

Hofstede's Country Classification 25 Years Later

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ABSTRACT. Nearly 3 decades have passed since Hofstede (1980) collected the data used to classify countries by their underlying work-related value structures. The present study, in which recent data from 9 countries in 4 continents was collected, is a reexamination of his country classifications. The results suggest that many shifts have occurred since Hofstede's study in 1980. These shifts are related to some of the major environmental changes that have occurred.

HOFSTEDE'S (1980) study is one of the most frequently cited research efforts regarding the relationship between national culture and work-related values (Bhagat & McQuaid, 1982). His research has been instrumental in furthering an understanding of cross-cultural management theory and practice, revealing that members of different societies hold divergent values concerning the nature of organizations and interpersonal relationships within them. Research has been conducted subsequently in the United States and in Europe to establish value and belief components of organizational culture and workplace belief systems (Cavanaugh, 1990; Chatman, 1989; Conner & Becker, 1975; Louis, 1983; Ott, 1989;

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Schein, 1985). Comparative managerial values have been examined extensively across national boundaries (Ali, 1988; Carlson, Fernandez, & Stepina, 1996; Dorfman & Howell, 1988; England, 1978; Hofstede, 1980; Nicholson, 1991; Ronen & Kraut, 1977; Ronen & Shenkar, 1985).

Values are often viewed as central tenets of a society's culture (Kluckhohn & Strodtbeck, 1961), representing that which is explicitly or implicitly desirable to a group or an individual. They are seen as relationships among abstract categories with strong emotional components attached; they predispose individuals to a preference for a given end state or outcome. Triandis (1979) suggested that values influence behavior by providing nonspecific guidelines toward pursuing end goals. Values affect perception by increasing or decreasing the chance that a stimulus will be perceived by an individual. In addition, values are believed to influence the interpretation of response outcomes of work, causing some outcomes to be positive reinforcements and others negative. Rokeach (1973) viewed values as global beliefs that guide actions and judgment across situations; he described values as learned mental programming that results from living within a specific culture.

Given the expanding presence and influence of multinational enterprises (MNEs) throughout the world, research on culture and values has grown both in amount and criticality. Understanding variations in multiple cultures and the differences in work-related values that MNEs deal with across the globe is a necessary but insufficient criterion for competitive survival (Adler, 1990). Inadequate awareness of international variations in cultural systems, including values, can exacerbate expatriate failure (Black & Mendenhall, 1989; Nicholson, Stepina, & Hochwarter, 1990; Tung, 1987).

The present study provided an opportunity to reexamine the work-related value structures from several of Hofstede's (1980) original countries, with the addition of Russia and the People's Republic of China. The purpose was to expand the cross-cultural research knowledge available on work-related values by considering shifts that have occurred in terms of relative country ranking.

Hofstede (1980) provided a watershed conceptual foundation for many subsequent cross-national research endeavors. Although his work involved much more than the identification of key work-related dimensions of national culture, it is best known for four dimensions: power distance, uncertainty avoidance, individualism, and masculinity. He viewed these dimensions as universal constructs that, considered together, provide a framework for understanding how a culture resolves the most basic problems of life in organizations.

Although much of Hofstede's work has been well received, concern over his methodology has also been expressed (Goodstein, 1981; Hunt, 1981). Roberts and Boyacigiller (1984) used the power distance dimensions to illustrate the arbitrary nature of Hofstede's operationalization of variables. They also criticized him for not attempting to develop his theory from alternative cultural perspectives. Hofstede himself has taken his research in new directions, as Roberts and

Boyacigiller suggested. In his work with Michael Bond and the Chinese Culture Connection (1987), Hofstede proffered a new dimension labeled *Confucian dynamism*, which emanates from Chinese culture rather than being a measure developed in occidental countries and applied elsewhere.

