

**International Business**  
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**Lecture - 26**  
**Hofstede's Cultural Dimensions**

Welcome friends to a course of on International Business. So, today we are coming to the last part of the fourth unit in which we will be talking about Hofstede's Cultural Dimensions. So, before this we have spoken about we have discussed about the business environment.


The factors affecting it largely the political, economic, then social, technology legal all these different factors and how they affecting business. But, by the time I am standing here today I am very happy to say that India has moved up one rank by one rank in the human development index.

So, it has moved from 130 to now 129 although it is not a very very great record, but still there is something to be happy upon. So, what is Hofstede's cultural dimensions and how it has an impact on the business? So, what it basically says and it was you know this study is named after Dr. Geert Hofstede as you can see here right.



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### Hofstede's Cultural Dimensions ( by Dr Geert Hofstede)

- Professor Geert Hofstede and his associates conducted a large-scale research project between 1967-1973 a survey within IBM including 116,000 participants in more than 70 countries.
- Initially, Hofstede identified four dimensions that could distinguish one culture from another. Later, he added fifth and sixth dimensions, in cooperation with Drs Michael H. Bond and Michael Minkov. (see next slide)
- The cultural dimensions represent independent preferences for one state of affairs over another that distinguish countries (rather than individuals) from each other.
- Professor Geert Hofstede defines culture as "the collective programming of the mind distinguishing the members of one group or category of people from others".



"National Culture cannot be changed, but you should understand and respect it."  
Geert Hofstede

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Who Professor Hofstede and his associated associates conducted a very large scale research project in the year 67 to 73 and they conducted a survey among the IBM International Business Machine IBM employees involving 1,16,000 participants in more than 70 countries.

So, as you must be knowing IBM is called as the Big Blue it is called as the Big Blue. So, it has operations in several countries a very globally known company. So, Hofstede did a survey in this time frame on 1,16,000 employees and it found out 4 dimensions that could distinguish one culture from another. Now, in the earlier classes lectures we have discussed how culture effects business right.

So, this also helps in adding a dimension to understand [FL] what how one culture varies from another and what are the major components or major dimensions that affect it. Later on he added the fifth and sixth dimensions in cooperation with Dr. Michael H Bond and Michael Minkov right.

So, these 2 researchers later on joined hands and from their work Michael Geert Hofstede added 2 more dimensions which is called the fifth and the sixth dimensions which we will be discussing right. So, earlier he started with four dimensions and then towards the end he had six dimensions.

So, the cultural dimensions represent independent preferences for one state of affairs over another that distinguish countries rather than the individuals from each other. So, it says on these parameters or this dimensions one can differentiate one country from the other. As I said today India stands at 129 on the human an index.

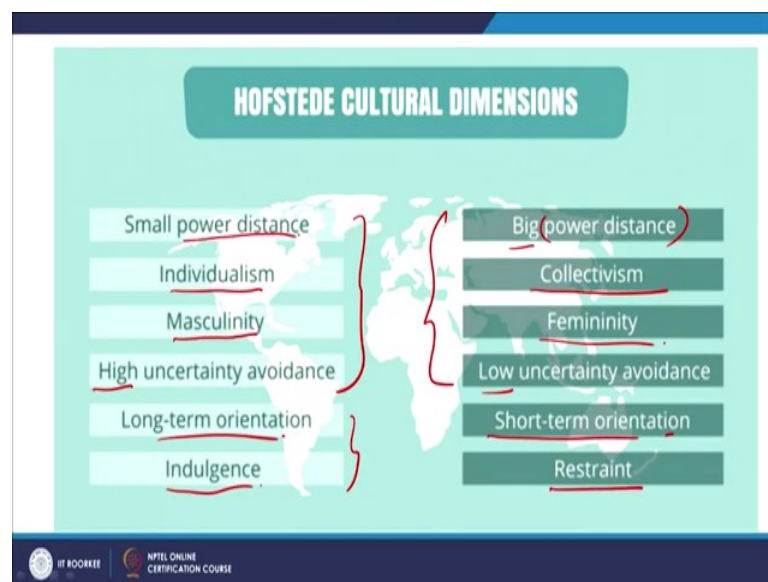
So, India has a different kind of a culture what kind of a culture India has, how India's culture is different from countries like for example Norway, how what is the difference between culture of India and let us say Japan.

Now, the cultural differences as we have seen in the past they have a very large profound impact on the business. So, it becomes very important and this that is why Hofstede study is considered to be one of the most profound studies than in the area of international cultural culture and you know related areas.

So, Hofstede defines culture as the collective programming of the mind distinguishing the members of one group or category of people from others. So, he says it is the it is a collective programming. Obviously, it is a collective programming of the mind because a culture has several dimensions and all these dimensions taken together then decide and can be given as a name called culture.

So, if one has to understand one cannot understand it from a you know by understanding in a discrete manner rather it has to be taken or understood from a holistic manner taken taking all the points together right. So, preferences, traditions, habits all of them together right.

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So, it says that is why the collective programming of the mind right. Now, Hofstede's dimensions are something like this. So, power distance right. So, it could be small power distance or big power distance, but what is the first factor is the power distance. Then it talks about individualistic societies versus collective societies.

Then on basis of gender is it masculine in nature or feminine in nature right. Avoiding uncertainty is it high or is it low right. So, these were the initial 4 that Hofstede had generated, but later on from the other 2 researchers' work, he added these 2 you know dimensions. One is the long term orientation versus short term orientation and the last being indulgence or restraint right. So, we will see all of them in detail. So, let us start let us move ahead.

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### Power Distance Index (high versus low)

- This dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally. The fundamental issue here is how a society handles inequalities among people.
- In societies with **high/large Power Distance** accept a hierarchical order in which everybody has a place and which needs no further justification. (Malaysia, Mexico, Panama, Philippines, Singapore etc.) *India*
- In societies with **low/small Power Distance**, people strive to equalize the distribution of power and demand justification for inequalities of power. (Austria, Denmark, Israel, Finland, New Zealand etc.)



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So, when we move to the first one power distance index high versus low. Now, let us look at this diagram if you see what do you understand from this diagram. There is one person sitting at a very at the top and all others are looking upon looking up to him.

Similarly, it is seems like you know somebody is trying to order a person and there is a huge one person has a lot of power and the other has absolutely no power. So, power distance this dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally. The fundamental issue here is how a society handles inequalities among people.

So, if there is the if the power distance is high; that means, we will say we will understand that there is a lot of gap among the people. So, some it is understood that there is huge inequality or inequality among the people right. So, in societies with high or large power distance they accept a hierarchical order in which everybody has a place which needs no further justification right.

That means, somebody is superior and somebody is inferior right. So, the person higher up on the order you know in the hierarchy has a lot of power immense power and he can you know he can do something in the society whatever he wants to right, but on the other hand a person with the low power distance is somebody whose voice is not heard right.

So, countries which follow in which a high power distance is observed is are countries like Malaysia, Mexico, Panama, Philippines, Singapore and even India I would add right India right. India has a high power distance that is why you will see that there is a lot of difference between a bureaucrat and person a common man right the power that one exercises.

Even a person who is in the a member of the legislative assembly or a member of the parliament the kind of power he holds is quite you know high and very much above a common man right. In societies with low power distance or small power distance people strive to equalize the distribution of power and demand justification for inequalities of power right.

So, here what happens when there is a small or low power distance everybody is considered to be more or less equal. So, people strive to equalize the distribution of power. So, you see all the you know generally if I observed good countries like Austria, Denmark, Finland, Israel, New Zealand these countries have got a low power distance.

So, that means, the gap between one person to the other is very less; that means, you are free to go and talk to the other person you are not afraid of talking to somebody. But, in a country where there is the power distance is high you will be even scared may be to get into the room of or the office of another person because of he is of on a higher authority.

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Ten Differences Between Small- and Large- Power Distance Societies	
Small Power Distance	Large Power Distance
Use of power should be legitimate and is subject to criteria of good and evil	Power is a basic fact of society antedating good or evil: its legitimacy is irrelevant
Parents treat children as equals	Parents teach children obedience
Older people are neither respected nor feared	Older people are both respected and feared
Student-centered education	Teacher-centered education
Hierarchy means inequality of roles, established for convenience	Hierarchy means existential inequality
Subordinates expect to be consulted	Subordinates expect to be told what to do
Pluralist governments based on majority vote and changed peacefully	Autocratic governments based on co-optation and changed by revolution
Corruption rare; scandals end political careers	Corruption frequent; scandals are covered up
Income distribution in society rather even	Income distribution in society very uneven
Religions stressing equality of believers	Religions with a hierarchy of priests

Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 8.

So, the differences as observed by Hofstede. So, this has been taken from Hofstede's paper Dimensionalizing cultures right. So, here what he talks about small and small power distance versus the large power distance. So, he says use of power should be legitimate and is subject to the criteria of good and evil.

So, when there is a small power distance this is what is the thought process and in case of countries where large power distance is there power is a the you know the thought processes power is a basic fact of the society antedating good or evil it is legitimacy is irrelevant. What you feel what you know people in such countries feel is that it is a basic fact of the society. Somebody will be less powerful and somebody will be more powerful it you have to accept it the way right that way.

But, in other places where there is a small power distance you say power should be legitimate. You cannot say somebody is more powerful somebody is less power should be equally distributed. Parents treat children's as equals in countries with small power distance right.

Older people are neither respected nor feared. For example, in India we will see that when there is a senior person comes we tend to touch their feet fine that is good very good where nobody is denying. But, there is either a respect or there is a fear it could be out of anything right. So, this is a case where there is a large power distance you have such kind of high respect or high fear, but in those countries you do not see this.

Student centered education here teacher centered education. So, the teacher dictates what is to be taught right in the class room. Hierarchy means inequality of rules established for convenience right. This is in the small power distance and in the large it says hierarchy means existential inequality right.

So, there is a hierarchy and that would be some inequality. Subordinates expect to be consulted in this case. Subordinates expect to be told what to do. They cannot do anything on their own they have to be told. So, they expect something to be told ordered they have to be directed. Pluralist governments based on majority vote and changed peacefully. Here, autocratic governments based on co-optation and changed by revolution.

So, when there is a high power distance obviously the person with the highest authority in the you know let us say for example, the highest people in the government they would do something whatever they like. And when for example, let me I do not know how far this example would be correct, but then today India has there is a you know revolution going on.

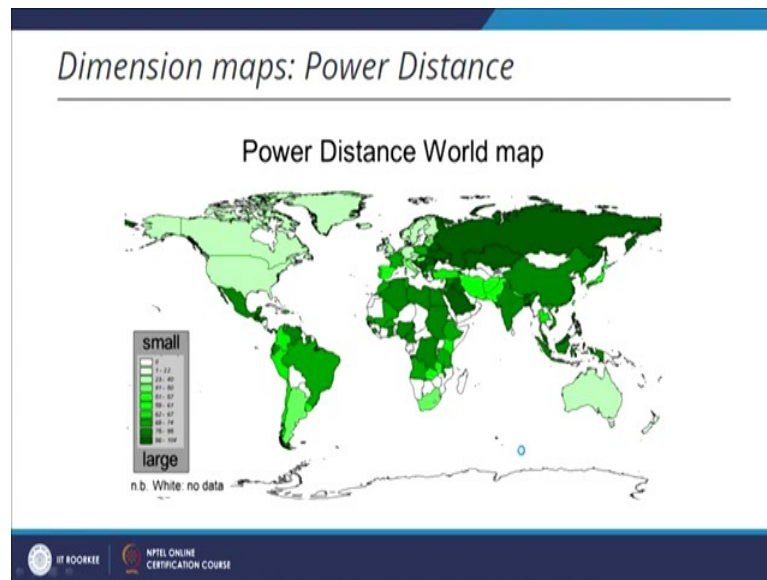
Students in different universities and colleges are talking about one important law that has come up the citizenship amendment bill. Now, there is a huge up roar in the society and people are you know talking about it and there have been lot of agitations and revolutions. Now, to stop this there is there is an ultimate use of force. Now, that is something you know is an example of a large power distance right. Corruptions are rare scandals and political careers.

So, today the President of America is going to be impeached right. So, is the third case in the American history? So, on the other hand when the power distance is high the corruption is very frequent, scandals are just covered up and India we have seen so many different scandals so many scams right.

So, the you know helicopter scam, the fodder scam you name it. There are so many scams in India and they have been covered it. So, there is nothing that is not a very great thing to have.

Income distribution in society rather even and here it is very uneven. Religions stressing equality of believers, religions with a hierarchy of priests. For example, again let us look at India and we have the cast system which distributes or divides the people on basis of a hierarchy. Somebody thought to be at the top most level which has been a curse for this country for so many hundreds of thousands of years right.

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So, this is how the power distance map world map looks like. So, as you see when there is a small it is more or less white or light green and when it is large it is dense. So, this portion is highly dense, this portion is dense, this is dense, this is dense. So, you can look at the colors and some like for example, this part is not very dense, so light. So, there is a small power distance right. So, this has the this is how the world power distance map looks like.

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### Individualism Versus Collectivism

- This refers to the strength of the ties that people have to others within their community.
- A **high IDV** score indicates weak interpersonal connection among those who are not part of a core "family." Here, people take less responsibility for others' actions and outcomes.  
(Australia, Canada, Great Britain, Netherlands, USA etc.)
- In a **collectivist society**, however, people are supposed to be loyal to the group to which they belong, and, in exchange, the group will defend their interests. The group itself is normally larger, and people take responsibility for one another's well-being.  
(Panama, Pakistan, Ecuador, Guatemala, Venezuela etc.)

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The next is individualism versus collectivism. Now, if you can again see here there is a me versus we right. So, in this we say it is a collectivist society collectivist society and this is a individual society right. This refers to the strength of the ties that people have to others within their community right.

A high individualism score right indicates weak interpersonal connection among those who are not part of a core family. Here people take less responsibility for others actions and outcomes. So, when there is an high individualism people are more focused on themselves or they are very close immediate family members or close friends and they do not take responsibility of the society where they leave.

So, some of the examples are Australia, Canada, Great Britain, Netherlands, USA etcetera. On the other hand in a collectivist society people are supposed to be loyal to the group and not an individual to which they belong and in exchange. The group will defend their interests the group itself is normally larger and people take responsibility for one another's well being.

So, Panama, Pakistan, Ecuador, Guatemala, Venezuela, etcetera. Now, that is very interesting if somebody wants to compare all though when we see the say the word individualism versus collectivism it looks as if you know individualism is not a very good thing and collectivism is very good.

But, if we look at the kind of examples we have here most of the developed countries have this individualistic society and other hand these country which are not doing economically well rather have a collectivist society. Now, that is a point of research or argument which is better and why otherwise it is happening.

Otherwise if you look at from a point of view and you might think that collectivist society is better because people are taking each others responsibility. But, then the result does not figure out in the same way because most of these countries that I can see are either under developed countries or poor countries.

