

## HOFSTEDE'S DIMENSIONS IN PORTUGAL

Oana Preda\*

### Abstract

*For those who work in international business, it is sometimes amazing how different people in other cultures behave. We tend to have a human instinct that 'deep inside' all people are the same - but they are not. Therefore, if we go into another country and make decisions based on how we operate in our own home country - the chances are we'll make some very bad decisions.*

*Geert Hofstede's research gives us insights into other cultures so that we can be more effective when interacting with people in other countries. If understood and applied properly, this information should reduce your level of frustration, anxiety, and concern. But most important, Geert Hofstede will give you the 'edge of understanding' which translates to more successful results.*

**Keywords:** Small Power Distance, Large Power Distance, Individualism, Collectivism, Masculinity, Femininity, Uncertainty Avoidance

**JEL Classification:** M31

### 1. Introduction

Gerard Hendrik Hofstede is an influential Dutch organizational sociologist, who studied the interactions between national cultures and organizational cultures. He is also an author of several books including *Culture's Consequences* and *Cultures and Organizations, Software of the Mind*, co-authored by his son Gert Jan Hofstede. Hofstede's study demonstrated that there are national and regional cultural groupings that affect the behavior of societies and organizations, and that are very persistent across time

### 2. Hofstede's Dimensions

According to Hofstede the way people in different countries perceive and interpret their world varies along four dimensions:

- Small vs. Large Power Distance (Power Distance Index)
- Individualism vs. Collectivism (Individualism Index)
- Masculinity vs. Femininity (Masculinity Index)
- Uncertainty Avoidance (Uncertain Avoidance Index)
- Long vs. short term orientation - describes a society's "time horizon," or the importance attached to the future versus the past and present. In long term oriented

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societies, values include persistence (perseverance), ordering relationships by status, thrift, and having a sense of shame; in short term oriented societies, values include normative statements, personal steadiness and stability, protecting ones face, respect for tradition, and reciprocation of greetings, favors, and gifts. China, Japan and the Asian countries score especially high (long-term) here, with Western nations scoring rather low (short-term) and many of the less developed nations very low; China scored highest and Pakistan lowest.

This last dimension was added in the 80's and represents the differences between the chinese cultures and all the other cultures.

**Power Distance Index** refers to the inequality between people in physical and educational terms. Hofstede's Power Distance Index measures the extent to which the less powerful members of organizations or institutions, such as family or companies, accept and expect that power is distributed unevenly.

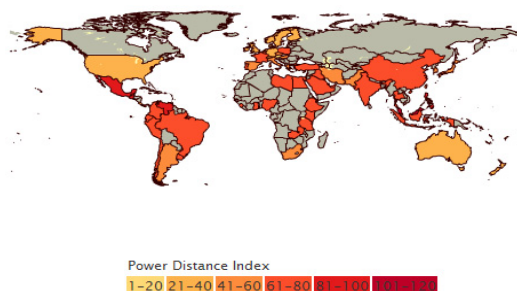


Fig.1. Power Distance Index in the World [Schwarz-Musch, D. A.(2009)]

**Individualism Index** denotes the degree to which people in a country learn to act as individuals rather than as members of groups. On the individualism side we find societies in which the ties between individuals are loose and, on the other hand, on the collectivism side we find societies in which people from birth are integrated into groups which often are extended families.

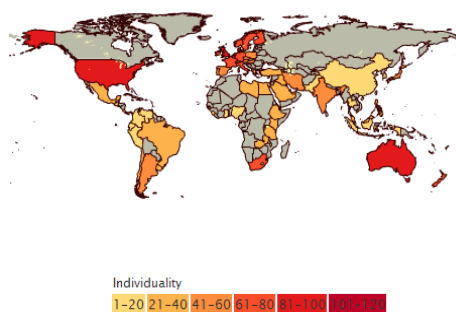


Fig.2. Individualism Index in the World [Schwarz-Musch, D. A.(2009)]

**Masculinity Index** relates to the degree to which “masculine” values like performance or success prevail over “feminine” values such as quality of life or care for the weak.

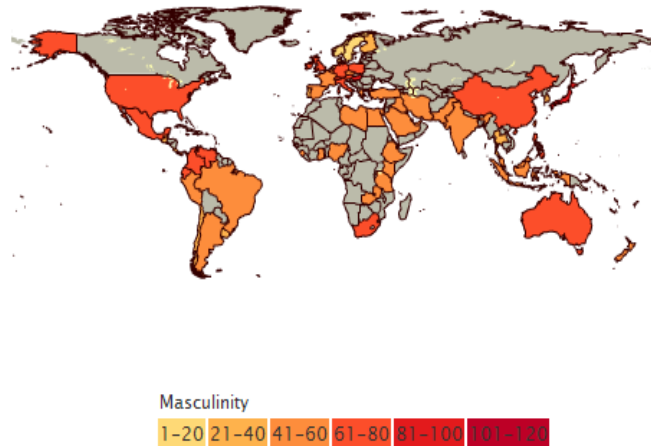


Fig.3. Masculinity Index in the World[Schwarz-Musch, D. A.(2009)]

**Uncertain Avoidance Index** concerns the degree to which people in a country prefer formal rules and fixed patterns of life as means of enhancing security. Countries with high uncertainty avoidance are probably countries with risk aversion.

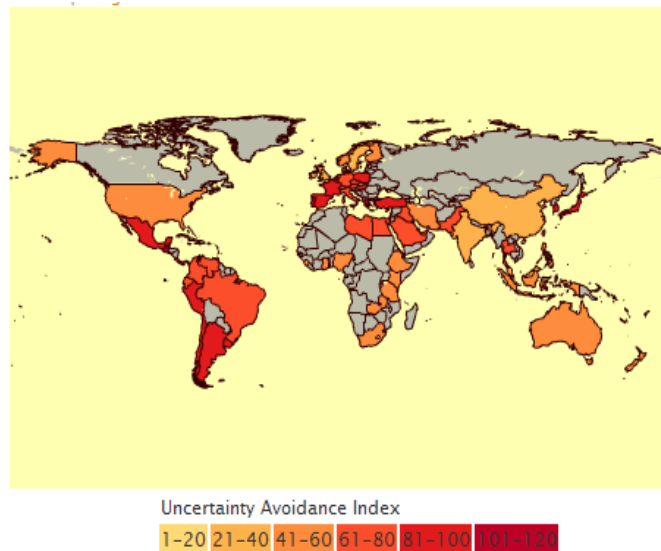


Fig.4. Uncertain Avoidance Index in the World[Schwarz-Musch, D. A.(2009)]

### 3. Portugal and the European Countries according to Hofstede's Dimensions

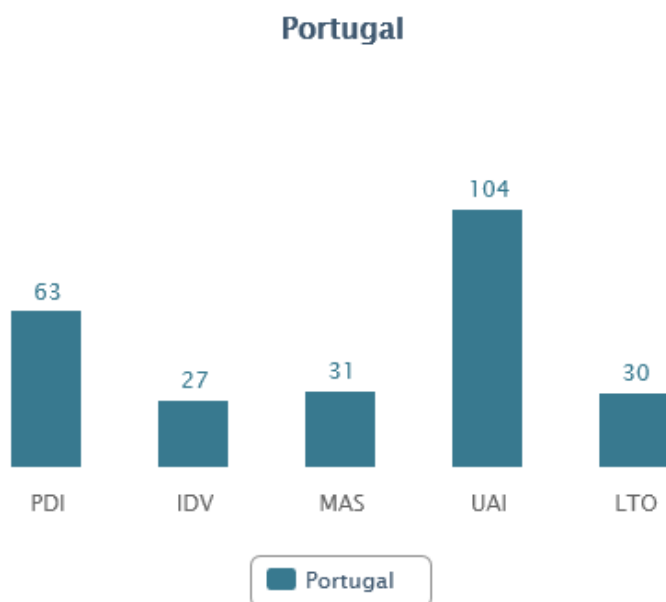


Fig.5.Hofstedes' Dimensions in Portugal[<http://geert-hofstede.com/portugal.html>]

