

Hofstede's Cultural Dimensions

A Critical Analysis as
support for the CA Approach

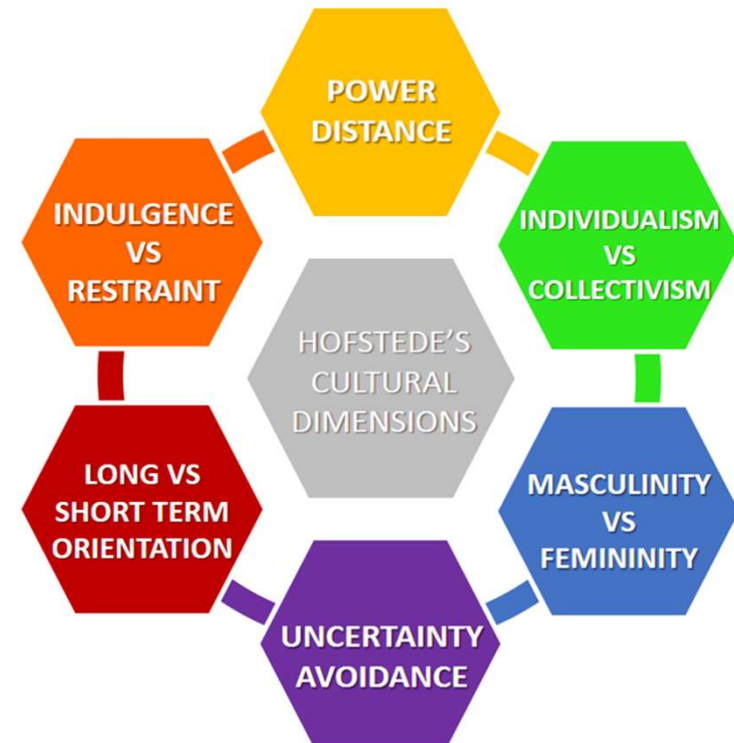


Agenda

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1. Hofstede's Cultural Dimensions Theory

- Dutch social psychologist
- 1980s: study on IBM employees
- Theory used to understand the differences in culture and how they affect the work environment.
- He describes national cultures along six dimensions



1.1 Masculinity

→ The degree how roles between the genders are distributed.

Masculinity:

- ego goals;
- assertiveness* and competition;
- traditional family structure;
- differentiated gender roles.



Women recognize a gap between male and female values as they are not assertive and competitive enough.

Femininity:

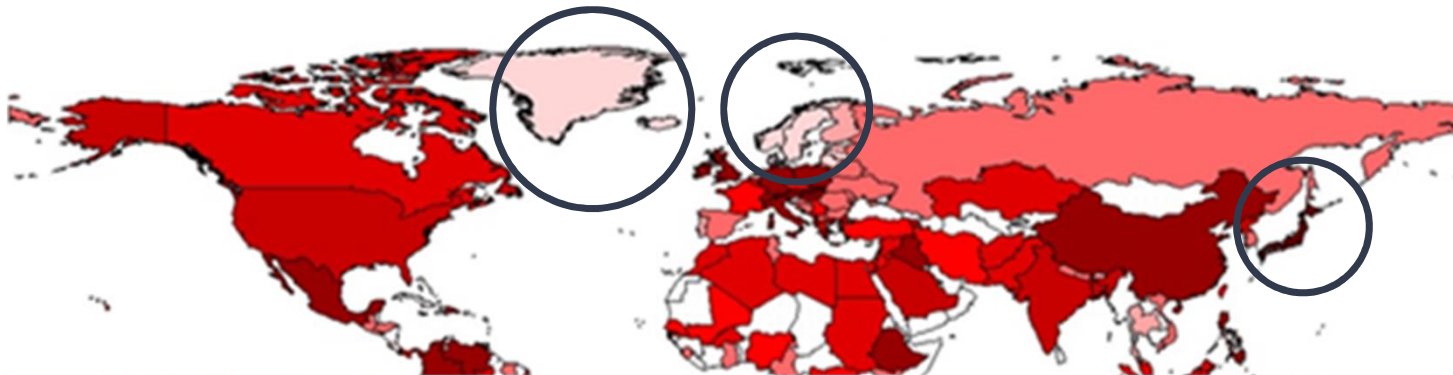
- social goals;
- modest and caring views;
- flexible family structure;
- fluid gender roles.



