A study of cultural changes in Hofstede’s long-term orientation in multiple countries

Abstract

Using Hofstede’s theoretical framework to assess Long Term Orientation—from both the revised VSM08 questionnaire and the modified scale of Bearden et al., a survey was conducted in Brazil, China, Colombia, India, Portugal, Romania, Spain and Turkey, through which 1452 valid answers were obtained. The results indicate that the surveyed countries no longer occupy the same relative positions that had been identified when conducting the first Hofstede study in 1980, as well as the most recent results using data from the World Value Survey (WVS). This paper discusses the possible implications for practitioners and academics in the field of International Business.

Keywords: Hofstede’s model, long-term orientation, cultural dimensions

Introduction

Researchers in the field of international marketing consider that the cultural dimensions of Geert Hofstede constitute a very relevant model of cultural differences between nations. Cultural dimensions have had a major influence on academic research and the business world, as corroborated by Harrison and Serafeim, Saltzman and Ward. Hofstede’s cultural dimensions are widely accepted as an evaluative reference for the cultures of nations, and they are an important model for assessing cultural differences. Similarly, Nelson & Gopalan consider that the model has proved to be useful in understanding national cultures as well as in analyzing their effects on organizations and managers. On the other hand, several authors have questioned the conceptual and methodological questions of Hofstede’s national culture. One of the main criticisms is that Hofstede’s model does not capture the dynamic aspects of culture. In fact, the issue of the ability to keep up with changes in cultures is embedded in their theoretical framework. Hofstede postulates that national cultures are extremely stable over time. The author posits that cultural trends and differences could be recognized far in advance.

From the development of these dimensions, it is relevant to note that various events have occurred in the world since the original study was developed in the 1960s. These events have changed people’s perceptions of the value of things in general. In this line, it is important to revisit the cultural dimensions and verify the need for adjustments in the face of these changes. For example, the Soviet bloc fell apart in the 1990s, dramatically altering the world political landscape. Some countries have developed economically, while others have regressed, and there have been up and down movements in terms of economic influence.

On the one hand, the world’s population has become more prosperous, with more access to goods and services produced in other countries. Communications technology, in the form of the Internet, computer access, and the spread of smartphones and applications has greatly facilitated the exchange of information. The flow of information has played a major role even in those societies that seek to control and hinder new ideas from other cultures. All these factors have produced important changes in cultural value systems. In this context, the relevance of Hofstede’s contribution and the diffusion of cultural dimensions in academia and business imposes the need for updating, in order to verify whether this measurement scale has maintained its accuracy over time. To this end, an exploratory study was carried out on a single element of Hofstede’s dimensions: The Long-Term Orientation (LTO) in eight countries: Brazil, China, Colombia, India, Portugal, Romania, Spain and Turkey.

Literature review

Hofstede’s model of cultural dimensions studies cultural differences between nations. This author’s study of cultures sought to develop a practical instrument for measuring cultural differences from a four-dimensional framework:

1. Power distance,
2. Avoidance of uncertainty,
3. Individualism/Collectivism, and
4. Masculinity/Femininity Hofstede.

Hofstede’s dimensions were the result of an analysis of data collected by IBM in its subsidiaries in 72 countries. Surveys collected information given by company employees to the author himself between 1967 and 1973 to measure “attitudes at work”. From these data, Hofstede identified four dimensions, each representing issues that all people are confronted with Hofstede. These dimensions were developed as a moving scale between two extremes, in which people’s perceptions of the value of things are placed. In this line, it is important to revisit the cultural dimensions and verify the need for adjustments in the face of these changes. For example, the Soviet bloc fell apart in the 1990s, dramatically altering the world’s political landscape. Some countries have developed economically, while others have regressed, and there have been up and down movements in terms of economic influence.

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Keywords: Hofstede’s model, long-term orientation, cultural dimensions

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plan for the long term, persistently and economically. They may set traditions aside when planning the future, and seek to save money to meet future projects, or to cover emergencies and investments in personal education.19

According to the original Chinese Value Survey (CVS), China ranks first in the long-term orientation, with a score of 118; This score is considerably higher than that of Hong Kong (number two) and Taiwan (number three). The first non-Asian population is the Netherlands (number 10), whose score is slightly higher than one third of the Chinese score. It is also worth noting that Bond20 did not calculate the CVS score for the following countries that are mentioned in Table 1: Romania, Turkey, Portugal and Colombia. Hofstede et al.20 later elaborated a score composed of three concepts from the World Values Survey (WVS). This approximates the original LTO, but relies on western definitions. The authors argue that it was more widely applicable in evaluating different cultures. This change was accompanied by a modification of the LTO scale, and minor changes in the relative ranking of countries on the list. The new WVS-based LTO scale ranges from 0 to 100. South Korea (100), Taiwan (93), Japan (88) and China (87) occupy the top four positions. 93 countries were surveyed, and their scores calculated by Hofstede et al.20

Hofstede20 argues that cultures are relatively stable and that social values are deeply rooted in the history of nations. The author suggests that history has a significant effect on the socioeconomic development of family structures, legislation; educational systems, and politics, conferring sustainability and resistance to changes in society Hofstede.21 Since cultural values come from the past, it is reasonable to expect them to remain valid. The use of Hofstede’s dimensions makes it possible to describe cultures in a simple way. These descriptions can be used to guide interpretation from the interactions between people, as well as provide insight into cultural interactions; but if these descriptions change over time, then the interpretation of the dimensions will become less accurate. It is worth noting that there were several events; Baby Boomers decreased, Generation X increased and decreased, and Generation Y (Millennials) and Generation Z (Centenials) settled. Each generation has different values and belief systems that give rise to distinct categories, separate from the previous generation and those that follow. It is also possible to imagine that in other less politically, demographically and economically stable countries, even more significant changes will emerge in people’s perception of what is important and the meaning of life.21,22

In the wake of social change, there is a phenomenon whereby the shared memory of significant events predisposes people belonging to the same generation to a certain mode of thought and experience. This way of thinking will influence people’s attitudes, preferences and behaviors.21,22 For example, generations raised in an environment where resources are scarce will use maintenance and survival behaviors (such as economic determinism, rationality, materialism, compliance, and respect for authority) Inglehart.22 Generations raised in a resource-rich environment will use values such as egalitarianism, individualism, interpersonal trust, tolerance for diversity, and transcendence Inglehart.21

In this context, by measuring the cultural differences of American ethnic groups, Mooji & Beniflah24 observed that the values of the various groups do not differ significantly from conventional values—which indicate the convergence of cultural values. According to them, the differences are greater between age groups; In particular, younger Chinese Americans have a lower long-term orientation than the older population (generational difference from LTO). Individual generational experiences vary greatly due to social change and economic development. Thus, younger generations are expected to have lower LTO levels than older generations.

There is a vast literature indicating that social modernization results in changes in cultural values, as pointed out by23,25,26 Remarkably, the shift from industrial to post-industrial society has produced fundamental changes in people’s lives, reflected in new worldviews.27 While industrial structures lead to a rational and hierarchical form of organization and conformity to authority, in the post-industrial, service-dominated economy, the relevance of information processing and communication grows, and values such as self-expression and autonomy are emphasized Inglehart. Such changes translate into more individualistic behavior, and less distance from power in Hofstede’s conceptual framework. Moreover, overall prosperity led to an increase in the entire cohorts of developed countries, due to the living conditions and material security achieved. Because people tend to value scarce objects, subsequent generations will tend to emphasize issues such as quality of life, freedom, and aesthetics over economic and physical security.23,25,27 If not all countries develop in the same way, or in the same areas (as in economics or politics), it is to be expected that a change in values will also occur differently across cultures. For example, in East Asia there has been strong economic development, while in India, Thailand and Vietnam there has been more moderate growth, and the Japanese economy is experiencing a decade-long stagnation. After a brief improvement, the Russian economy showed negative growth between 2015 and 2017, followed by a growth rate of almost 3% in recent years.28

Thus, intuitively, and contrary to Hofstede’s20 suggestion that countries within specific regions tend to change values in the same direction, it is reasonable to expect that the cultural values of nations will change differently (in direction and speed) in relation to its neighbors. Along these lines, it is also expected that the system of cultural values will also be distinct. Some studies provide strong evidence that LTO is not a stable feature. For example, Mooji & Beniflah24 showed differences in cultural values of ethnic groups in the United States, which signal the effects of acculturation on changing cultural values. In another study, Tang & Koveos29 show that long-term orientation decreases first, and then increases when per capita income increases, not being a stable feature. This paper explores the possibility that cultural changes in values (more specifically, the ordering of long-term orientation levels) of countries have changed. In this sense, the possibility of changing cultural values is analyzed with Hofstede’s20 postulate that the cultural values of countries will change at the same time and in the same direction, testing the following hypotheses:

1. There will be a significant difference in Long Term/Short Term Orientation between generations;
2. Long-term orientation will present changes in the absolute scores of the surveyed countries.
3. There will be a change in the ranking of the countries surveyed in relation to the long-term orientation classifications.