Dorfman, Howell, and Bautista (1986) used the uncertainty avoidance dimension as an example of the problems with Hofstede's methodology. They argued that this dimension, which is measured with three items in Hofstede's work, reflects Hofstede's own beliefs about what the appropriate indicators were for this dimension. They noted that at least one item in Hofstede's work was used on more than one scale, detracting from the validity of the measures. Many items in Hofstede's study had significant cross-loadings on more than one factor, a fact ignored in his conclusions. Finally, there was the now-classic problem of aggregating the data into national points, reducing the power of subsequent analyses of the massive data set (Nicholson, 1991). Dorfman et al. (1986) and Roberts and Boyacigiller (1984) also expressed concern over the resulting ecological level of analysis problem in Hofstede's study.

Dorfman and Howell (1988) developed new scales, based on Hofstede's (1980) study, that are applicable to the individual or micro unit of analysis. These scales contain items measuring each of the four Hofstede dimensions plus one additional construct: paternalism. Paternalism represents the extent to which it is appropriate for managers to take a personal interest in the private lives of the workers. Dorfman and Howell's scales are psychometrically more sound (i.e., reliable) than Hofstede's scales and are able to capture a different unit of analysis (Nicholson, 1991; Nicholson et al., 1990). In the following section we describe the methodology used to examine current work-related values in nine countries; we used Dorfman and Howell's scales for the four value dimensions originally identified by Hofstede.

Method

The current study was part of a comprehensive research effort conducted in nine countries by a multinational team. Members of the team represented the nine countries examined; their goal was to create a means by which broad-scale cross-cultural research can be accomplished. Too often, cross-cultural comparative research involves two or three countries, yet it is often desirable to have a larger sample of countries. Ideally, a sample from all of the 40 countries Hofstede (1980) studied would be desired to revisit his value rankings; however, such an endeavor is difficult, if not impossible. An attempt was made in this research to include countries from areas of major global economic interest, such as the Pacific Rim, South America, and Russia, and to include countries at different levels of economic development (e.g., the United States and Mexico).

The objective was to reexamine the rankings of the countries in terms of Hofstede's original dimensions. We sought to determine whether the country

rankings would be the same some 30 years after Hofstede's (1980) data were collected. The guiding assumption was that there would be little change in rankings along Hofstede's original value dimensions.

Sample

The data were collected in 1989 and 1990. The sample consisted of 7,201 respondents from nine countries. Respondents were employed business professionals and advanced business students, as follows: 1,819 respondents were from the United States, 836 respondents were from Germany, 285 respondents were from Japan, 748 respondents were from the former Yugoslavia, 982 respondents were from the People's Republic of China, 1,236 respondents were from Russia, 879 respondents were from Venezuela, 111 respondents were from Mexico, and 305 respondents were from Chile. The potential for subcultural bias always exists in cross-cultural research. An attempt was made to sample members from clearly distinguishable subcultures within any given country. For example, the United States sample consisted of Whites, African Americans, Hispanics, and Asian Americans.

Measures

Uncertainty avoidance, power distance, individualism/collectivism, and masculinity were measured with multi-item scales developed by Dorfman and Howell (1988). All items were measured on a 5-point Likert-type scale ranging from *strong disagreement* (1) to *strong agreement* (5). The scales were translated into the target languages for each country. Items were then back-translated into English by different bilingual translators, and variances were resolved to ensure equivalency between the versions.

Analysis

Country scores were calculated by summing the responses for each measure across individuals within a given country and calculating the mean of those individuals' scores.¹ Thus, the result was a number representing the mean of all responses in a given country on each scale. Hofstede's country rankings in terms of the value dimension a country is said to possess were determined by median split. Standardized scores were calculated to compare the rankings found in the current study (using Dorfman and Howell's scales) with Hofstede's rankings (using his scales). Standardized scores translate observations from different dis-

¹To facilitate discussion of individualism, we first recoded scores on the individualism/collectivism scale. Dorfman and Howell's scales are anchored so that high scores are indicative of collectivist attitudes.

tributions into a distribution with a mean of zero and standard deviation of 1.0; this enables a comparison across scales. Scores for all countries on the various scales were standardized by taking the mean for the country, subtracting the overall mean for the dimension across all countries, and dividing by the standard deviation for all countries. The countries were then split into two groups for each scale: those with a positive standardized score and those with a negative standardized score.