Women recognize equal male and female values as men share modest and caring views equally to them.

* determination

Masculinity across the World



Erna Solberg
Norwegian
Prime Minister



Katrín Jakobsdóttir
Icelandic
Prime Minister



Mette Frederiksen
Danish
Prime Minister



Sanna Marin
Finnish
Prime Minister



Stefan Löfven
Swedish
Prime Minister



1.2 Uncertainty Avoidance

→ The degree how cultures are capable to cope with uncertainties in their society.

High uncertainty avoidance cultures:

- proceed with careful changes;
- plan and implement rules, laws, regulations;
- high value on control by structures;
- demonstrate higher stress and anxiety*.



They minimize the occurrence of unknown and unusual circumstances

Low uncertainty avoidance cultures:

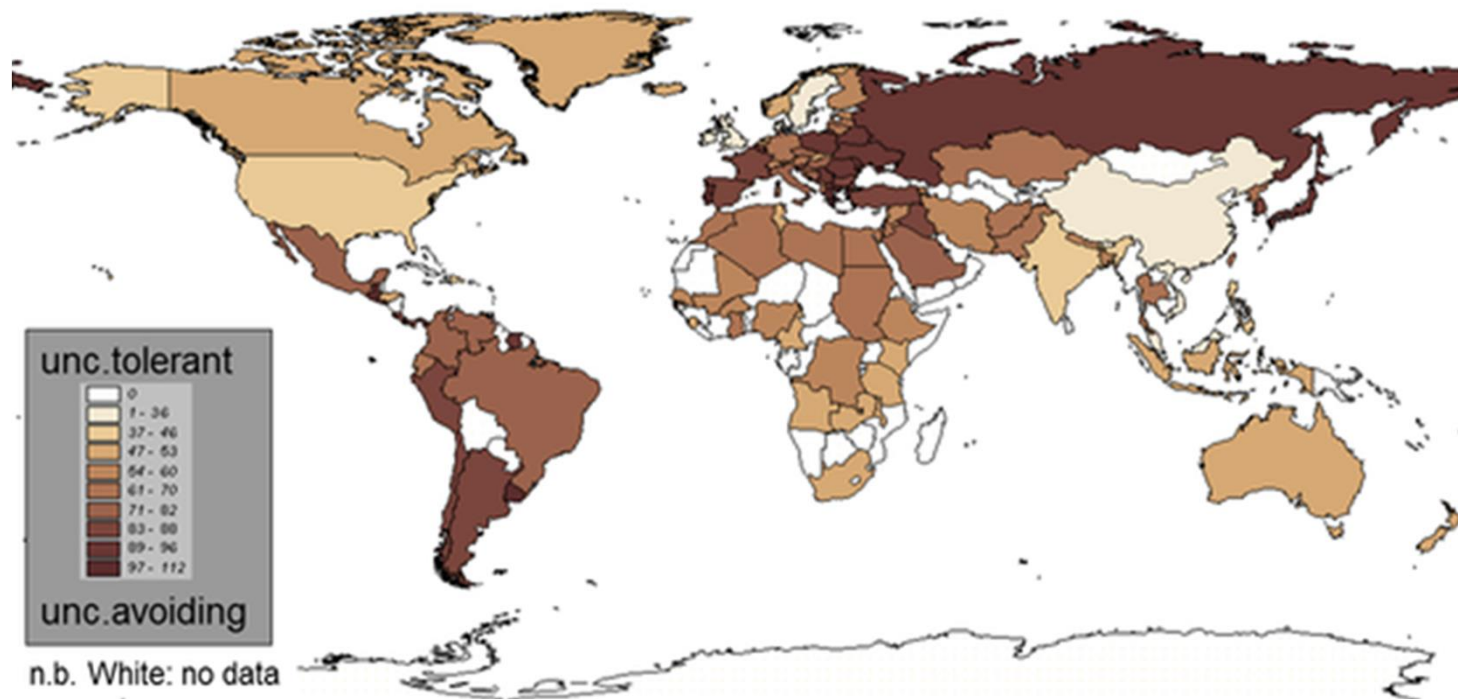
- be more pragmatic and tolerant of change;
- have as few rules as possible;
- rely on informal norms and behaviours;
- lower stress and anxiety rates.



