can be differentiated.

**Power Distance Defined**

Hofstede (1980, 2001) referred to power distance as the degree to which societies accept inequalities. With respect to the work context, Hofstede (2001) discussed power distance as the perceived difference (inequality) in the amount of power (influence) that a supervisor has compared to that of a subordinate. Importantly, the magnitude of this inequality is accepted (valued) by both the supervisor and the subordinate and is reinforced by their social and national environments (Hofstede, 2001). As stated by Hofstede (2001: 83-84), “Culture sets the level of power distance at which the tendency of the powerful to maintain or increase power distances and the tendency of the less powerful to reduce them will find their equilibrium.” Power distance is a value directly relevant to organizational contexts given that power in organizations is necessarily distributed unequally (Farh, Hackett, & Liang, 2007).

Power distance influences the levels of participative decision making, centralization, and formal hierarchy within organizations (Hofstede, 2001). In high power distance cultures, individuals with power are seen as superior, inaccessible, and paternalistic and are expected to lead autocratically (Hofstede, 1980). Because individuals with power are perceived as superior and elite, those with less power accept their places in the hierarchy, trust their leaders, defer judgments to them (Kirkman, Chen, Farh, Chen, & Lowe, 2009), and are generally submissive, loyal, and obedient to their leaders (Bochner & Hesketh, 1994). Moreover, high power distance is associated with being more task-oriented and less people-oriented because
high power distance cultures initiate structure for task completion and retain the social distance inherent in hierarchical relationships (Bochner & Hesketh, 1994). As such, cultures or individuals higher on power distance are more likely to value status, power, and prestige (Jaw, Ling, Wang, & Chang, 2007; Schwartz, 1999). In contrast, low power distance manifests itself, for example, as decentralized organizations, participative decision making, and consultative leadership (Hofstede, 1980).

Power Distance: Levels of Analysis

Power distance varies at the individual, group, organizational, and societal levels. As such, levels of analysis issues must be considered regarding at what level, and how, to conceptualize and measure power distance. As discussed in this section, there are several common mistakes that research often makes with respect to levels of analysis issues in cultural research. One common conceptual problem in cross-cultural research is that of committing the ecological fallacy, or incorrectly interpreting relations found at the group level and applying them to the individual level (Robinson, 1950). Similarly, it would be fallacious to apply individual-level results to the group level, a problem that Hofstede (2001) calls the reverse ecological fallacy. In either case, the implication is that the same construct might mean different things at different levels, and thus the relations between constructs at each level may differ. For example, Spector et al. (2001) found no relation between collectivism and job satisfaction at the country level. One would be committing the ecological fallacy to assume that there is no relation between these variables at the individual level. In fact, Kirkman and Shapiro (2001) found a positive relation between collectivism and job satisfaction at the individual level. This discrepancy may exist because collectivism, job satisfaction, and the relation between the two operate differently at these two levels. Thus, it is important to consider the level of analysis when making theoretical predictions and interpreting results.

Another levels of analysis issue to consider associated with cross-cultural research is the assumption that for culture to be a shared group phenomenon, there should be little variability in ratings within a society. Based on this assumption, some studies draw from Hofstede’s (1980) database to assign cultural values to individuals based on their nationalities. However, in reality, not all members of a particular country endorse the same values to the same degree. This raises two important issues. First, the assignment of values based on nationalities may not appropriately represent any given individual or group. Second, assigning members of a society the same value score ignores important within-country variance that might be substantively important in explaining phenomena.

Another shortcut often used by culture researchers is to use country as a proxy for cultural values and then make comparisons between two or more countries. Countries differ, however, on variables other than cultural values such as language, economic development, systems of government, and climate. It is impossible in these cases to disentangle the effects of other factors. Thus, researchers are encouraged to directly model the country-level value scores in their analyses and use a large sample size of countries to mitigate these other effects (e.g., Fischer, 2009; Tsui, Nifadkar, & Ou, 2007). Fischer (2009) recommends using these country-level scores in multilevel models only if data are available from at least 10 countries. If this is not the case (which it is not for a large majority of cross-cultural research), he argues that researchers should “unpack” culture further to the individual level to isolate the effects.
of cultural values. For more comprehensive treatments of levels of analysis issues related to culture research, see Erez (2011), Fischer (2009), Gelfand, Erez, and Aycan (2007), Kirkman, Lowe, and Gibson (2006), Peterson and Castro (2006), and Schaffer and Riordan (2003).

More specifically with respect to levels of analysis issues in the study of power distance, we echo calls from the broader cross-cultural literature for researchers to carefully consider levels of analysis (e.g., Erez, 2011; Gelfand et al., 2007). A large majority of studies we reviewed operationalized their variables at the individual level of analysis. This focus on power distance at the individual level is consistent with other reviews of cultural values in general (84% of studies that investigate cultural values are at the individual level of analysis, 5% at the group level, 8% at the national level, and 4% at the cross level; Tsui et al., 2007) and power distance specifically (76% of data points were at the individual level of analysis, 2% at the group level, and 22% at the national level in Taras et al.’s [2010] meta-analysis).

Given the focus of both theory and measurement at the individual level, our review indicates that, with few exceptions, the majority of power distance studies appropriately conceptualize and measure power distance. However, our review discovered some instances in which this was not the case (e.g., Bochner & Hesketh [1994] applied country-level scores to individuals from Hofstede [1980] and Arrindell et al. [1997] used individual-level theory to test national-level effects of power distance on criteria).

In some cases, individual-level theories about power distance (e.g., value for inequality, deference for those with more power) were applied in national-level studies. The problem with this is that these theories do not contain a shared societal element that distinguishes them from individual processes. In one exception, Mitchell, Smith, Seawright, and Morse (2000) theorized that at the societal level, people in high power distance cultures are less likely to start a new business because it is perceived that only elites engage in such ventures. Thus, this shared mental framework within a society affects the overall level of entrepreneurship in that society. Similarly, the finding that power distance negatively relates to well-being at the national level (Arrindell et al., 1997) can be explained by theory at that level of analysis. For example, given that power distance negatively relates to social progress of nations (Sharma, 2003) and the social progress of nations positively relates to national well-being (Diener, Diener, & Diener, 1995), it could be that a national value for power distance adversely affects the well-being of the nation.

Power Distance: Theory and Research

In this section, we review existing theoretical and empirical work on power distance. We first discuss a recent meta-analysis by Taras et al. (2010), before reviewing the more complex theoretical and empirical relations involving power distance.

