International Marketing Prof. Biswarup Ghosh Vinod Gupta School of Management Indian Institute of Technology - Kharagpur

Lecture – 11 Hofstede's Cultural Dimensions, Cross-Cultural Sales Negotiations

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	Country	IDV_Score	Country	IDV_Score	
	Guatemala	6	Switzerlar	68	
	Ecuador	8	Switzerlar	69	
	Panama	11	Norway	69	
	Venezuela	12	Ireland	70	
	Colombia	13	Latvia	70	1.11
. 100	Pakistan	14	Sweden	71	Hi
V	Indonesia	14	France	71	
	Costa Rica	15	Belgium F	72	
	Trinidad and T	16	Canada Fr	73	
	Peru	16	Denmark	74	
	Taiwan	17	Belgium	75	
	Korea South	18	Italy	76	
	El Salvador	19	Belgium N	78	
	Thailand	20	New Zeal	79	
	Vietnam	20	Netherlan	80	
	Singapore	20	Canada	80	
	Africa West	20	Hungary	80	
	Bangladesh	20	Great Brita	89	
	China	20	Australia	90	
	Chile	23	U.S.A.	91	12.00

Good evening, welcome to module 3, lecture 11 where we left in the previous session. Now, we have left in the previous session on the individualistic and collectivistic countries. So, I have explained you the nature of the nationals who have very high individualistic scores of Hofstede scores compared to the scores of the nationals who are very high on the collectivist score. So, how are typically the difference? So, I have given this IDV score.

If the score is really high, see the US the score is very high 91, Australia 90, Great Britain 89; in these countries it is all I, absolutely I, not we. And the countries you see where it is low it is more often the country where it is more often we, collective nature of the people. So, that is the countries which are reflected on the left side of that and the countries which are shown in the right side or on the high.

In the end of this lecture, I will take to the Hofstede's website and then compare country wise and how it varies, it will be easy for you, but at this point of time you first understand all these cultural dimensions, so what is an individualistic cultural dimension versus a collectivist culture dimension and how they are different and how it changes for the countries, we will come to that later stage.

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Implications of individualism/Collectivism

- Individualistic (such as US) prefer to peruse discussions for their personal (zero-sum) benefits,
- However, Collectivist (Such as China) managers prefer to have a stable and a loyal relationship. Reliability and interdepend ability is considered to be important.

Implications, so individualistic such as US, you have seen in the previous slide US is a very high say 91 prefer to pursue the discussions for their personal zero-sum benefits. However, the collectivist such as China managers prefer to have a stable and loyal relationship. Reliability and interdependent abilities considered to be very important.

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Masculinity versus Femininity

- Masculinity: "a national culture attribute that describes the extent to which the culture favors traditional masculine work roles of achievement, power, and control. societal values are characterized by assertiveness and materialism." –(Robbins, S. P., & Judge, T. A. 2017, p.194)
- Femininity: "a national culture attribute that indicates little differentiation between male and female roles; a high rating indicates that women are treated as the equals of men in all aspects of the society." –(Robbins, S. P., & Judge, T. A. 2017, p.194)

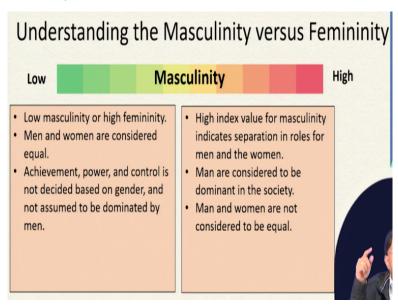
Next comes another cultural dimension of Hofstede's cultural dimension is masculinity versus femininity. So, this is not a male or female, okay. So, I will explain to you how important this cultural dimension for you, Masculinity what it typically says? It says that a national culture attribute that describes the extent to which the culture favours traditional

masculine work roles of achievement, power, control. Societal values are characterized by assertiveness and materialism.