They accept and feel comfortable in unstructured situations or changeable environments

* feeling of uneasiness and worry

Uncertainty Avoidance across the World



<https://geerthofstede.com/culture-geert-hofstede-gert-jan-hofstede/6d-model-of-national-culture/>

1.3 Individualism

→ The degree to which people in a society are integrated into groups.

Individualism:

- self-orientation;
- decisions based on individual needs;
- “I” mentality;
- emphasis on individual initiative and achievement.



Highly individualist cultures believe that the individual is most important unit.

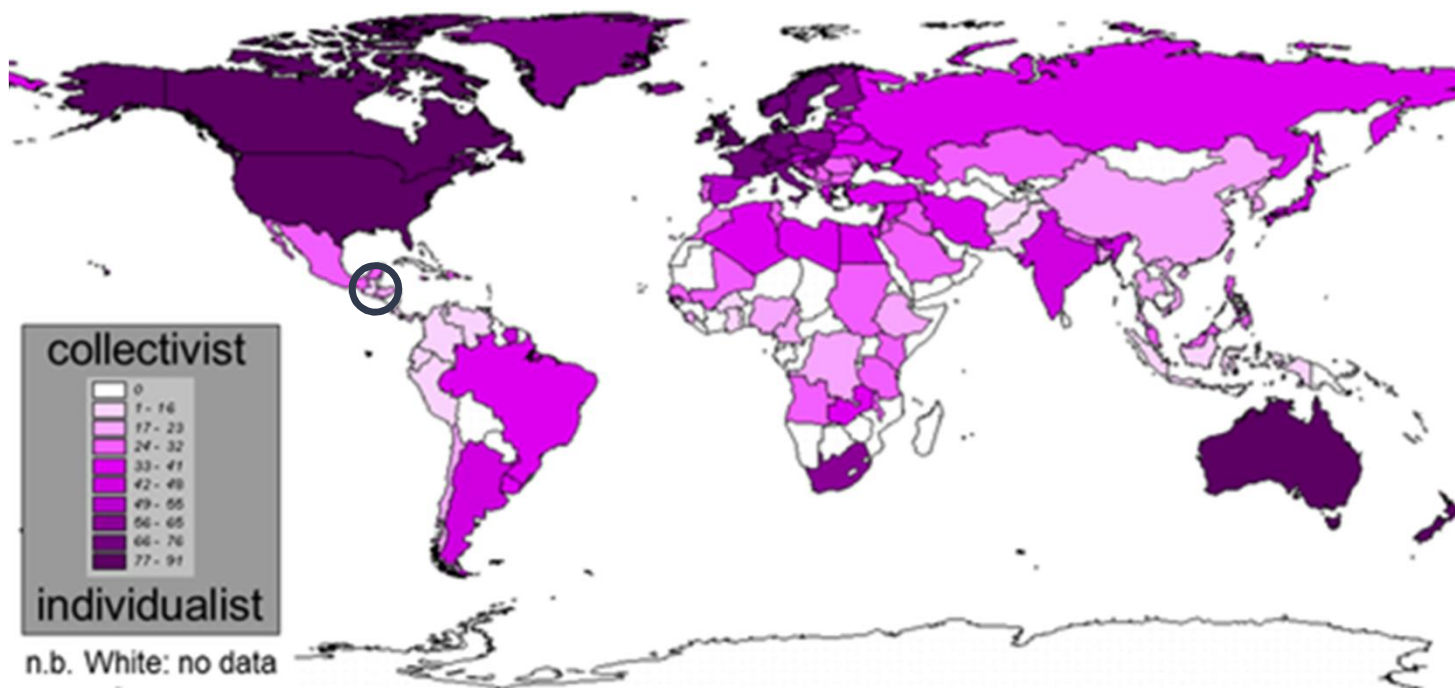
Collectivism:

- group orientation;
- decisions based on what is best for the group;
- “we” mentality;
- emphasis on belonging.



Highly collectivistic cultures believe that the group is most important unit.

Individualism across the World



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1.4 Power Distance

→ The extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally.

High power distance cultures:

- strict hierarchy;
- centralization of power (autocracy);
- wide range of salaries.



