

Hofstede and schwartzs cultural dimensional theories



Multi National Companies are now a day's expanding their territory into all the emerging and growth promising nations all over the world. Globalization is totally possible when the business making company can adjust their motives with the cultural frameworks existing in that region and make the employees and the customers comfortable and this can make a huge impression on the overall effective management of the company.

Cultural related business largely is dependent on the analysis and applications of cultural dimensions

We need to discuss any two cultural dimensional frameworks and need to compare them in order to determine the consumer behavior internationally.

We need to evaluate the segment behavior in the targeted international markets to critically determine the action needed be taken in different situation where cultural frameworks are needed to be adopted.

We will take two main widely acclaimed cultural dimensions namely Hofstede's and Schwartz.

2) Introduction:-

Classifications of cultural dimensions are broadly divided on the terms of the habits, geographical locations, adopted habits etc. Of the various classifications the mainly acknowledged ones are Hofstede's, Trompenaar's, Schwartz and Globe Study.

These cultures are mainly classified on the factors of individualism and collectivism. Individualism emphasizes on the self-governance of the person as a whole and the dependency of an individual in a group and their

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interdependency of individuals within the group can be classified under Collectivism.

Hofstede was the first to classify cultural dimensions in the year 1984 and his classification was mostly based on the studies were mainly theoretically oriented and were the results of the research made with the help of students and IBM group workers. Several drawbacks can be observed in this method as it does not take in to account several categories of the people and the different working sectors and the research was limited to only a few categories of working sector. Hofstede has explained the culture “ the collective programming of the mind which distinguishes the member of one group or category of people from another”

Schwartz theory is a bit modern and was proposed in the year 1990 and he argues that individual and cultural analysis is different. Individual dimensions reflect the psychological dynamics of the individual in his day-to-day life. Cultural dimension reflect the solutions for the society by which the human actions can be regulated.

3) Literature Review:-

The literature is mainly carried out from the books by the authors Hofstede¹, Hollensen ² and Schwartz³.

The papers presented to Cambridge university press by Luciana N, Richard M. Steers⁴ and also the research work submitted to University of Madrid by Valdiney V . Gouveia and Maria Ros⁵ are also part of the literature reviewed.

The two main dimensions in consideration are Hofstede and Schwatzr. Both the theories have been widely used in the cross cultural marketing across the world and have got global appreciation.

Hofstede model

According to Geert Hofstede” Culture is a collective programming of the mind that distinguishes the members of one human group from those of the others. Culture in this sense is a system of collectively held values”.

Hofstede classified culture on the basis of 5 main factors and they are stated as:-

Power Distance-the acceptance of the society that it is lawful that the degree of power is unequally distributed in the institutions and organizations. And as per hofstede power distance is “ the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally”. (Hofstede, 1994, p. 28)

Avoiding Uncertainty-the uncomfortable nature of the society by the degree of uncertainty in the markets . this raises the need for a level of certainty in the markets to make the society feel comfortable and secure. Uncertainty was avoided distinct as “ the extent to which the members of a culture feel threatened by uncertain or unknown situations.” (Hofstede, 1994, p. 113)

Masculinity/femininity-the preferences in the society for material success as opposed for a preference in relationships, attention to the week quality of life. It was explained by hofstede “ masculinity pertains to societies in which social gender roles are clearly distinct (i. e., men are supposed to be

assertive, tough, and focused on material success whereas women are supposed to be more modest, tender, and concerned with the quality of life); femininity pertains to societies in which social gender roles overlap (i. e., both men and women are supposed to be modest, tender, and concerned with the quality of life)." (Hofstede, 1994, p. 82-3)

Individualism/collectivism-the preference of the individuals to care about themselves at that closest relative in a closed social surrounding as opposed to that of dependence of groups of which individuals are members. It is two poles of a single dimension which is stated as autonomy and the independence of a person. The country is highly scored if it is favorable in the "culture" sector. They give more importance for the organization which gives more significance for the individual. Hofstede has defined "individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty." (Hofstede, 1994, p. 51)

Long term VS Short Term Orientation- this gives an outlook of the life, work and the relationships that exist between the individuals and the close alliances of the individuals. It was the last fifth dimension which was launched at later work it was described as "long-term orientation as characterized by persistence, ordering relationships by status and observing this order, thrift, and having a sense of shame, whereas short-term

orientation is characterized by personal steadiness and stability, protecting your face”

Hofstede states that the individualism reflects the independence of an individual when compared to the organizations and the groups whereas its attendance will be equal to emotional dependence.

The dimension of the power distance is directly promotional to the individualism where Hofstede's study is -64, sample of the teachers is -. 70, students in Schwartz study is cross-cultural.

In cultural level the individualism is acronym of social inequality and hierarchal acceptance. The masculinity-femininity had enormously affected the individualism. Hofstede finally states that when the two dimensions share commencement of the self, individualism is defined as a dimension of individual position whereas masculinity-femininity is related to the dimension of the individual concept. However they differ in many aspects. Individualism is referred as the dependency and the autonomy of the individuals from communities, whereas the masculinity-femininity is the dimension which is interrelated to relationship enhancement versus ego enhancement irrespective to the community commitments.

Limitations of Hofstede's model-

There are three major limitations of the model.

The model concentrates only on 5 dimensions of culture and there are several other factors which affect the cultural dimensions.

No proper theory built up while classifying countries according to ranking and the classification is limited to only 70 countries.

Hofstede's dimensions mainly stress on the need of qualitative scoring which literally makes it not possible for any sort of graphical representation.

Schwartz model

Schwartz states that individualism had a great status in psychology of a cross-culture same time it had concealed the difference among the values which are associated among them. The three reasons which proves the adequate topology is as follows:

The values are served both called personal interest and community for the collective for the collectivism. This can be the values which share national security, personal, and the family.

