An Investigation of Mongolian National Cultural Values using the Hofstede 6-D Model

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ABSTRACT

This paper represents an investigation into the classification of Mongolian culture using the six dimensional model of Geert Hofstede: Power Distance, Uncertainty Avoidance, Individualism-Collectivism, Masculinity-Femininity, Long-Short Term Orientation, and Indulgence-Restrain. Mongolia was not one of the countries included in Hofstede's original studies, and no evidence of a subsequent study of Mongolia has been found in the literature. While Hofstede and others did study many countries in Asian, there is a lack of empirically based research on the cultural classification of Mongolian. The results of this study indicate that Mongolia is a masculine, individualist culture that is relatively low in uncertainty avoidance and high in power distance, whose people have a short-term orientation towards time. The paper compares Mongolian culture with those of other countries in Asian, as well as with select cultures from other regions.

KEYWORDS: *national culture, cultural dimensions, Hofstede model, VSM-13*

A. INTRODUCTION

The importance of cross-cultural management lies in the on-growing co-operation between companies in different countries where difficulties may arise because of the different cultural backgrounds. Geert Hofstede is one of the well-known researchers in the field of culture and management. He arose six basic issues that society needs to come to term with in order to organize itself. These are called dimensions of culture: Individualism, Power distance, Masculinity, Uncertainty avoidance, Long term orientation and Indulgence. Each of them has been expressed on a scale that runs roughly from 0 to 100. The six-dimension model is very useful in international business, communication, negotiation, investment and marketing. Hofstede originally surveyed 72 countries and was able to profile 40 different cultures. Some countries have not been involved in the Hofstede study. One of them is Mongolia. Mongolia situated strategically between Russia and China. Mongolia not only offers domestically a growing cosmopolitan market also presents tremendous export opportunities for foreign investors in a number of sectors. This country is a world's largest reserves of gold, coal, cooper, and iron ore, and possesses significant holdings of other mineral wealth. There are a number of foreign companies which have significant exposure to Mongolia's mining wealth.

Also Mongolia is one of the Global Growth Generating (3G) countries which have been identified as a source of growth potential and of profitable investment opportunities. It has attracted massive foreign investment in recent years. Foreign Direct Investment in Mongolia increased by 21183.60 USD Million in the second quarter of 2019. Foreign Direct Investment in Mongolia averaged 17512.39 USD Million from 2010 until 2019, reaching an all time high of 21183.60 USD Million in the second quarter of 2019 and a record low of 8444.70 USD Million in the fourth quarter of 2010. Very little is known about this rapidly emerging country with huge business potential. The purpose of this study is to define the Mongolian national cultural values using the Hofstede 6-D model then compare other countries national cultural values. This study makes several **contributions** to this field. As foreigners flock to Mongolia in search of business. opportunities, it might be worthwhile to have a better understanding of it's people and their cultural values. Clarifying Mongolian national cultural values is important for foreign business in Mongolia and their future success. And strategists and managers may use our result to their future research about Mongolian consumer and marketing plan in Mongolian market. Finally our result will help foreign company's success which doing business in Mongolia or planned to run a business in Mongolia.