Taras, Kirkman, and Steel’s (2010) Meta-Analysis

The most recent empirical examination of the correlates of power distance is a meta-analysis conducted by Taras et al. (2010). At the individual level, power distance positively related to absenteeism, sensitivity to others, satisfaction with jobs and supervisors, perceived organizational justice, continuance commitment, normative commitment, trust, conformity, perceptions of directive leadership, openness to experience, and religiosity. Power distance
negatively related to emotional displays, feedback seeking, exchange ideology, avoiding unethical behavior, team commitment, teamwork preference, employee self-esteem, and perceptions of participative leadership. At the group level, power distance positively related to group cooperation and negatively correlated with group performance. At the country level, power distance positively related to conformity, importance of family values, agreeableness, neuroticism, and corruption and negatively related to life satisfaction, extraversion, openness to experience, wealth, human rights, gender role equality, and income equality. Note that often group-level and national-level scores are calculated by averaging individual scores (e.g., individual-level scores on agreeableness). The effect sizes increased as the level of analysis elevated, but as noted by Taras et al. (2010), this may be because aggregate data tend to strengthen bivariate relations.

**Power Distance and Work-Related Processes and Outcomes**

Complementing Taras et al.’s (2010) quantitative review, below we review theory and research on why (and how) power distance relates to outcomes. We organize our review according to the major management topics in which the role of power distance is explored, and primarily classify the articles according to their exogenous variables. For example, Wang, Mao, Wu, and Liu (2012) examine (in part) how power distance moderates the relation between abusive supervision and justice. As such, we review this article in the section on power distance and abusive supervision rather than in the section on power distance and justice, although results from this study clearly inform both areas. Table 1 provides a summary of findings for each topic, major theoretical themes used to understand those findings, issues that we see as important in that research area, and general guidelines for future research.

