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GLOBALIZATION AND INDICATORS OF UNCERTAINTY

Matjaž Škabar¹

Abstract
The aim of this research is to explore the influence of culture, which understood in a broader sense, as focused towards the uncertainties in modern societies. Using theory and empirical data, we will determine the logic and dynamics of changes and the attitude towards changes and uncertainties in modern societies. This article, based on a theoretical thesis, empirically tests the correlation between the index of globalization and different indicators of individualism, as well as the attitude towards uncertainty and reflectiveness. We managed to prove the correlation between the globalization index and indicators of individualism. However, when we look at the links between the indicators of uncertainty and reflexivity, the correlations prove to be complex and inconsistent.

Keywords: globalisation, uncertainty, indicators

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Introduction
Flexibility, the ability to coordinate and adapt to changes, whether they are continuous or discontinuous, is becoming an important aspect of our everyday life. This change must be embraced by societies as a whole, as well as by organizations and individuals. Changes (and related crises) occur on all levels and consequently have an effect on social changes on the macro, mezzo and micro levels of society. Even if changes have become a constant and a rule in these times of upheaval that we live in, this does not mean that experiencing them has become any less risky and painful. They require giving up and surmounting some obsolete ideas, related behaviours, norms and methods of assessing social reality.

It is also becoming obvious that there is no single or permanent way of dealing with problems and challenges that arise in modern societies. Clearly, there cannot be just one, superior (permanent) way of dealing

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with problems and challenges, as solutions are contextually conditional and variable. The ability "to redefine" is becoming increasingly important. It has already replaced the paradigm of the established mind-set, as well as the one of organizing and planning in the sense of the best course of action. All of this is linked to uncertainty about the present and future and confusion surrounding the consequences of the decisions we take.

The purpose of this article is to research the logic and dynamics of changes and the attitude towards uncertainty in modern societies. Based on the analysis of a relevant literature (see Drucker 1987, 1992, 1993, 1997, 1999, 2001; Luhmann 1996a; Giddens 2002; Wallerstein 2004; Habermas 2005; Bauman 2001, 2007, 2008; Beck 2009, 2012; Latouche 2009; Castells 2010; etc.), we believe that a pragmatic breach occurred in people's attitude towards uncertainty and that the understanding of this processes is essential for understanding and addressing different "crises", with which we have been faced with in the last decade.

**Research Methodology**

The purpose of this article is to research the logic and dynamics of changes and relation toward changes and uncertainty in modern societies. Based on relevant literature, we assume that a pragmatic breach has occurred and that understanding of these processes presents a key to their understanding and addressing various "crisis situations" with which we have been faced with in the last decade.

For the purpose of this research we calculated correlation coefficients and conducted a linear regression analysis for the chosen variables. Because the majority of data on selected values was collected in an earlier period – in the 1990s and between the years of 2005 and 2008, we decided - for the purpose of the analysis and also because of time proximity - to use the data from 2005 for the globalization index. An additional reason for the selection of this year is the temporal proximity of the knowledge society index that was also measured in 2005.
Research Results

The connection between indicators of individualism and the KOF Index of Globalization

Table 1 shows the correlation coefficients of different indicators of individualism in connection with the globalization index.

Table 1: Correlation coefficients – connection between indicators of individualism and KOF index of globalization.

<table>
<thead>
<tr>
<th></th>
<th>Index of globalization 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualism (Hofstede)</td>
<td>0,684</td>
</tr>
<tr>
<td>Exclusionism (Minkov)</td>
<td>−0,829</td>
</tr>
<tr>
<td>Society institutional individualism – &quot;as it is&quot; (GLOBE)</td>
<td>0,114</td>
</tr>
<tr>
<td>Society institutional individualism – &quot;as it should be&quot; (GLOBE)</td>
<td>−0,260</td>
</tr>
<tr>
<td>&quot;In-group&quot; collectivism – &quot;as it is&quot; (GLOBE)</td>
<td>−0,628</td>
</tr>
<tr>
<td>&quot;In-group&quot; collectivism – &quot;as it should be&quot; (GLOBE)</td>
<td>−0,177</td>
</tr>
</tbody>
</table>