B. LITERATURE REVIEW
1. Hostede's Cultural Dimensions

This paper represents an investigation into the classification of Mongolian culture using the six dimensional model of Geert Hofstede. In order to do business in a country it is essential to understand its culture, which implies understanding its peoples' values and beliefs. A theoretical framework is helpful to facilitate such an understanding. It can be argued that the most popular and far-reaching cross-cultural research work is that of Geert Hofstede and his associates. Hofstede, who was employed as an industrial psychologist by IBM during the late 1960s and early 1970s administered a "values" survey to employees in the subsidiaries of the company. Based on the data, Hofstede concluded that management theories were bound by culture. Management behavior appropriate in one culture may be inappropriate in another (Hofstede, 1980a; Hofstede, 1980b; Hofstede, 1983; Hofstede, 1993; Hofstede, 1994; Hofstede, 2001). Hofstede's work has been widely cited in various academic studies (Kirkman, Lowe & Gibson, 2006) and typically forms the basis for cross-cultural analysis in university-level management courses. Using data from the original 72 countries surveyed, Hofstede was able to profile 40 countries. Later research provided for the classification of 10 more countries and three regions – East Africa, West Africa, and the Arab world (www.geert-hofstede.com, 2015). Hofstede identified six dimensions of culture: Power Distance, Uncertainty Avoidance, Individualism-Collectivism, Masculinity-Femininity, Long-Short Term Orientation, and Indulgence-Restrain. The six dimensions measured were developed in the work of Geert Hofstede and his co-researchers, and are described extensively in the 3rd edition of Hofstede, Hofstede & Minkov, 2010. This study used Hofstede's Value Survey Module 2013 (VSM13). They deal with key issues in national societies, known from social anthropology and cross-cultural research. The earliest public version of the instrument (VSM 82) covered four dimensions, derived from a comparison of subsidiaries of the IBM corporation in 40 countries. The next version (VSM 94) covered five; the additional dimension was found in a comparison of students in 23 countries using a questionnaire mainly designed by Chinese scholars (Hofstede & Bond, 1988). The sixth dimension in the present version was derived from Minkov's analysis of the World Values Survey in up to 81 countries (Inglehart et al., 2007) and other newly available sources.

Abbreviations:
1. PDI - Power Distance Index
2. IDV - Individualism Index
3. MAS - Masculinity Index
4. UAI - Uncertainty Avoidance Index
5. LTO - Long Term Orientation Index
6. IVR - Indulgence versus Restraint Index

The Hofstede Dimensions in a nutshell

In this section will summarize the content of each dimension opposing cultures with low and high scores. These oppositions are based on correlations with studies by others, and because the relationship is statistical, not every line applies equally strongly to every country.

TABLE I. Ten Differences Between Small- and Large- Power Distance Societies

Small Power Distance	Large Power Distance
Use of power should be legitimate and is subject to criteria of good and evil.	Power is a basic fact of society antedating good or evil: its legitimacy is irrelevant
Parents treat children as equals	Parents teach children obedience
Older people are neither respected nor feared	Older people are both respected and feared.
Student-centered education	Teacher-centered education
Hierarchy means inequality of roles, established for convenience	Hierarchy means existential inequality
Subordinates expect to be consulted	Subordinates expect to be told what to do
Pluralist governments based on majority vote and changed peacefully	Autocratic governments based on co-optation and changed by revolution
Corruption rare; scandals end political careers	Corruption frequent; scandals are covered up
Income distribution in society rather even	Income distribution in society very uneven
Religions stressing equality of believers	Religions with a hierarchy of priests

TABLE II. Ten Differences between Weak- and Strong- Uncertainty Avoidance Societies

Weak Uncertainty Avoidance	Strong Uncertainty Avoidance
The uncertainty inherent in life is accepted and each day is taken as it comes	The uncertainty inherent in life is felt as a continuous threat that must be fought
Ease, lower stress, self-control, low anxiety	Higher stress, emotionality, anxiety, neuroticism
Higher scores on subjective health and wellbeing	Lower scores on subjective health and well-being
Tolerance of deviant persons and ideas: what is different is curious	Intolerance of deviant persons and ideas: what is different is dangerous
Comfortable with ambiguity and chaos	Need for clarity and structure
Teachers may say 'I don't know'	Teachers supposed to have all the answers
Changing jobs no problem	Staying in jobs even if disliked
Dislike of rules - written or unwritten	Emotional need for rules – even if not obeyed
In politics, citizens feel and are seen as competent towards authorities	In politics, citizens feel and are seen as incompetent towards authorities
In religion, philosophy and science: relativism and empiricism	In religion, philosophy and science: belief in ultimate truths and grand theories

TABLE III Ten Differences Between Collectivist and Individualist Societies

Individualism	Collectivism
Everyone is supposed to take care of him- or herself and his or her immediate family only	People are born into extended families or clans which protect them in exchange for loyalty
"I" – consciousness	"We" –consciousness
Right of privacy	Stress on belonging
Speaking one's mind is healthy	Harmony should always be maintained
Others classified as individuals	Others classified as in-group or out-group
Personal opinion expected: one person one vote	Opinions and votes predetermined by in-group
Transgression of norms leads to guilt feelings	Transgression of norms leads to shame feelings
Languages in which the word "I" is indispensable	Languages in which the word "I" is avoided
Purpose of education is learning how to learn	Purpose of education is learning how to do
Task prevails over relationship	Relationship prevails over task