**Power distance and well-being.** Individual subjective well-being is indicated by judgments about one’s life satisfaction, domain-specific satisfaction (e.g., job satisfaction), and experiences of positive and negative affect (Diener, 2000). There are several theoretical reasons to expect power distance to negatively relate to well-being across nations. For example, high power distance cultures reflect a shared value (acceptance) for inequality that manifests itself in policies and behaviors that lead to the actual experience of inequality (Hofstede, 1980). Furthermore, at the societal level, aspects of social progress (e.g., average national income) show a strong positive association with the subjective well-being of nations (Diener et al., 1995). Given that power distance negatively relates to the weighted index of social progress (WISP), which includes 10 dimensions (e.g., education, women’s status, economy; see Sharma, 2003), it is likely that power distance hampers social progress by influencing people to conform to strict, traditional social roles, thus maintaining the status quo. Thus, power distance negatively relates to the social progress of a nation, which negatively relates to overall subjective well-being. This is consistent with a study of 36 nations that observed power distance negatively related to subjective well-being, even after controlling for masculinity, individualism, and uncertainty avoidance (Arrindell et al., 1997). Although the theoretical argument is that power distance affects social progress, it is possible that nations that are already socially progressive have the luxury of relaxing rules related to hierarchy over time, implying reverse causality.
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<th>Future Directions</th>
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<td>Well-being</td>
<td>Results typically indicate that PD is associated with poorer well-being at the national level. However, PD is associated with higher satisfaction with the job and supervisor at the individual level.</td>
<td>At the national level, lack of social progress is commonly used. At the individual level, researchers argue that high PD individuals are more likely to accept and be more satisfied with their jobs and supervisors.</td>
<td>Studies assessing the effects of individual-level PD on subjective well-being and the mechanisms (e.g., self-esteem, experienced emotion, job control) for these effects would be useful. Also, how does PD influence the reactions of individuals to events or job characteristics that may increase well-being (e.g., job enrichment, autonomy, social support)? More attention should be given to the multiple pathways that influence one's overall well-being and how PD may affect each pathway (e.g., satisfaction with various domains of one's life).</td>
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<td>Attitude–behavior</td>
<td>Studies typically observe that PD attenuates the relation between employees' attitudes/perceptions and their behaviors. For example, PD attenuates the relations between perceived organizational support and job performance, commitment, and OCBs.</td>
<td>Reliance on authoritative leadership that creates a strong situation and lack of social exchange processes in high PD cultures likely explains these effects.</td>
<td>Research should continue to explore the factors that affect one's attitude formation and strength as a function of PD. In addition, research should explore how attitude–behavior relations may be affected by one's relative power in a relatively high PD society. More research is needed to understand why the job satisfaction–performance relation is not moderated when using the GLOBE or Hofstede conceptualizations (but it is moderated with other conceptualizations). Perhaps the theoretical mechanisms of situation strength and exchange processes should be probed more directly.</td>
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<td>Emotions</td>
<td>Agentic and often negative emotions are typically used by those with more power to reinforce the power hierarchy in high PD cultures. In general, emotional displays are also more scripted and controlled in high PD cultures. Employees in high PD cultures are less emotionally exhausted when display rules are explicit and monitored, indicating that they might appreciate such structure.</td>
<td>Reliance on authoritative leadership, preference for maintaining the status quo, and reinforcement of power structures are commonly used to explain the stricter and more defined rules for emotional expression in high PD cultures.</td>
<td>Future research could assess the role of PD on the experience and effects of discrete emotions on behaviors (e.g., motivation, job attitudes). For example, how does employee shame or guilt affect subsequent approach or avoid behaviors as a function of PD?</td>
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<td>Justice</td>
<td>The effects of justice perceptions on employee outcomes (e.g., deviance, trust, satisfaction, and performance) generally are weaker in higher PD cultures.</td>
<td>Reliance on authoritative leadership and fewer norms for morality are used to explain findings that PD attenuates justice–outcome relations.</td>
<td>Additional research that explores more types of justice (e.g., interactional justice) and its effects on different types of outcomes is needed. Furthermore, are the trickle-down effects of (in)justice in high PD cultures stronger due to increased mimicry of those with more power?</td>
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<td>Abusive supervision</td>
<td>Abusive supervision typically has less of a negative impact on employee attitudes and justice perceptions for those higher (versus lower) on PD. However, it may have a stronger effect for behaviors that can be mimicked.</td>
<td>Maintaining the status quo and reliance on authoritative leadership are used to support the notion that leader behaviors are less predictive of subordinate internal attitudes or perceptions in higher PD cultures. Social learning theory is used to support the findings that subordinates with high PD are more likely to mimic leaders (e.g., engage in more deviance behavior when supervisors are abusive).</td>
<td>Although one study suggests that followers will mimic their supervisors’ behaviors, additional research should explore the generalizability of this finding to other behaviors and targets. Additional research is needed to assess whether the behaviors deemed abusive differ as a function of PD.</td>
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<td>Leadership</td>
<td>Followers in different PD contexts prefer different leader behaviors and react differently to various leadership styles. Leaders in high PD cultures seem to engender more mimicry in followers because followers are more attentive to the behaviors of leaders. However, leadership styles like transformational leadership are less likely to positively impact follower outcomes in high PD cultures.</td>
<td>Do followers react differently to the various transformational leadership dimensions as a function of PD? For example, do followers respond to the more individualized components differently because of PD? Does LMX quality have weaker effects on employee-related criteria? How do employees react to newer leadership theories (e.g., servant leadership) that seem inconsistent with high PD values? Does the mimicry of leader behaviors in higher PD cultures result in positive or negative longer-term effects for the followers and the organization?</td>
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<td>Feedback/performance ratings</td>
<td>PD positively relates to feedback seeking from peers and negatively relates to feedback seeking from supervisors. In addition, high PD subordinates have been shown to inflate upward feedback more than those low on PD. Finally, research shows that in high PD cultures (versus low) the discrepancy between self-subordinate ratings is lower for overall performance but higher for decision-making skill.</td>
<td>Lack of upward feedback, leniency in upward feedback, and self-subordinate rating congruency are often explained by employees’ preference to maintain the status quo (e.g., social order) and the prevalence of clearer performance expectations in high PD cultures. Social distance arguments are often used to explain discrepancies of self-subordinate perceptions of more internal processes like decision-making skill.</td>
<td>Future research could assess how PD affects the relationship between feedback and subsequent behaviors (e.g., Are employees in high PD more likely to respond to feedback?). Does PD affect goal setting and resource allocation for performance development?</td>
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<td>HRM practices</td>
<td>Research generally shows that congruence between PD and HRM practices leads to favorable outcomes. For example, managers are more likely to use team-building exercises, invest in training, and employ autonomous work teams in low PD contexts.</td>
<td>The model of culture fit (Aycan, et al., 1999) is often used to explain how national culture trickles down to management practices.</td>
<td>Future research could explore how various HRM practices relate to organizational performance and productivity as a function of PD. In addition, more research is needed on interventions and HRM practices that are sensitive to those with high PD values given the recent focus on more empowering practices (e.g., 360 degree feedback, participative goal setting, and autonomous work teams). We call for more research on PD and HRM practices at the group and organizational levels, given the focus of HRM practices at these levels.</td>
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<td>Organizational innovation</td>
<td>New ideas, especially from lower levels of the organization, often do not get voiced or receive serious attention in high PD cultures because this threatens the social hierarchy of the organization. Also, subordinates are especially unlikely to present creative or new ideas when working in diverse groups consisting of members with different levels of seniority in high PD contexts.</td>
<td>Maintaining the status quo is used to understand why innovation is often less common in high PD cultures.</td>
<td>Future research should assess ways in which innovative ideas from those lower in the hierarchy can be heard by management in a way that does not violate social norms. Perhaps more anonymous suggestion forums could be useful.</td>
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<td>Venture creation</td>
<td>The majority of people are less likely to start new businesses in high PD cultures because it is seen as a venture for the elite.</td>
<td>Shared mental frameworks that maintain the status quo have been used to explain venture creation differences.</td>
<td>Future research could assess the conditions under which those with high PD feel confident to start a new business. Perhaps when there are government programs that support small businesses or venture creation specifically, PD has less of an effect.</td>
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<td>Ethics</td>
<td>Ethical violations are generally greater in high PD countries. However, people in high PD countries are more likely to engage in whistle-blowing that is external to the organization, likely because this bypasses the formal structure of the organization.</td>
<td>A lack of social progress and maintaining the status quo in high PD cultures means there are fewer checks and balances on those in power.</td>
<td>Future research could address whether people in high PD and high collectivistic cultures (given these two values covary) make unethical decisions that affect the people in one’s close social group. In other words, how will people behave with regard to ethics when their values for collectivism motivate them to benefit those around them but their values for PD give them more license to act unethically?</td>
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<td>CSR</td>
<td>Those high on PD are less likely to engage in CSR and are more likely to focus directly on the needs of shareholders.</td>
<td>The primary theory here is that managers are more accountable to direct shareholders than other members of the community.</td>
<td>Future research could broaden the range of prosocial behaviors assessed as an outcome of PD. This research could help reconcile discrepancies between research that shows that collectivists give more to charity but those high on PD engage in less CSR.</td>
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*Note: CSR = corporate social responsibility; HRM = human resource management; LMX = leader–member exchange; OCB = organizational citizenship behavior; PD = power distance.*
As noted above, one component of subjective well-being is satisfaction with important aspects of life, such as one’s job. Research suggests that the importance of determinants of job satisfaction differ based on power distance. For example, in countries with high power distance, intrinsic job characteristics (e.g., challenge, autonomy) are less strongly related to job satisfaction than extrinsic job characteristics (e.g., pay); the opposite is observed in countries characterized by smaller power distances (e.g., Huang & Van de Vliert, 2003). Furthermore, Taras et al.’s (2010) meta-analysis indicated that higher power distance was associated with higher ratings of job satisfaction and satisfaction with supervisor. This might be theoretically expected given that employees in high power distance cultures are likely to show deference to leaders and thereby accept and be more satisfied with their jobs as they are. Together, these data suggest that power distance may negatively relate to the subjective well-being of countries; however, at the individual level, power distance positively relates to several indicators of well-being like job satisfaction. More research is needed here to clarify these relations at multiple levels of analysis.

Though the relation between power distance and well-being typically has been assessed by comparing national mean differences, power distance’s relations with most other processes and phenomena have been explored in a more complex manner (e.g., moderated relations). As such, we review and discuss the more complex multivariate relations among power distance and outcomes in the sections that follow.

*Power distance and attitude–behavior relations.* There are several theoretical reasons to expect that higher power distance weakens the relations among employee job attitudes/perceptions and behaviors. First, those who value high power distance accept inequalities, prefer authoritative leaders, and show deference to their superiors, especially in terms of how employees should react to, or perform, their jobs (Ng, Sorenson, & Yim, 2009). This authoritative relationship creates a strong situation, and therefore job attitudes are less likely to influence behaviors. Second, many attitude–behavior relations are believed to result from exchange processes; such exchange processes are less representative of high power distance groups and societies. Specifically, Farh et al. (2007) argued that, in situations in which higher power distance is valued, individuals are less likely to rely on the norm of reciprocity when it comes to their behaviors and are less likely to develop personal relationships with their superiors because they prefer to maintain social distances. As such, the social exchanges inherent in attitude/perception–behavior relations are less likely in high power distance contexts. Taken together, individual attitude–behavior relations are theorized to be weaker for high power distance values than for low power distance values.