Dichotomy lacks as it ignores values which help to achieve collective goals, but they lack characteristics in a group, the significance to use these values is in reference to theory which states that collectivists show less importance to the individualists than strangers.

Schwartz says if collectivism is a function of a community then they must be distinguished between universal collectivism and in-group collectivism.

Dichotomy: States that a collective interests and individual cannot be in conflict.

Example self-direction, stimulation and hedonism are the things which serve the person in preference to the collectively. Those same values can be set as goals in collectively.

Alternative theory was developed by Schwartz for the cultural values which are obtained by Hofstede. These cultures are used for seven basic cultural values. They are as follows:

conservation

Hierarchy

Humility

Intellectual autonomy

Affective autonomy

Competency

Egalitarian compromise

Conservation: The values such as tradition, security and conformity are priorities for the society which emphasises the propriety and avoids actions which are caused by the individuals which try to alter order of the traditional establishment.

Hierarchy: the resources and roles are being emphasized. The societies and cultures are being described by the dimension of collectivism which is constituted by the nucleus.

Intellectual autonomy: The value situates a person to achieve the goals towards intellectual interests.

Affective autonomy: it promotes and protects the experiences of positive achievement. The values are shared along with the intellectual autonomy as the autonomous individual which implies to others in conditions of goals and interests. These two types oppose with collectivism

Competency: These values authorise the environment through goals and success's is achieved through status quo changes, authenticity changes and desire of an activity.

Harmony: the values oppose according to the changes made in the competency. Harmonious fits with the environment and with nature.

Egalitarian compromise: the values are less important in cultures of collectivist in which identification assures for comfort. It is negatively proportional to collectivism and positively proportional to intellectual autonomy.

Limitations of Schwartz theory:-

It is not totally effective in all aspects and is a lengthy process and confusing.

It also is mostly related to the qualitative classification theory

Not widely acknowledged world wide.

Evaluation of the frameworks

Segmenting and targeting markets:-

Market segmenting is the identification of the market's segments which are different from each other. This allows the institution to cater its target customers based on their specific needs.

The market performance can be easily achieved by understanding the cultural factors that are influencing the society and also by adopting the practices followed in that particular society.

Market segmentation is done using 4 classifications taking into view the consumer characteristics:-

Geographic-classification on the basis of region, climate

Psychographic-classification of the customers on the basis of activities, values, attitude and opinions

Demographic-classification on the basis of age , gender, nationality and religion

Behavioristic-it is based on the consumer behavior towards the product on various occasions.

Targeting forms the second stage of the marketing process and the strategies generally used are as follows-

Single segment strategy-one segment is dealt with at one time and this type of a strategy is really applies in the small business levels.

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Selective specialization-this is a mixed type strategy with dealing of different market segments with different strategies. In this strategy mainly the mixed product are catered under different types of marketing techniques and product lines.

Product specialization-If a firm specializes in a single product and caters to different market segments

Market specialization-in this strategy the firm concentrates only on a particular market segment and offers different products to the same market segment.

Full market coverage-this is the mass market strategy in which single undifferentiated product is offered to all the market segments in the society.

Taking the examples of India and UK to evaluate the usefulness of the cultural dimensions in the segmenting and targeting the markets and predicting the consumer behavior.

Considering the case of India-

According Hofstede's ranking India is ranked under high power distance and the power is believed to be concentrated in the hands of only a few

Individuals. The uncertainty levels in the customer levels are low as they have a belief towards the products that are used and there is a strong belief in the fatalism in India as there is caste system and nepotism still prevailing in the country. In accordance with feminism India is ranked moderate and is predicted to reach a high in a very short period. The long term prospects of the country in terms of development and economy look good.

According to Schwartz in India the factors of Harmony, embeddedness, hierarchy and mastery can be rated as high and the factors of Egalitarianism, Intellectual autonomy and affective Autonomy can be rates as moderate due to the differences in the system that prevails in the rural part of India.

On these two cultural dimensions the market segmentation and the predictions of consumer behavior in India should be generally classified under geographical and demographic segmentation and the form should be selective specialization as the product variation is mainly between the rural and urban areas and the differentiation arrives only in the way the consumers receive the product on the values of product, price and the place and also the promotion techniques used to take the product closer to the consumers.

Consider the case of UK-

Taking the Hofstede's factors of classification the power distance is really low as a proper system of governance is followed and the distribution of power is distributed uniformly, the level of uncertainty in the products is really low, individualism prevails in the United Kingdom, the femininity factors and the long term orientation factors of growth look good.

Taking Schwartz dimensions into consideration harmony, Embeddedness, hierarchy, mastery, egalitarianism, and Intellectual autonomy are all rates as high as the UK is a well developed and well educated country and the factors of individualism really decided the market strategy to be taken.

On the above cultural dimension factors the market segmentation should be psychographic and demographic as the eating habits, attitude and opinions are given priority. The target strategy should be product specialized as it will be easily accepted by different segments of the given society. The consumer behavior is mainly dependent on the product and the price of the product in the market.

Conclusion:-

After illustrating the main cultural dimensions of Hofstede's and Schwartz it can be concluded that different cultural dimensions can be adopted to different classes of societies in different geographical regions depending on the development and the social, political, economical and technological aspects that are existing in that region. On a few occasions it is even needed to apply various cultural dimensions to the same product and analyses the marketing techniques.

Cross cultural results cannot always be achieved by using the existing ones or by proposing the new ones but only by clubbing of two or more of the existing cultural frameworks.

The market segmentation and the target market form the key factors in the development of any business and the proper marketing of a product can really give the desired results.

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