

BSAD560 Intercultural Business Relations

Class 4: Hofstede

Geert Hofstede: Cultural Dimensions

- Individualism
- Power Distance
- Uncertainty Avoidance
- Masculinity
- Long Term Orientation

Hofstede: Individualism

Individualism focuses on the degree the society reinforces individual or collective achievement and interpersonal relationships. Essentially it is the extent to which people feel they are supposed to take care for or to be cared for by themselves, their families or organizations they belong to.

A High Individualism ranking indicates that individuality and individual rights are paramount within the society. Individuals in these societies may tend to form a larger number of looser relationships.

A Low Individualism ranking typifies societies of a more collectivist nature with close ties between individuals. These cultures reinforce extended families and collectives where everyone takes responsibility for fellow members of their group.

Hofstede: Individualism Traits

Area	High Individualism	Low Individualism (collectivistic)
national	more economic development developed / wealthy modern industry, urbanization	less economic development underdeveloped / poor more traditional agriculture
	greater social mobility / larger middle class	less social mobility / smaller middle class
	nuclear family	extended family / tribe
	cold to moderate climates	tropical / subtropical climate
politics	political power by voter	political power by interest groups
	wealth share fairly equally	large differences in wealth
	laws / rights same for all	law / rights depend on group
religion / ideas	monotheistic	polytheistic
	individualism is good	placing individual over group good is evil
	individual conversion	group conversions
	science / tech – matter of fact	science / tech – magic
	public informed about tech	public uninformed about tech
work	family relationships a disadvantage in hiring	relatives preferred in hiring
	hiring and promotion based on skill / rules	hiring and promotion take in-group status into account
	employer -employee relationship based on “market”	employer -employee relationship based on moral / family link
	more working hours	fewer working hours

Hofstede: Individualism Traits (continued)

Area	High Individualism	High Individualism (collectivistic)
consumer behavior	live in detached houses	live in apartments
	often live with pets (cats/dogs)	live with human companions
	media source of info	social network source of info
	security through insurance	security through social network
health	large share of public / private money on health care	low share of public / private money spent on health care
	disability a handicap to overcome / optimism	disability a shame / pessimism and grief
	fewer traffic deaths	more traffic deaths
family	more divorces	fewer divorces
	few children per family	more children per family
	children take care of self as soon as possible	children maintain lifelong contacts with family
	privacy normal	no one is ever alone
	no set criteria for marriage partner	marriage criteria include right age, wealth, chastity of bride
	marriages love based	marriages arranged
school	teachers deal with individuals	teachers deal with groups
	students expected to speak up	students expected to listen
	learn how to learn	learn how to do
	diplomas = economic worth, self -respect	diplomas = enter to a higher status group

Hofstede's Cultural Dimension – Raw Score Comparison, A - J

Country	Power Distance	Individualism	Masculinity	Uncertainty	Long Term
Arab World*	80	38	52	68	
Argentina	49	46	56	86	
Australia	36	90	61	51	31
Austria	11	55	79	70	
Belgium	65	75	54	94	
Brazil	69	38	49	76	65
Canada	39	80	52	48	23
Chile	63	23	28	86	
China*	80	20	66	40	118
Colombia	67	13	64	80	
Costa Rica	35	15	21	86	
Czech Republic	57	58	57	74	
Denmark	18	74	16	23	
East Africa*	64	27	41	52	25
Ecuador	78	8	63	67	
El Salvador	66	19	40	94	
Finland	33	63	26	59	
France	68	71	43	86	
Germany	35	67	66	65	31
Greece	60	35	57	112	
Guatemala	95	6	37	101	
Hong Kong	68	25	57	29	96
Hungary	46	55	88	82	
India	77	48	56	40	61
Indonesia	78	14	46	48	
Iran	58	41	43	59	
Ireland	28	70	68	35	
Israel	13	54	47	81	
Italy	50	76	70	75	
Jamaica	45	39	68	13	
Japan	54	46	95	92	80

Hofstede's Cultural Dimension – Raw Score Comparison, M - W

Country	Power Distance	Individualism	Masculinity	Uncertainty	Long Term
Malaysia	104	26	50	36	
Mexico	81	30	69	82	
Netherlands	38	80	14	53	44
New Zealand	22	79	58	49	30
Norway	31	69	8	50	20
Pakistan	55	14	50	70	0
Panama	95	11	44	86	
Peru	64	16	42	87	
Philippines	94	32	64	44	19
Poland	68	60	64	93	
Portugal	63	27	31	104	
Singapore	74	20	48	8	48
South Africa	49	65	63	49	
South Korea	60	18	39	85	75
Spain	57	51	42	86	
Sweden	31	71	5	29	33
Switzerland	34	68	70	58	
Taiwan	58	17	45	69	87
Thailand	64	20	34	64	56
Turkey	66	37	45	85	
United Kingdom	35	89	66	35	25
United States	40	91	62	46	29
Uruguay	61	36	38	100	
Venezuela	81	12	73	76	
West Africa	77	20	46	54	16

* Regional estimated values

Arab World= Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia, United Arab Emirates

East Africa=Ethiopia, Kenya, Tanzania, Zambia; West Africa= Ghana, Nigeria, Sierra Leone

Adapted from: http://www.geert-hofstede.com/hofstede_dimensions.php (2004)

Hofstede: Power Distance

Power Distance Index focuses on the degree of equality, or inequality, between people in the country's society. Essentially it is the degree of inequality among people which the population of a country considers as normal.