The strongest connection is shared between the exclusionism index and the globalization index, and in this case we can observe a negative connection.\(^1\) The globalization index shares a positive connection with Hofstede's individualism index. The correlation between the globalization index and social institutional collectivism is negative, but low, the same connection is also shared between the assessments of ideal state of "in-group collectivism" index. An average but negative correlation can be observed when we assess the index of the ideal state of "in-group" collectivism.

\(^1\) To determine the connection strength between variables we used the scale of the coefficient's value, namely: Value of coefficient → strength of connection: 0,00 → no connection; 0,01-0,19 → insignificant connection; 0,20-0,39 → low/weak connection; 0,40-0,69 → moderate/average connection; 0,70-0,89 → high/strong connection; 0,90-0,99 → very high/very strong connection; 1,00 → full (functional) integration.
The p-value is low \( (p = 2.39 \times 10^{-10}) \), based on its level we can assume that changes of the independent variable are linked to changes of the dependent variable. As we can make out from the regression equation \( y = kx + n \)\(^1\), the globalization index rises in correlation with the increase of the individualism index, where \( k = 0.4453 \). Variability around the trend line is not entirely the same, allowing us to talk about heteroscedasticity. This means that values don't vary around the regression line with constant variance. The model estimates that when the value of the individualization index equals 0, the globalization index reaches the value of 48,824. This presents an extrapolation of the selected values, because the lowest individualism index value is 6.

The p-value is low \( (p = 8.25 \times 10^{-18}) \), and based on its level we can assume that changes of the independent variable are connected to changes of the dependent variable. As we can make out from the regression equation \( y = kx + n \), the globalization index decreases in correlation with the increase of the monumentalism index, where \( k = -0.454 \). Variability around the trend line is not entirely the same, and because of this we can talk about heteroscedasticity, which means that values don't vary around the regression line with constant variance. The model estimates that at the monumentalism index with the value of 0, the value of the globalization index reaches 90,504.

The Connection Between the KOF-Index of Globalization and Indicators of the Attitude Towards Uncertainty

The calculation of the correlation coefficient of connectivity between the Y variable (KOF-index of globalization 2005) and X variables:

- Uncertainty avoidance (Hofstede, 2005) – \( n = 79 \),
- Uncertainty avoidance (GLOBE Project, 2004) – \( n = 54 \),
- Neuroticism (McRea, 2005) – \( n = 45 \)

\(^1\) In this case, \( k \) and \( n \) are random real numbers that represent a linear function. The number \( n \) denotes the intersection between the graph and the ordinate axis (the interception on the Y axis). The number \( k \) corresponds to the direction of the line, therefore it is referred to as the slope of the line.
The connection between the index of globalization and Hofstede's uncertainty index with its value close to 0, and a high p value ($p = 0.984317$), which is higher than the risk level $\alpha = 0.05$, is an interesting finding. This means that the differences in average value samples are not statistically typical; we can also say that they are insignificant. The GLOBE project research team which consisted of Hofstede and other researchers, had given the uncertainty index the same name, but they obviously measured something else – because in both cases we come across the correlation with the globalization index. In the case of the uncertainty avoidance index which describes factual checks, this connection is relatively strong and positive; meanwhile, the ideal state, connected with uncertainty avoidance, presents a stronger, but negative connection. In both cases, the p-value is lower than the risk level $\alpha = 0.05$ (in the first case $p = 0.000168$ and in the second $p = 1.43 \times 10^{-40}$), which means that the differences in average value samples are statistically typical. We can observe a similar case in the correlation between the neuroticism index and the globalization index from 2005, where correlation is observed at a 0.05 level, and we can observe just a weak connection. For the purpose of more transparent conclusions about potential influences, we carried out a regression analysis for variables, between which we discovered a moderate connection.