Inequalities are allowed to persist or grow over the time

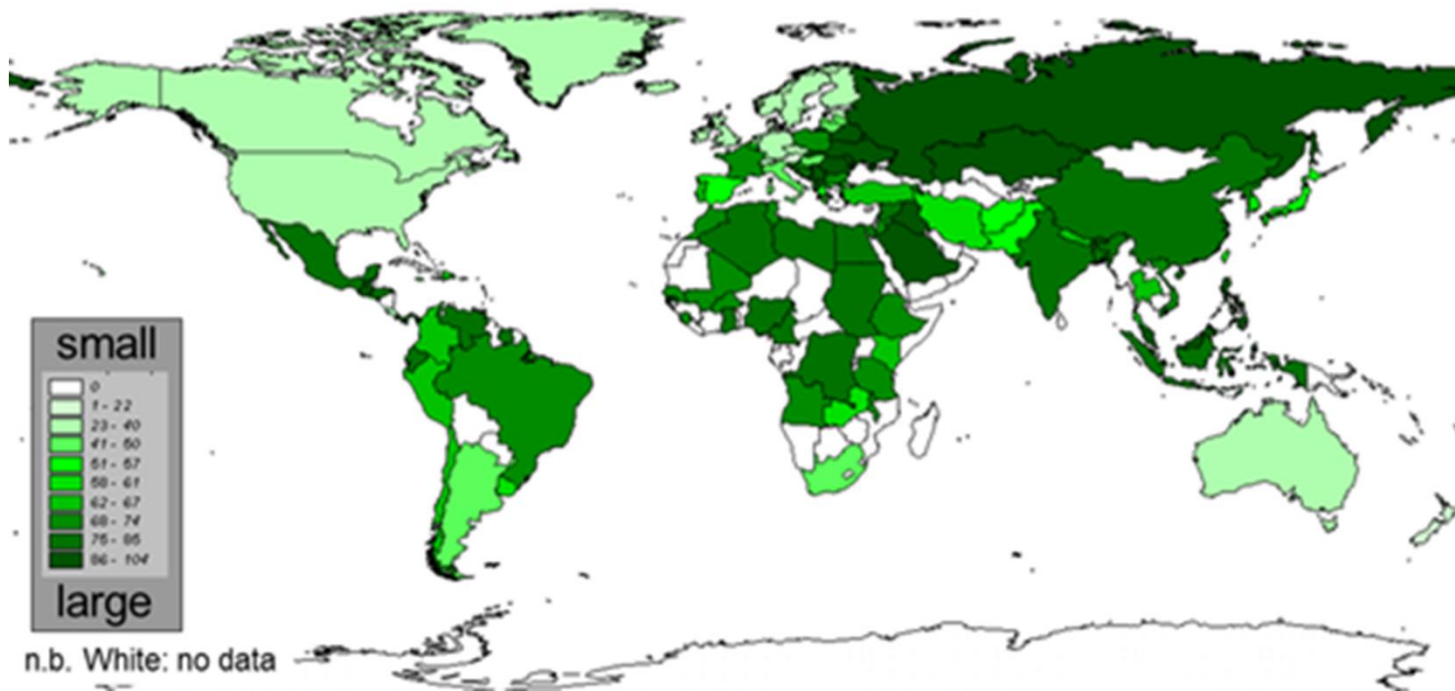
Low power distance cultures:

- flat organizational structures;
- decentralized decision-making (democracy);
- narrow range of salaries.



Large inequalities between citizens are not allowed to develop

Power Distance across the World



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1.5 Long Term Orientation

→ Long Term Orientation deals with change and focuses on the connection between a country's association with its past and its current activity and the challenges it faces.

Long Term Orientation:

- norms can change in time and depend on situations;
- traditions can be changed;
- learning from other countries.



