Dr. Geert Hofstede conducted perhaps the most comprehensive study of how values in the workplace are influenced by culture. From 1967 to 1973, while working at IBM as a psychologist, he collected and analyzed data from over 100,000 individuals from forty countries. From those results, and later additions, Hofstede developed a model that identifies four primary dimensions to differentiate cultures. He later added a fifth dimension, Long-term Outlook.

As with any generalized study, the results may or may not be applicable to specific individuals or events. In addition, although the Hofstede's results are categorized by country, often there is more than one cultural group within that country. In these cases there may be significant deviation from the study's result. An example is Canada, where the majority of English speaking population and the minority French speaking population in Quebec has moderate cultural differences.

The five axes of cultural difference -- according to Dr. Hofstede

- **Power Distance Index (PDI)** focuses on the degree of equality, or inequality, between people in the country's society. A High Power Distance ranking indicates that inequalities of power and wealth have been allowed to grow within the society. These societies are more likely to follow a caste system that does not allow significant upward mobility of its citizens. A Low Power Distance ranking indicates the society de-emphasizes the differences between citizen's power and wealth. In these societies equality and opportunity for everyone is stressed.

Power distance, that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from below, not from above. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. Power and inequality, of course, are extremely fundamental facts of any society and anybody with some international experience will be aware that 'all societies are unequal, but some are more unequal than others'.

- **Individualism (IDV)** focuses on the degree the society reinforces individual or collective, achievement and interpersonal relationships. A High Individualism ranking indicates that individuality and individual rights are paramount within the society. Individuals in these societies may tend to form a larger number of looser relationships. A Low Individualism ranking typifies societies of a more collectivist nature with close ties between individuals. These cultures reinforce extended families and collectives where everyone takes responsibility for fellow members of their group.

Individualism on the one side versus its opposite, collectivism, that is the degree to which individuals are inte-grated into groups. On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards
are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word 'collectivism' in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.

Masculinity (MAS) focuses on the degree the society reinforces, or does not reinforce, the traditional masculine work role model of male achievement, control, and power. A High Masculinity ranking indicates the country experiences a high degree of gender differentiation. In these cultures, males dominate a significant portion of the society and power structure, with females being controlled by male domination. A Low Masculinity ranking indicates the country has a low level of differentiation and discrimination between genders. In these cultures, females are treated equally to males in all aspects of the society.

Masculinity versus its opposite, femininity, refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found. The IBM studies revealed that (a) women's values differ less among societies than men's values; (b) men's values from one country to another contain a dimension from very assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to women's values on the other. The assertive pole has been called 'masculine' and the modest, caring pole 'feminine'. The women in feminine countries have the same modest, caring values as the men; in the masculine countries they are somewhat assertive and competitive, but not as much as the men, so that these countries show a gap between men's values and women's values.

Uncertainty Avoidance Index (UAI) focuses on the level of tolerance for uncertainty and ambiguity within the society - i.e. unstructured situations. A High Uncertainty Avoidance ranking indicates the country has a low tolerance for uncertainty and ambiguity. This creates a rule-oriented society that institutes laws, rules, regulations, and controls in order to reduce the amount of uncertainty. A Low Uncertainty Avoidance ranking indicates the country has less concern about ambiguity and uncertainty and has more tolerance for a variety of opinions. This is reflected in a society that is less rule-oriented, more readily accepts change, and takes more and greater risks.

Uncertainty avoidance deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute Truth; 'there can only be one Truth and we have it'. People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and not expected by their environment to express emotions.
Geert Hofstede added the following fifth (5th) dimension after conducting an additional international study using a survey instrument developed with Chinese employees and managers. That survey resulted in addition of the Confucian dynamism. Subsequently, Hofstede described that dimension as a culture's long-term Orientation.