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Ten Differences Between Collectivist and Individualist Societies	
Individualism	Collectivism
Everyone is supposed to take care of him- or herself and his or her immediate family only	People are born into extended families or clans which protect them in exchange for loyalty
"I" – consciousness	"We" –consciousness
Right of privacy	Stress on belonging
Speaking one's mind is healthy	Harmony should always be maintained
Others classified as individuals	Others classified as in-group or out-group
Personal opinion expected: one person one vote	Opinions and votes predetermined by in-group
Transgression of norms leads to guilt feelings	Transgression of norms leads to shame feelings
Languages in which the word "I" is indispensable	Languages in which the word "I" is avoided
Purpose of education is learning how to learn	Purpose of education is learning how to do
Task prevails over relationship	Relationship prevails over task

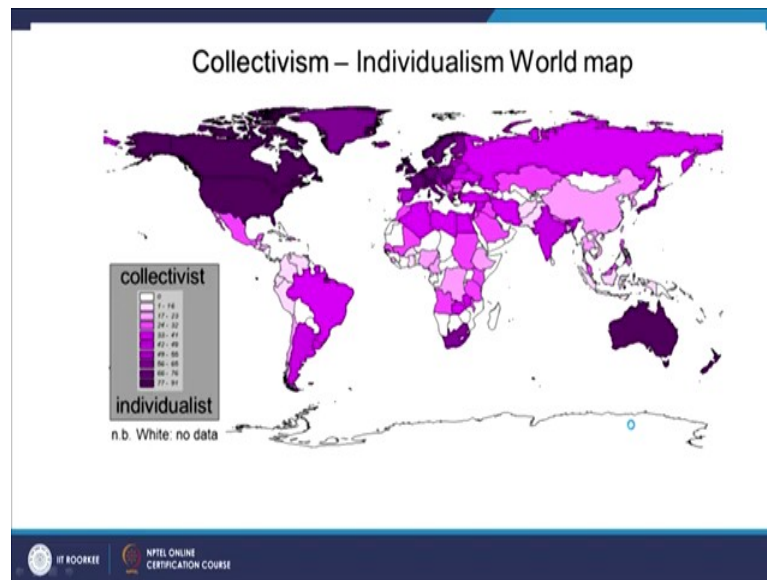
Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 8.

So, what are the differences? Everyone in individualism is supposed to take care of him or her and is their immediate family only. Here, people are born into extended families which protect them in exchange for loyalty. Here, I here is we right of privacy is high stress on belonging right. Speaking once mind is healthy harmony should always be maintained. Others classified as individuals others classified as in group or out group right. Personal opinion expected one person one vote opinions and votes predetermined by the in group.

So, in a collectivist society for example, let us look at society like India or Pakistan where the religious leaders have a lot of fan following and gathering and they can even change the government. They can you know support a government or go against a government and can even change the policies of the government just because they have a large fan following or a large followers with them.

So, this is one thing that the collectivist society gives right. So, these are some of the points right. Purpose of education is learning how to learn. Purpose of education is learning how to do. So, these are some of the things that comes in the difference between individualism and collectivism.

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So, this is how the world map again looks right. So, the darker it looks for example, these places this is a individualist society and the lighter it looks. For example, these places or these places these are the ones which are more of a collectivist society ok. So, where is India? India is here right. So, how does India look like you can find out it is neither very dark nor very light so in between. So, this is a range right.

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### Masculinity Versus Femininity

- Masculinity and femininity revolve around the emotional role distribution between genders.
- In **masculine societies**, the roles of men and women overlap less, and men are expected to behave assertively. Demonstrating success, and being strong and fast, are seen as positive characteristics.
- In Masculine cultures, difference between gender roles are more rigid.  
(Italy, Austria, Japan, Switzerland etc.)
- Its opposite, **Femininity**, stands for a preference for cooperation, modesty, caring for the weak and quality of life
- In Feminine cultures, difference between gender roles are less rigid and seen as positive characteristics.  
(Costa Rica, Denmark, Netherlands Norway, Sweden etc)

The next thing is as Hofstede found out was the gender. On basis of gender he differentiated the he understood the culture masculinity versus femininity. So, now, this

is whether you can see this is like you know 2 sides and there is a man or a woman you know and symbolizing man and woman and now it shows an equal balance, but in most of the cultures it is not true.

So, it could be towards it could be you know weighing towards the male or very rarely in some societies we say very very rare I think it would be you know weighing towards the feminine gender.

So, masculinity and femininity revolve around the emotional role distribution between genders. In masculine societies, the roles of men and women overlap less right and men are expected to behave assertively because they are men right masculine demonstrating success and being strong and fast are seen as positive characteristics. So, success is considered to be a masculine criteria and being strong.

In masculine cultures, differences between gender roles are more rigid. So, examples Italy, Austria, Japan, Switzerland, etcetera. Its opposite is the femininity stands for a preference for cooperation, modesty, caring for the weak and quality of life. In feminine cultures, difference between gender roles are less rigid and seen as positive characteristics right.

So, some examples are Costa Rica, Denmark, Netherlands, Norway, Sweden, etcetera. So, you know the differences if you can see though whatever you associate with the feminine softness, calm, you know patience are when it is high then those societies or cultures as called as feminine cultures. When it is more aggressive, trying to be dominants, only wining these are called the masculine cultures.

So, I have seen in many for example, in India also we have a lot of masculinity still existing. People believe in lot of you know success wining and these things, but there is femininity also in India. But, there are few countries which can be categorically clearly discriminated right as we have written over here. So, we have not written about India that is one reason could be.

