"HOFSTEDE'S CULTURAL DIMENSIONS: ARE INDIVIDUAL DIFFERENCES IMPORTANT?"

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ABSTRACT
Understanding cultural dimensions becomes increasingly important as multinational business activities continue to increase. To remain competitive and minimize problems, businesses cannot assume an ethnocentric approach to staffing (Kopp, 1994). In an attempt to identify how an organization should be structured internationally, considerable research has been conducted to identify various cultural dimensions. Hofstede's model of cultural dimensions (1980) has become the most widely accepted and most frequently cited model for cross-cultural research (Bhagat & McQuaid, 1982; Lonner & Berry, 1998; Sivakumar and Nakata, 2001; Sondergaard, 1994). However, the model assumes similar responses from all individuals within a culture and does not account for individual differences. The finding from this study found significant intracultural differences based on gender and religious orientation. The impact from the findings and needs for future research are also discussed.

Keywords: **National Culture, Cultural Differences, Cultural Dimensions, Hofstede**

INTRODUCTION

Businesses competing internationally face a variety of challenges and none is more daunting than achieving an understanding of unfamiliar cultures (Hofstede, 1996). The annual reports of companies such as IBM, General Electric, Wal-Mart, General Motors, Disney, Coca-Cola, and McDonalds refer to attempts made and activities designed to enhance cultural understanding and sensitivity.

Cultural research as it relates to international business is stimulated in no small way by the quickening pace of global business activities (Anakwe, Igbaria, and Anandarajan, 2000). No unit of multi-national companies is affected more directly than the Human Resource Management department. Global organizations must continually reassess their people-policies as they expand into new countries (Lawler, 1994) and managers who have knowledge and understanding of national cultures must guide these adjustments. A lack of understanding and sensitivity to cultural differences across cultures can lead to business and expatriate failures (Black & Mendenhall, 1989, Nicholson, Stepina, & Hochwarter, 1990; Tung, 1987).

Culture is a potential stumbling block for any organization thus the need to increase knowledge and understanding of its intricacies should remain a high priority. Cultural conflicts need to be neutralized quickly. Cultural differences rarely represent an opportunity for gain; rather they are a primary source of confrontation and a potential vehicle for disaster (Hofstede, 1996). Cultural differences can result in a manager from one culture not understanding the responses of a subordinate raised in another culture (Sully-De Luque and Sommer, 2000).

Hofstede's model of cultural dimensions (1980) has become the most widely accepted and most frequently cited model for cross-cultural research (Bhagat & McQuaid, 1982; Lonner & Berry, 1998; Sivakumar and Nakata, 2001; Sondergaard, 1994).In his work, Hofstede originally identified four cultural dimensions differentiating people based on their country of residence (Hofstede, 1980). His cultural dimensions included power distance, uncertainty avoidance, individualism, and masculinity. In 1987, Hofstede added Confucian dynamism (long-term orientation) as his fifth cultural dimension.

The power distance dimension is concerned with the distribution of power within the culture. In a high power distance society, a small minority of the citizens maintain a significant portion of the power and prestige. Power and prestige are more equally distributed in a low power-distance culture. Uncertainty avoidance is concerned with the degree to which members of a culture are able to accept ambiguity and uncertainty. Countries high in uncertainty avoidance are more likely to develop elaborate systems of rules and procedures. Individualism is concerned with the degree to which members of the society define themselves as individuals or members of a group. In a highly individualistic society, individual ability and successes are recognized and rewarded. In a collective society (low individualism), individual achievements are only important in that they assist the group. Masculinity refers to the degree to which gender roles are clearly differentiated within a culture. In a highly masculine society, the gender roles are clearly defined and men are viewed as assertive and competitive. In a culture with low masculinity (femininity) there are little differences between gender roles. Based on findings from Hofstede's dimensions (Hofstede, 1980; Hofstede 1991; Fernandez, Carson, Stepina, & Nicholson, 1997), a company should be able to

determine how to best structure its organizations located in various cultures throughout the world. Specifically, the organization should adapt its organizational structure and incentive systems to be consistent with the country of origins cultural dimensions. As an example, if a subsidiary was located in China (high in collectivism); the company should be focus on developing and rewarding group activities. Whereas in Germany (high in individualism), the company should institute individual incentive to maximize individual motivation and satisfaction. As another example, in Japan (high in uncertainty avoidance), the company would be best served to institute programs that reduce ambiguous situations and incentive systems should be based on seniority. In the United States (low in uncertainty avoidance), the company should look to reward risk taking and provide people with opportunities for change. In Germany (low in power distance), an organization should be hierarchically structured so as to reduce role ambiguity and create an extensive system of policies and procedures to guide employee activity. Whereas, in France (high in power distance), the organizational structure should be flatter and provide opportunities for individuals to express their opinions and formal procedures should be kept to a minimum.

