

Hofstede's theories term paper examples

[Countries](#), [United States](#)



Introduction

It is widely accepted in management circles especially in transnational organizations that countries have distinct and sometimes unique cultural traits. These cultural traits are extremely influential and to a large extent determine whether multinational corporations succeed or fail in the various countries of operation. This is the case because of the continued globalization and merger of world economies that has consequently resulted to the melt-down of not only international but also local geographic boundaries. To this effect, culture based studies are becoming a pre-requisite for doing business in the various parts of the world as the years pass by. At the center of these culturally based studies are cultural models. Basically, cultural models can be defined as “ patterns of basic problems that have consequences for the functioning of groups and individuals.” Cultural models are essential in ascertaining and explaining power relations, personal perceptions of self and the rest of the society, major challenges that result as a result of culture and the prescribed solutions to these challenges. Some of the cultural models that have been advanced to help conduct business in this culturally diverse world include the Hofstede and the GLOBE models. However it must be mentioned that the scope of this thesis shall be limited to the Hofstede model of national culture.

Hofstede model is the brainchild of Professor Geert Hofstede while working for IBM in the 1970s. His research was later refined in the years 1991 and 2001. His research was commonly referred to as the Culture's Consequences based on the fact that Hofstede has never accepted that his model has

weaknesses despite the fact that he has made changes to the model on two occasions over the years. The objective of Hofstede's cultural model is to provide the much needed insight into the culture of countries especially in terms of the business environment. To this effect, Hofstede's model views culture in terms of five different levels which include: power distance index, uncertainty avoidance index, individualism, masculinity and finally long-term orientation. Power distance index refers to the unequal distribution of power within the society in such that the less powerful members of the society accept and expect power to be distributed unfairly.

Uncertainty avoidance index on the other hand refers to the societal continuous search for the truth by constantly battling ambiguity whilst masculinity has to do with the gender roles assignment in the society. Individualism is concerned with how personal ideologies are integrated into the society and the extent of self-conceptualization in relation to collectivism whilst long-term orientation refers to the various virtues that are associated with the search for truth which include resilience, perseverance and patience. This thesis shall henceforth compare and contrast the culture of China and the United States of America specifically in relation to the Hofstede's model of national culture.

Comparison between the Chinese and American Cultures under the Hofstede Model

As earlier mentioned, Hofstede conceptualized national culture in terms of five different factors which include power distance index, individualism, masculinity, uncertainty avoidance index and finally long-term orientation index. The thesis shall now compare and contrast the national cultures of the

Chinese and the Americans in relation to each of the five aforementioned concepts of Hofstede's cultural model in relation to the business environment in these two countries.

Power Distance Index

The Chinese culture is amongst the cultures in the world that accept power inequalities within the society. To this effect, Hofstede's model gives the country a power index of 80 which is amongst the highest in the world. The superior- subordinate relationship in the Chinese society can be best described as master-servant relationship where abuse of power is the order of the day. This thus implies that in China there are no mechanisms in place to protect the inferior members of the society from their superiors. In fact, it is viewed upon as a crime for a subordinate to have aspirations that exceed his rank not only in the society but also in the organization. A typical Chinese workplace is characterized by tensions between the management and their employees and the crisp nature of the formality in these work environments is depressing. Basically the upper echelon of the Chinese is revered by the lower ranks of the society.

Contrast to the Chinese culture, the American culture has a relatively low power distance index of 40. This can be attributed to the fundamental principle of "liberty and justice for all" on which the American society is founded on. This thus implies that the American government has various mechanisms in place to not only address power inequalities in the society but also to promote equality in relation to power relations especially at the workplace. In America hierarchy of power in the organization is ceremonial

and this the reason why typical American work environment is characterized by a management that is accessible to the workforce and that heavily depends on the workforce to meet the organizational goals and objectives. Information flows between the superiors and the subordinates is the order of the day.

Individualism

Chinese culture is highly collectivist and thus ranks lowly in the individualism index. The individualism rank of the national culture of China is 20. This implies that in China the wellbeing of a group far outweighs that of an individual. It is thus typical for personal relationships to trample organizational principles and structures. Therefore promotions and job recruitments are based on personal affiliations. The people who belong to the same circle treat each other cordially and warmly but treat the rest of the people outside their social circle coldly and harshly. Basically, Chinese employees are more likely to commit more to individuals within an organization and not to the organization itself. It must also be mentioned that the commitment to individuals is based on personal rather than professional affiliations within an organization.