The scores Hofstede calculated for each of the countries common to both studies were used in the current study (Hofstede, 1980, p. 315). His country scores were then standardized in the same manner to allow for comparison across scales. Overall, there were seven countries in common because Hofstede did not have data for the People's Republic of China or for Russia.

Results

Tables 1, 2, 3, and 4 contain the mean scores for each of the nine countries in the current study on the four work-related value dimensions (denoted as the 1989–1990 results). Overall means and standard deviations, along with standardized scores, are also given. To illustrate the format of the tables, Chile, the first country in Table 1 (uncertainty avoidance) will be used. Hofstede reported that Chile had a country score of 86 on this dimension; likewise, his overall mean for all countries was 72.89, with a standard deviation of 20.16. Thus, Chile's standardized score for Hofstede's study is equal to $(86 - 72.89)/20.16$, or 0.65.

TABLE 1
Uncertainty Avoidance

Country	Hofstede (1980)		Current study (1989–1990)	
	Raw	Standardized	Raw	Standardized
Chile	86	0.65	14.73	0.48
People's Republic of China			14.46	0.31
Germany	65	-0.39	12.36	-1.16
Japan	92	0.95	12.87	-0.81
Mexico	82	0.45	12.31	-1.20
Russia			16.98	2.05
United States	46	-1.34	14.88	0.59
Venezuela	76	0.16	14.08	0.03
Yugoslavia	88	0.75	13.53	-0.35
Overall				
<i>M</i>	72.89		14.03	
<i>SD</i>	20.16		1.44	

Because the standardized score is positive and less than 1.0, it indicates that the country is less than one standard deviation above the mean for the sample. For the 1989–1990 study, Chile had a country score of 14.73. The overall mean was 14.03, with a standard deviation of 1.44, yielding a standardized score of (14.73

TABLE 2
Power Distance

Country	Hofstede (1980)		Current study (1989–1990)	
	Raw	Standardized	Raw	Standardized
Chile	63	0.20	12.71	-0.01
People's Republic of China			14.5	1.05
Germany	35	-1.27	11.89	-0.49
Japan	54	-0.28	10.38	-1.38
Mexico	81	1.15	14.15	0.84
Russia			16.38	2.15
United States	40	-1.01	12.7	-0.01
Venezuela	81	1.15	12.15	-0.33
Yugoslavia	76	0.88	11.81	-0.53
Overall				
<i>M</i>	59.22		12.72	
<i>SD</i>	19.01		1.70	

TABLE 3
Individualism/Collectivism

Country	Hofstede (1980)		Current study (1989–1990)	
	Raw	Standardized	Raw	Standardized
Chile	23	-0.93	12.17	0.51
People's Republic of China			10.38	-0.96
Germany	67	0.55	11.64	0.07
Japan	46	-0.16	10.91	-0.53
Mexico	30	-0.70	12.23	0.56
Russia			9.24	-1.89
United States	91	1.36	13.41	1.52
Venezuela	12	-1.30	11.83	0.23
Yugoslavia	27	-0.80	12.14	0.48
Overall				
<i>M</i>	50.67		11.55	
<i>SD</i>	29.67		1.21	

TABLE 4
Masculinity/Femininity

Country	Hofstede (1980)		Current study (1989–1990)	
	Raw	Standardized	Raw	Standardized
Chile	28	–1.29	12.10	0.37
People’s Republic of China			15.27	2.20
Germany	66	0.34	10.46	–0.58
Japan	95	1.58	12.18	0.42
Mexico	69	0.47	12.54	0.62
Russia			11.76	0.17
United States	62	0.17	10.46	–0.58
Venezuela	73	0.64	10.49	–0.56
Yugoslavia	21	–1.59	11.36	–0.06
Overall				
<i>M</i>	58.11		11.46	
<i>SD</i>	23.33		1.73	

– 14.03)/1.44, or 0.48, which places Chile less than one standard deviation above the mean in the current study. This suggests very little movement in ranking.