A High Power Distance ranking indicates that inequalities of power and wealth have been allowed to grow within the society. These societies are more likely to follow a caste system that does not allow significant upward mobility of its citizens.

A Low Power Distance ranking indicates the society de-emphasizes the differences between citizen's power and wealth. In these societies equality and opportunity for everyone is stressed.

Hofstede: Power Distance Traits

Area	High power distance	Low power distance
Social	a few independent / most dependent	all interdependent
	inequality the norm; everyone has specific place	inequality should be minimized; no set hierarchy
	those in power have privileges	all have equal rights
	powerful people try to look as powerful as possible	powerful people try to look less powerful
	underdog is to blame	system is to blame
	older people respected and feared	older people neither respected or feared
	Respect for authority	Respect for individuality
	Centralized authority	Decentralized authority
political	military / autocratic / oligarchic government	government based on majority
	sudden changes in government	gradual changes in government
	little discussion / violence common	much discussion, little violence
	citizens trust press, distrust police	citizens trust police, distrust press
	more corruption	less corruption
	force is the essence of power	force reveals the failure of power
	power struggle	power sharing
family	parents teach children obedience	parents treat children as equals
	respect for parents / elders a virtue / lifetime	children treat parents / elders as equals
	children work hard	children enjoy leisure
	children a source of old-age security	children have no role in old age security of parents

Hofstede: Power Distance Traits (continued)

Area	High power distance	Low power distance
school	students dependent on teachers	teachers treat students as equals
	students treat teachers with respect – even out of class	students treat teachers as equals
	teachers initiate all communication in class	students initiate some communication in class
	parents side with teachers to maintain order	parents may side with students against teachers
	education system focus on top level	education system focuses on middle level
work	tall organizational pyramids	short organizational pyramids
	large number of supervisors	small number of supervisors
	subordinates expect to be told	subordinates expect to be consulted
	ideal boss is autocrat / good father/ benevolent decision maker	ideal boss is democratic
	privileges and status symbols for managers expected and popular	privileges and status symbols for managers frowned upon
	wide salary range from top to bottom	narrow salary range from top to bottom

Hofstede: Uncertainty Avoidance

Uncertainty Avoidance Index focuses on the level of tolerance for uncertainty and ambiguity within the society - i.e. unstructured situations. Essentially it is the degree to which people in a country prefer structured over unstructured situations.

A High Uncertainty Avoidance ranking indicates the country has a low tolerance for uncertainty and ambiguity. This creates a rule-oriented society that institutes laws, rules, regulations, and controls in order to reduce the amount of uncertainty.

A Low Uncertainty Avoidance ranking indicates the country has less concern about ambiguity and uncertainty and has more tolerance for a variety of opinions. This is reflected in a society that is less rule-oriented, more readily accepts change, and takes more and greater risks.

Hofstede: Uncertainty Avoidance Traits

Area	High Uncertainty Avoidance	Low Uncertainty Avoidance
Social norms	conservatism, law and order	openness to change, innovation
	expression of emotions	suppression of emotions
	difference is dangerous	difference is curiosity
	xenophobia	tolerance of diversity
	Less tolerant of deviant ideas	Tolerate deviance
	powerless to change	belief in ability to influence life, world, superiors
	only known risks are taken	willing to take unknown risks
politics	weak interest in politics	high interest in politics
	identity cards required	no identity cards required
	little involvement in volunteer organizations	high involvement in volunteer organizations
	citizen protest repressed	citizen protest accepted
legal system	more and specific laws and regulations	fewer and general laws and regulations
	citizens negative about law	citizens positive about law
	higher speed limits	lower speed limits
consumer behavior	invest in gold and gems	invest in stocks
	use specialists in home	"do it yourself"
	less use of internet, books, newspapers	high use of internet, books, newspapers

Hofstede: Uncertainty Avoidance Traits (continued)

