

## Identifying Hungarian cultural characteristics in Europe's cultural diversity in the 21st century: a controversial issue

The paper intends to emphasize the importance of cultural diversity in our globalised world and aims to identify the characteristic features of Hungarian (business) culture along Hofstede's, Trompenaars' and Hall's categories, on the basis of the author's twenty-year empirical research findings in international organisations based in Hungary. These will be compared to the Hungarian data in the GLOBE study, and the significantly different results on some of Hofstede's and Trompenaars' dimensions. An attempt will be made to discuss the causes of these paradoxical data and resolve the controversies. The most important factors contributing to the controversial results seem to be the following: difference of age groups in Central and Eastern Europe since the political and economic changes in 1989, the fact that different researches have different databases and different researches ask different questions and interpret answers in different ways, also that when answering questions respondents may give their answers on the basis of what they would like, not what the situation is like at present and finally that Hungarian culture combines eastern and western features.

**Keywords:** global century, cultural diversity, Hungarian cultural characteristics, cultural dimensions, controversial results, cultural impacts on job performance

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## Introduction

The 21st century can be called the “global” century but at the same time the importance of recognizing and dealing with cultural diversity is increasing presenting new challenges and opportunities for societies, cultures and business all over the world. “When cultures come into contact, they may converge on some aspects, but their idiosyncrasies will likely amplify” (Javidan – House 2002: 1). As a former CEO of Coca Cola Corporation pointed out, “...the fact that the business world is becoming increasingly global does not mean that cultural differences are disappearing or diminishing. On the contrary, as economic borders come down, cultural barriers go up, presenting new challenges and opportunities in business” (Javidan – House 2001: 291). This statement is especially valid for Europe. There is no other part of the world which has so many diverse cultures as Europe, which is also reflected in the fact that out of the GLOBE study’s ten culture clusters for the whole world one partly and four completely are European.

In view of the above it is obvious that in our age there is urgent need to increase the awareness of how to overcome the hidden cultural assumptions that interfere with effective intercultural cooperation in international organisations. We need to understand how cultural factors impact on job performance and how to expand our repertoire of culturally appropriate behaviours. This task is not easy in a country which has so different descriptions and assessments as regards cultural traits, which may be partly due to the fact that through its history this culture has combined eastern and western characteristics and still shows evidence of many different cultural impacts.

## Hungarian cultural characteristics on Hofstede’s, Trompenaars’ dimensions and Hall’s concepts

We will identify the characteristic features of Hungarian (business) culture in Europe’s cultural diversity on the basis of twenty-years of empirical research, fieldwork findings in fifty-three, mainly American-Hungarian and British-Hungarian international organisations based in Hungary, mostly in the capital city, Budapest. It should be pointed out that also in the last seven years during relocation trainings held in Hungary, mostly in Budapest, a lot of additional material regarding comments

on the Hungarian workforce has been collected from British, American, French and Dutch expat managers of different multinational companies.

The empirical findings on the basis of some 450 deep interviews with mainly British, American and Hungarian, but also some Irish, Dutch, Italian, French, German and Japanese managers and employees suggest that Hungarian culture can be identified on Hofstede's and Trompenaars' dimensions, as well as Hall's concepts as follows:

Compared to British and American cultures especially, Hungarian culture tends to be considerably higher power distance, more collectivist, particularist, moderately emotional, diffuse, high-context, polychronic, ascription and moderately long-term orientated, and can be characterized by a higher uncertainty avoidance level. The only dimension is that of masculinity where there is no real difference to be found (Falk Bánó 1999, 2001, 2008).

This is rather different in several aspects from what we can find in Hofstede's or Trompenaars' work, it is more similar though to the GLOBE survey results concerning some of the most important dimensions.

In the last fifteen years many controversial results have been published on what Hungary is like, especially along some of Hofstede's and Trompenaars' dimensions.

## **Hungarian results in the second edition of “Cultures and Organisations” compared to Varga’s results in the Hungarian translation of this edition – surprising differences**

In the second edition of Hofstede's landmark study “Cultures and Organisations. Software of the Mind” (Hofstede – Hofstede 2005) results appear for 74 countries and regions, also on the East Central European countries, including Hungary. The first edition (Hofstede 1991) did not have data on this region.

Hungary on Hofstede's dimensions (Hofstede – Hofstede 2005):

Power distance: 46

Individualism 80

Masculinity 88

Uncertainty avoidance 82

Long-Term orientation 50

These results are commented on Hofstede's webpage as follows (<http://geert-hofstede.com/hungary.html>):

Hungary scores low on Power distance, which means that the following characterises Hungarian culture: "Being independent, hierarchy for convenience only, equal rights, superiors accessible, coaching leader, management facilitates and empowers. Power is decentralized and managers count on the experience of their team members. Employees expect to be consulted. Control is disliked and attitude towards managers is informal and on first name basis. Communication is direct and participative."