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Ten Differences Between Feminine and Masculine Societies	
Femininity	Masculinity
Minimum emotional and social role differentiation between the genders	Maximum emotional and social role differentiation between the genders
Men and women should be modest and caring	Men should be and women may be assertive and ambitious
Balance between family and work	Work prevails over family
Sympathy for the weak ✓	Admiration for the strong ✓
Both fathers and mothers deal with facts and feelings ✓	Fathers deal with facts, mothers with feelings
Both boys and girls may cry but neither should fight ✓	Girls cry, boys don't, boys should fight back, girls shouldn't fight
Mothers decide on number of children	Fathers decide on family size
Many women in elected political positions	Few women in elected political positions
Religion focuses on fellow human beings	Religion focuses on God or gods
Matter-of-fact attitudes about sexuality; sex is a way of relating	Moralistic attitudes about sexuality; sex is a way of performing

Hofstede, G (2011) Dimensionalizing cultures: The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 8.

So, how what are the major differences femininity and masculinity. Minimum emotional and social role differentiation between the genders. So, not much difference maximum emotional and social role differentiation between the genders in case of masculinity. Men and women should be modest and caring.

Both men and women should be modest in feminine cultures. Men should be and women should may be assertive. Men should be assertive women may be and ambitious ok. Balance between family and work right. Work prevails over family. So, its success work that comes over family in a masculine culture. In feminine culture, it is a balance between family and work.

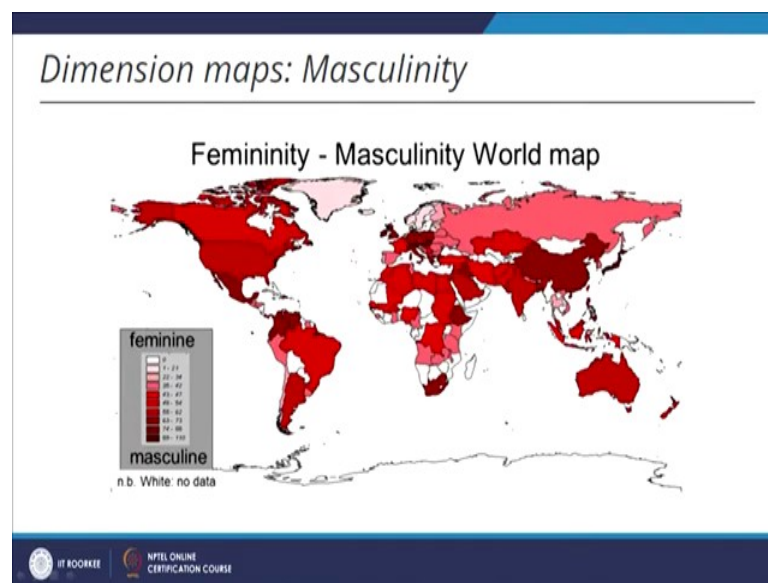
Sympathy for the weak. Admiration you know admiration for the strong right. Somebody is strong we tend to admire. So, both father and mother deal with facts and feelings. Fathers deal with the facts mothers with feelings right.

So, I wonder if I would be saying India would surely fall into this right because for years we have seen how fathers have been dealing with facts and mothers with feelings my personal opinion. Both boys and girls may cry, but neither should fight. Girls cry boys do not. I think you must have all heard thousands of times in India boys should fight back girls should not fight.

So, this is how our you know the a brains mapping has been has happened. Mothers decide on the number of children. Fathers decide on the family size. Many women in elected political positions few women.

Religious focuses on fellow human beings religious focuses on gods or goddesses whatever. Matter of fact attitudes about sexuality sex is a way of relating. Moralistic attitudes about sexuality. Sex is a way of performing. So, this is all the difference between a feminine and a masculine culture right.

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So, this is again how the world looks like. So, you see India is slightly towards the more towards the masculine and these places Russia or that zone that cold belt right is towards the you know more of the towards the feminine as it shows from this map right. But, more or less the world is more towards the masculine itself if I am not wrong right.

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### Uncertainty Avoidance Index (high versus low)

- **Uncertainty avoidance (UAI)** is the extent to which the members belonging to society are capable of coping with future uncertainty without going through stress. Or members of the culture feel threatened by uncertain or unknown situations.
- **The Uncertainty Avoidance dimension** expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. The fundamental issue here is how a society deals with the fact that the future can never be known: should we try to control the future or just let it happen?
- Countries showing **Strong UAI** maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas. People attempt to make life as predictable and controllable as possible. (Belgium, Greece, Guatemala, Portugal, Uruguay etc.)
- People in **low/weak UAI**-scoring countries are more relaxed, open or inclusive. And indicates high tolerance toward differing opinions and behaviors. (Denmark, Hongkong, Sweden, Jamaica, Singapore etc.)



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The next is the uncertainty avoidance index. It could be high versus low. So, what is uncertainty avoidance. It is the extent to which the members belonging to the society are capable of doing with future uncertainty without going through stress or members of the culture feel threatened by uncertain or unknown situations.

So, there can be 2 things. There could be a situation to which you are not very much aware or clear. So, how much stressed are you when there is something uncertainty in front of you. So, how and how much do we avoid uncertainty. So, this is what we will discuss here in this point. The uncertainty avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity.

