

**Culture Dimensions Comparison:  
A Study of Malaysia and South Korea**

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### **ABSTRACT**

This study intends to shed some lights in Malaysian and South Koreans cultural dimensions. Second, this study intend to expand Hofstede' study by studying work-related cultural values in the multi-business setting. Results showed that there are changes for Malaysia in power distance and uncertainty avoidance cultural dimension. Meanwhile South Korea has changes in masculinity cultural dimension. The results of this study have brought significant insights to the business settings field in the organizational context.

Keywords: Hofstede's cultural dimension, Malaysia, South Korea.

## **1.0 Introductions**

Despite suffering from one of the deepest recession in recent history, Asia is leading the global recovery. As an emerging and developing markets, Asia managed to rebound swiftly and has been a strong economic performer the past several years (IMF, 2010). Asia is expected to continue to shape the world economy in an era of increasing globalization. Despite the staggering reports regarding population and developments, home a number of risks and challenges not experienced in developed markets, Asia still consider a window of opportunity for many business minds. Many are eyeing Asia region due to unique cultures and economies in varying stages of development.

## **2.0 Cultural Backgrounds**

### *Malaysia*

Malaysia has been one of the best economics records in Asia, with GDP growing an average 6.5 percent annually from 1957 to 2005. In 2011, Malaysia's GDP was about \$450 billion, making Malaysia the third largest economy in ASEAN and twenty ninth largest in the world. Malaysia is of interest of many investors not only because it is a developing country but because there is considerable division based on race, ethnicity and language and the riches in cultures.

### *South Korea*

South Korea had one of the world's fastest-growing economies from the early 1960s to the late 1990s. In 2000s, South Korea is still one of the fastest-growing developed countries along with Hong Kong, Singapore, and Taiwan, which also known as the other three Asian Tigers. South Korea ranked fifteen in world market economy. The South Korean economy is heavily dependent on international trade, and in 2010 South Korea were the sixth largest exporter and tenth largest importer in the world. Recently South Korean mainstream culture on technology culture, music, fashion and televised drama had taken the world by storm. This phenomenon is called "Hallyu" or Korean-wave, known simply as K-wave has generates significant exports to the world.

#### *Connection between Malaysia and South Korea*

Both Malaysia and South Korea comes from a long way of history and mutually beneficial partnership for past few decades. There are much meaningful and substantial economic cooperation between Malaysia and South Korea, boosting both countries' different-staged economic growth process. Trade volume of two countries from \$460 million in 1979 had rose to \$15.7 billion in 2008. This had made South Korea the sixth largest trading partner and eight largest investments partner for Malaysia. Another striking phenomenon between the two countries' ties is the cultural similarity. Both countries are in favor for institution building and have positive image for each other. Malaysians speak highly of South Korean's resilience (exceptional performance in manufacturing, technology, football and golf, films, dramas and music). While South Korean praised Malaysians for being warm and kind, possess riches in culture diversity and beauty of nature. Malaysia's "Malaysia Boleh" spirit is very much similar to South Korea's "Saemaul" spirit.

#### *Hofstede's Cultural Dimensions*

Notable research to explain cultural differences between countries was carried out by Hofstede (1984, 1991, 2001) who identified four dimensions of culture:

- (1) power distance (measured from small to large);
- (2) collectivism versus individualism;
- (3) femininity versus masculinity;
- (4) uncertainty avoidance (from weak to strong).
- (5) work dynamics

The first dimension, power distance, refers to the power inequality between superiors and subordinates. In high power distance organizations, organizational hierarchy is obvious. There is a line between managers and subordinates. Different from high power distance organizations, low power distance organizations tend to have a flat organizational structure. The second dimension, uncertainty avoidance, refers to people's tolerance of ambiguity. In high uncertainty avoidance organizations, there are more written rules in order to reduce uncertainty. In low uncertainty avoidance organizations, there are fewer written rules and rituals. The third dimension, individualism-collectivism, refers to how people value themselves and their groups/organizations. People with high individualistic values tend to care about self-actualization and career progress in the organization, whereas people with low

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individualistic values tend to value organizational benefits more than their own interests. The fourth dimension, masculinity (MAS), defines the gender roles in organizations. In high MAS organizations, very few women can get higher-level and better-paying jobs. In low MAS organizations, women can get more equitable organizational status. In addition to the original four cultural dimensions, Hofstede (1990) proposed the fifth cultural dimension, called Work Dynamic. The fifth cultural dimension represent the Confucian values in the Chinese society, includes these four items:

- (1) ordering relationship
- (2) thrift
- (3) persistence
- (4) having a sense of shame

While Hofstede's work has been used effectively, his data were collected 30 years ago and have become dated. For these reasons, there are two purposes of this study being done. First, this study intends to shed some lights in cultural dimensions that will allow readers to understand how and why Malaysian and South Koreans are similar but different. Second, this study intend to expand Hofstede's (1984, 1991, 2001) study by studying work-related cultural values in the multi-business setting.

### **3.0 Methodology**

#### *Research Instrument*

A self-administered quantitative survey questionnaire was used in this study. The questionnaire was adopted from Wu (2001) which use Hofstede's (1984) theory and cultural dimensions were used as the theoretical base for the questions and are few Hofstede's (1984) cultural-value items were replaced by Dorfman and Howell's (1988) new measure of Hofstede's (1984) dimensions. According to Wu (2001) this measure has been used in several cross cultural studies (e.g., