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# FBM INSIGHTS

UNIVERSITI TEKNOLOGI MARA CAWANGAN KEDAH

Volume 2

2020

e-ISSN 2716-599X

UiTM *di hatiku*

eISSN 2716-599X



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# **HOFSTEDE'S CULTURAL DIMENSIONS: AN INSIGHT TO THE PRACTISE OF POWER DISTANCE IN MALAYSIA**

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## **ABSTRACT**

This paper provides an insight to the theory of Hofstede's cultural dimensions and how it gives effect to an organization's working culture. Discussions of the theory then further concentrated on one of the dimension that is the practise of power distance in Malaysia and how it specifically affect the working culture and the relationship between supervisor and the subordinates.

**Keywords:** globalization, Hofstede's cultural dimensions, power distance

## **INTRODUCTION**

Globalization has brought about great difference to the way people work and do business nowadays. We understand that with the impact of globalization, in which countries has become smaller in terms of linkage has made interactions between people across borders becomes richer. From the impact of globalization, Geert Hofstede has come out with a study on cultural dimensions to look at how diffences in culture gives effect to the way people do business across the globe.

The Hofstede's theory of cultural dimensions has been conducted from the year 1978 - 1983 to hundreds of IBM employees in 53 countries. From the data gathered and through standard statistical analysis, he developed the five dimensions of culture that has become reference to companies trying to undertand the cross culture way of doing business. The five (5) dimensions are power distance, individualism vs. collectivism, uncertainty avoidance, feminity vs masculinity, and long term vs. short term orientation.

## **POWER DISTANCE**

Power distance highlight on the issue of inequality among individuals in organizations. It is associated with the inequality of distribution of power and authority. According to Hofstede (1983), "the level of power distance is related to the degree of centralization of authority and the degree of autocratic leadership". Countries practicing high power distance in their work norm are normally related to an autocratic style of leadership and practice centralization decision making. In countries practicing low power distance societies, decentralization of power is said to be highly practiced. Based on Hofstede (1983), examples of countries with a high power distance level are Malaysia, the Philippines, Mexico, Singapore and South Korea, whilst low power distance level societies include Austria, New Zealand, Norway, the USA and Germany.

## **INDIVIDUALISM**

Individualism dimension as described by Hofstede (Hofstede, 1984) is the relationship between an individual and its group within the society to which they belong. The extreme of this two dimensions can be look in the practice of individualism vs. collectivism. The USA, Australia, Britain, Canada and the Netherlands are examples of individualist countries (Hofstede, 1983). In contrast, those who practice collectivism emphasize on the importance of group and they are tightly integrated societies (Hofstede 1983). Examples of these societies include Pakistan, Colombia, South Korea, Singapore and Malaysia (Hofstede, 1983).

## **UNCERTAINTY AVOIDANCE**

Uncertainty avoidance is related to the uncertainty of the future. Since events occurring in the future cannot be exactly known at the present, the way to cope with uncertainty depends on the particular society. Uncertainty orientation can be look from two (2) extremes that are uncertainty avoidance and uncertainty acceptance. Societies with strong uncertainty avoidance are not willing to undertake risk in their decision making, emotional, security-seeking and intolerant; while societies with a high level of uncertainty acceptance are risk takers, less aggressive and are relatively tolerant (Hofstede, 1984). Countries with high uncertainty avoidance include Portugal, Japan, Belgium, France and South Korea and those in high uncertainty acceptance include Singapore, Hong Kong, Jamaica, Sweden and Denmark (Hofstede, 1983).

## **MASCULINITY**

This dimension can be divided into two (2) extreme that is the masculinity and feminism way of doing thing. The masculinity dimension concerns about the male and female values and their impact on social activities (Hofstede, 1984). In a masculine culture men is expected to be assertive, dominant and to strive for material success and women to focus on interpersonal relationships and “to serve and care for non-material quality of life and for children” (Hofstede, 1984). These societies limit the roles that should be occupied by men and women. At the other extreme, feminine culture permits both men and women to serve many different roles. This culture places more value on relationships and the quality of life. Hofstede (1983) considered countries with a masculine culture to include Japan, Austria, Mexico, Switzerland and Italy, while countries with feminine cultures include Sweden, Norway, Denmark, the Netherlands and Costa Rica.

## **LONG TERM VS. SHORT TERM ORIENTATION**

Long term is related to the orientation attached to the future versus the past and present or short-term orientation. The values that reflect future orientation include “persistence (perseverance), ordering relationships by status, thrift and having a sense of shame” (Hofstede & Bond, 1988). For those societies whose emphasis is on the past and present orientation, the values include personal steadiness and stability, protecting one’s face, respect for tradition, and reciprocation of greetings, favors, and gifts (Hofstede & Bond, 1988). Some examples of countries with a high score (future orientation) on the Confucian dynamism scale include Hong Kong, Taiwan, Japan, South Korea and Brazil; while countries that score low (past and present orientation) on the scale include Pakistan, the Philippines, Canada, Britain and the USA (Hofstede & Bond, 1988).

## **POWER DISTANCE IN MALAYSIA**

From the five (5) dimensions highlighted by Hofstede, the practice of power distance was found to be highly practiced in Malaysia. An article in The Star dated 2<sup>nd</sup> April 2014 stated that Malaysia ranked the highest Power Distance Index (PDI) of 100, according to study by Professor Geert Hofstede cited by Iclif Leadership & Governance Centre’s Asian Leardesip Index 2014. The study also showed that Malaysia’s rating was also in line with the trend performed in Asian countries with usually high levels of power distance.

As mentioned by Hofstede, practice of high power distance means in working culture they practice autocratic style of leadership and centralization decision making. Status linking power is highly appreciated in the society thus making those with no status having lower self-esteem in voicing their opinion in an organization. These people tend to respect superiors right to that power. People at all levels in a firm accept the decisions made by their superiors because of the belief that higher level positions carry the right to make decisions and subordinates can never go against it. Similarly, in a study made by Ji et.al (2015), in exploring the effect of supervisors' power orientation towards 311 employees working in 12 Chinese firms found that power distance orientation had a significant negative impact on employees on their emotions as well as trust towards the supervisor. Meaning high level of power distance may result in negative emotions and reducing good relationship between the supervisor and the subordinate. Another study by Haleblian and Finkelstein, 1993 also found that high practice in power distance reduces information sharing among employees. The feelings of reluctant from employee towards the supervisor may lead to low performance effectiveness if not being taken care of. Additionally, a study conducted by Lu et.al (2020) towards 219 practitioners in the Chinese construction industry also found that bargaining power is found to be negatively associated with compromising behavior when the organization practice high power distance orientation. Meaning, the higher is the power distance, tendency to compromise between the supervisor and the subordinates tend to be lower.

From the findings from other researchers, we understand that the high power distance practice may affect the overall performance of a firm. Malaysia as reported practicing high power distance may see a high level of frustration from employee towards the superior as they believe they are not being given the freedom to voice out leading them not willing to share information. This is normally the outcome found in countries practicing high power distance. The high power distance also lead to the feeling of not willing to accept opinion from lower level employee, making the gap between them becoming wider and superior practicing the autocratic style of leadership. Thus, in the era of globalization where more multinational companies making their entry into the country, it is hoped that the new way of working can lower down the power distance level and leading to a better performance and satisfaction in the relationship between the superior and subordinates in Malaysia.

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