The fundamental issue here is how a society deals with a fact that the future can never be known. Should we try to control the future or just let it happen. I will give you a very interesting insight. You must have seen that many a times when a food is offered to us right sometimes although we do not feel too much hungry we tend to over eat right.

Why is that? In some or the other way if you see it is connected with our fear. The fear of not getting food in the future time period right. That means, I am scared that once I go out of my home may be I will get food or not get food. So, this fear because of this fear I am trying to eat more and store more energy in me.

So, countries showing strong uncertainty avoidance index maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior. So, if there is no flexibility it is quite rigid people attempt to make life as predictable and controllable as possible Belgium, Greece, Gautemala, Portugal, Uruguay etcetera. People in low uncertainty avoidance index countries are more relaxed, open or inclusive right and indicates high tolerance towards differing opinions and behaviors.

Now, for example, there is a controversy going on right that India is changing. Now, some people say I do not know I am not getting into this argument, but people say that a tolerance levels are going down.

And India at one point of time although I was reading an article where it says that India at one point of time might not have been a very great economy right just few years back the 2 3 decades back. But, it was surely a very tolerant country, but that you know measure is coming down with time. So, these are kind of changes that happens with cultures ok.

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Ten Differences Between Weak- and Strong- Uncertainty Avoidance Societies	
<u>Weak Uncertainty Avoidance</u>	<u>Strong Uncertainty Avoidance</u>
The uncertainty inherent in life is accepted and each day is taken as it comes	The uncertainty inherent in life is felt as a continuous threat that must be fought
Ease, lower stress, self-control, low anxiety	Higher stress, emotionality, anxiety, neuroticism
Higher scores on subjective health and well-being	Lower scores on subjective health and well-being
Tolerance of deviant persons and ideas: what is different is curious	Intolerance of deviant persons and ideas: what is different is dangerous
Comfortable with ambiguity and chaos	Need for clarity and structure
Teachers may say 'I don't know'	Teachers supposed to have all the answers
Changing jobs no problem	Staying in jobs even if disliked
Dislike of rules - written or unwritten	Emotional need for rules - even if not obeyed
In politics, citizens feel and are seen as competent towards authorities	In politics, citizens feel and are seen as incompetent towards authorities
In religion, philosophy and science: relativism and empiricism	In religion, philosophy and science: belief in ultimate truths and grand theories

Hofstede, G (2011). Dimensionalizing cultures. The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 8.

So, how is it different let us see. Weak uncertainty avoidance strong uncertainty avoidance. The uncertainty inherent in life is accepted and each day is taken as it comes. So, weak here means that means less weak or less uncertainty avoidance. So, one is not very much worried.

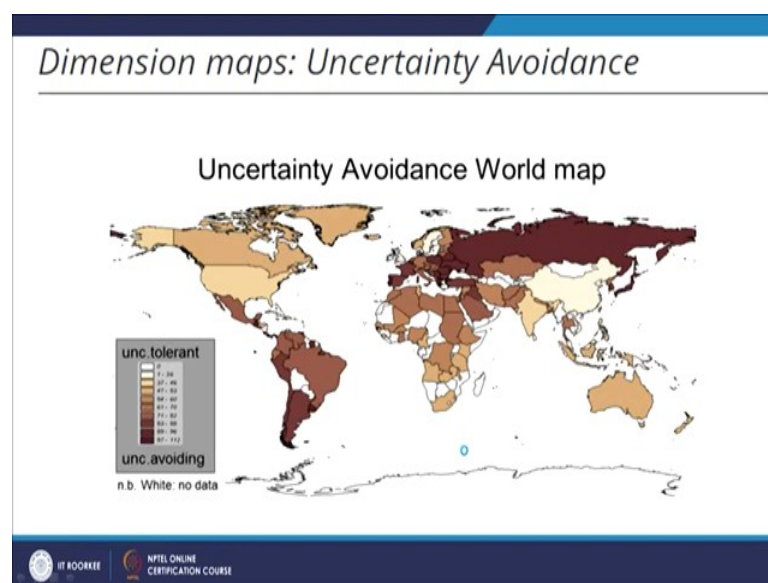
The uncertainty inherent in life is it is felt as a continuous threat that must be fought. Ease, lower stress, self-control, low anxiety. High stress, emotionally emotionality, anxiety, neuroticism right. Higher scores on subjective health and well being. Lower scores on subjective health.

So, the point is what we are doing here is we our way of thinking is more on is more stressed it is we are trying to make our future more predictable. That is no wonder I see lot of numerologist and you know palmist in India because we all want to know our future so that we can control our future.

Otherwise, if that would not have been true we would not have been interested to go to a palmist and know our future right. Why should we know the future until unless we want to control it. So, this is what our thought processes are right. Comfortable with ambiguity and chaos need for clarity and structure.

Teachers may say I do not know. Teachers are supposed to have all the answers right, but that is changing with slightly with more education and you know intermingling of cultures it is changing slowly. Dislike of rules written or unwritten. Emotional need of rules even if not obeyed right. So, in religion, philosophy and science relativism and empiricism. In religion, philosophy and science belief in ultimate truth and grand theories right.