So, this is the definition of Robbins, S. P. Judge, T. A. I refer that. And the definition in femininity in national culture attribute that indicates little differentiation between male and female roles. A high rating indicates that women are treated as the equals of men in all the aspects of the society. So, masculinity is typically very hard aged, very fact base agreements and this decision style making is very masculine that is why it is said in the culture, it is masculine.

The decisions will be; the style will be of management will be very hard aged and in the feminine the much greater degree of consulting and interactive discussion. So in the femininity, where the index is very high, there will be much greater degree of consultation.

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So here, see the understanding in the masculinity versus femininity. So, what are the typical characteristics of a low masculinity? Low masculinity or high femininity means men and women are considered to be equal. Achievement, power and control is not decided based on gender and not assumed to be dominated by men.

Whereas in masculinity where this index is masculinity index is very high, the high index value of masculinity indicates separation in roles for men and the woman. Men are considered to be dominant in the society. Men and women are not considered to be equal. So, this is the two contrast sides, two extreme sides of masculinity high versus masculinity low.

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Top 10: Masculinity versus Feminin				
High Masculinity	High Femininity			
Emotion and social differentiation between men and women.	1. No gender based emotional and social differentiation.			
Men are to be more ambitious and assertive compared to the women.	2. Both genders are caring and modest.			
3. Work is preferred over family.	3. Work and family balance.			
4. Strong are admired and praised.	4. Weak are sympathized.			
5. Fathers responsible for facts and mothers for feelings.	5. Fathers and mothers jointly take care of facts and feelings related matters.			
6. Fathers are responsible for family planning related decisions.	6. Mothers decides upon number of babies.			

What are the typical characteristics of the masculinity? So, let me first explain what are the very important characteristics of the high masculinity country or the nationals. Emotion and social differentiation between men and women. Men are to be more ambitious and assertive compared to the women. Work is preferred over family. Strong are admired and praised. Fathers responsible for facts and mothers for feeling, very important parameter here.

Look at this, fathers are responsible for the facts and mothers for the feelings and fathers responsible for family planning related decisions. In a high femininity, no gender based emotional and social differentiation. Both genders caring and modest. Work and family balance. See in high masculinity you have seen that this work is much preferred over the family. So, you spend long hours at the office and you work very long, come back very late in the evening and very less time for your family.

So, there is no balance in high masculinity countries or the nationals, there is no work life balance. See in the high femininity countries, work and family life balances there. So, the people will be supposed to work whatever is the work time, say 5 o'clock in the evening or 6 o'clock in the evening they will be in the office. After that they will go back to the home and spend time with the family. In the high femininity weak are sympathized whereas if you have seen in high masculinity strong are admired and praised, see how contrast these are.

Fathers and mothers jointly take care of the facts and feelings related matters and mothers decide upon the number of babies. So this is the high femininity and high masculinity. I want

please do not mix with male or female. This is a decision making style in different countries, the characteristics of the nationals of different countries where the high masculinity index or high femininity index will characterize the type of the nationals in that country as per the Hofstede analysis.

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	Country	MAS_Score	Country	MAS_Score	
	Sweden	5	U.S.A.	62	
	Norway	8	Ecuador	63	
	Latvia	9	South Africa	63	
	Netherlands	14	Colombia	64	
	Denmark	16	Philippines	64	
	Slovenia	19	Poland	64	11
	Lithuania	19	China	66	Н
V	Costa Rica	21	Germany	66	
	Finland	26	Great Britain	66	
	Chile	28	Jamaica	68	
	Estonia	30	Ireland	68	
	Portugal	31	Mexico	69	
	Thailand	34	Switzerland	70	1
	Russia	36	Italy	70	
	Guatemala	37	Switzerland G	72	
	Suriname	37	Venezuela	73	
	Uruguay	38	Austria	79	
	Korea South	39	Hungary	88	
	El Salvador	40	Japan	95	
	Vietnam	40	Slovak Rep	110	

So you see the countries like Japan 95, very high score. You see the countries here is very high; Japan, Hungary, Austria, these are very, very high. Whereas Sweden, Norway, Latvia is very low. And also you see the Thailand they are very low 34, 38 and all those are the there. China is reasonably high, about India I am comparing India with other countries, I will take you to the Hofstede website and show you the difference.