TABLE IV Ten Differences Between Feminine and Masculine Societies

Femininity	Masculinity
Minimum emotional and social role differentiation between the genders	Maximum emotional and social role differentiation between the genders
Men and women should be modest and caring	Men should be and women may be assertive and ambitious
Balance between family and work	Work prevails over family
Sympathy for the weak	Admiration for the strong
Both fathers and mothers deal with facts and feelings	Fathers deal with facts, mothers with feelings
Both boys and girls may cry but neither should fight	Girls cry, boys don't; boys should fight back, girls shouldn't fight
Mothers decide on number of children	Fathers decide on family size
Many women in elected political positions	Few women in elected political positions
Religion focuses on fellow human beings	Religion focuses on God or gods
Оршин буй хүний гишүүнчлэлд төвлөрдөг шашин	Шашин нь бурхан, бурхдад төвлөрдөг
Matter-of-fact attitudes about sexuality; sex is a way of relating	Moralistic attitudes about sexuality; sex is a way of performing

TABLE V. Ten Differences between Short- and Long-Term-Oriented Societies

Short-Term Orientation	Long-Term Orientation
Most important events in life occurred in the past or take place now	Most important events in life will occur in the future
Personal steadiness and stability: a good person is always the same	A good person adapts to the circumstances
There are universal guidelines about what is good and evil	What is good and evil depends upon the circumstances
Traditions are sacrosanct	Traditions are adaptable to changed circumstances
Family life guided by imperatives	Family life guided by shared tasks
Supposed to be proud of one's country	Trying to learn from other countries
Service to others is an important goal	Thrift and perseverance are important goals
Social spending and consumption	Large savings quote, funds available for investment
Students attribute success and failure to luck	Students attribute success to effort and failure to lack of effort
Slow or no economic growth of poor countries	Fast economic growth of countries up till a level of prosperity

TABLE VI Ten Differences between Indulgent and Restrained Societies

Indulgence	Restrained
Higher percentage of people declaring themselves very happy	Fewer very happy people
A perception of personal life control	A perception of helplessness: what happens to me is not my own doing
Freedom of speech seen as important	Freedom of speech is not a primary concern
Higher importance of leisure	Lower importance of leisure
More likely to remember positive emotions	Less likely to remember positive emotions
In countries with educated populations, higher birthrates	In countries with educated populations, lower birthrates
More people actively involved in sports	Fewer people actively involved in sports
In countries with enough food, higher percentages of obese people	In countries with enough food, fewer obese people
In wealthy countries, lenient sexual norms	In wealthy countries, stricter sexual norms
Maintaining order in the nation is not given a high priority	Higher number of police officers per 100,000 population

2. An Investigation of Mongolian Cultural Values

Studies on Mongolian Cultural Values:

A. Tuvshinzaya Sunduijav, 2008, "Cross Cultural Aspects of Advertising-Cultural Analysis of Mongolian and Chinese Web Sites"

B. Siyeona Chang, 2012, "Study of the Cultural Map of the World Today Through the Lens of Korean Television Program Exports and Their Determinants"

C. David R. Borker, 2013, "Economic Growth and Cultural Value Analysis In Six Emerging Economies"

D. Charles Rarick, 2014, "Mongolia: A Cultural Portrait using the Hofstede 5-D Model"

TABLE VII Results of previous studies

Method	Researcher	Number of respondents	PDI	IDV	MAS	UAI	LTO	IVR
Four dimensions	Siyena Chang	No	75	30	44	78	-	-
Five dimensions	Charles Rarick	50 student	18	71	103	92	41	-
VSM94	Tuvshinzaya S	164	12	19	53	76	43	-
	David R. Borker	No	Low	Low	Low	Low	-	-

These studies results are different. Thus there is a lack of empirically based research on the cultural classification of Mongolian.

C. METHOD

Respondents Demographic Analysis

Among the 566 respondents, most of the respondents gender was 155 (28%) were male and 399 (72%) were female. Most of the respondents' age was from 20 to 29 years old. The respondents were mixed in terms of their residing in urban and rural areas of Mongolia. The survey respondents were mostly young adults who volunteered to participate in the research study. There were 202 (36%) respondents age was under 20 years; 209 (37%) respondents age was between 20 to 24 years; 71 (13%) respondents age was from 25 to 29 years; The 321 (57%) were students (Table VIII-XI).

This study used Hofstede's Values Survey Module 2013 (VSM 13)[1]. The items measured Mongolian culture on the six value dimensions. The results were determined by using the index method developed by Hofstede. The scores for the value dimensions obtained in this study were compared to the scores obtained by Hofstede (www.geert-hofstede.com, 2015). Comparisons were made to three select countries: China, Japan, and Russia.

TABLE VIII The respondents: gender

m25. Are you:		
Male	155	28%
female	399	72%
Empty	11	

TABLE IX The respondents: age

m26. How old are you?		
Under 20	202	36%
20-24	209	37%
25-29	71	13%
30-34	34	6%
35-39	12	2%
40-49	25	4%
50-59	7	1%
60 or over	1	0%
Empty	4	1%

TABLE X. The respondents: education

m27. How many years of formal school education (or their equivalent) did you complete (starting with primary school)?		
10 years or less	26	5%
11 years	45	8%
12 years	91	16%
13 years	103	18%
14 years	147	26%
15 years	69	12%
16 years	49	9%
17 years	15	3%
18 years or over	15	3%
empty	5	1%

TABLE XI The respondents: kind of job

m28. If you have or have had a paid job, what kind of job is it / was it?		
No paid job (includes full-time students)	321	57%
Unskilled or semi-skilled manual worker	21	4%
Generally trained office worker or secretary	13	2%
Vocationally trained craftsperson, technician, IT-specialist, nurse, artist or equivalent	25	4%
Academically trained professional or equivalent (but not a manager of people)	67	12%
Empty	41	7%
Manager of one or more subordinates (non-managers)	49	9%
Manager of one or more managers	28	5%

D. RESULT

The results of this study indicate that Mongolia is a masculine, individualist culture that is relatively low in uncertainty avoidance and high in power distance, whose people have a short-term orientation towards time.

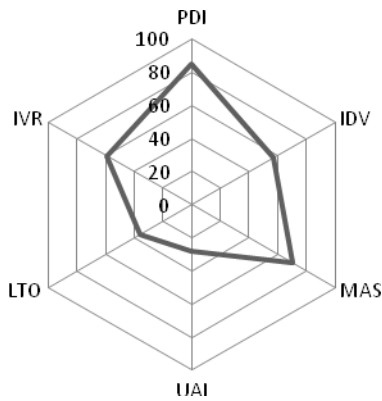[1] VSM13 Questionnaire, VSM13 Manual

Figure I. Plot of the six cultural value dimenstion in Mongolia.

1. Power distance
This dimension deals with the fact that all individuals in societies are not equal – it expresses the attitude of the culture towards these inequalities amongst us. Power distance is defined as the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally.

At 85 Mongolia sits in the higher rankings of PDI – i.e. a society that believes that inequalities amongst people are acceptable. The subordinate-superior relationship tends to be polarized and there is no defense against power abuse by superiors. Individuals are influenced by formal authority and sanctions and are in general optimistic about people's capacity for leadership and initiative. People should not have aspirations beyond their rank.
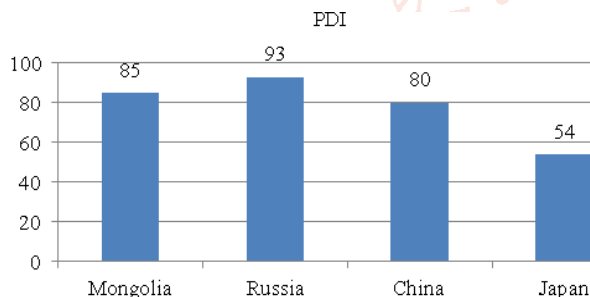

Figure II. Score for power distance in Mongolia and select countries

2. Individualism
The fundamental issue addressed by this dimension is *the degree of interdependence a society maintains among its members.* It has to do with whether people´s self-image is defined in terms of "I" or "We". In Individualist societies people are supposed to look after themselves and their direct family only. In Collectivist societies people belong to 'in groups' that take care of them in exchange for loyalty.

Mongolia, with a score of 57 is an Individualistic society. This means there is a high preference for a loosely-knit social framework in which individuals are expected to take care of themselves and their immediate families only. In individualistic societies offence causes guilt and a loss of self-esteem, the employer/employee relationship is a contract based on mutual advantage, hiring and promotion decisions are supposed to be based on merit only, management is the management of individuals.
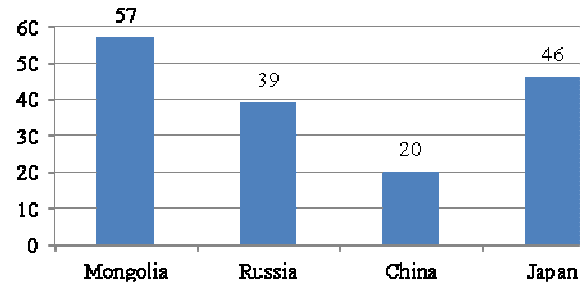

Figure III. Score for power distance in Mongolia and select countries

3. Masculinity
A high score (masculine) on this dimension indicates that the society will be driven by competition, achievement and success, with success being defined by the winner/best in field – a value system that starts in school and continues throughout organisational behaviour.
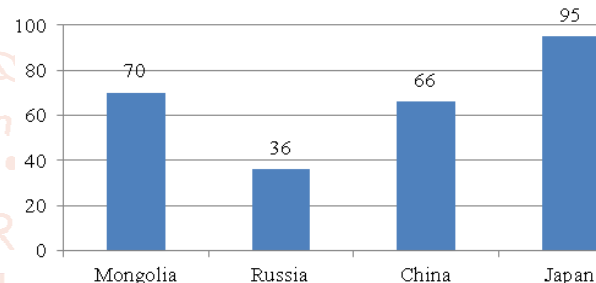

Figure IV. Score for masculinity in Mongolia and select countries

A low score (feminine) on the dimension means that the dominant values in society are caring for others and quality of life. A feminine society is one where quality of life is the sign of success and standing out from the crowd is not admirable. *The fundamental issue here is what motivates people, wanting to be the best (masculine) or liking what you do (feminine).*

Mongolia scores 70 on this dimension and is thus a masculine society. In masculine countries people "live in order to work", managers are expected to be decisive and assertive, the emphasis is on equity, competition and performance and conflicts are resolved by fighting them out.

4. Uncertainty avoidance
The dimension Uncertainty Avoidance has to do with the way that a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? This ambiguity brings with it anxiety and different cultures have learnt to deal with this anxiety in different ways. *The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these* is reflected in the UAI score.

At 28 Mongolia has a low score on uncertainty avoidance. Uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have fewer rules, and on the philosophical and religious level they are empiricist, relativist and allow different currents to flow side by side. People within these cultures are more phlegmatic

and contemplative, and not expected by their environment to express emotions.

None the less, adherence to laws and rules may be flexible to suit the actual situation and pragmatism is a fact of life. Mongolians are adaptable and entrepreneurial. At the time of writing the majority (80%) of Mongolian businesses tend to be small to medium sized and family owned. They are adaptable and entrepreneurial.
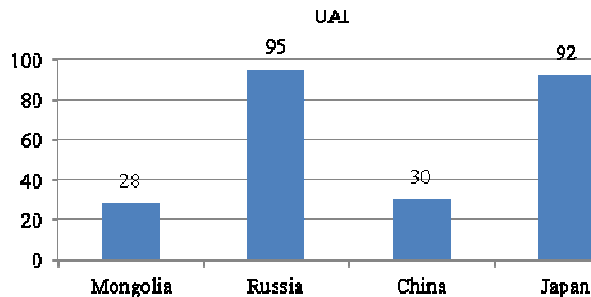