Long-Term Orientation (LTO) focuses on the degree the society embraces, or does not embrace, long-term devotion to traditional, forward thinking values. High Long-Term Orientation ranking indicates the country prescribes to the values of long-term commitments and respect for tradition. This is thought to support a strong work ethic where long-term rewards are expected as a result of today's hard work. However, business may take longer to develop in this society, particularly for an "outsider". A Low Long-Term Orientation ranking indicates the country does not reinforce the concept of long-term, traditional orientation. In this culture, change can occur more rapidly as long-term traditions and commitments do not become impediments to change.

Long-term versus short-term orientation: this fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars It can be said to deal with Virtue regardless of Truth. Values associated with Long Term Orientation are thrift and perseverance; values associated with Short Term Orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. Both the positively and the negatively rated values of this dimension are found in the teachings of Confucius, the most influential Chinese philosopher who lived around 500 B.C.; however, the dimension also applies to countries without a Confucian heritage.

These ideas were first based on a large research project into national culture differences across subsidiaries of a multinational corporation (IBM) in 64 countries. Subsequent studies by others covered students in 23 countries, elites in 19 countries, commercial airline pilots in 23 countries, up-market consumers in 15 countries, and civil service managers in 14 countries. These studies together identified and validated five independent dimensions of national culture differences:

Scores on the first four dimensions were obtained for 50 countries and 3 regions on the basis of the IBM study, and on the fifth dimension for 23 countries on the basis of student data collected by Bond.

**Power distance** scores are high for Latin, Asian and African countries and smaller for Germanic countries.

**Individualism** prevails in developed and Western countries, while
Collectivism prevails in less developed and Eastern countries; Japan takes a middle position on this dimension.

Masculinity is high in Japan, in some European countries like Germany, Austria and Switzerland, and moderately high in Anglo countries; it is low in Nordic countries and in the Netherlands and moderately low in some Latin and Asian countries like France, Spain and Thailand.

Uncertainty avoidance scores are higher in Latin countries, in Japan, and in German speaking countries, lower in Anglo, Nordic, and Chinese culture countries.

A Long Term Orientation is mostly found in East Asian countries, in particular in China, Hong Kong, Taiwan, Japan, and South Korea.

The grouping of country scores points to some of the roots of cultural differences. These should be sought in the common history of similarly scoring countries. All Latin countries, for example, score relatively high on both power distance and uncertainty avoidance. Latin countries (those today speaking a Romance language i.e. Spanish, Portuguese, French or Italian) have inherited at least part of their civilization from the Roman empire. The Roman empire in its days was characterized by the existence of a central authority in Rome, and a system of law applicable to citizens anywhere. This established in its citizens' minds the value complex which we still recognize today: centralization fostered large power distance and a stress on laws fostered strong uncertainty avoidance.

The Chinese empire also knew centralization, but it lacked a fixed system of laws: it was governed by men rather than by laws. In the present-day countries once under Chinese rule, the mindset fostered by the empire is reflected in large power distance but medium to weak uncertainty avoidance. The Germanic part of Europe, including Great Britain, never succeeded in establishing an enduring common central authority and countries which inherited its civilizations show smaller power distance. Assumptions about historical roots of cultural differences always remain speculative but in the given examples they are quite plausible. In other cases they remain hidden in the course of history.

The country scores on the five dimensions are statistically correlated with a multitude of other data about the countries. For example, power distance is correlated with the use of violence in domestic politics and with income inequality in a country. Individualism is correlated with national wealth (Per Capita Gross National Product) and with mobility between social classes from one generation to the next. Masculinity is correlated negatively with the share of their
Gross National Product that governments of the wealthy countries spend on development assistance to the Third World. Uncertainty avoidance is associated with Roman Catholicism and with the legal obligation in developed countries for citizens to carry identity cards. Long Term Orientation is correlated with national economic growth during the past 25 years, showing that what led to the economic success of the East Asian economies in this period is their populations' cultural stress on the future-oriented values of thrift and perseverance.