Empirical evidence largely supports the weakening of attitude–behavior relations when power distance is higher. For example, Farh et al. (2007) found that the relations between POS and job performance, commitment, and organizational citizenship behaviors were attenuated when power distance was higher. In addition, Ng et al. (2009) meta-analyzed the job satisfaction–job performance relation and found that the effect was weaker when power distance was higher when Schwartz’s (1994; i.e., hierarchy–egalitarianism) or Inglehart’s (1997; i.e., tradition) operationalizations were used but observed no difference in strength of the relation when the GLOBE (House et al., 2004) or Hofstede (1980) operationalizations were used. More research is needed to assess why or how different operationalizations of power distance may result in different findings. Additional support for the weakening of the
attitude/perception–behavior/attitude relations in higher power distance contexts is presented below in subsequent sections.

**Power distance and emotions.** Theoretically, the expression of negative emotions down the power hierarchy (e.g., from a superior to a subordinate) and the expression of positive emotions up the power hierarchy (e.g., from a subordinate to a superior) likely reinforce the power differentials in high-power situations. Matsumoto (1990) provides initial support for these propositions by showing that Japanese (higher on power distance) perceived the expression of anger toward people with less status to be more acceptable than did Americans (comparatively lower on power distance). Similarly, subordinate-directed insults, for example, result in less anger in high (rather than low) power distance societies because they are more expected and accepted when power is unequal (Bond, Wan, Leung, & Giacalone, 1985).

Additional research supports the role of emotions in reinforcing power differentials. For example, research on power suggests that those who display anger are perceived to be more dominant (Hareli, Shomrat, & Hess, 2009), competent, and of higher status than those who display sadness (Tiedens, 2001). Individuals with power also are more likely to express their felt emotions (Gibson & Schroeder, 2002), whereas those with less power are more likely to express unfelt positive emotions (Hecht & LaFrance, 1998). Related to this, Mondillon et al. (2005) argued that approach emotions (e.g., anger, pride) are dominant emotions that are typically associated with powerful people. In contrast, submissive emotions (e.g., fear, sadness) are associated with low-power individuals. Although much is known about the interplay between power and emotions in general, much less is known about how power distance affects emotions in organizational contexts.

Take, for example, display rules, which govern the expression of emotions in a given context. In an organizational context, Diefendorff and Greguras (2009) examined emotion display rules at work and observed that display rules differed based on the target’s position power (e.g., more control over the expression of emotions toward targets with more power). We are aware of only two studies, however, that directly compared work-display rules across cultures. Grandey, Rafaeli, Ravid, Wirtz, and Steiner (2010) found that in high power distance countries, display rules are more likely to require the suppression of anger with higher status targets than in low power distance countries. Similarly, Moran, Diefendorff, and Greguras (2013) compared work display rules in the United States and Singapore. Consistent with the above theorizing, Singaporeans (higher power distance) reported stronger rules for controlling the expression of anger than did Americans (lower in power distance).

Research also reveals that power distance affects the relations between display rules and employee outcomes. For example, Little, Nelson, Quade, and Ward (2011) showed that in a high power distance culture (i.e., India), higher levels of display rules in the workplace decreased emotional exhaustion. These findings are in contrast to research conducted in the United States (lower power distance) that observes that an increased supervisory focus on display rules positively relates to emotional exhaustion (Goldberg & Grandey, 2007). The authors argued that, in higher (rather than lower) power distance contexts, subordinates have a greater need for rules and rely more heavily on supervisors for directions and instructions (Hofstede, 1980). As such, the increased supervisory focus on display rules provided the desired instructions and structure, which allowed the employees to conserve resources resulting in less emotional exhaustion.
Research also shows that interpretations of others’ emotional displays by leaders vary as a function of one’s value regarding the role of power and status in relationships. For example, Sadri, Weber, and Gentry (2011) examined the relation between a leader’s ability to understand what others are feeling and leader effectiveness in 38 countries. They theorized that, in high power distance societies, the ability to understand what others are feeling is less important given that leaders are not expected to display empathy or recognize others’ emotions. However, in low power distance contexts, where decisions are more equal and participative, leaders’ abilities to be empathic are more important to their effectiveness. Results indicated that the relation between a leader’s ability to understand others’ feelings and leader performance was highest in high power distance societies, contrary to prediction. The authors speculated that, because the expectation is for leaders not to be empathic, when leaders in high power distance societies are, the results are more favorable.

**Power distance and justice.** Values affect what individuals view as being fair or unfair (Kim & Leung, 2007). Researchers have theorized different reasons for why power distance might moderate justice–outcome relations. For example, several researchers argue that, because of norms for morality, the relations among justice perceptions and outcomes are weakened for those higher (rather than lower) on power distance because they are less likely to question authority figures and their morality (e.g., Shao, Rupp, Skarlicki, & Jones, 2013). Similarly, Fischer and Smith (2006) expected the same moderating effect for power distance but argued that high power distance individuals are less likely to be affected by unfair treatment because they accept inequality and injustices.

Shao et al. (2013) meta-analyzed data from 495 samples examining justice–outcome relations and explored the moderating effects of cultural values. Results of their meta-analysis indicated power distance moderated 9 of the 15 examined relations among justice perceptions and outcomes. Specifically, power distance moderated the relations among organizational justice and negative behavior toward the organization (e.g., organizational deviance, theft), organizational identification, organizational trust, and work satisfaction. Power distance also moderated the relations among supervisory-focused justice and citizenship behaviors toward the supervisor, negative behavior directed toward the supervisor (e.g., aggression), supervisory trust, job performance, and quality of leader–member exchange. With two exceptions, higher power distance attenuated the relations between justice and outcomes. The two exceptions were that power distance positively moderated the relations between supervisory-focused justice and citizenship behaviors directed toward the supervisor, and of organizationally focused justice perceptions with negative behaviors targeting the organization. Shao et al. argued that these discrepant findings could be due to low sample size; however more research is needed to clarify this discrepancy.

Several recent studies also explored the moderating role of power distance in justice–outcome relations in more complex models. For example, in a moderated mediated model, Liu, Yang, and Nauta (2013) observed that power distance moderated the indirect effect of procedural justice on employee anxiety and depression through supervisor conflict for those low, but not high, on power distance. In addition, Loi, Lam, and Chan (2012) observed a three-way interaction such that ethical leadership interacted with procedural justice to negatively predict job insecurity such that this effect was stronger for those with higher ethical leadership. This interactive effect was especially strong for those lower on power distance.
Studies on justice and power distance with more complex models are needed as they more fully capture the complexity of value effects.