Methodology

The survey was conducted in seven countries: Brazil, Colombia, India, Turkey, Portugal, Romania and Spain. These seven countries represent cultural, geographical and economic diversity, and
were selected to represent different points on the Hofstede scale. Participation in the study was voluntary and survey responses were confidential. No name or any other information that could identify the respondent was requested. The research was conducted as part of a group of researchers from the Academy of International Business. Those who expressed interest were invited to participate in the study and to conduct the research in their respective countries. The research was initially conducted among undergraduate and graduate students from the respective universities, using the snowball technique. Respondents were asked to share the survey with their personal knowledge network.

In this research, the LTO scale of Bearden et al. Demographic questions and the questionnaire were prepared in English and translated into the native language of the surveyed countries. Terms that were disconnected from the country’s cultural context were revised through a back-translation process to avoid ambiguities and inconsistencies in their interpretation. For each country, data were collected under the supervision of the responsible researcher. Respondents used a concordance scale (Likert) ranging from 1 to 5 (1=strongly disagree, and 5=strongly agree), and the questionnaire was implemented electronically on the Google Forms platform for two weeks. A convenience sample was used. Due to its non-probabilistic characteristic, such a decision implies the impossibility of generalizing the results found here to the general population. However, the conclusions of this study may serve to highlight possible differences between the populations studied, which may be tested in future empirical research.

Characterization of the sample

In the seven countries, 1452 respondents answered all questions; by country: 164 from Brazil, 284 from Colombia, 203 from India, 250 from Turkey, 259 from Portugal, 107 from Romania and 185 from Spain. In each country, the distribution of respondents by gender ranges from 32% of men in Brazil to 59% of men in Turkey. Respondents are relatively young (aged 24 to 30) and highly skilled.

LTO scale

Long-term orientation was measured by the instrument developed by Bearden et al. The authors validated the scale, whose reliability and validity are adequate in measuring individual differences within and between cultures. They argue that some measures used in the original definition (i.e., of Confucian dynamism) include planning, respect for tradition, hard work for future benefit, and perseverance. Thus, the authors consider that long-term orientation considers a holistic perspective of cultural value that values the past and the future, rather than privileging actions whose effects are produced in the “here and now” (p. 457).

Given the categorization of prior knowledge, the literature review indicates that there is still some uncertainty regarding the LTO construct Bearden et al. Because of this, the strategy recommended in Cohen’s typology was adopted based on some previous knowledge about the scale: (a) assuming that the scale is composed of reflective indicators; use inductive logic; generate item pool; administer the questionnaire for a sample of the population of interest; identify the underlying dimensions; and confirm the concept analyzed. From these considerations, the 8-item scale adapted from Cronbach’s alpha (α=0.734), which is widely used to measure the internal consistency of the scale, is considered adequate. The scale is made up of two sub-dimensions: the first, “tradition”, includes the following items: “respect for tradition is important to me”, “I value a strong link with my past”, “family heritage is important” and “traditional values are important to me”). As for the second dimension, “planning” includes “I work hard for future success”, “I don’t mind giving up today’s fun for future success”, “persistence matters to me” and “I plan to the long run.”

Analysis of results

The statistical package for the social sciences (SPSS) version 25 was used to analyze the collected data. Analysis of variance (ANOVA) was used to test the hypotheses. Two significant results result from the analysis. First, as Table 2 shows and in line with our expectations, older generations in Brazil, Spain, Romania and Turkey born until 1981 are significantly more long-term oriented than younger generations. However, there were no significant differences in long-term intergenerational orientation in Portugal, India and Colombia. Second, significant differences in long-term orientation were found between countries. In particular, Colombia has the highest LTO (M=4.22, SD=0.493), followed by Romania (M=4.02, SD=0.485), India (M=3.85, SD=0.546), Portugal (M=3.80, SD=0.591), Turkey (M=3.75, SD=0.632), Spain (M=3.65, SD=0.549), and the shortest long-term orientation is from Brazil (M=3.12, SD=0.569). Differences in LTO averages between Romania and India are not significant. Similarly, LTO differences between Portugal and Turkey were also not significant.