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So, these are some of the differences and this is how the world looks like and this is where India is right.

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### Long- Versus Short-Term Orientation

- The last two dimensions were found later, and in different studies, than the first four. These maps have been taken from the 2007 book "Why we are different and similar" by Michael Minkov
- This dimension was originally described as "Pragmatic Versus Normative (PRA)." It refers to the time horizon people in a society display.
- Countries with a **long-term** orientation tend to be pragmatic, modest, and more cautious and encourage thrift and efforts in modern education as a way to prepare for the future. (for example: **China, Japan**)
- In **short-term** oriented countries, people tend to place more emphasis on principles, consistency and truth, and are typically religious and nationalist. (example: **Pakistan, Nigeria, Philippines**) (normative)
- In the business context, this dimension is referred to as "(short-term) normative versus (long-term) pragmatic" (PRA). In the academic environment, the terminology **Monumentalism** (short-term) versus **Flexibility** (long-term) is sometimes also used.
- A poor country that is **short-term** oriented usually has little to no economic development, while long-term oriented countries continue to develop to a point.



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The next 2 parameters that Hofstede took and added was one is long versus short term orientation. So, what is this? The last 2 dimensions were found later and in different studies than the first 4. These maps have been taken from the 2007 book why we are different and similar by Michael Minkov in the first slide I showed you.

This dimension was originally described as pragmatic versus non-normative. It refers to the time horizon people in a society display. Countries with the long term orientation tend to be pragmatic, modest and more cautious and encourage thrift or that means to move away right and efforts in modern education as a way to prepare for the future right.

Example in short term oriented countries on the other hand people to place more emphasis on the principles, consistency and truth and a typically religious and nationalistic. This is an example today I am not very happy when the word nationalist is being attached with every and you know with every moment, every feeling of yours in a country and may be your asked to stand up during even watching a movie or even you know you are asked to think in a way otherwise you will be criticized to be anti national.

So, these are some of the worries that I have and no wonder this is this falls in this category. In the business context, this dimension is referred to as normative versus

pragmatic. In the academic environment, the terminology monumentalism versus flexhumility is sometimes also used right.

A poor country that is short term oriented usually has little to know economic development right short term. So, this is the short term and we should not fall prey to such kind of thoughts right. So, but anyway I is this is not the right forum to talk about it. So, while long term oriented countries continue to develop to a point so right ok.

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Ten Differences Between Short- and Long-Term-Oriented Societies	
Short-Term Orientation	Long-Term Orientation
Most important events in life occurred in the past or take place now	Most important events in life will occur in the future
Personal steadiness and stability: a good person is always the same	A good person adapts to the circumstances
There are universal guidelines about what is good and evil	What is good and evil depends upon the circumstances
Traditions are sacrosanct	Traditions are adaptable to changed circumstances
Family life guided by imperatives	Family life guided by shared tasks
Supposed to be proud of one's country	Trying to learn from other countries
Service to others is an important goal	Thrift and perseverance are important goals
Social spending and consumption	Large savings quote, funds available for investment
Students attribute success and failure to luck	Students attribute success to effort and failure to lack of effort
Slow or no economic growth of poor countries	Fast economic growth of countries up till a level of prosperity

Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 8.

So, these are some of the differences again short term and long term. So, short term. Most important events in life occurred in the past or take place now. Most important events in life will occur in the future. So, the future is more beautiful, personal steadiness and stability. A good person is always the same.

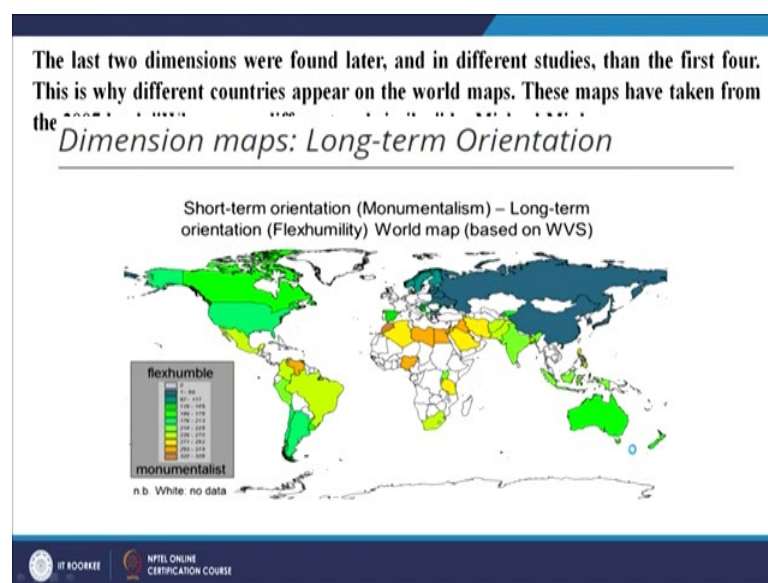
A good person adapts to the circumstances. These are universal guidelines about what is good and evil. What is good and evil depends upon the circumstances traditions are sacrosanct. So, what is the tradition? You have to follow the Taliban's were very you know plundered, they destroyed the countries because they had they felt they had a tradition which they have to follow it whatever the cost may be.