Trying to find common sense and choosing the middle way when resolving problems

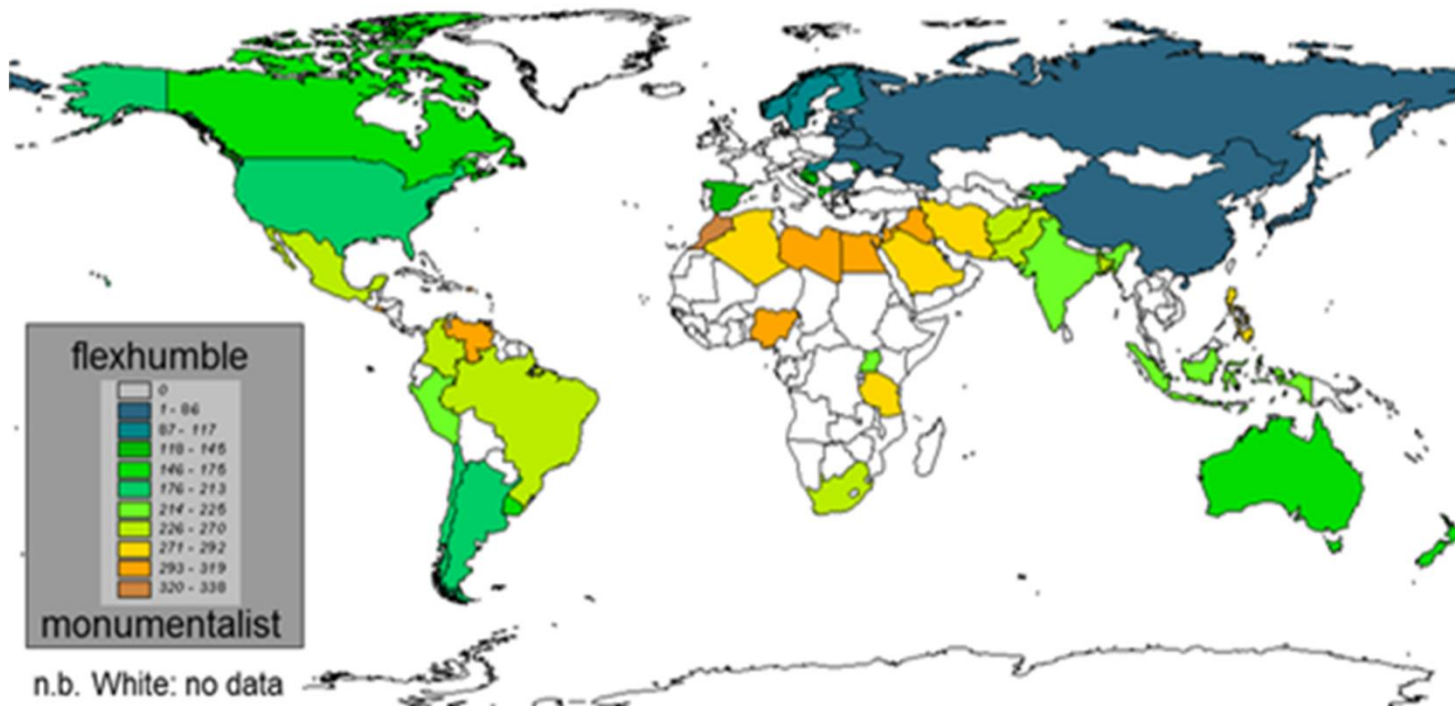
Short Term Orientation:

- norms are fixed and always apply regardless of the circumstances;
- traditions are firmly manifested;
- proud of own identity and trust in tradition.



Choosing the extreme when resolving problems, because of ideologic, religious or political fundamentalism

Long Term Orientation across the World



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1.6 Indulgence

→ Indulgence stands for a society that allows relatively free gratification of basic and neutral human drives related to enjoying life and having fun.”

Indulgence:

- self-determined philosophy of life;
- leisure ethic;
- optimistic, positive attitude.