However, for these predictions to be valid there would have to be minimal individual differences within a country. In fact, Hofstede's work is ecological in that it applies to the national culture and not necessarily individuals. When Hofstede explicates culture he assumes that culture results from collective programming. The psychometric properties that would allow the cultural dimensions to be applied at the individual level of analysis are absent from his research (Korman, 1985). The one dimension that would appear to vary by individual is the Masculinity dimension. However, even with this dimension, Hofstede indicated that the difference is largely how society reinforces the "traditional" masculine work values; namely, achievement, control and power. A high ranking on the scale indicates a high degree of gender differentiation. The dimension does not predict different findings for male and females within the same country.

The contribution of Hofstede's dimensions would be negatively impacted if there were significant differences within the same culture. If there were differences within cultures and these differences were ignored, the company could be establishing systems that were counterproductive and detrimental to long-term viability. In fact, lack of accounting for individual differences in Hofstede's work has been identified as a criticism (McShane & Von Glinow, 2000; Roberts & Boyacigiller, 1984) but there has been little substantive, if any, research specifically testing for individual differences within the same culture.

Even though results from previous cross-sectional studies have provided general support to the hypotheses outlined in Hofstede's work, it may be prudent to examine the generalizability of the cultural dimensions across different dimensions. Specifically, there may be differences within a culture based on gender and religion. If the differences are not incorporated variance will be

compressed and the statistics and resulting recommendations could be misleading. Two specific factors that may impact cultural dimensions within a country are gender and religion.

Gender studies tend to examine the role expectations of a particular culture but rarely measure the gender deviation from national norms for males and females. For example, while it is expected that individuals will deviate from their nation's cultural norms, the question remains as to whether the deviation rates vary along gender lines. If the deviation rate is different for men and women this may suggest that in order to ensure the extrapolating quality of cultural data, responses need to be separated and measured by gender.

Religious affiliation may be another area that can lead to different cultural dimensions between individuals within one country. If differences in cultural dimensions are found between individuals within one country based on religious affiliation then the conclusions drawn from Hofstede's work would be subject to question.

A precursor to studying culture and cultural implications is to define culture and its manifestations (O'Reilly, 1989). Hofstede refers to national culture as the process of collective mental programming. Since we are less interested in the process and more concerned with the result, it may be beneficial to define the affects of a particular culture rather than the culture itself. Hofstede's five cultural dimensions serve as a platform for our investigation.

Research Objectives

The research was undertaken to specifically test for individual differences on Hofstede's cultural dimensions between individuals from the same culture. Specifically, we set out to test if there were individual differences within the same culture based on gender and religious orientation. We propose that Hofstede's work is too general and largely ignores individual differences. Specifically, we propose that individual differences are present within the same culture based on: a) gender; and b) religious orientation. If individual differences are present and ignored, following Hofstede's recommendations may lead to inefficient and possibly ineffective organizational structures and systems.

METHODOLOGY

Sample

A survey of college students at a mid-sized northeastern university was used to test the propositions. Surveys were administered to students taking an advanced course in business management. A total of 628 surveys were collected. Of the total surveys collected, 457 were from students indicating that they were born in the United States. Of the usable surveys, 233 were business majors and 224 were non-business majors. 237 of the students were male, 167 were female, and 53 did not indicate a gender.

Measures

To assess the student's individual cultural values a 26-item survey was used (Yoo & Donthu, 2002). The scale was developed to measure Hofstede's (1980, 1991) original dimension of cultural orientation. The scale included five items for power distance, six items for collectivism, five items for uncertainty avoidance, four items for masculinity, and six items for Confucian dynamism. Students were also asked demographic questions concerning gender and religious orientation. The surveys were voluntary and anonymous.

The psychometric properties of the scale were found to be acceptable in previous research (Yoo & Donthu, 2002) and were strongly supported in the current study. A principle components factor analysis with verimax rotation produced five clean factors (Table 1). All items loaded on the appropriate factor. Further, the lowest factor loading exceeded .50 and the greatest cross-loading was .30. The five factors explained 59% of the variance. Descriptive statistics and reliabilities for all the scales can be found in Table 2. Reliability statistics for all but one of the factors was above the recommended standard of 0.80 (Nunnaly, 1978). Further, if two of the items were discarded from the scale, the reliability for Confucian dynamism would have been in the acceptable range (0.84). However, to maintain the integrity of the original scales, all items were included in the analysis.