Higher raw scores in the present study indicate that a country is higher on uncertainty avoidance (Table 1), higher on power distance (Table 2), more individualistic (Table 3), and more masculine (Table 4). Higher (lower) standardized scores suggest that a particular country is higher (lower) than the average for that particular value dimension.

Overall, there appears to have been many shifts in country rankings between the time of Hofstede’s data collection and the present study. The focus of the discussion here is on the major or surprising movements of various countries relative to Hofstede’s classifications.

Our objective in this study was to determine whether any shifts had occurred in the level of national work-related values reported since Hofstede published his 1980 study. Normally, one thinks of values as something only an individual can possess. Hofstede demonstrated that countries, which comprise cultures of persons possessing similar value structures, can be thought of as possessing collective work-related values. These country classifications can help in the understanding of the cultures from which they are generalized.

Power Distance

In the present study, Mexico,² China, and Russia fell above the mean on power distance. This finding suggests that these countries have large power dis-

tances or believe that power is distributed unevenly in organizations and society. Conversely, the United States, Japan, Chile, Venezuela, Yugoslavia, and Germany all scored below the mean, indicating that these countries have small power distances. Russia and China were not included in Hofstede's research but were represented in the present study. Not surprisingly, the respondents from Russia scored the highest on this dimension. Given the history of the former Soviet Union, it is reasonable that Russian respondents would believe in a large separation between those in power and those not in power. China was close behind Russia in this dimension, suggesting that the Chinese also perceive an unequal power distribution in society. Given that Russia and China both have experience with communism, this grouping is not unexpected. Although the premise of communism is equal status for all, the reality of life in these countries is probably a very real separation between those at the top and everyone else.

Uncertainty Avoidance

Russia, the United States, Chile, China, and Venezuela were classified as countries strong in uncertainty avoidance in the present study, and hence respondents in those countries felt that uncertainty should be eliminated. Mexico, Germany, Japan, and Yugoslavia all scored below the mean in the present study, suggesting a weak uncertainty avoidance, or the propensity to take risks.

The shift made by the United States from being a weak uncertainty avoidance country in Hofstede's study to being a strong uncertainty avoidance country in the present study seems reasonable in light of the political, economic, and social changes the United States has undergone over the past two decades. In particular, the increased uncertainty about the economic power of the United States may be a factor in this change.

Similarly, Japan also shifted, although in the opposite direction. This finding, too, may be a result of the increased importance of Japanese business as an economic force in the world. Given Japan's economic strength, willingness to take risks may be more accepted now in that country.

Mexico also shifted toward the weak uncertainty avoidance side of the scale. Given this country's efforts to restore its failing economy, the need to take risks and accept uncertainty may be necessary.

Russia, as in the power distance dimension, was the country with the strongest uncertainty avoidance in the entire sample. Risk taking appears to be a foreign concept to Russian respondents, perhaps reflecting the communist work ethic. Many jobs in the former Soviet Union were of a manufacturing or farming nature, in which structure, routine, and certainty are necessary. China

²Country names were used for convenience to represent the reported values of those composing the sample for each country.

also scored above the mean on uncertainty avoidance. This finding may reflect the communist roots in common with the former Soviet Union.