**Power distance and abusive supervision.** Primarily based on the principles of social exchange, most theorizing and research regarding the effects of abusive supervision suggest that subordinates will respond negatively to such supervision (e.g., Tepper, 2000, 2007). Specifically, when subordinates perceive their superiors to be abusive, their attitudes and behaviors are negatively influenced, likely in an attempt to restore justice (Tepper, 2000) or to restore a sense of autonomy (Wright & Brehm, 1982). However, as argued by Tepper (2007), abusive supervision may have less of a negative impact on employees higher (versus lower) on power distance orientation. Specifically, abusive treatment occurs more frequently in high power distance cultures, perhaps to reinforce power differentials (Hofstede, 1980), and therefore such treatment may be viewed as being more common and more expected in high power distance relationships (Tyler, Lind, & Huo, 2000). In addition, in high power distance relationships, employees are more dependent on their leaders for resources and guidance (Wang et al., 2012). As such, when the leader is abusive toward employees, not only may this be more expected, employees are less likely to retaliate or react negatively for fear of retaliation by those more powerful (Beugre, 1998). Alternatively, in lower power distance relationships, individuals are more sensitive to unfair or abusive supervision, are more likely to view such behavior as violating norms, and therefore are more likely to react negatively to abusive supervision. Consistent with these theoretical arguments, in a study conducted in China, Wang et al. (2012) observed that the effects of abusive supervision on workplace deviance were mediated by interactional justice. Furthermore, this mediated effect was moderated by power distance such that negative effects were weaker for individuals higher (rather than lower) on power distance orientation.

Although the above theoretical frameworks suggest that high power distance will weaken the relations between abusive supervision and employee negative reactions, Lian, Ferris, and Brown (2012) argued that power distance both mitigates and exacerbates the effects of abusive supervision depending on the particular outcome. Specifically, consistent with the above theorizing, they argued that the relations between abusive supervision and supervisory interpersonal justice would be mitigated by power distance such that those with higher power distance orientations would react less negatively (i.e., perceive supervisory interpersonal justice to be higher) to the abusive supervision. However, based on social learning theory (Bandura, 1971), they argued that high power distance–oriented individuals are more likely to view their supervisors as role models and therefore mimic their behaviors (i.e., act more interpersonally deviant) because they will view their superiors as someone from whom to learn. As such, high power distance will exacerbate the relation between abusive supervision when the outcome is interpersonal deviance. Results from three studies support these hypothesized exacerbated and mitigated effects of abusive supervision on employee perceptions and behaviors.

**Power distance and leadership.** Schaubroeck, Lam, and Cha (2007) argue that, with greater power distance, leaders have more influence on followers because followers defer to the leader, have greater respect for leaders, develop more formalized relationships, and internalize leader expectations to a greater extent. Alternatively, others (e.g., Javidan, Dorfman,
de Luque, & House, 2006) propose that due to the bureaucratic, distant nature of leader–follower relations in high power distance cultures, leadership styles that deviate from these types of relations are likely to have weaker effects on employees than observed in lower power distance cultures. Below, we review research pertaining to the effects of different leadership frameworks in high versus low power distance cultures.

Power distance affects how leaders and followers typically interact. For example, Tyler et al. (2000) observed that those with a lower power distance orientation value quality treatment from their leaders more than those with a higher power distance orientation (who value the favorability of their outcomes). Similarly, higher power distance employees prefer directive leaders and do not enjoy the same levels of favorable outcomes (e.g., job satisfaction) as those lower on power distance when their leaders break from simple, hierarchical leadership styles to which people high on power distance are accustomed. For example, when leaders delegate more responsibility and autonomy to subordinates, this has a significant positive impact on organization-based self-esteem and perceived insider status for those low on traditionality (a value conceptually similar to power distance), however this effect is attenuated for employees in cultures higher on traditionality (Chen & Aryee, 2007). As another example, those higher on power distance are less likely to exercise autonomous self-leadership, indicating that they likely prefer to have clear roles dictated to them (Alves et al., 2006). As such, this research suggests that the most favorable outcomes may result when leadership styles match the norms or preferences of one’s power distance orientation. When leadership styles match preferences, higher quality relations likely develop and potentially predict different criteria as a function of power distance. For example, trust in one’s leader relates more strongly to the perceived quality of leader–member exchange (LMX) for those low on PD. In addition, high LMX quality is used as a type of “credit” in lower power distance societies leading to more freedom to speak up and exercise voice when things go wrong (Botero & Van Dyne, 2009). However, in higher power distance societies, high quality LMX relationships lead to less voice behavior because subordinates in high quality relationships defer to their leaders, consistent with their high power distance value (see also Madzar, 2005, for similar results with transformational leadership).

One important leadership style that has received a lot of attention in the literature is transformational leadership (Bass, 1985). Transformational leaders individually consider, charismatically influence, inspirationally motivate, and intellectually stimulate their followers (Bass & Avolio, 2004). This prototype of a transformational leader, however, likely is in contrast to typical leadership styles in high power distance societies. Those who value power distance typically expect leaders to adhere to a centralized structure, rely on formal rules, and consult subordinates less frequently than those in low power distance societies (Smith, Peterson, & Schwartz, 2002). Given this, Kirkman et al. (2009) argue that the intellectual stimulation component challenges followers to rethink how they work, which can cause ambiguity or suspicion in high power distance followers because they prefer to be directed and not to challenge the status quo. Indeed, their findings indicate that there is a weaker positive relation between transformational leadership and procedural justice perceptions for higher power distance followers. The reduced effectiveness of transformational leadership for those high on power distance was also found by Spreitzer, Perttula, and Xin (2005). In particular, the more task-oriented dimensions of transformational leadership (e.g., articulates vision or intellectually stimulates) were not as strongly related to effectiveness in
low compared to high power distance contexts. This could be because those high on power distance expect more task-oriented leaders and thus are not as impressed when they behave as such.