I will show you from the website that will be easy for you to understand, but to give you an feeling here you will understand that in Japan, if you are dealing with a Japanese company, if you are dealing there you expect there is a fairly high masculinity index in Japan. The people will typically work very late in the office and they will work say around 8.30, 9, 10, 10 o'clock in the night and come back to home and then early morning again leave for the office.

So that is typically the way the Japanese people work. So, that is the typically the chart, the table, which will show you some of the countries where the masculinity and femininity index is very high or low.

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Implications of Masculinity/Femininity in Cross-cultural Sales Negotiations

- Masculine culture:
- →use of zero-sum game and competitive strategy for negotiation.
- → Resolution of conflict in fightback and egoistic manner,
- → Focus on specifics of the negotiation deal.
- · Feminine culture:
- → Collaboration and compromise strategy is used for negotiation,
- → Conflict resolution is in win-win manner,
- → Focus on overall impact of the agreement.

Implications, what are the implications? Masculine culture if the masculine culture is there use of zero-sum game and competitive strategy for negotiation is very important. So that means the country if you are going to negotiate, to a country where the masculine index is very high, the competitive strategy for negotiation. Resolution of conflict in fight back end egoistic manner. Focus on specifics of the negotiation deal that is typically a masculine culture.

So, in feminine culture collaboration and compromise strategies used for negotiation. Conflict resolution is win-win manner and focus on overall impact of the agreement. So, this is typically the culture in a feminine culture and in cross-cultural sales negotiation this is very important. If you are going to a country where the masculine culture is very high be careful that resolution of conflict in fight back and egoistic manner, focus on specifics on the negotiation deal.

But if you are negotiating with a country where the feminine culture femininity index is very high in that case the collaboration or masculine index is low, feminine index is high, the collaboration and compromise strategies used for the negotiation and you will be always successful if you follow this, but never try this in a masculine culture country. Conflict resolution will be a win-win manner, so both the party will resolute that conflict and it will be win-win for both the parties. And focus on overall impact of the agreement, so that is typically a sales negotiation culture there.

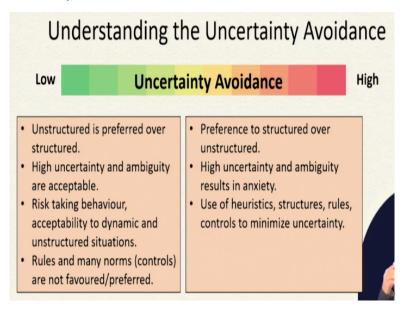
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Uncertainty Avoidance

Uncertainty Avoidance: "a national culture attribute that describes the extent to which a society feels threatened by uncertain and ambiguous situations and tries to avoid them." –(Robbins, S. P., & Judge, T. A. 2017, p.194)

Then comes another very important Hofstede cultural dimension which is known as uncertainty avoidance. You can make it out from the name itself you want to avoid any short of an uncertainty. That means a national culture attribute that describes the extent to which a society feels threatened by uncertain and ambiguous situation and tries to avoid them. So, that is typically a definition there.

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So, then characteristics; low uncertainty versus high uncertainty avoidance; so what typically the attitude to the risk taking that is very important in this. So, low level of uncertainty avoidance and willingness to accept more risk work outside the rules and embrace change. Let us discuss here first the characteristics which are shown here. The unstructured is preferred over the structured.

In a low uncertainty avoidance, unstructured is many well preferred, whereas preference is structured over unstructured. So, people do not want anything unstructured where uncertainty avoidance is very high. In uncertainty avoidance countries where it is very low high uncertainty and ambiguity are acceptable. People are acceptable on the high ambiguity, high on amount of uncertainty whereas the countries who avoid any uncertainty they want high uncertainty and ambiguity results in anxiety.

If there something is very uncertain, they will feel very anxious, but the people who are in the nationals who are in a country who are low uncertainty index, they will manage the ambiguity and that is acceptable to them. The uncertainty avoidance countries the risks taking behaviour is there and accessibility to dynamic and unstructured situation. So, anything unstructured that the risk stalking behaviour; is typically the characteristics of the nationals where the uncertainty avoidance is very low.