Individualism/Collectivism

The results of the present study indicate that the United States, Mexico, Yugoslavia, Venezuela, Chile, and Germany can be considered individualistic countries. These countries had standardized scores falling above the mean. Japan, China, and Russia scored below the mean and can be considered collectivist. The United States scored the highest on this dimension, making it the most individualistic country in the present survey, a conclusion in accordance with Hofstede's report, which classified the United States as the most individualistic country in the world. Mexico was also above the mean in the present study, making it an individualistic country; Hofstede (1980) classified Mexico as collectivist, so this change represents a shift. The trend toward more economic development in Mexico also supports the greater emphasis placed on individual rewards by the Mexican respondents in this study. Russia scored the lowest on the individualism/collectivism scale, indicating a strong preference for group welfare over individual rewards, which is entirely consistent with communist beliefs. China too was classified as a collectivist country in the present study, reflecting the strong communist influence. Japan was also ranked as collectivist in preference, in agreement with Hofstede's finding.

Masculinity

In the present study, China, Mexico, Russia, Chile, and Japan all scored above the mean on this dimension, and thus were classified as masculine countries. Masculine countries favor men for positions of power in organizations and prefer a more singular rather than dualistic role for both men and women in society. France, the United States, Venezuela, Yugoslavia, and Germany all scored below the mean, making these countries more feminine in nature.

China scored the highest of the masculine countries, being nearly 1.5 standard deviations away from the nearest masculine country. This finding may reflect the more traditional role separation of men and women in that country. Russia also scored above the mean on this dimension, maintaining its similarity with China on all dimensions. Despite the fact that women work alongside men in Russia, the more senior positions are held by men. Thus, it is not surprising that Russia scored as a masculine country.

Germany showed a shift in ranking on the masculinity scale. In the present study, Germany was classified as feminine, whereas in Hofstede's study it was considered masculine.

The United States also showed a shift in ranking. Hofstede's rankings classified the United States as masculine, although the score was close to the mean.

In the present study, the United States scored well below the mean. This is consistent with changes in the work force, in which women have increasingly gained positions of power since Hofstede's data collection.

Discussion

Overall, the findings of the present study suggest that there have been significant shifts in value classifications in some countries since Hofstede conducted his original study. Many of the countries examined in the present study showed a shift in ranking when compared with Hofstede's original data. This finding underscores the fact that, although a nation's work-related values are deep-seated preferences for certain end states, they are subject to change over the years as external environmental changes shape a society. Managers and researcher should use caution before attempting to use work-related values to understand human behavior in organizations. At the least, managers should make an effort to determine the values currently prevailing and not rely on classifications or labels placed on cultures by researchers.

Some additional considerations about the changes warrant mention. Hofstede's data were collected from employees of a large, rather well known organization with a strong organizational culture. Respondents in the present study did not belong to a common organization; thus, the changes could be due to sample differences. However, Hofstede has been criticized for using employees of a single multinational organization because the sample may represent a "likeness" among individuals from otherwise differing cultures who would select themselves to work for this company. The present sample may reflect with greater accuracy the prevailing work-related values held by the culture in consideration because of the diversity of individuals in the sample. All respondents in this study were either working individuals or advanced business students. They may represent the values of those working (or preparing to work) in business organizations, which could differ from the country as a whole; however, because our purpose in this research was to examine work-related values, the sample was appropriate.

Limitations of this study include the fact that the sample size for each country was not equal. Although this could create problems relating to the representativeness of the sample, at times it was necessary to avoid subcultural bias (see Method section). Furthermore, only a portion of Hofstede's countries were included. The result is that countries high on particular dimensions in Hofstede's study may not have been included in the present study (the Scandinavian countries, for example, were not represented). Finally, because this research involved completing a lengthy questionnaire, it is worth noting that there may be differences among countries with respect to the willingness to answer candidly on surveys. Although respondents were assured confidentiality, in countries where research is uncommon, such assurances may be distrusted and forthright responses not given.

Despite these limitations, the present sample represents a broad range of

societies, economic prosperity, and development levels. It allows for a comparison between time periods, which illustrates how a society's work-related values can change, and underscores the importance of further research in this area.

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