

13.The Hofstede model



Hofstede's Cultural Dimensions Theory was created in 1980 by Dutch social psychologist and management researcher, Geert Hofstede. The model aims at discerning the ways that business is conducted across different cultures and its framework is used to distinguish between different national cultures, the dimensions of culture, and assess their impact on a business setting.

I. Match the vocabulary word to its definition and then find them in the text below:

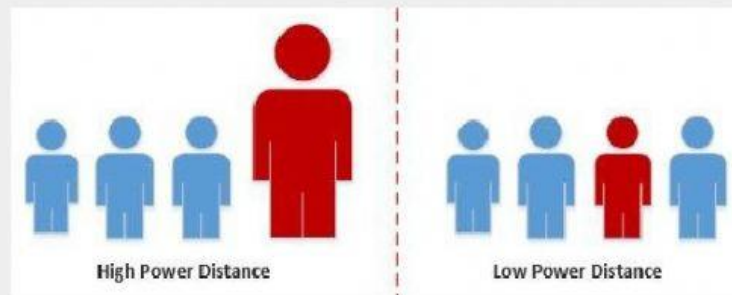
1. Inequality
2. Strive
3. Attaining
4. Well-being
5. Ambiguity
6. Thrift
7. Gratification

A. The state of being comfortable, healthy, or happy.
B. The quality of using money and other resources carefully and not wastefully.
C. Difference in size, degree, circumstances; disparity.
D. Succeed in achieving (something that one desires and has worked for).
E. The quality of being open to more than one interpretation; inexactness.
F. Pleasure, especially when gained from the satisfaction of a desire
G. Make great efforts to achieve or obtain something.

Hofstede Insights is a great resource to understand the impact of culture on work and life. In addition, it is very useful to understand how the different dimensions differ among countries under the Hofstede's Cultural Dimensions Theory. Hofstede identified six categories that define culture:

1. Power Distance Index (PDI): This dimension considers the extent to which inequality and power are tolerated. In this dimension, inequality and power are viewed from the viewpoint of the followers – the lower level.

- High PDI: Indicates that a culture accepts inequity and power differences, encourages bureaucracy, and shows high respect for rank and authority.
- Low PDI: Indicates that a culture encourages organizational structures that are flat and strives to decentralized decision-making responsibility, participative style of management, and place emphasis on power distribution.



2. Individualism vs. Collectivism: This dimension considers the degree to which societies are integrated into groups and their perceived obligations and dependence on groups.

- Individualism: Indicates that there is a greater importance placed on attaining personal goals. A person's self-image in this category is defined as "I."
- Collectivism: Indicates that there is a greater importance placed on the goals and well-being of the group. A person's self-image in this category is defined as "We".



3. Uncertainty Avoidance Index: This dimension considers the extent to which uncertainty and ambiguity are tolerated. This dimension considers how unknown situations and unexpected events are dealt with.

- A high UAI: Indicates a low tolerance for uncertainty, ambiguity, and risk-taking. The unknown is minimized through strict rules, regulations, etc.
- A low UAI: Indicates a high tolerance for uncertainty, ambiguity, and risk-taking. The unknown is more openly accepted, and there are lax rules, regulations, etc.



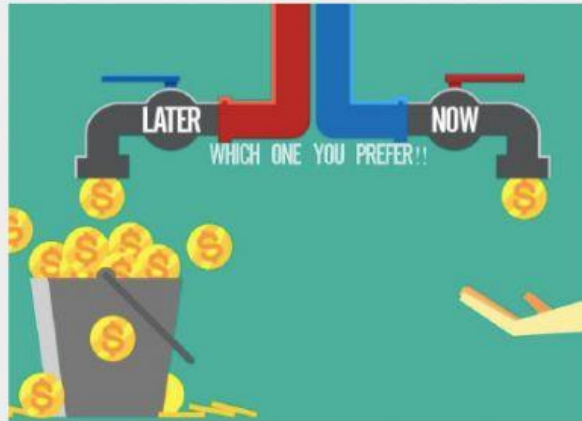
4. Masculinity vs. Femininity: This dimension is also referred to as "tough vs. tender," and considers the preference of society for achievement, attitude towards quality of life, equality, well being.

- Masculinity: Distinct gender roles, where males focus on material success, material achievements and wealth-building; while females focus on building well-fare and quality of life.
- Femininity: Social gender roles overlap, and both men and women are modest, nurturing, and concerned with the quality of life and their well-being.



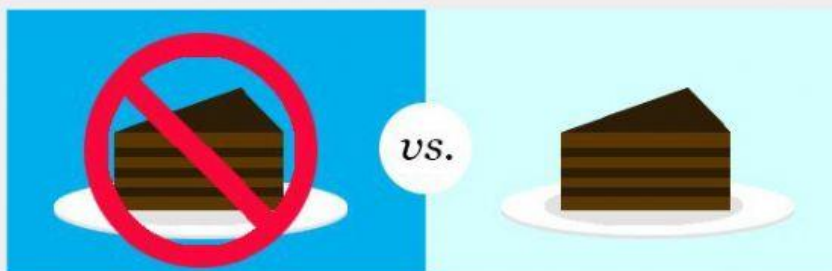
5. Long-Term Orientation vs. Short-Term Orientation: This dimension considers the extent to which society deals with the challenges of the present and future.

- Long-term orientation: Pragmatic societies which focus on the future and involve delaying short-term success or gratification in order to achieve long-term success. It emphasizes persistence, perseverance, and long-term growth and encourages thrift.
- Short-term orientation: Normative societies which focus on the near future, involves delivering short-term success or gratification, and places a stronger emphasis on the present than the future. Short-term orientation emphasizes quick results and respect for tradition.



6. Indulgence vs. Restraint: The indulgence vs. restraint dimension considers the extent and tendency for a society to fulfill its desires. In other words, this dimension revolves around how societies can control their impulses and desires.

- Indulgence: Indicates that a society allows relatively free gratification related to enjoying life and having fun.
- Restraint: Indicates that a society suppresses gratification of needs and regulates it through social norms.



Adapted from: <https://corporatefinanceinstitute.com/resources/knowledge/other/hofstede-cultural-dimensions-theory/>