Whereas use of heuristics, structures, rules, controls to minimize the uncertainty. So, heuristics, structures, rules, controls everything is there, you use it so that you avoid any amount of uncertainty, whereas rules and many norms controls are not favoured so that is typically an uncertainty. So higher level of uncertainty is more often rule, data clarity of roles and responsibilities.

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Uncertainty Avoidance					
Low Uncertainty Avoidance	High Uncertainty Avoidance				
1. Uncertainty is inherent in life.	1. Uncertainty is a threat.				
2. Self-control, low anxiety	2. Emotional involvement, high stress, high anxiety				
3. curiosity, deviant type people are acceptable, risky ideas are acceptable	3. People and ideas need to be very certain				
4. Subjectivity about health and well-being	4. High objective health and well-being.				
5. Change jobs, career paths	5. Remain in job/career as long as possible				
6. Too many rules are undesired.	6. Rules are preferred to keep uncertainty low.				
7. Relativism and empiricism in philosophy, science, and the religion	7. Ultimate truth and grand theories are believed in				
8. Teachers answer intuitively and may say "don't know"	8. Teachers are expected to know everything.				

Low uncertainty avoidance versus high uncertainty avoidance, I have given the two tables which compares these two extreme ends. Low uncertainty avoidance, uncertainty is inherent in life. The people in that national of that country they will think uncertainty is inherent in our

life that is a part of our life. Whereas the high uncertainty avoidance country this uncertainty is a threat. If it is something uncertain that is a threat.

If I do not know something which is not very clear and is not certain, it will be a big threat for those nationals. Self-control, low anxiety whereas in high uncertainty avoidance emotional involvement, high stress and high anxiety, Curiosity, deviant types of people are acceptable, risky ideas are acceptable whereas people and ideas need to be very certain in high uncertainty avoidance countries. Subjectivity about health and well-being and high objective of health and well-being.

In the low change of jobs or career paths is there very much common, but whereas remain in job or carrier as long as possible. So, if you are recruiting the people in a very high uncertainty avoidance country, you will find that the people will typically go with the carrier or the job which is as long as possible. Too many rules are undesired in a low uncertainty avoidance countries too many rules are undesired, whereas rules are preferred to keep uncertainty low.

So, there will be everything rule based and so that there is no uncertainty. Relativism and empiricism in philosophy, science and religion. Ultimate truth and grand theories are believed in. Teachers answers intuitively and may say do not know and in this high uncertainty avoidance teachers are expected to know everything so that is the basic difference between low uncertainty avoidance versus high uncertainty avoidance.

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Country	UAI_Score	Country	UAI_Score	
Singapore	8	France	86	
Jamaica	13	Panama	86	
Denmark	23	Argentina	86	
Sweden	29	Peru	87	
Hong Kong	29	Slovenia	88	_
Vietnam	30	Romania	90	
China	30	Suriname	92	
Great Britai	35	Serbia	92	
Ireland	35	Japan	92	
Malaysia	36	Belgium Frei	93	
India	40	Poland	93	
Philippines	44	El Salvador	94	
U.S.A.	46	Belgium	94	
Indonesia	48	Russia	95	
Canada	48	Malta	96	
New Zealan	49	Belgium Net	97	
South Africa	49	Uruguay	100	
Norway	50	Guatemala	101	
Australia	51	Portugal	104	
Slovak Rep	51	Greece	112	

See the countries the Greece, Belgium, Uruguay these countries very high uncertainty avoidance, so this country will, these nationals will never ever allow any amount of uncertainty, they want everything to be structured there. So, these countries absolutely they will avoid all uncertainties whereas the countries where the uncertainty the avoidance is very low see the Singapore, India; you see Singapore is very low.