As can be observed in the graphic above, in Portugal the consumers have a relatively high Power Distance Index, around 63%, reflects that hierarchical distance is accepted and those holding the most powerful positions are admitted to have privileges for their position. This means that is accepted by the consumers with lower income that there are some products that they cannot afford or where created for a public with bigger financial possibilities.

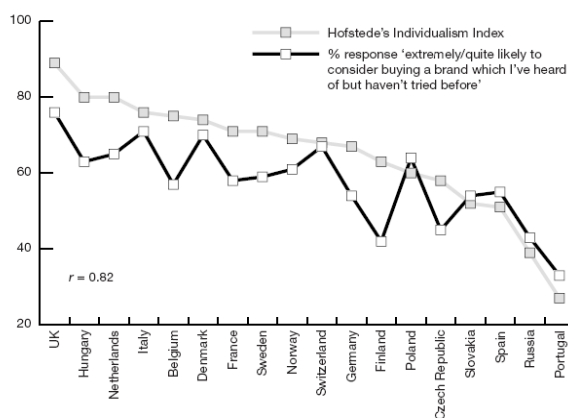
Management controls, i.e. the boss requires information from his subordinates and these expect their boss to control them. A lack of interest towards a subordinate would mean this one is not relevant in the Organization. At the same time, this would make the employee feel unmotivated.

Negative feedback is very distressed so for the employee it is more than difficult to provide his boss with negative information. The boss needs to be conscious of this difficulty and search for little signals in order to discover the real problems and avoid becoming relevant. [<http://geert-hofstede.com/portugal.html>]

The Individualism Index is low, around 27%, which might be bad for the companies who are trying to succeed in the Portuguese market. This low index means that in Portugal people might not accept well change. They are use to certain costumes, certain brands, probably related to the groups where they are inserted in (collectivism) and they very hardly will accept changes to those costumes and brands.

Loyalty in a collectivist culture is paramount, and over-rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group. In collectivist societies offence leads to shame and loss of face, employer/employee relationships are perceived in moral terms (like a family link), hiring and promotion decisions take account of the employee's in-group, management is the management of groups. [<http://geert-hofstede.com/portugal.html>]

The graph below shows the correlation between the Individualism Index and the percentage of a new product that has been talked about but never tried to be accepted in the countries.



Source: Reader's Digest Trusted Brands (2002)

Fig.5. The Individualism Index and the percentage of a new product that has been talked about but never tried to be accepted in the countries. [Reader's Digest, Trusted brands, 2002]

Portugal scores 31 on masculinity vs femininity index shows that this is a country where the key word is consensus. So polarization is not well considered or excessive competitiveness appreciated. In feminine countries the focus is on "working in order to live", managers strive for consensus, people value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation. Incentives such as free time and flexibility are favoured. Focus is on well-being, status is not shown. An effective manager is a supportive one, and decision making is achieved through involvement. [<http://geert-hofstede.com/portugal.html>]

Portugal scores 104 on the Uncertain Avoidance Index dimension and thus has a very high preference for avoiding uncertainty. Countries exhibiting high uncertainty avoidance maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. In these cultures there is an emotional need for rules (even if the rules never seem to work) time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be

resisted, security is an important element in individual motivation. [<http://geert-hofstede.com/portugal.html>]

This is the dimension that defines Portugal very clear.