As we can see from the regression equation ($y = kx + n$), the globalization index increases in correlation with the increase of uncertainty avoidance index "as it is", where $k = 0.1154$. Variability around the trend line is not exactly the same, and because of this we can talk about heteroscedastics, which means that values don't vary around the regression line with constant variation. The model estimates
that at index value 0 of the uncertainty avoidance index, the value of the globalization index is 21.14.

We can see from the regression equation \( y = kx + n \) that the globalization index decreases in correlation with the increase of the uncertainty avoidance index, which describes the desired, ideal state – "as it should be", where \( k = -0.1741 \). The model estimates that at 0 value of uncertainty avoidance index "as it should be", the globalization index value is 149.27.

Table 3 shows the correlation between KOF index of globalization and indicators of reflexion. Calculation of correlation coefficient of connection between Y variable (KOF index of globalization 2005) and variables X: Secular-rational vs. traditional values (Inglehart in Baker, 2000) – \( n = 47 \), Self-expression values vs. survival values (Inglehart in Baker, 2000) – \( n = 47 \), Monumentalism (Minkov, 2011) – \( n = 43 \)

Table 3: Correlation coefficients – connection between reflexiveness indicators and the KOF-index of globalization

<table>
<thead>
<tr>
<th>Index of globalization 2005</th>
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<tbody>
<tr>
<td>Secular vs. traditional values</td>
</tr>
<tr>
<td>Self-expression vs. survival values</td>
</tr>
<tr>
<td>Monumentalism</td>
</tr>
</tbody>
</table>

*Correlations are common at a 0.05 rate.

This time, all three dimensions are connected to the index of globalization. However, the connection between them is not particularly strong. Therefore, we can classify them as moderate correlations. The strongest connection is presented between the index of globalization and the level of self-expression values, and to a lesser extent the presence of secular values – however, both connections are positive. Connection between monumentalism and the index of globalization is also mild, but the connection is negative. We conducted a regression analysis of all considered variables for a better conclusion of potential influences.

The p-value is low (\( p = 0.000492 \)); it may therefore be concluded that the change in independent variables affects the dependent variables. As we can observe from the regression equation \( y = kx + n \), the index of
globalization increases with the enhancement of secular-traditional values, where \( k = 0.0821 \). The model estimates that when the value of the X axis is 0, the index of globalization reaches the value of 67.29.

The p-value is low \( (p = 5.31 \times 10^{-7}) \). As we can observe from the regression equation \( y = kx + n \), the index of globalization increases with the enhancement of self-expression values, where \( k = 0.0923 \). The model estimates that at the value 0 of X variable, the index of globalization reaches the value of 64.044.

The analysis also revealed a negative connection between the index of globalization and the monumentalism index. The p-value is low \( (p = 0.00721) \). As observed from the regression equation \( y = kx + n \), the index of globalization decreases with the increase of monumentalism, where \( k = -0.0261 \). The model estimates that at the value 0 of the X variable, the index of globalization reaches the value of 78.339.

Discussion

Connections between some of the addressed patterns of national cultures can be observed (e.g. between variables that express values or stereotypes, assessments of the situation or the idealized full picture), but not between all of them. However, not all connections are particularly strong (with the exception of the exclusionism index), and we can place them into the category of average or mild connection.

The strongest connections and effects were observed in the analysis of individualism indicators. The strong negative correlation possibly indicates that the dimension of exclusiveness vs. universality has an important effect on the level of globalization in society. Be observed that societies, where "inner group cohesion is more present, and individuals from a specific group, which they are part of, enjoy privileged treatment, nepotism is also included. However, at the same time, a discriminatory attitude can be observed towards people who are not members of a specific group and are excluded from the circles that deserve a special treatment" (Minkov 2013, p. 381) are not as present in global trends. On the other hand, societies where a higher level of universalism is more common, and where "some universal principles in relation to people are valorised and discrimination and nepotism on the basis of group origin are refused" (Minkov 2013, p. 381), are more included and active in global trends, which are measured using the KOF-index of globalization.