Figure V. Score for uncertainty avoidance in Mongolia and select countries

5. Long Term Orientation

This dimension describes *how every society has to maintain some links with its own past while dealing with the challenges of the present and future*, and societies prioritise these two existential goals differently. Normative societies who score low on this dimension, for example, prefer to maintain time-honoured traditions and norms while viewing societal change with suspicion. Those with a culture which scores high, on the other hand, take a more pragmatic approach: they encourage thrift and efforts in modern education as a way to prepare for the future.

Mongolia scores 36 in this dimension, marking it as a normative society. People in such societies have a strong concern with establishing the absolute Truth; they are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results.
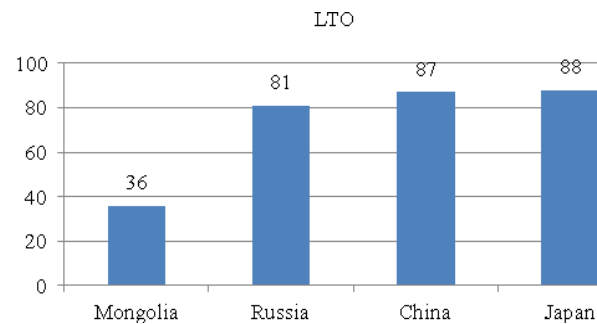

Figure VI. Score for long term orientation in Mongolia and select countries

6. Indulgence

One challenge that confronts humanity, now and in the past, is the degree to which little children are socialized. Without socialization we do not become "human". This dimension is defined as *the extent to which people try to control their desires and impulses*, based on the way they were raised. Relatively weak control is called "indulgence" and relatively strong control is called "restraint". Cultures can, therefore, be described as indulgent or restrained.

Mongolian high score of 59 marks it as an Indulgent society. People in societies classified by a high score in indulgence generally exhibit a willingness to realise their impulses and desires with regard to enjoying life and having fun. They possess a positive attitude and have a tendency towards optimism. In addition, they place a higher degree of importance on leisure time, act as they please and spend money as they wish.
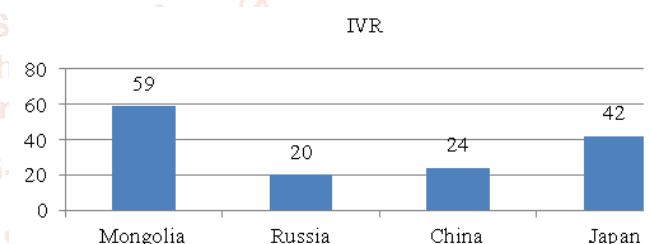

Figure VII. Score for indulgence in Mongolia and select countries

TABLE XII Results of previous studies and this study

Method	Researcher	PDI	IDV	MAS	UAI	LTO	IVR
Six dimensions	Narangarav.P	85	57	70	28	36	59
Four dimensions	Siyena Chang	75	30	44	78		
Five dimensions	Charles Rarick	18	71	103	92	41	
VSM94	Tuvshinzaya S	12	19	53	76	43	
	David R. Borker	Low	Low	Low	Low		

These studies results are different. This is related to the following reasons.
1. number of respondents
2. nature of respondents
3. month and year of data collection
4. languages of questionnaire used
5. VSM version

E. DISCUSSION

While this study is not unlike the original Hofstede work in terms of its sample heterogeneity, it is reasonable to conclude that the somewhat unique characteristics of the sample are not fully representative of the greater Mongolian population.

This investigation was third attempt to determine the cultural values of Mongolia. Limitations of this study are similar to most other cross-cultural comparative studies.

These results provide a third attempt to gain a general cultural assessment of the culture of Mongolia. Hofstede (2013) recommends using matched samples for country comparison, which means matching the sample with the demographics of the participants in his original study.

Based upon our assessment, Mongolian culture can be characterized as being high in power distance, masculine, individualist, relatively low in uncertainty avoidance, and short-term orientated.

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