RESULTS

Multivariate analysis of variance was used to test the propositions. For the first proposition, gender was classified as the between-subjects factor and Hofstede's five cultural dimensions were classified as the dependent variables. Only individuals indicating their gender and answering all of the cultural dimension questions (n = 384) would used in the analysis. The descriptive statistics for the dependent variables by gender can be found in Table 3.

The results provide support for the proposal that within the same culture, gender differences will be found on Hofstede's cultural dimensions. Overall the model was statistically significant (p < .01, df = 5, 379). Further, there were statistically significant differences for gender on collectivism, masculinity, and power distance (Table 4). Uncertainty avoidance was significant at the .10 level.

For the second proposal, religion was classified as the between subjects factor and Hofstede's five cultural dimensions were classified as the dependent variables. Only individuals indicating their religion and answering all of the cultural dimension questions (n = 357) could be used in the analysis. Of the useable sample, 243 indicated that they were Christian, 14 indicated that they were Buddhist, 14 indicated that they were Agnostic, 53 indicated that they were Jewish, 11 indicated that they were Islamic, and 22 indicated another or no religious affiliation. The means by religion for the dependent variables by can be found in Table 5.

Again there was general support for the second proposal that, within the same culture there will be differences on Hofstede's dimensions based on religion. Overall the model was significant (p < .01, df = 5, 347). Further, there were statistically significant differences for numerous of the pairwise comparisons (Table 6). It is important to note that the differences are statistically significant even with the relatively small number of individuals in several of the religion classifications.

DISCUSSION

Hofstede work on cultural dimensions has focused on classifying within countries. From reading his books (1980, 1991) or visiting his web page (www.geert-hofstede.com) it is possible to get the impression that categorizing people based on where they live or where they were raised provides a suitable predictor for mental programming. Additionally, one should expect to be able to correctly understand how to engage individuals based on their country of origin. Making such predictions is increasingly important for numerous reasons including pressure on corporations to grow globally. Workforce diversity and customer diversity demand a broader approach to understanding the needs and desires of groups of people.

Although considerable research has been conducted to replicate and validate Hofstede's cultural dimensions (Fernandez, et. al., 1997), this study found significant intracultural differences. Further, the differences were from a relatively homogeneous sample and were based solely on gender and religious orientation. If we were to follow the recommendations derived from Hofstede's work and apply them to our sample, we would not be best meeting their needs.

Limitations and Future Research

As with any cross-sectional survey study, this study has limitations. First, from our study all we can do is describe a situation. It would be beneficial to conduct an experiment and manipulate the organizational structure to identify the causal relationship between cultural dimensions, organizational structure, incentive programs, and specific outcome variables (e.g. commitment, satisfaction, productivity). Also, this study should be replicated on a larger scale to see if the findings are generalizable across different times, places, and settings.

It appears that the real challenge is developing a system that enables relatively consistent predictions about individuals within a culture. It also seems important to further investigate the relative importance of the cultural dimensions and to identify which variables are most critical across and within different cultures.

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Table 1
Principle Components Factor Analysis

Item	Component				
	1	2	3	4	5
UA 3	.837				
UA 2	.820				
UA 4	.781				
UA 1	.766				
UA 5	.756				
COL 4		.816			
COL 3		.811			
COL 5		.695			
COL 6		.671			
COL 1		.648			
COL 2	.300	.597			
PD 3			.819		
PD 2			.767		
PD 4			.728		
PD 5			.715		
PD 1			.671		
CD 6				.788	
CD 4				.777	
CD 3				.727	
CD 1				.686	
CD 5				.551	
CD 2				.508	
MAS 3					.801
MAS 4					.781
MAS 1					.734
MAS 2					.689

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 6 iterations.

Note:
UA = Uncertainty avoidance
COL = Collectivism
PD = Power distance
CD = Confucian dynamism
MAS = Masculinity

Table 2
Descriptive Statistics

	Reliability	Mean	Std. Deviation
Collectivism	0.87	3.15	.76
Masculinity	0.80	2.59	1.00
Power distance	0.83	2.02	.81
Confucian Dynamism	0.76	4.06	.59
Uncertainty Avoidance	0.87	3.77	.79

Table 3
Descriptive Statistics by Gender

	I2	Mean	Std. Deviation
Collectivism	Male	3.27	0.80
	Female	2.98	0.68
	Total	3.15	0.77
Masculinity	Male	2.97	0.95
	Female	2.04	0.80
	Total	2.59	1.00
Power distance	Male	2.20	0.82
	Female	1.77	0.73
	Total	2.03	0.81
Confucian dynamism	Male	4.04	0.60
	Female	4.09	0.57
	Total	4.06	0.59
Uncertainty avoidance	Male	3.71	0.82
	Female	3.85	0.74
	Total	3.77	0.79