"Hungary, with a score of 80 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." "...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."

Hungary scores 88 on Masculinity 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."

Hungary scores 82 on the Uncertainty avoidance dimension "and thus has a 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".

Hungary scores 50 on the Long-Term Orientation dimension, making it a long term orientation culture. "Societies with a long-term orientation show an ability to adapt traditions to a modern context i.e. pragmatism, a strong propensity to save and invest, thriftiness, perseverance in achieving results and an overriding concern for respecting the demands of Virtue."

In the discussed edition of "Cultures and Organisations" (Hofstede – Hofstede 2005) it is indicated under each table of the dimension index values that scores for countries or regions in bold type were calculated from the original IBM database, scores for other countries or regions, including Hungary, were based on replications or estimates. This may be one of the reasons why some of the results are somewhat surprising. The database for the Hungarian sample included 98 students of six Hungarian

higher educational institutions in the field of economics and business (Kolman–Dienes–Hofstede–Noorderhaven 2003; Varga 2008). Young students, aged 18–24 with very little or no working experience will have very different value orientations from older, working people in organisations. E. g. young people in cities generally tend to be more individualistic than members of the older generations, especially in the rural areas, who are inclined towards more collectivist values.

To make matters more complex, in the Hungarian translation of this second edition (Hofstede – Hofstede 2005, Hungarian translation, 2008) with Hofstede’s permission Varga’s very different results on the 4-D model are published. Varga’s results on Hungarian culture (Varga 2008).

Power Distance: 19

Individualism: 11

Masculinity: 17

Uncertainty avoidance: 83

Varga’s database, as he explains in his introductory study to the Hungarian translation of the second edition of “Cultures and organisations”, included more than one thousand working people, employees of a Hungarian organisation, more similar to the Hofstede research’s original IBM workforce (Varga 2008). The results are very different from those of Hofstede, in fact on the Individualism dimension right the extreme opposite.

This low score on the Individualism index (11) is just as surprising as the the very high Hofstede one in the original second edition (80). The differing database of the samples can explain it to some extent but cannot fully account for the remarkable score difference.

Varga’s power distance score (19) is even lower than the second edition Hofstede PDI score (46). These results are very different from what we found in our empirical research, during interviews nearly all British and American managers emphasized the hierarchical attitude of Hungarians. (Falk Bánó 1999, 2001, 2008).

## The Hungarian results of the GLOBE study versus the differing scores on Hofstede's dimensions

It is interesting and also helpful to compare the above results with those of the GLOBE as they may offer some explanation of the different scores on some of Hofstede's dimensions.

The GLOBE (Global Leadership and Organizational Behavior Effectiveness) is a multi-phase, multi-method (quantitative and qualitative) project in which some one hundred seventy social scientists all over the world, in 61 countries, led by Robert House, since 1993 have been examining the inter-relationships between societal culture, organizational culture, and organizational leadership. The first results came out in 2002, by 2004 there were results from about 17,300 middle managers from 951 organizations in the food processing, financial services, and telecommunications services industries (Hoppe 2007).

The GLOBE survey established nine cultural dimensions, building mainly on Hofstede's ones, partly modifying them and adding some new ones:

*Power Distance:* The degree to which members of a collective expect power to be distributed equally.

*Uncertainty Avoidance:* The extent to which a society, organization, or group relies on social norms, rules, and procedures to alleviate unpredictability of future events.

*Collectivism I:* (Institutional) The degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action.

*Collectivism II:* (In-Group) The degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families.

*Assertiveness:* The degree to which individuals are assertive, confrontational, and aggressive in their relationships with others.

*Gender Egalitarianism:* The degree to which a collective minimizes gender inequality.

*Humane Orientation:* The degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others.

*Future Orientation:* The extent to which individuals engage in future-oriented behaviours such as delaying gratification, planning and investing in the future.

*Performance Orientation:* The degree to which a collective encourages and rewards group members for performance improvement and excellence (Hoppe 2007).

The GLOBE study has two main advantages which make it a very reliable source of data on cultural traits: on the one hand, as it has been pointed out, it is a multimethod project, combines both quantitative and qualitative methods, this provides more relevant results than with only quantitative, or with only qualitative researches. On the other hand the other special advantage is that it makes a distinction between “as is”, practices at present and “as should be” values results which makes the results more varied and fine tuned.