Contrast to the Chinese culture, the American is highly individualistic. To this effect, the American society has one of the highest individualism indexes of 91. Unlike in China where the society is closely-knit, in America the society is loosely-knit and henceforth one looks out only for the interests of self and those of very close family members. This individualism in America is however characterized by a high degree of geographical mobility which thus implies

that Americans will readily conduct business with strangers. The same cannot be said for the Chinese whereby personal affiliations trample any other sorts of affiliations. Based on this premise, American job recruitment and promotion operations are solely based on merit and as a result the American work is self-driven and very committed to their organization.

Masculinity

The concept of masculinity within any national culture has more to do with what motivates individual within the society to work. China has a high masculinity index of 66 according to Hofstede's model. This implies that the Chinese people are highly motivated by the need to succeed in all they do and this comes at the expense of everything; family and leisure included. To this effect, the Chinese will do anything possible to earn an extra income whether it is working for longer hours, relocating far from their places of origin. This competitiveness is cultivated in the young ones at early age whereby they learn to attain high grades in school because according to them that is what life is all about. Basically, the Chinese will do anything to get ahead of the pack. However, masculinity in China is regulated by collectivism.

With a masculinity index of 62, the American society is similar to the Chinese society. In fact, the situation is worse in America due to the fact that individualism is the order of the day. Americans are programmed to believe that the winner takes it all and thus everything an individual does is aimed at succeeding. This implies that the American society is motivated by material gain and monetary rewards. Thus competition at the workplace is cutthroat

and only the fit survive this bruising battle and are rewarded with the promotions and perks that are associated with success.

Uncertainty avoidance index

The Chinese have a low uncertainty index of 30. This implies that the Chinese are very comfortable with ambiguity. Testimony to this is the fact that the Chinese language is full of ambiguous terminologies that cannot be easily be deciphered by foreigners. Based on this premise, it is thus clear that the truth is flexible in China. The same does apply for the rule of law; implying rules, the truth and regulations can be bent depending on the situation. Thus, the Chinese are very accommodating and naturally entrepreneurial. The American society on the other hand has an uncertainty index of 46. Similar to the Chinese, this implies that the Americans are also comfortable with uncertainty and this is the reason why they accept new ideas and technology with relative ease. Just like the Chinese, the American are flexible and bend rules and regulations as stipulated by circumstances. Similar to the Chinese, Americans are very experimental and tolerant of new ideas and all forms of expressions.

Long-term Orientation Index

China has a high long-term orientation index of 118. This implies that in the Chinese society resilience, perseverance and persistence are cherished virtues and are the norm of the day. This is the reason why relationships in China are structured and highly depend on an individual's status in the society. The Chinese are extremely economical especially when investing in long-term projects because they understand the cycles of such investments.

The Chinese also adapt easily to new traditions as dictated by circumstances. Basically, in China you either have confidence or you lack it, there are no middle grounds as is the case in America. The American society has a very low long-term index of 29 implying it is a short-term orientated society. This implies that unlike Chinese traditions that are flexible, American traditions are very rigid and must be followed to the latter. Audits of American organizations are done on a quarterly basis and American investments are short-term in nature.

Implications of the Comparison

Therefore for a firm to do business successfully in both countries, they must embrace aspects of both national cultures. For this to be possible, the management must be comprised of nationals of both countries. For instance, if the manager of the firm is Chinese, then it naturally follows that the assistant manager must be American and vice versa. Management roles must be evenly distributed between the two countries. Alternatively, managers of firms that do business in both countries must get some form of training in relation to both cultures. Regardless of whether the geographical location of the firm's operations, it must embrace both cultures to maximize the workforce. This is because just like collectivism is vital in an organization, individualism is also significant in some aspects. This implies that individualism and collectivism can be used interchangeably as dictated by the circumstances; extreme cases of both individualism and collectivism are detrimental to any organization. The same does hold for power distance and long-term orientation indices.

Conclusions

The Chinese and American societies are similar in the essence that both cultures have the same view of masculinity and uncertainty avoidance indices. However, the two cultures greatly differ as far as power distance, individualism and long-term indices are concerned. This implies that an organization doing business in both countries must embrace the positive aspects of both cultures and shun the negative implications of both cultures.

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