People tend to feel healthier and happier

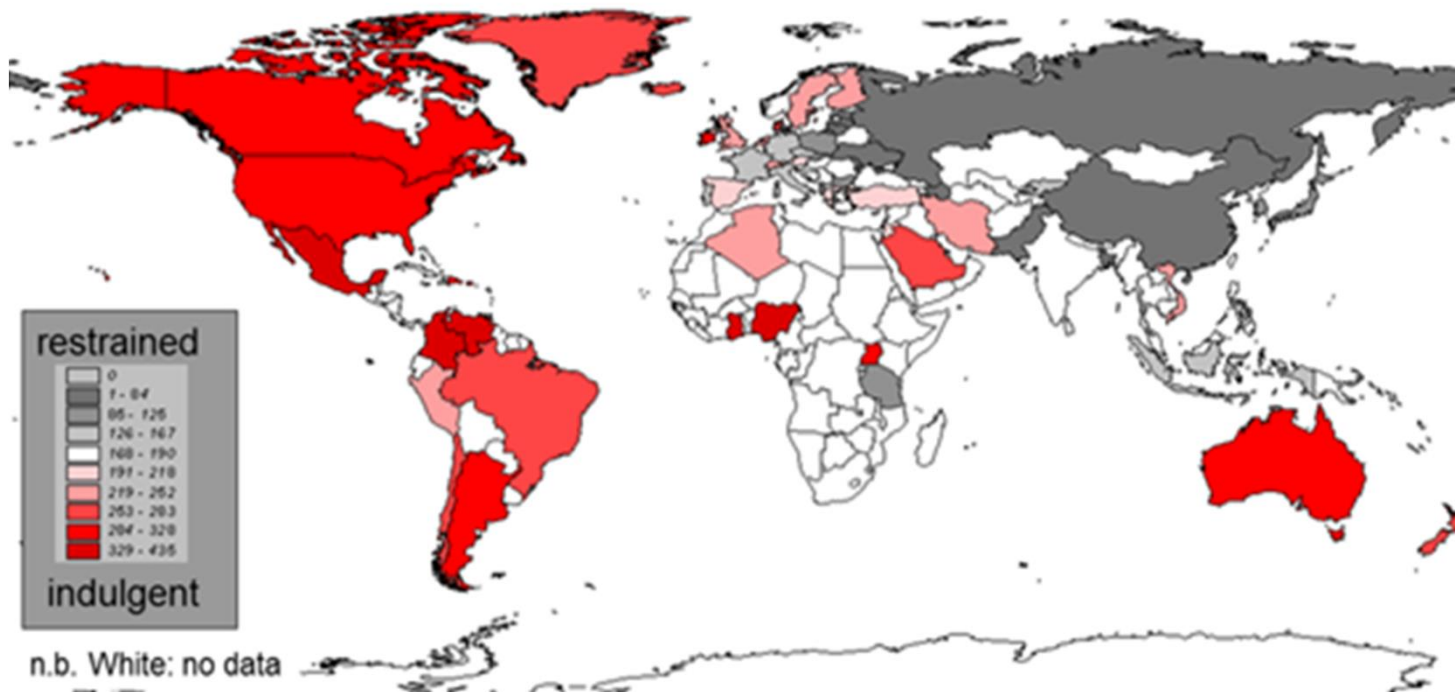
Restraint:

- other-directed philosophy of life;
- work ethic;
- pessimistic, negative attitude.



People tend to feel less healthy and less happy

Indulgence across the World



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2. Pro and Contra Analysis

+ **Guidance for Cross-Cultural Business**

- Dimensions provide information about cultural differences among nations
- High relevance for multinational enterprises

+ **Relative Accuracy**

- Many replications of Hofstede's cultural study could confirm the accuracy of the dimensions

+ **Adjustable Dimension Theory**

- Hofstede accepts adjustments in his theory based on independent research or surveys
- Long-term orientation came in 1991
- Indulgence came in 2010

- **Cultural Homogeneity**

- Domestic populations are not homogenous
- Most nations consist of different ethnic groups

- **National Divisions**

- National borders are not proper boundaries for cross-cultural analysis

- **Changing Cultures**

- IBM study from 1970 does not reflect the rapid changes in globalization and internationalization
- Increasing migration has been changing nations to a large extent over the last decades