But coming back to see the India is around 40 is on the lower scale, less than 50 on the lower scale, so there are a lot of uncertainty still we cannot avoid. So, the people still have some amount of uncertainty avoidance will be there. So, they will continue with some amount of because our uncertainty avoidance numbers are very low compared to the countries like Guatemala, Russia, Portugal, Japan all those, they are very uncertain.

Everything should be planned perfectly and no uncertainty absolutely there. So that is the way and typically if you look at our country or if you look at even in US where uncertainty avoidance is 46 similar to India.

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Implications of Uncertainty Avoidance in Cross-cultural Sales Negotiations

• High uncertainty avoidance culture:

→ Bureaucratic negotiation rules,

→ Standardization,

→ In-group to be trusted only,

→ Explicit policy guide, structure processes.

• Low uncertainty avoidance cultures:

→ Work informally and flexibly,

→ Hierarchy is not preferred,

→ Rough estimates of amounts, timings, volumes,

Conflict may arise when low uncertainty avoidance manager revises the delivery time or the product quotes while dealing with a high uncertainty avoidance manager.

How this will help you in the cross-cultural sales negotiation? So, you are negotiating with a high uncertainty avoidance culture versus low uncertainty avoidance cultures, what are typically negotiation which is very important for you? So, when you are negotiating with a high uncertainty avoidance cultures, say Japan or Belgium the countries where I have shown bureaucratic negotiation rules, standardization, in-group to be trusted only, explicit policy guide and structured process so that typically exist there.

In low uncertainty avoidance countries cultures, work informally and flexibly. Hierarchy is not preferred. Rough estimates of amounts, timings and volumes. So, conflict may arise when a low uncertainty avoidance manager revises the delivery time or the product quotes while dealing with a high certainty avoidance manager. So, imagine you are going see from India negotiating a sales contract in Japan.

And you have signed the delivery date and the quote at the time of collecting the order, delivery time of their product you have mentioned that and accepted. Due to some reason, you are not able to deliver it on time, so there will be huge amount of conflict will be there because Japanese people will not allow you to miss your delivery time because they do not want any uncertainty because they have planned their product based on your delivery.

They have planned their final product which they will make based on the delivery what you have committed. So, you will not able to, you will create a huge amount of friction there if you miss that. So, these are the implications of uncertainty avoidance in a cross-cultural sales negotiation. So always ensured when there is too much of contrast between high uncertainty and low uncertainty too much contrast all these frictions will happen, so you need to take care of these type of avoidance. You have to take care.

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Long-term vs. Short-term Orientation

- Long-term orientation: "people in culture with long-term orientation look to the future and value thrift, persistence, and tradition." –(Robbins, S. P., & Judge, T. A. 2017, p.194)
- Short-term orientation: "people value the here and now; they also accept change more readily and don't see commitments as impediments to change."

-(Robbins, S. P., & Judge, T. A. 2017, p.194)

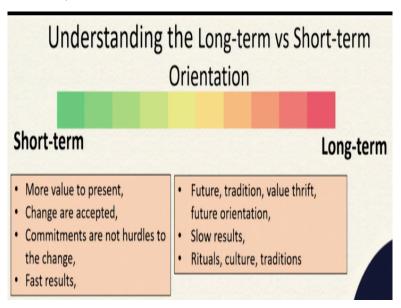
Then comes long-term versus short-term orientation; so you can make it out from the name it is something like long-term versus short-term. So, the long-term orientation, people in culture with long-term orientation look to the future and value thrift, persistence and tradition

whereas the short-term orientation people value the here and now, they also accept change more readily and do not see commitment as impediments to change.

So, the long-term orientation business planning, objectives performance, so country places greater emphasize on the long-term performances with financials and the other rewards based towards pay to an employee. So, it is the countries which are belong to the nationals, they will look for a long-term orientation. The companies in that country will look for a project which is a long term one and the investment and also the long-term investment.

The countries that typically short-term orientation, the people encourage more key implication investment decision and risk taking and very short term, they want the results. So, that is typically the nature between a long-term nations or long-term nationals from a long-term country versus a short-term orientation.