There also is evidence that power distance exacerbates some of the effects of transformational leadership. According to Schaubroeck et al. (2007), transformational leaders have a stronger effect on team potency, or generalized beliefs about the effectiveness of a team across contexts, when power distance is high. At first thought, this finding appears to contradict the research cited above because, in this study, transformational leadership has a stronger effect for those with high power distance values. However, it is likely that this effect is due to increased subordinate mimicry of supervisors in high power distance cultures, where workers rely more heavily on their supervisors for guidance and modeling (similar to research reviewed above on abusive supervision; Lian et al., 2012). Indeed, employees are more likely to mimic the transformational leadership behaviors of one’s supervisor in high power distance cultures (vs. low power distance cultures; Yang, Zhang, & Tsui, 2010). Similarly, Earley (1999) also found that, at the group level, deliberating while making collective efficacy and performance judgments in high power distance cultures leads the group to more closely mimic the individual judgments of high status members. In low power distance cultures, however, it seems that all members contribute equally to such collective judgments. Interestingly, this mimicry does not seem to work for more personal, internal attitudes. For example, organizational commitment of the supervisor is less positively related to the organizational commitment of the follower when follower power distance is higher (Loi, Lai, & Lam, 2012). Thus, it appears that in high power distance cultures, subordinates are more willing to model their supervisor’s behavior; however, they either (a) are not privy to such internal attitudes of those with higher status or (b) are less willing to internalize higher status individuals’ attitudes.

**Power distance, feedback, and performance ratings.** Given the increased use of multi-source feedback (MSF) systems (Fletcher, 2001), researchers have considered how these systems work in cultures that have very clear roles for different members of the hierarchy (i.e., high power distance). In high power distance cultures, power is centralized and so too is performance feedback (Fletcher & Perry, 2001). Thus, in high power distance cultures, both subordinates and supervisors likely feel a level of discomfort with upward feedback as it may be perceived as both unnecessary and perhaps disrespectful to the supervisor (Varela & Premeaux, 2008). As such, research demonstrates that upward feedback in high power distance contexts tends to be more lenient (Ng, Koh, Ang, Kennedy, & Chan, 2011), positive (Varela & Premeaux, 2008), and respectful (Bond et al., 1985) so as not to insult superiors because it leads to loss of face, thereby threatening social order and the power hierarchy.

Some researchers theorize that those low on power distance are more likely to approach leaders and ask for feedback (de Luque & Sommer, 2000), whereas those high on power distance should feel more hesitant to initiate interactions with leaders and to solicit their feedback. Consistent with this view, Morrison, Chen, and Salgado (2004) found that newcomer employees in Hong Kong (high power distance) reported less feedback seeking than their American (low power distance) counterparts. The authors also tested and found individual-level power distance values mediated the country–feedback seeking relation. Related, research shows that power distance positively relates to the propensity of students to seek
feedback from peers rather than leaders (Hwang & Francesco, 2010). These results are similar for leaders as well. For example, supervisors in high power distance cultures are less likely to seek feedback from subordinates (Millman, Taylor, & Czaplewski, 2002) and are less likely to accept subordinate feedback (Fletcher & Perry, 2001) as both may be viewed as a sign of weakness. Given this, it is not surprising that high power distance leaders are less likely to benefit from MSF (e.g., reduced tension) compared to their low power distance colleagues (Shipper, Hoffman, & Rotundo, 2007).

Rating discrepancies often are investigated in MSF systems. Research indicates that self-subordinate ratings of decision-making skill are more discrepant in high (versus low) power distance cultures (Eckert, Ekelund, Gentry, & Dawson, 2010) likely because subordinates have little information about their supervisors’ decision-making skills. However, other research indicates that the relationship between self and subordinate ratings of overall leadership is higher in high power distance cultures (Atwater, Wang, Smither, & Fleenor, 2009). The authors posit that this could be due to clearer expectations in high power distance cultures, which influence ratings of effectiveness to be more congruent. Thus, perhaps subordinates have some insight into overall leadership effectiveness (i.e., less discrepancy in high power distance cultures) but not specifically decision-making processes that are more internal (i.e., more discrepancy in high power distance cultures). This is consistent with the idea discussed above that high power distance followers may not be able to mimic more internal processes.

Theoretical integration of micro-level studies. Our review of the literature identified many common theoretical frameworks used to theorize about, and interpret, the effects of power distance on individuals in organizations. Specifically, researchers typically have discussed theoretical frameworks pertaining to social exchange, social distance, strength of situations, reliance on authoritative leadership, social learning/mimicking, preferences for maintaining the status quo, and norms for morality. To summarize, although several different theoretical frameworks have been used to examine the effects of power distance at the individual level, many of these frameworks pertain to how power affects the exchange relationships between individuals and how such relationships reinforce the power structures. See Table 1 for a general breakdown of the mechanisms typically used in the research areas discussed above. Future research should continue to test these theoretical mechanisms explicitly to better understand how power distance affects these processes and also to clarify contradictory findings (e.g., the relationship between power distance and well-being at different levels of analysis).

Power Distance Macro-Level Outcomes

Though the vast majority of organizational research involving power distance has been conducted at the individual level, there is some research that takes a more macro perspective. We next review studies relating power distance to more macro-level phenomena.

Human resource management (HRM) practices. Values likely affect HRM practices both directly (e.g., legal requirements) and indirectly (e.g., through leader and behaviors). For example, Aycan, Kanungo, and Sinha (1999) proposed the model of culture fit, in which
national cultures affect managers’ values and assumptions about employees, which, in turn, affect what HRM practices are seen as important and implemented. In support of this basic model, Aycan et al. (1999) found that higher power distance (India compared to Canada) related to less enriched jobs through managers’ beliefs that their employees were more reactive than proactive. In an extension across 10 countries, Aycan et al. (2000) observed that managers from high power distance societies believed their employees were more reactive rather than proactive; therefore, they were less likely to empower their employees or enrich their jobs. Whereas Aycan et al.’s (1999) model of culture fit proposes how cultural factors predict HRM practices, Robert, Probst, Martocchio, Drasgow, and Lawler (2000) proposed a model in which HRM practices interact with cultural values to affect employees’ attitudes and behaviors. As such, some HRM practices that are beneficial in some cultures may be detrimental in others.

Implicit in the model of culture fit (Aycan et al., 1999) and Robert et al.’s (2000) model is the assumption that congruence between cultural values and HRM practices translates into positive employee and organizational outcomes. HRM practices that are consistent with societal and worker values likely translate into higher performance because they convey cultural sensitivity, decrease employees’ discomfort and distractions, and allow employees to behave and be rewarded consistently with their behavioral preferences and norms (Schuler & Rogovsky, 1998). Supporting the importance of matching HRM practices to values, Newman and Nollen (1996) examined 176 work units in 18 European and Asian countries and observed that managerial practices that fit the country’s power distance values resulted in increased profitability (e.g., sales). More specifically, in low power distance cultures, performance was higher when employees participated in decisions; however, in high power distance cultures, performance was higher when they were less participative in decisions. Newman and Nollen argued that participation in high power distance contexts is viewed with distrust, fear, and disrespect, and therefore managers are viewed as being weak and incompetent. Below we review power distance and its relations to additional HRM practices.