The Hungarian Societal Culture results on a scale 1–7 (Bakacsi et al. 2002):

<u>Uncertainty avoidance</u> –	as is: 3.12	–	as should be: 4.66
<u>Power distance</u> –	as is: 5.56	–	as should be: 2.49 (!)
<u>Institutional collectivism</u> –	as is: 3.53	–	as should be: 4.50
<u>In-group collectivism</u> –	as is: 5.25	–	as should be: 5.54
<u>Gender Egalitarianism</u> –	as is: 4.08	–	as should be: 4.63
<u>Assertiveness</u> –	as is: 3.23	–	as should be: 4.49
<u>Future Orientation</u> –	as is: 3.21	–	as should be: 5.70 !
<u>Performance Orientation</u> –	as is: 3.43	–	as should be: 5.96 !
<u>Humane Orientation</u> –	as is: 3.35	–	as should be: 5.48

The Power distance score of 5.56 for “as is” shows Hungarian culture at present is rather hierarchical. This is also what we found in our empirical research. As we have already pointed out the majority of American and British managers in Hungarian organisations talked during the interviews about the hierarchical attitudes of Hungarians. On the other hand the “as should be” result is very low, 2.49, which shows a tendency towards a much lower desired value. This may explain Hofstede’s and especially Varga’s much lower PDI score for Hungarians. There was no distinction in the Hofstede research between “as is” and “as should be”. One may guess that respondents indicated in their answers what they would have liked, not what there was.

Hofstede’s Individualism dimension is divided in the GLOBE into Collectivism I. Institutional collectivism, and Collectivism II. In-Group collectivism. The Institutional collectivism result is 3.53 but the “as should be” score shows a tendency towards higher collectivism, 4.50. Our fieldwork findings also

showed that Hungarians have some individualistic tendencies, e. g. effective teamwork is not a strong characteristic feature of the Hungarian workforce (Falk Bánó 2008) but the very high Hofstede score on Individualism seems exaggerated. Especially so if we consider the GLOBE In-Group collectivism result, for “as is” 5.25 and for “as should be” even higher, 5.54. Hungarian relationship orientation is well reflected in these results, and the tendency that we heard so often from our respondents during interviews, that Hungarians are loyal to their families and friends, also to their informal groups at the workplace (Falk Bánó 2008). We have to point out though that this does not make Hungarian culture one of the most collectivist ones, similar to South American or Asian countries, as Varga’s results suggest.

There are some intriguing results of the GLOBE study on Hungary as well. Bakacsi and his colleagues expressed their surprise about the Uncertainty avoidance score they found and those of the two dimensions covering Hofstede’s Masculinity dimension, Gender Egalitarianism and Assertiveness (Bakacsi et al. 2002). The Uncertainty avoidance score for “as is” is rather low (3.12) though the “as should be” one is higher (4.66). Hungarian has traditionally been a strong uncertainty avoiding culture according to Hofstede (82) (Hofstede – Hofstede 2005) also Varga (83) (Varga 1988, 2003 in Varga 2008) and this is what our fieldwork findings showed as well (Falk Bánó 1999, 2001, 2008). The GLOBE results on Gender Egalitarianism are rather high, 4.08 and 4.60, respectively, and on Assertiveness are rather low, 3.23 for “as is” and a higher 4.49 for “as should be”. These show Hungarian culture as not very masculine though Hofstede has a very high score (88) and our fieldwork findings also showed high masculinity (Falk Bánó 1999, 2001, 2008). The other extreme in this respect is Varga’s result (17), which shows Hungarian culture as tending towards more feminine characteristics.

On the other three dimensions, Future Orientation, Humane Orientation and Performance Orientation the present practices are 3.21, 3.35, 3.43, but on all three dimensions the “as should be” values are much higher, 5.70, 5.48, and 5.96, respectively. As we have seen, on Hofstede’s fifth dimension, Long-Term Orientation, in the second edition of “Cultures and Organisations” (Hofstede – Hofstede 2005) and also in the Hungarian translation (2008) Hofstede’s result is 50, with this score Hungary ranks 10 out of the 39 countries and regions on the table, which indicates a tendency towards Long-term values. This may be reflected also in the GLOBE’s higher “as should be” result and this is what we found during fieldwork in international organisations based in Hungary (Falk Bánó 1999, 2001, 2008).

With these results Hungary belongs to the Eastern European cluster of the GLOBE with Albania,

Georgia, Greece, Kazakhstan, Poland, Russia and Slovenia: there are several cultural differences but in all countries we can find large power distance, strong family and group collectivism and values “as should be” tend towards more Performance and more Future Orientation (Bakacsi et al. 2002).

## Hungary on some of Trompenaars’ dimensions

For our purposes we examine Hungary’s position on four of Trompenaars’ dimensions:

### *Universalism – Particularism*

The universalist approach is: “What is good and right can be defined and always applies.” In particularist cultures far greater attention is given to the obligations of relationships and unique circumstances” (Trompenaars – Hampden-Turner 1999: 8).