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So, understanding the; long-term versus short-term orientation. Short-term, more value to present, changes is accepted. Commitments are not hurdles to the change. Fast results. So, these typically the short term. Though you can make it out from the name short-term is very fast they want the result, the countries which have got a very short-term orientation, they want the managers, the company, the management want very short.

They will make an investment and they want the result within maybe in 3 years' time, 2 years' time or maybe looking for a very short-term that I want the immediate result in next quarter or a year, so that is a very short-term looking. Whereas in a long term, future,

tradition, value thrift, future orientation. Very slow result they will give you and these companies will invest for a long-term and look for a long-term result in that. So rituals, culture, traditions these are all long-term.

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Long-term vs Short-term Orientation					
Short-term Orientation	Long-term Orientation				
1. Present is important.	1. Future is important.				
Consistency in person's nature (good is always good)	2. Person adapts to the circumstances.				
3. Universal principles that guide about good/bad.	3. Good/bad depends on situation.				
4. Stick to what traditions are.	4. Traditions can changed with time (adaptation)				
5. Proud of one's country.	5. Learn from others.				
6. Social spending and consumption.	6. Save more, invest more.				

So in short term, what is most important? The present is most important, today is most important in a short-term. Today's scenario is most important they do not look about the future. The countries which have got a long-term orientation, future is very important. They look at the future, not today. So that is a big difference between the long-term versus short-term orientation. Consistency in person's nature, good will be always good.

Whereas in person adapts the circumstances in a long-term orientation. Universal principles that guide about good and bad, whereas good and bad depends on this situation in in long-term orientation. Stick to what the traditions are versus traditions can change with time, adaption, more you adapt in that because it is a long-term period. Proud of one's country, learn from others. Social spending and consumption and save more and invest more. Those are typically the long-term versus short-term orientation.

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Country	LTVST_Score	Country	LTVST_Score	
Puerto Rico	0	Bulgaria	69	
Ghana	4	Czech Rep	70	
Egypt	7	Bosnia	70	High Long
Africa West	9	Moldova	71	HIIBI
Trinidad and T	13	Singapore	72	
Colombia	13	Switzerland	74	lone
Dominican Rep	13	Montenegro	75	LOTTE
Nigeria	13	Slovak Rep	77	
Iran	14	Germany Ea	78	term
Morocco	14	Russia	81	
Zimbabwe	15	Belarus	81	
Venezuela	16	Estonia	82	
Jordan	16	Lithuania	82	
Rwanda	18	Belgium	82	
Argentina	20	Germany	83	
El Salvador	20	Ukraine	86	
Mali	20	China	87	
Australia	21	Japan	88	
Arab countries	23	Taiwan	93	
Ireland	24	Korea South	100	

Lists the country's high long-term. See the South Korea, high long-term. So if you see that the long term, Korea very high long-term scores 100 or maybe Taiwan, Korean companies, if you look at that their investments will be all long term list, everything is very long term, the Korean companies they will make an investment in a country that is all long term. So, that is the reason you look at this Korea, Japan, Taiwan these countries, Germany very long-term investment.

Whereas look at the left whereas it is a very low long-term that is very high short-term. The countries will not make really an investment really for a long-term project. So that is the big difference and you can make it out jolly well you have seen in India, how the Korean and Japanese companies have entered into this market and what is their long-term view about this market that they are operating in this market for many years.

And if you look the examples of this Hyundai, Suzuki and all these companies, you see they have all come for the long-term investment here. They are looking India and adapting India based on the long-term view. Look at Korean companies like Samsung, LG these companies they all very high long-term. So, they invest and they you have seen how they have invested in India looking at a very long-term prospects about the India.

So, long-term versus short-term is very crucially important for you, very crucially important for you long-term versus short-term. So, in case typically if you are investing in a country, if the company the nationals are from the short-term, they will not really make an investment considering a very long-term benefit. So, ensure even if you are marketing a product in these

countries, the people are typically looking at very short-term way and not really a long-term way so that is typically the characteristics of these two countries okay. That is all from my side in this chapter. I will come back to you in the next chapter shortly. Thank you.