

Hofstede's Cultural Dimensions

- ¹ National culture has been shown to impact on major business activities, from capital structure to group performance (Leung et al, 2005). Cultural awareness can lead to greater success of international business ventures and lack of it can just as well lead to their failure (Dowling et al, 2008: 57). Geert Hofstede is a renowned author who developed a model to describe various cultural 'dimensions', and has researched issues relating to cultural differences (for example in the GLOBE Project).
- ² Geert Hofstede's model was based on a study of IBM employees in over fifty countries. He identified five dimensions or 'problem areas' which represent differences among national cultures (Hofstede, 1997): power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity and long-term orientation.
- ³ Power distance defines how social inequality is perceived and accepted in different cultures. Hofstede (1997) explains how in high power distance cultures children are raised with a great emphasis on respecting elders, which is carried through to adulthood. Therefore organisations are more centralised, employees prefer a more autocratic leadership style where subordinates are expected to be told what to do and there are wide wage gaps in the hierarchical structure. On the other hand, in low power distance cultures inequality is not desired, employees prefer to be consulted with regards to decision making and thus prefer a more resourceful and democratic leader.
- ⁴ Individualism (versus collectivism) is the preference of people to belong to a loosely knit society where importance is placed on the self and autonomy. In opposition, collectivist structures place importance on interdependent social units such as the family, rather than on the self. In individualist societies, employees require the freedom to work independently and desire challenging work (which is more important than personal relationships) that will help them reach self-actualisation. In collectivist cultures, unquestioned management structures are responsible for the organisation of teams of employees and the cohesion of the collective.
- ⁵ According to Hofstede, masculinity represents cultures with distinct gender roles where men focus on success, competition and rewards while women focus on tender

values such as quality of life and modesty. Femininity represents cultures where gender roles overlap. In masculine cultures managers are defined as more assertive and decisive, whereas feminine cultures breed more intuitive managers who negotiate disputes and encourage participation in decisions.

⁶ Uncertainty avoidance is the degree to which members of a culture feel threatened or uncertain in unfamiliar situations. Thus in high uncertainty avoidance cultures, people prefer a structured environment with rules and policies in place. Hard work is embraced, and there is a greater sense of anxiety amongst the workforce. In contrast, in weak uncertainty avoidance cultures rules create discomfort, almost fear, and exist only where absolutely necessary. People tend to be more relaxed in these cultures, and work at a slower pace.

⁷ Following Hofstede, a subsequent study based on Chinese Confucian Theory revealed a fifth dimension referred to as long-term orientation. This describes the extent to which people have a dynamic, future-oriented perspective (long-term orientation – LTO) rather than a focus on the past and present (short-term orientation – STO).

⁸ **Conclusion**

It appears that Hofstede's cultural dimensions are still valid today, supported by the recent GLOBE study. It can be concluded that cultures have different learned values and norms which can determine actions and play a significant role in influencing business outcomes.

References

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