- **One Company Approach**

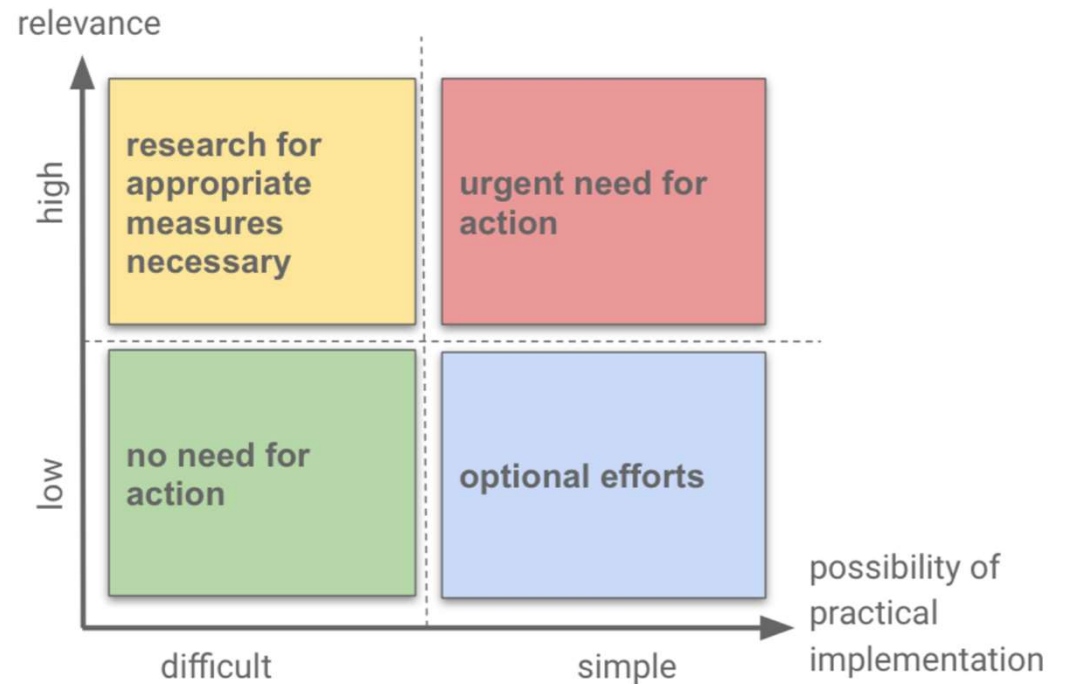
- One single multinational company cannot provide information on the entire culture of a country

3. Implementation

Central question: How can we apply Hofstede's Cultural Dimensions Theory in Laos or Vietnam?

Possible steps

1. Existence of cross-cultural communication barriers
2. Identification of differences across the cultural dimensions
3. Evaluating the relevance of the respective differences
4. Derivation of appropriate measures



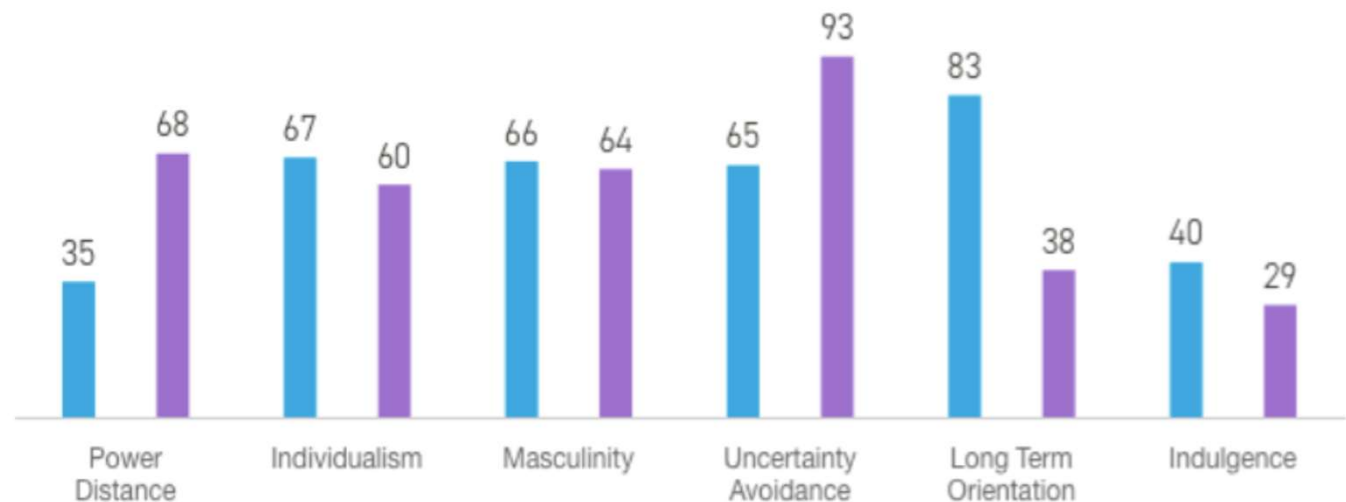
3. Implementation

Case study (fictional): A German automobile manufacturer has 1,000 employees, 75% of them are German and 25% are Polish