Table 4
Pairwise Comparisons by Gender

	Mean Difference Male minus Female	Std. Error
Dependent Variable		
Collectivism	0.29**	.078
Masculinity	0.92**	.093
Power distance	0.43**	.081
Confucian dynamism	-0.05	.061
Uncertainty avoidance	-0.15	.082

Based on estimated marginal means

Table 5
Descriptive Statistics by Religion

Descriptive Statistics

	RELIGION	Mean	Std. Deviation
Collectivism	Christian	3.18	0.69
	Buddhist	3.15	1.12
	Agnostic	2.94	1.16
	Jewish	2.87	0.73
	Islamic	3.76	0.62
	Other	3.16	0.81
	Total	3.14	0.76
Masculinity	Christian	2.57	0.99
	Buddhist	2.93	0.71
	Agnostic	2.39	1.44
	Jewish	2.45	0.95
	Islamic	3.20	0.95
	Other	2.41	1.13
	Total	2.57	1.01
Power Distance	Christian	2.00	0.77
	Buddhist	2.70	1.04
	Agnostic	1.91	0.62
	Jewish	1.97	0.76
	Islamic	2.62	0.91
	Other	1.89	0.95
	Total	2.03	0.81
Confucian dynamism	Christian	4.08	0.60
	Buddhist	3.87	0.77
	Agnostic	4.07	0.67
	Jewish	4.00	0.46
	Islamic	3.74	1.02
	Other	4.22	0.51
	Total	4.06	0.60
Uncertainty avoidance	Christian	3.80	0.74
	Buddhist	3.44	0.94
	Agnostic	3.43	0.98
	Jewish	3.71	0.82
	Islamic	4.26	0.84
	Other	3.59	0.91
	Total	3.76	0.79

Table 6
Pairwise Comparisons by religious affiliation

Dependent Variable	(I) RELIGION	(J) RELIGION	Mean Difference (I-J)	
Collectivism	Christian	Buddhist	0.03	
		Agnostic	0.24	
		Jewish	0.32	**
		Islamic	-0.57	*
		Other	0.03	
	Buddhist	Agnostic	0.21	
		Jewish	0.29	
		Islamic	-0.60	*
		Other	-0.00	
	Agnostic	Jewish	0.08	
		Islamic	-0.82	**
		Other	-0.22	
	Jewish	Islamic	-0.89	**
		Other	-0.29	
	Islamic	Other	0.60	*
Masculinity	Christian	Buddhist	-0.36	
		Agnostic	0.18	
		Jewish	0.12	
		Islam	-0.63	*
		Other	0.16	
	Buddhist	Agnostic	0.54	
		Jewish	0.48	
		Islamic	-0.28	
		Other	0.52	
	Agnostic	Jewish	-0.06	
		Islamic	-0.81	*
		Other	-0.02	
	Jewish	Islamic	-0.76	*
		Other	0.04	
	Islamic	Other	0.80	*
Power distance	Christian	Buddhist	-0.70	**
		Agnostic	0.09	
		Jewish	0.02	
		Islamic	-0.62	*
		Other	0.11	
	Buddhist	Agnostic	0.79	**
		Jewish	0.73	**
		Islamic	0.08	
		Other	0.81	**

Table 6 (Continued)

Dependent Variable	(I) RELIGION	(J) RELIGION	Mean Difference (I-J)	
	Agnostic	Jewish	-0.07	
		Islamic	-0.71	**
		Other	0.02	
	Jewish	Islamic	-0.65	*
		Other	0.08	
	Islamic	Other	0.73	*
Confucianism	Christian	Buddhist	0.21	
		Agnostic	0.01	
		Jewish	0.08	
		Islamic	0.34	
		Other	-0.14	
	Buddhist	Agnostic	-0.20	
		Jewish	-0.13	
		Islamic	0.13	
		Other	-0.35	
	Agnostic	Jewish	0.07	
		Islamic	0.33	
		Other	-0.15	
	Jewish	Islamic	0.26	
		Other	-0.22	
	Islamic	Other	-0.48	*
Uncertainty avoid	Christian	Buddhist	0.35	
		Agnostic	0.37	
		Jewish	0.09	
		Islamic	-0.46	
		Other	0.21	
	Buddhist	Agnostic	0.02	
		Jewish	-0.26	
		Islamic	-0.81	*
		Other	-0.15	
	Agnostic	Jewish	-0.28	
		Islamic	-0.83	**
		Other	-0.17	
	Jewish	Islamic	-0.55	*
		Other	0.12	
	Islamic	Other	0.66	*