Power distance influences performance management and personnel selection systems. For example, Peretz and Fried (2012) examined the influence of power distance on performance appraisal practices across 21 countries. As noted above as well, they observed that power distance negatively correlated with the number of rating sources used in appraisals. Furthermore, power distance interacted with the number of rating sources used in appraisals to predict absenteeism (but not turnover) such that, in low power distance societies, absenteeism was lower for organizations who used more rating sources. Chiang and Birch (2010) found that multiple-source appraisal systems were more likely in lower power distance countries and observed some support for the hypothesis that trust in the appraisal process is higher in low power distance contexts. Similarly, studies indicate the use of selection methods and practices (e.g., the use of cognitive ability testing) differs slightly across countries (e.g., Clark, 1993). For example, Ryan, McFarland, Baron, and Page (1999) found that high power distance countries were less likely to have peers interview job candidates. However, Steiner (2012: 753) found relatively few differences in selection methods across countries that were due to cultural variables. In fact, he pointed to other noncultural factors that seem to be more predictive, stating, “The Constraining nature of personnel selection in large organizations, economic factors, and common practices likely dampen the potential impact of cultural dimensions on these practices.”
In addition to performance appraisal and some selection systems, power distance affects various other HRM practices. For example, Jaeger (1986) argued that team building exercises will not work in high power distance cultures because teams typically consist of people from various levels of the organization and this would violate the norms and result in employees feeling uncomfortable. Peretz and Rosenblatt (2011) showed that, because higher power distance societies value inequalities, managers or organizations high on power distance will invest less in training which may improve employees’ skills and thereby decrease a superior’s competitive advantage. Raghuram, London, and Larsen (2001) observed that power distance positively related to acceptance of work shifts (because high power distance employees simply accept such assignments) and negatively related to part-time work (because this limits the amount of control and supervision of the supervisor). In another study, Ollo-López, Bayo-Moriones, and Larraza-Kintana (2011) observed that power distance was negatively related to the use of autonomous work teams, job autonomy, and upward communication. With respect to compensation, Schuler and Rogovsky (1998) investigated company compensation systems and found that, in lower power distance cultures, the use of stock options and shares were more likely than in higher power distance contexts. Finally, several studies investigated employee empowerment, participation, and job enrichment and generally found that these HRM practices are either more accepted or relate to more favorable employee outcomes in low power distance cultures (e.g., Chow, Lo, Sha, & Hong, 2006; Drach-Zahavy, 2004; Huang, Van de Vliert, & Van der Vegt, 2005; Humborstad, Humborstad, Whitfield, & Perry, 2008; Liu, Wang, Hui, & Lee, 2012; Singh & Mohanty, 2011; Zhang & Begley, 2011).

Other macro outcomes. With regard to organizational innovation, Rinne, Steel, and Fair-weather (2012) found that power distance negatively related to national-level innovation. The authors argued that power distance negatively relates to innovation because innovation often is driven by members in lower levels of the organization, which might threaten the social hierarchy, thus making it more difficult for those in high power distance cultures to innovate without offending those with greater status. With regard to how innovative ideas are brought about, Shane, Venkataraman, and MacMillan (1995) found that in high power distance societies, people prefer to champion an idea to upper management to gain support first, whereas in low power distance cultures people are more likely to first build a base of support from lower-level members, which might slow down the innovative process. In addition, Van der Vegt, Van de Vliert, and Huang (2005) found that organizations with diverse organizational tenure and functional backgrounds were more likely to develop an innovative organizational climate in low power distance cultures but less likely in high power distance cultures. This is likely because individuals with different levels of status are unlikely to work together and differing opinions by subordinates are less likely to be voiced, leading to less creativity and innovation in higher power distance cultures. Similar to innovation, Mitchell et al. (2000) found that entrepreneurs are less likely to start a new business in high (versus low) power distance cultures. These authors argued that individuals in high power distance cultures likely feel that starting new businesses is a venture of the elite and powerful and thus do not have the same mental frameworks that allow them to be receptive to the idea or to use their skills and knowledge to carry out the necessary tasks to start a new business.

Several studies assess ethical issues and power distance at a macro level. For example, Fine (2010) found that power distance at the national level negatively correlates with
national-level measures of integrity and corruption. Similarly, human development of a country (the ability of a nation’s people to lead full and productive lives) negatively relates to corruption, and this effect is stronger for those lower on power distance (Sims, Gong, & Ruppel, 2012). This could be because human development affords people with low status the opportunity to speak out and protest against corruption, but this is less likely when the cultural value of power distance is present, which prevents people from challenging authority. In addition, there is evidence that high power distance cultures are more susceptible to bribery in business transactions (Baughn, Bodie, Buchanan, & Bixby, 2010) and rank lower on a host of other ethical indicators (e.g., care for the environment, human rights; Scholten & Dam, 2007). These authors propose several potential reasons for these findings including that the abuse of power is probably more acceptable in a culture where there are few checks and balances on those with power. Lastly, one study found some support for the notion that internal reporting of ethics violations is more likely for those low on power distance, given that it is less taboo to air grievances with superiors (MacNab et al., 2007). However, contrary to their hypothesis, they found that those high on power distance were more likely to engage in whistle-blowing, as this is external to the organization and perhaps a more acceptable way to voice problems without going through the formalized hierarchy of one’s organization.

In addition, corporate social responsibility (CSR) is perceived to be less compatible with economic responsibility in high power distance cultures because a manager’s need to maximize shareholder value likely trumps the needs of other stakeholders (Usunier, Furrer, & Furrer-Perrinjaquet, 2011). Hu and Wang (2009) found that employees from high power distance countries rate the importance of CSR lowly, yet they rate their performance on CSR fairly highly. Their study, which focused on a Taiwanese retail company, may be indicative of managers honoring the wishes of top management to focus on CSR, even if they do not personally find CSR that important. Similarly, Chan and Cheung (2008) found that power distance negatively relates to corporate governance, or the degree to which a company works on behalf of all shareholders (e.g., the general public).

*Theoretical integration of macro-level studies.* Macro-level theoretical mechanisms used in this domain include lack of social progress, shared mental frameworks that maintain the status quo, and decreased accountability. For example, decreased accountability is one reason why corruption is more prevalent in high power distance countries. In addition, a respect for those in power and a shared desire to maintain the status quo are used to explain why there is less innovation and venture creation in higher power distance cultures. More theories and studies at the macro level are needed to better understand how power distance affects groups, organizations, and countries.