1. The (German) management notices frequent conflicts between Polish and German assembly line workers and differences in their working performances
→ Application of the cultural dimension model

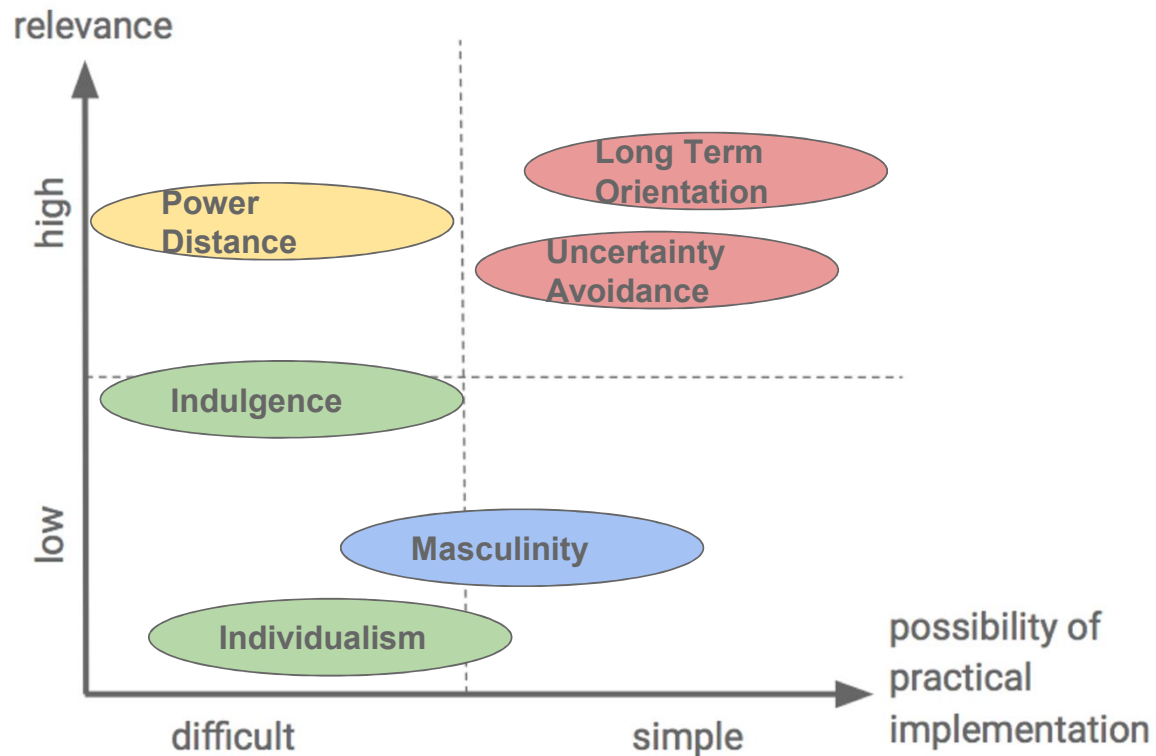
2. Identification of critical disparities between **Germany** and **Poland**

- Power Distance
- Uncertainty Avoidance
- Long Term Orientation



3. Implementation

3. and 4. Categorization of the cultural dimensions (possible solution)



Positioning depends on:

- considered industry and related tasks
- type of conflict
- reference nationality of the company
- possibilities and availabilities of appropriate means (financial, personal, organisational, ...)
- willingness of the management to improve the situation
- ...

4. Conclusion

Pro and Contra Analysis

- The six cultural dimensions give an overview about the social behaviour of countries. These are measured with a relative good accuracy and are relevant for global business nowadays.
- Hofstede's theory may prejudge national cultures by awarding them exact scores in six categories. However, nations reflect more cultural heterogeneity and are not a static number.

Implementation for a Multinational Company

- Basically, the model can be a helpful instrument to overcome cross-cultural communication barriers as it indicates possible conflicting cultural dimensions.
- But the practical model application depends on several context-based factors, so that general solutions cannot be derived.

5. Discussion

1. Could Hofstede's theory also be relevant for those of you who want to create an efficient vocational educational curriculum?
2. Do you think that the scores for each dimension assigned to your home countries are realistic?

Sources

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Maps:

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Thank you