In the country comparison, it was found that Romania has a higher planning trend than India, with a significant difference (M_roman=4.17, M_india=3.86, F=19.507, p=.000) indicating a longer-term orientation. Romania than India (although the average LTO for these two countries is similar). The analysis also shows that Portugal has a greater tendency towards planning than Turkey (M_Portugal=4.09, M_Turkey=3.78, F=26.310, p=0.000), but lower propensity to tradition (M_Portugal=3.31, M_Turkey=3.31, F=26.310 p=0.000), indicating that Portugal emphasizes planning more than Turkey, although the long-term overall orientation is similar.

Analysis of research hypotheses

Table 2 was prepared with countries in the same order as Table 1, to facilitate comparison of the results found. Hypothesis 1 could not be proven. Brazil, Spain, Romania and Turkey show stronger LTO trends than younger generations, while in Portugal, India and Colombia no significant differences were found. Hypothesis 2 is supported. Instead of relying on the same scoring system as Hofstede since we could not find an exact explanation of how the score was made, we analyzed the survey scores, which were listed in order from highest LTO to lowest score. Since Hofstede’s dimensions are a classification system for countries in different aspects of culture, for classification to be effective, all countries would have to change in the same direction at the same time - as the author suggested, within a regional perspective. Our results seem to contradict these assumptions, since the order of countries is different from Hofstede’s lists. In many situations, the change of order was dramatic as many countries were found to have changed positions. In the same vein, hypothesis 3 is also supported. Romania, which had ranked first among the countries surveyed according to Hofstede’s WVS ratings, fell to second place; was replaced by the former number seven, Colombia. To beat Romania, Colombia rose from 49 places: from 87 to 38. While Romania went down a single leg, Spain went from number three to sixth. It follows that the order of countries has been completely overhauled, as neither country is in the same position as Hofstede’s list of results.
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Table 1 Ranking of Hofstede long-term orientation scores, countries surveyed by Hofstede WVS LTO ranking

<table>
<thead>
<tr>
<th>Researched countries using Hofstede’s WVS LTO ranking</th>
<th>WVS</th>
<th>Ranking WVS</th>
<th>Hofstede’s CVS rank</th>
<th>Hofstede CVS score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>1</td>
<td>52</td>
<td>38</td>
<td>--</td>
</tr>
<tr>
<td>India</td>
<td>2</td>
<td>51</td>
<td>40</td>
<td>2</td>
</tr>
<tr>
<td>Spain</td>
<td>3</td>
<td>48</td>
<td>44</td>
<td>3</td>
</tr>
<tr>
<td>Turkey</td>
<td>4</td>
<td>46</td>
<td>47</td>
<td>--</td>
</tr>
<tr>
<td>Brazil</td>
<td>5</td>
<td>44</td>
<td>49</td>
<td>1</td>
</tr>
<tr>
<td>Portugal</td>
<td>6</td>
<td>28</td>
<td>65</td>
<td>--</td>
</tr>
<tr>
<td>Colombia</td>
<td>7</td>
<td>13</td>
<td>87</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: Prepared by the author, from Bond, Hofstede, Hofstede, Minkov, Hofstede & Hofstede and Hofstede et al.

Table 2 Comparison of Hofstede’s WVS and CVS search results

<table>
<thead>
<tr>
<th>Research findings</th>
<th>LTO</th>
<th>DP</th>
<th>Hofstede CVS rank</th>
<th>Hofstede WVS rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>4.02</td>
<td>0.485</td>
<td>--</td>
<td>1</td>
</tr>
<tr>
<td>India</td>
<td>3.85</td>
<td>0.546</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Spain</td>
<td>3.65</td>
<td>0.549</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Turkey</td>
<td>3.75</td>
<td>0.632</td>
<td>--</td>
<td>4</td>
</tr>
<tr>
<td>Brazil</td>
<td>3.12</td>
<td>0.569</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Portugal</td>
<td>3.80</td>
<td>0.591</td>
<td>--</td>
<td>6</td>
</tr>
<tr>
<td>Colombia</td>
<td>4.22</td>
<td>0.493</td>
<td>--</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: Prepared by the author

Conclusion

Long-term or short-term orientation is an important management tool that helps you understand how people make consumer decisions about their social values. In this study, we sought to answer the following questions:

1. Have there been cultural changes that can be delineated according to the profiles of the generations?
2. Have there been changes in cultural values in recent decades in terms of long-term orientation?