On the last dimension Portugal scores 30, making it a short term orientation culture. Societies with a short-term orientation generally exhibit great respect for traditions, a relatively small propensity to save, strong social pressure to “keep up with the Joneses”, impatience for achieving quick results, and a strong concern with establishing the Truth i.e. normative. Western societies are typically found at the short-term end of this dimension, as are the countries of the Middle East. [<http://geert-hofstede.com/portugal.html>]

The long term orientation dimension is closely related to the teachings of Confucius and can be interpreted as dealing with society’s search for virtue, the extent to which a society shows a pragmatic future-oriented perspective rather than a conventional historical short-term point of view.

*Table no.1. Hofstede’s Cultural Dimensions scores in EU*

<i>Country</i>	<i>PDI</i>	<i>IDV</i>	<i>MAS</i>	<i>UAI</i>
Austria (AT)	11	55	79	70
Belgium (BE)	65	75	54	94
Bulgaria (BG)	70	30	40	85
Czech Republic (CZ)	57	58	57	74
Denmark (DK)	18	74	16	23
Estonia (EE)	40	60	30	60
Finland (FI)	33	63	26	59
France (FR)	68	71	43	86
Germany (DE)	35	67	66	65
Greece (EL)	60	35	57	112
Hungary (HU)	46	80	88	82
Ireland (IE)	28	70	68	35
Italy (IT)	50	76	70	75
Luxembourg (LU)	40	60	50	70
Malta (MT)	56	59	47	96
Netherlands (NL)	38	80	14	53
Poland (PL)	68	60	64	93
Portugal (PT)	63	27	31	104
Romania (RO)	90	30	42	90
Slovakia (SK)	104	52	110	51
Spain (ES)	57	51	42	86
Sweden (SE)	31	71	5	29
United Kingdom (UK)	35	89	66	35

Reference: Hofstede [2003] For BG, EE, LU, MT, PL, RO and SK: <http://www.urbanministry.org/wiki/geert-hofstede-cultural-dimensions>

The population of the European countries is changing. Families are having fewer children and the older population is increasing. Consequently, the traditional age structure is being transformed very fast. Fewer young people will be available in the labor market, while older people as well as minority groups that have been facing exclusion and deprivation will be more and more available, accessible and needed. Moreover, reconciling family and professional life will be necessary together

with the idea of the integration of men and women by reducing gender gaps and supporting job desegregation.

Managing diversity is a precondition to guarantee equal opportunities in this way. The statistics studied here report how countries in the European Union are dealing with these wholesale changes which demand more inclusion.

Generally speaking, the advantages and disadvantages of the cultural dimensions that can influence the implementation of diversity practices, either as an impulsive force or limited one, are determined by the score of the dimensions in each country. Lower levels are more attractive for diversity policies because the values correlated create a better environment in the society by stimulating more respect, the acceptance of differences and the inclusion of minority groups.

#### **4. Conclusions**

After carefully analyzing the data we can see that the Portuguese market is a bit different of the average of the European Countries. In fact the only similarity is the Uncertain Avoidance Index both with high percentages but for different reasons.

The Portuguese market is more closed to changes than the European Countries average. There is a strong sense of unequal power distribution, and by power I mean purchasing power. There is also the feeling of belonging to a group which is not willing to change their habits and embrace new products in their culture. In the other hand in the average of the European Countries, there is a bigger degree of acceptance to change in the market as well as a lower feeling of purchasing power differences. The people act in a more individualist way which makes them more flexible to replace their usual products by new ones.

In Portugal quality prevails in opposition to quantity. There are more demand for basic goods and products which are used in a daily bases than to luxurious and superfluous goods. In contraposition, on the average of the European Countries, there is a prevalence of quantity contrary to quality.

Finally and the only similar index in the both graphics is the Power Distance Index. Even though both indexes have high percentage, there are different reasons. In Portugal this index is high because there is no big flexibility for a change in the market by all the aspects we have seen. On the other hand in the average of the European .

Countries there is flexibility and change and new products might come into the market but they are obliged to fulfill strict regulations, which are also occurring in Portugal.

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