

How does a study of  
popular culture help  
researchers  
understand how  
financial rep...



How does a study of popular culture help researchers understand how financial reporting information is valued by society? Popular culture refers to the common culture or the mass culture prevailing in the society. Over time, it has been associated with the commercial culture and all its trappings like movies, television, radio, internet and all other commodities that are available for purchase including all forms of art like theatre, photography and even group experiences like collective comet-watching or rave dancing etc (Storey, John). It is popular culture that defines the likes and dislikes of a society as a whole. It is what defines the trends and the ins and outs of the era. Financial reports are then prepared to mirror the popular culture that prevails in monetary terms. Thus, ideally these reports should replicate the popular culture and should tell if that suits the well being of a country or not.

Critical theory encompasses the idea of popular culture. It involves the examination and analysis of a society and its culture. Recently, Geert Hofstede's cultural dimensions have been used to describe national or, better put, popular cultures. Hofstede's ideas are based on a large scale research project to bridge cultural differences globally and to come up with a global popular culture! It uses data obtained from sixty-four countries. These studies identify five dimensions. These dimensions can be used to analyze how similar or different countries are. Based on these, their financial reports should mirror the popular trends that prevail and should compare the financial status of the countries in a considerable time period. The first dimension is of power distance, second one being individualism, third masculinity, fourth uncertainty avoidance and last one being long term

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orientation( Hofstede, Geert). Power distance index is used to measure the degree to which authority is distributed lopsidedly within an association or an institution (and even in families). It also implies that a society's degree of disparity is authorized by the supporters as much as by the leaders. The analysis of power distance shows significant differences amongst countries, Germany has a power distance index of 35 while Arab countries have a power index of 80. The second dimension of assessing the popular culture according to Hofstede is individualism. In this, it is compared whether the citizens prefer to look after themselves only, i. e. if they prefer individualism or if they prefer collectivism and like to help others. On the individualistic side, we find societies in which the ties between individuals are loose. Everyone takes care of himself and there is no concept of integration in general. For example Germany is considered an individualistic state with an individualism ranking of 67 while Guatemala is a collectivistic state with an individualistic ranking of 6. The third dimension is Masculinity. It deals with the distribution of roles between the genders. In some societies, women are bound to homes and are not allowed to work and live freely, such a society is called " masculine" according to Hofstede's model. " Feminine" is the side where women are allowed to freely practice their beliefs. Germany has a masculine culture with a masculinity index of 66. Masculine traits include assertiveness, power, strength and self centeredness (Batchelor, Bob). The US has a masculinity index of 62. This shows that both the states have the same " popular culture" in terms of masculinity. The fourth dimension is uncertainty avoidance. This index serves to measure the extent to which the residents of a society are made prone to adjust to unusual and challenging

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situations. It serves to measure if the society will be able to take hold of challenging circumstances or will it wilt under the load of novelty and uncertainty. Germany has a high uncertainty avoidance index of 65 while Singapore has an index of 8 only. The last dimension is of long term orientation. It measures the persistence and thrift in the members of a society. It measures the extent to which they are driven to succeed despite all odds.

Thus Hofstede's model provides an accurate way to compare and contrast the popular cultures that prevail in societies today. However, its accuracy has been questioned every now and then since researchers believe that these measures cannot be computed astutely (Richard, Lewis). It is believed, however, that the Hofstede's dimensions do give a rough approximate of the popular culture prevailing in a society. Since the popular culture itself cannot be measured accurately, we cannot hope to have accurate financial reports that mirror the prevailing popular culture. However, the financial reporting information does tell us whether the information is looked upon thoroughly or not because if it is so, consumers will change trends and not go for commodities that are overpriced and will not find themselves caught by strategic planning of the firms.

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