**Limitations and Future Directions**

Since Hofstede’s (1980) landmark book, there has been considerable progress in understanding how cultural values affect organizations and the people therein. As demonstrated throughout our review, it is apparent that power distance has pervasive effects across individual, group, and societal phenomena. Though much is known about power distance, as discussed below, we believe there remains many unexplored or underexplored areas in which power distance likely plays an important role for employees, workgroups, and organizations.
Measurement

We suggest that more research should assess the differing effects of measuring cultural practices/values as they “are” or as they “should be” (House et al., 2004). This distinction raises a variety of interesting research questions and could help shed light on discrepant findings in the literature. For example, are more people-oriented leaders in high power distance societies perceived negatively because they are breaking norms (the “as it should be” perspective), or are they perceived positively precisely because these behaviors are appreciated but not commonly seen (the “as is” perspective)? For what type of person is the “should be” more important than the “as is,” and vice versa? Does the difference between one’s “should be” and “as is” predict important criteria?

Other measurement issues that are important to consider in cross-cultural research are measurement equivalence and response sets. Without establishing the measurement equivalence of scales, observed differences between groups (e.g., nations) could result because of differences in the meaning or importance of the items/scales that were being used to assess those constructs. A recent article by Carter et al. (2012) found substantial nonequivalence in several scales measuring organizational culture when comparing the United States to surveys administered in 14 different countries; in fact, only the comparison to the United Kingdom showed a negligible amount of noninvariance. This is likely to be less of a problem for individual-level studies given the natural variance within each country. In addition, there is research to suggest that cultural groups differ on their propensity to choose certain response options on self-report scales. For example, those higher on power distance are more likely to exhibit an acquiescence bias (i.e., the tendency to agree with items) for personally relevant items (Smith, 2004) or use extreme ends of the scale (Johnson, Kulesa, Cho, & Shavitt, 2005). Thus, future research should continue to explore ways to reduce such culture-specific response set tendencies.

Multilevel and Multivalue Perspectives

As noted above, we found some cases of improper considerations of levels of analysis in power distance research. However, a majority of studies avoided these problems by operationalizing their variables at only one level of analysis. This is consistent with Tsui et al. (2007), who found that 96% of the studies in their review were conducted at a single level (either nation, group, or individual). It is surprising, however, that more cross-cultural studies do not use cross-level models given the fact that culture is essentially an ecological variable with important individual implications (e.g., Leung, Bhagat, Buchan, Erez, & Gibson, 2005; Tsui et al., 2007). Given the advances in multilevel theory (Klein & Kozlowski, 2000) and analytic techniques (e.g., HLM), we call for more research on power distance to use cross-level designs. Such cross-level models create possibilities for unique hypothesis testing that can better model the complexities of culture and may also help to reconcile previous inconsistent findings across levels. Multilevel considerations seem to be especially important for the construct of power distance given that assessing power distance at high levels (e.g., the organizational level) is more likely to include people with a lot of power than when it is assessed at low levels (e.g., the group level). Given that one’s experiences regarding the power distance value are by definition very different depending on whether one has power/status or not, we believe that multilevel considerations are important to drive effective theory building and research in the power distance literature.
Finally, future research should consider the simultaneous and interactive effects of multiple values. For example, when controlling for the other values, would the above-discussed relations remain? Given that power distance and collectivism initially were not factorially distinct (Hofstede, 1980), it would be informative for studies to assess their relative importance simultaneously, especially because the theoretical mechanisms associated with each value are quite different. The interaction of cultural variables would also be interesting to consider. For example, would the negative relations between power distance and well-being (or other outcomes) vary as a function of future orientation? Does power distance interact with individualism to predict leader effectiveness?

**Underdeveloped Substantive Topics for Future Research**

We call for a better understanding of the role of power distance in several understudied domains. For example, there is a dearth of research on the role of power distance in negotiations. Given the increased prevalence of multinational corporations, negotiations are likely to involve members of cultures with very different power distance values. This is especially important when one person has some degree of power over the negotiation partner. For example, Chang (2012) found that those lower on power distance (Burmese Chinese) were more likely to use negotiation styles in line with collaboration, accommodation, and withdrawal than those higher on power distance (Taiwanese). With regard to ethics in negotiations, Al-Khatib, Malshe, Sailors, and Clark (2011) observed that Belgians (relatively higher than Americans on power distance) were more deceitful, relativistic, and opportunistic than Americans in negotiation scenarios. They argued that power distance gave these negotiators more of a license to act in self-interested ways because they perceive unequal distributions of power. Interestingly, Hofstede, Jonker, and Verwaart (2012) argue that negotiation is rarer in high power distance cultures. Instead, the party with the most power simply dictates the outcome. Thus, negotiators from high power distance cultures expect a lower-ranked partner to accept the terms offered rather quickly. This is unlikely to happen when the partner has power and is also from a high power distance culture, which may result in conflict. More research is needed to understand how power differentials and power distance values interact to predict negotiation outcomes.

Another interesting area for future research is humility in leadership. Owens and Hekman (2012) define humble leadership as that which highlights the strengths of others, models teachability, and acknowledges one’s personal limitations. Interestingly, these dimensions do not seem to fit with high power distance values. For example, Morris, Brotheridge, and Urbanski (2005: 1342) posit that “leaders with high levels of humility are more likely to encourage employee participation and involvement than their counterparts.” Thus, leader humility is inherently a process whereby leaders break down hierarchical boundaries to work closely with subordinates. Future research should consider the utility of humble leadership in the context of power distance values. There is some initial qualitative evidence to suggest that in a more hierarchically structured context (e.g., the military), leader humility is less common because it can be risky and does not fit with the top-down culture (Owens & Hekman, 2012). However, given that it is less common, it may lead to better employee outcomes because it is not expected.
Conclusion

Recent global and organizational trends (e.g., increased use of multicultural teams) make understanding differences in cultural and individual values ever more important for employee and organizational well-being and effectiveness. Our goals of this review were to organize the existing empirical research, discuss the theoretical rationale linking power distance to outcomes, and encourage future research in this area. We find it encouraging that research attention is increasing in this area, especially given the strong effects that power distance has on such topics as well-being, abusive supervision, and corruption. We hope that this review will encourage future research while considering some of the serious theoretical, statistical, and measurement-related issues that have plagued this line of enquiry and perhaps stunted its true explanatory potential.

References