### *Neutral versus Affective*

In North America and North-west Europe business relationships are all about achieving objectives. In many other cultures business is a human affair, emotions are appropriate (ibid).

### *Specific versus diffuse*

“When the whole person is involved in a business relationship there is a real and personal contact, instead of the specific relationship prescribed by a contract. In many countries a diffuse relationship is not only preferred, but necessary before business can proceed” (ibid: 9).

### *Achievement versus ascription*

“Achievement means that you are judged on what you have recently accomplished and on your record. Ascription means that status is attributed to you, by birth, kinship, gender or age, but also by your connections” (ibid: 9).

Trompenaars’ sample size includes 30,000 managers from international companies in 55 countries (Trompenaars – Hampden-Turner 1999).

On the first dimension Hungary scores as universalistic. There are three dilemma situations given to respondents, their preference for universalist or particularist options show their position on the dimension. The first dilemma is as follows:

“You are riding in a car driven by a close friend. He hits a pedestrian. You know he was driving fast,

exceeding the speed limit. There are no witnesses. His lawyer says that if you testify under oath that he was only driving not reaching the speed limit, it may save him from serious consequences. What right has your friend to expect you to protect him?

- 1a) My friend has a definite right as a friend to expect me to testify to the lower figure.
- 1b) He has some right as a friend to expect me to testify to the lower figure.
- 1c) He has no right as a friend to expect me to testify to the lower figure.

What do you think you would do in view of the obligations of a sworn witness and the obligation to your friend?

- 1d) Testify to the lower figure
- 1e) Not testify to the lower figure.” (Trompenaars – Hampden-Turner 1999: 33–34)

85 per cent of Hungarian respondents opted for a universalist system (answers *c* or *b+e*), this is a very high percentage, all the higher ones are Western European, or North American nations, except Romania, which had an even higher result, 88 per cent. These results are rather surprising, one can't help wondering if they weren't due to fear of telling strangers what they really thought just a few years after the fall of communism in these countries. In the last twelve years or so every year in our intercultural management classes we ask undergraduate and graduate students what their options would be and nearly all opt for the particularist answers *a* or *b+d*. This means more than a thousand people aged roughly 19–26.

As regards the Neutral versus Affective dimension, 45 per cent of Hungarian respondents would not show emotions openly if they felt upset about something at work, with this result we are not shown as emotional, rather as neutral, especially as e.g. the UK respondents had the same result, 45 per cent (Trompenaars – Hampden-Turner 1999). This is different from what we heard from British and American managers about Hungarians. It can be summarised in the following opinion: “This is a different territory here, it's all about emotional contacts and personal relationships here” (Falk Bánó 1999: 7).

The same quotation is valid also for the Specific versus diffuse dimension, where Hungary tends to specific answers but there are some diffuse tendencies as well even in Trompenaars' opinion (Trompenaars – Hampden-Turner 1999).

On the Achievement versus ascription dimension Hungary tends towards more achievement orientation but again there is also some ascription orientation indicated (Trompenaars – Hampden-

Turner 1999). We found Hungarians more ascription oriented. To support this statement, David Wheatley of British-based Employment Conditions Abroad is quoted as saying in the August 17th, 1990 issue of "The European": [research evidence suggests that] "nine out of ten Hungarians will expect to be judged on the basis of who they are, rather than what they do" (Falk Bánó 1999: 8). It is true though that the quotation is from nearly twenty-five years ago but it has not changed that much. In our intercultural management classes, also in international Master level courses, students seem to agree that in Hungary people's connections have a very important role in according status.

## Why the results on Hungarian culture are controversial – Conclusion

Summing up the factors contributing to the controversial results on Hungarian cultural traits is not an easy task. It is not only the case with Hungary to start with. We must not forget that e.g. the Czech Republic was left out of the GLOBE study due to inconsistent results.

To mention some of the most important issues involved the following causes seem to have a role:

There are cultural differences of age groups everywhere, but this is especially important in Central and Eastern Europe since the political and economic changes in 1989.

As it has earlier been pointed out about the Hofstede dimensions different researches have different databases, even in the same research if it is a replication. See e.g. some of the scores we have discussed in Hofstede – Hofstede (2005) and Varga's scores in the Hungarian translation (2008).

In an article on the GLOBE survey Hofstede emphasizes that different researches ask different questions and interpret answers in different ways (Hofstede 2006). This may be an important factor involved in this discussion as well.

When dealing with the GLOBE results on Hungary we pointed out the remarkable difference e.g. on the Power distance dimension between practices at present "as is" and values "as should be" and that it may be due to people answering questions sometimes not realising that they are giving their answers on the basis of what they would like, not what it is like at present.

Finally we must also bear it in mind that Hungarian cultural characteristics reflect our dual cultural character – eastern and western features have always been present in Hungarian culture throughout the country's history.

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