Yet another indicator supports these findings – "in-group" collectivism. According to the scientists who constructed it, this indicator demonstrates the level, to which individuals show their pride, loyalty and
cohesiveness towards organizations or families to which they belong. The data analysis shows that the societies where "in-group" collectivism is more present, are less included in global trends than societies where the estimated level of "in-group" collectivism in not so high. It is interesting that the desired state ("as it should be") concerning this phenomenon does not affect the inclusion in global trends.

Based on the findings above, the following thesis may be put forth: in the case of this indicator, the state of affairs (what actually exists in reality) is more important than the wishes. Wishes referring to the future do not necessarily indicate that the society will move in that direction, and at this point we have to set out a particular and important point when we talk about wishes: it is possible, that in societies with a higher level of exclusivism, the projection of desired states functions in an "in-group" manner.

Hofstede's index of individualism, which was used in this analysis, reveals, that the focus on an individual, a so called value orientation, where people see and define themselves as individuals, is positively connected to social participance in global trends. Further research should involve group analysis and the determination of specific characteristics of potential interest groups.

Although the results of indicators of individualism and globalization index analysis are clear, this is not the case with the interpretation of indicators of relation towards uncertainty. At first, we are faced with an insignificant connection between Hofstede's index of uncertainty avoidance and the index of globalization. It was assumed that the connection exists. It was also assumed that societies with a lower level of uncertainty avoidance are more included in global trends (inclusion in this vast, open, unpredictable and insecure world). But the results show that experiencing stress in a workplace, strictly following organizations’ rules, as well as an individual’s long/short term intention to stay and work in an organization, which Hofstede measured in his avoidance dimension, has almost no connection to the index of globalization. We can observe similar results with a weak correlation in the case of neuroticism – so a higher level of "anxiety, angry hostility, depression, confidence, impulsiveness and vulnerability" (McRea in Minkov 2013, pp. 284) is not connected to a higher level of inclusion in global networks.

A similar situation is also manifest in the analysis of the connection between selected indicators of reflectiveness. The strongest connection in this category is shown in the case of Inglehart and Baker's self-expression vs. survival values. The stronger self-expression values are
present, the stronger the integration into global trends. We also come across a similar pattern when we look into connections between secular vs. traditional values and integration into global trends. Contrary to this, Minkov's index of monumentalism shows a negative, mildly strong connection with integration into global trends. "The cultural syndrome that represents pride and undoubtable Me: the conviction that is necessary to have an unaltered identity and to follow some strong values, beliefs and norms" is negatively connected with the level of globalization. However similar to Inglehart's and Baker's indicators, only a small part of this index's variability can be explained by the existence of monumentalism.

Conclusion
Based on the analysis of examined data the following conclusions may be drawn: the increase in the level of knowledge society creates a state where a higher structure of life and fewer unexpected events become more common. But on the other hand, this raises people's desire for a less structured life with more unexpected events. We also assumed that, on a larger scale, higher social insecurity and dynamics of social change are dependent of inability to uniformly and permanently counter the problems and challenges of modern age. But the results showed that this does not play such an important role. We can see that lowering of the range of monolithic societies (one of their main characteristics is also an aspiration towards integrity and internal consistency respectively) creates a slight drop in structured life with less unexpected events (this leads to a rise in insecurity), but the connection is weak. Therefore, it may not be claimed that monumentalism has a great impact on a level of life's structure. Furthermore, no strong correlation or causal relationship between monumentalism and desired state of structure of life were noted. As social flexibility increases, life also evidently becomes increasingly less structured, this correlation is mild, rather than strong. We can conclude that a mild connection between both phenomena exists – both the factual and the desirable state of structured life and insecurity are moderately connected with monumentalism vs. fluximidity, but other factors probably affect them more.
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Sources