In this sense, we sought to answer these questions, as well as to evaluate the efficiency of the LTO scale. In this sense, the work sought to analyze the relative positions of the authors that differ from what had previously been recorded by Hofstede. Analysis of the results shows, in response to the first question, that there have been changes in some countries: of the seven countries surveyed, none maintained their position relative to the others. These results have important implications, not only from a strictly academic standpoint, but also due to the widespread use of Hofstede’s cultural dimensions. Therefore, these findings may have important academic and managerial implications. From an academic perspective, the findings have an important point: As teachers, we should always try to ensure that the information we transmit is reasonably accurate. During Business Administration courses students become familiar with Hofstede’s dimensions; In the case of long-term orientation, the results indicate that the information needs to be revisited to avoid misapplying the theory. Also as regards the teachings, these are not changing “facts”. It is noted that today they may be obsolete and inaccurate. Many students will be involved in international business in some way, and this is intended to provide them with as complete a worldview as possible. Hofstede’s dimensions are important; however, teaching cultural values that were measured many years ago is a disservice. It is important to have a clear picture of cultures, and to understand their changing nature as an important component of worldviews. Students must be equipped with the best available information regarding cultural studies.

The results presented here are also important from the “real world” point of view, whereby professionals are often advised to incorporate such dimensions into their business plans, as Harrison postulates; Serafeim et al. and Gill. To enter a market, it is essential to understand culture and its implications for company strategy. International managers need to understand social differences in the countries where they do business. Obviously, the company can rely on its accumulated experience; but outside experience is often sought in the form of “business consultants” and business publications, which still rely on Hofstede’s theories today.

Culture affects a company’s perceptions and responses to its environments as well as to people in the business environment. If the company relies on outdated information, it will be hurt. This opens the way to avoid misunderstandings that reinforce the importance of investigating how world cultures develop. Perhaps the most important branch of these results is cultural research itself. As mentioned earlier, researchers who criticized Hofstede’s work focused primarily on the study’s methodology. In this article, we analyzed whether the original dimensional scores were correct, concluding that they need to be updated. The Hofstede dimensions are one of the most

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important methods of introducing students to the study of cultures to make strategic decisions. Both the advocate and critic of the cultural dimensions will have a strong interest in advocating the development of scientific studies that guarantee the accuracy of what is taught as a “fact” about the culture of nations.

Given the nature of human behavior, it is reasonable to suppose that cultural traits change over time. In retrospect, some of these changes are obvious. Increasing gender expression in society, falling birth rates in developed countries and rising consumer debt levels in developing countries are unmistakable signs of changing cultural values. In this sense, it is suggested that the discussion should not be restricted to how it has been classified and dissected the culture of the country in the past, but rather what can be done to accurately assess current cultural traits. There are many possibilities for future studies suggested from this research. One possibility is to explore the changes that may have emerged from long-term orientation, as well as other dimensions and cultures other than those addressed in this study. More than ever, contemporary society is interconnected through commerce, travel, and communication. The changes that have occurred in the cultures of countries have been caused largely by exposure to external influences.

The limitations of this study are largely related to the data collection methodology (using the snowball technique): about eighty percent of participants are 35 years old or younger. In addition, there are more female participants (67%) than male participants. Although our results are the same after gender and industry control, it is possible that the more expressive representation of a given population leads to a possible limitation in terms of the generalization of the findings presented here. The implications of this study are quite relevant. Several studies have challenged the validity of Hofstede’s dimensions. However, this is not the intention of this article; In fact, there is a need to update the measurement tools used today to teach students and entrepreneurs what to expect when meeting people from different cultural backgrounds. Hofstede’s dimensions are widely accepted by academia and the business world, but have remained largely unchanged since its introduction 30 years ago. Hofstede’s cultural dimensions are a major contribution to the management of International Marketing, which provides a categorization system that is easy to understand and apply. Culture changes over time, and it is believed that its measurement scales should be adjusted to account for these effects of changes in cultural environment variables. In this sense, the present study is expected to encourage new adjustment processes.

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Conflicts of interest

Author does not have any conflict of interest.

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