	High Uncertainty Avoidance	Low Uncertainty Avoidance
religion	If Christian, dominant Catholic	If Christian, dominant Protestant
	Islam, Judaism, Shintoism	Buddhism, Taoism, Hinduism
	Only one truth and we have it	Own truth not imposed on others
	aggressively fundamentalist	Human rights, little persecution for beliefs
school	Teachers have all answers	Teachers may say "don't know"
	Achievement ascribed to effort and luck	Achievement ascribed to ability
	structured learning	open-ended learning
family	clear rules on dirty and taboo	lenient on dirty and taboo
	traditional gender roles	non-traditional gender roles
	children taught world is hostile	children taught world is benevolent
	Many rules: punish infractions	few rules: changed if children can't obey
Others	Prefer details, specific plans	Tolerate generalization
	fear of failure	hope of success
	Consensus seeking	Seek individual opinions
	Ritualized / ceremonial	Avoid ritualization and ceremony
	immigrants sent back	immigrants tolerated
	worried about future	live day to day
	less willing to live abroad	willing to live abroad
	games of skill popular	gambling popular

Hofstede: Masculinity

Masculinity focuses on the degree the society reinforces, or does not reinforce, the traditional masculine work role model of male achievement, control, and power. Essentially it is the extent to which a culture is conducive to dominance, assertiveness, and acquisition of things versus a culture which is more conducive to people, feelings and the quality of life.

A High Masculinity ranking indicates the country experiences a high degree of gender differentiation. In these cultures, males dominate a significant portion of the society and power structure, with females being controlled by male domination.

A Low Masculinity ranking indicates the country has a low level of differentiation and discrimination between genders. In these cultures, females are treated equally to males in all aspects of the society.

Hofstede: Masculinity Traits

	High Masculine	Low Masculine (i.e Feminine)
politics and economics	economic growth high priority	environment protection high priority
	conflict solved through force	conflict solved through negotiation
	fewer women elected	more women elected
religion	most important in life	less important in life
	only men can be priests	both men and women as priests
	negative attitude to sex	positive or neutral attitude to sex
	homosexuality taboo	homosexuality a fact of life
work	larger wage gap between genders	lesser wage gap between genders
	fewer women in management	more women in management
	preference for higher pay	preference for fewer hours worked
family	family important	friends and acquaintances important
	girls cry, boys don't; boys fight, girls don't	both boys and girls cry; neither fight
	traditional family	flexible family
school	brilliance in teachers admired	friendliness in teachers admired
	performance stressed	social adaption important
	failing is a disaster	failing a minor accident

Hofstede: Long Term Orientation

Long-Term Orientation (LTO) focuses on the degree the society embraces, or does not embrace, long-term devotion to traditional, forward thinking values. Essentially, long-term refers to values oriented towards the future, like saving and persistence while short-term refers to values oriented towards the past and present, like respect for tradition and fulfilling social obligations.

High Long-Term Orientation ranking indicates the country prescribes to the values of long-term commitments and respect for tradition. This is thought to support a strong work ethic where long-term rewards are expected as a result of today's hard work. However, business may take longer to develop in this society, particularly for an "outsider".

A Low Long-Term Orientation ranking indicates the country does not reinforce the concept of long-term, traditional orientation. In this culture, change can occur more rapidly as long-term traditions and commitments do not become impediments to change

Hofstede: Long Term Orientation Traits

High Long Term	Low Long Term (i.e short term)
persistence	quick results
relationships ordered by status	status not a major issue in relationships
personal adaptability important	personal steadfastness and stability important
face considerations common but seen as a weakness	protection of one's face
save, thrift	spend
leisure time not too important	leisure time important
invest in real estate	invest in mutual funds
relationships and market position important	bottom line important

Hofstede: Predictors

Area	Low Individualism	High Individualism
Wealth	underdeveloped / poor	developed / wealthy
Climate	tropical, subtropical	moderate to cold
Birth Rate	high	low
Predictors	High Power Distance	Low Power Distance
Climate	tropical / subtropical	cold to moderate
Population Size	large	small
Wealth	unequal distribution	equal distribution
History	colonialism	independence
Economy	agricultural, rural	industry, urban
Predictors	High Uncertainty Avoidance	Low Uncertainty Avoidance
Climate	tropical / subtropical	cold to moderate
Economic	lower development/changeable	higher development/ stable
Legislative / Judicial System	extensive system	less organized
Religion	characterized by absolutes	emphasizes relativity
Predictors	High Masculine	Low Masculine
Climate	tropical / subtropical	cold to moderate

Sample Cultural Analysis Paradigm

The following paradigm, based on Hofstede's Cultural Dimensions,
illustrates a grouping of traits that could be used as a basis for a cultural analysis.

Dimension	High	Low
Individualism	individual decisions /responsibility nuclear family middle class confrontational	loyalty to the group extended family upper class harmonious
Power Distance	inequality accepted respect for authority power struggle (autocratic) structured bureaucracy / workplace	equal rights for all respect for individual power sharing (democracy) low power structure
Uncertain Avoidance	emphasis on law and order xenophobic fundamental belief system standard gender roles	open to change and innovation tolerant of diversity open belief system fewer set gender roles
Masculinity	live to work material success stressed economic growth a priority distinct gender roles	work to live quality of life and people important environmental protection a priority overlapping gender roles