So, such kind of talibanistic thoughts are not very great right. Traditions are adaptable to change circumstances. So, these are long term oriented orientations and countries which

fall into this category will do better obviously. Family life guided by imperatives guided by shared tasks.

So, we can go through the points. Social spending and consumption. Large savings quote, funds available for investment. Student attribute success and failure to luck whereas, here success and failure is attributed to effort and failure to lack of effort. Slow or no economic growth of poor countries. Fast economic growth of countries up till a level of prosperity.

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So, the last 2 dimension. So, this is how the you know this looks like right the different colors are given and you can go through it right.

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### Indulgence Versus Restraint

- **Indulgence** stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. It describes happiness and the importance of leisure, controlling your own life and freedom of expression.
- **Restraint** stands for a society that suppresses gratification of needs and regulates it by means of strict social norms.

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So, last point is indulgence versus restraint. So, it says indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. It describes happiness and the importance of leisure controlling your own life and freedom of expression.

Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms. So, now, are we in a transitional face? Are we moving from a indulgence to a restraint society? We do not know right. How are they different?

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### Ten Differences between Indulgent and Restrained Societies

Indulgence	Restrained
Higher percentage of people declaring themselves very happy	Fewer very happy people
A perception of personal life control	A perception of helplessness: what happens to me is not my own doing
Freedom of speech seen as important	Freedom of speech is not a primary concern
Higher importance of leisure	Lower importance of leisure
More likely to remember positive emotions	Less likely to remember positive emotions
In countries with educated populations, higher birthrates	In countries with educated populations, lower birthrates
More people actively involved in sports	Fewer people actively involved in sports
In countries with enough food, higher percentages of obese people	In countries with enough food, fewer obese people
In wealthy countries, lenient sexual norms	In wealthy countries, stricter sexual norms
Maintaining order in the nation is not given a high priority	Higher number of police officers per 100,000 population

Hofstede, G. (2011). Dimensionalizing cultures: The Hofstede model in context. *Online readings in psychology and culture*, 2(1), 8.

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Higher percentage of people declaring themselves very happy. Fewer very happy people. A perception of personal life control. A perception of helplessness. What happens to me is not my own doing. It is all I must have done something in my last life. So, this is what we say right. Who has seen last life? Nobody, but then we have nothing else to blame.

So, we say I must have done something wrong in my last life. Freedom of speech seen as important. Freedom of speech is not a primary concern right. Higher importance of leisure. Lower importance of leisure. More likely to remember positive emotions. Less likely to remember positive emotions. More people actively involved in sports. Few people actively involved in sports. In wealthy countries, lenient sexual norms. In wealthy countries, stricter sexual norms right in wealthy country here.

So, the sexual norms for example, India or I am giving the example of India because obviously, I am an Indian. So, we have seen how sexual freedom has been curved to a such a large extent till now homosexuality has been you know was being punished. People were had thought it is a mental problem right.

So, many things could occur up. Maintaining order in the nation is not given a high priority. Higher number of police officers per a lakh population. So, these are the differences that are majorly there in indulgence and a restraint society. So, this is how it looks like right.

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### Conti...



- Cultural differences do impact businesses occurring in cross-cultural contexts.
- A lot of problems arise in matters of negotiation, communication, management, international marketing and other relational areas. However, if business leaders or even the staff understands issues with respect to Hofstede's six cultural dimensions, these problems can be analyzed through a different perspective, and necessary steps can be taken to address these problems.

**For example,**

- if you want to market cars in a country where the uncertainty avoidance is high, you should emphasize their safety, whereas in other countries you may base your advertisement on the social image they give you.
- Workers from high power distance countries (such as Singapore), can generally be expected to show great respect to seniors and those in authority.
- In highly individualistic societies (such as the United States), group loyalty may be comparatively lower.
- Employment practices that increase job security are likely to be favored in countries with high uncertainty avoidance cultures.

To know more details regarding each country, we can access this official website

- <https://www.hofstede-insights.com/country-comparison/india/>

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So, cultural differences we have seen do impact businesses occurring in cross cultural contexts. A lot of problems arise in the matter of negotiation, communication, management, international marketing and other relational areas.

However, if business leaders or even the staff understand issues with respect to Hofstede 6 cultural dimensions, these problems can be analyzed through a different perspective or lens and necessary steps can be taken to address these problems. For example if you want to market cars in a country where the uncertainty avoidance is high you should emphasize their safety whereas, in other countries you may base your advertisement on social image they give you.

Workers from high power distance countries can generally be expected to show great respect to seniors and those in authority. So, one has to understand what kind of a culture it is. In highly individualistic societies, group loyalty may be comparatively lower right.

Employment practices that increase job security are likely to be favored in countries with high uncertainty avoidance cultures. So, these are some of the things which Hofstede pointed out and no culture is permanent or nothing is permanent right. It is all the cultures because there is an inter cultural mix it is constantly moving it is very dynamic and it is changing.

So, many countries are some countries move from one phase to the other and this exercise goes on. As people move from one place to the other they take their habits and cultures with them and that goes on and intermingles with the new place and new transition happens. So, this is all what we had to discuss today and I hope you enjoyed the class and you learnt.

Thank you very much. Have a nice day.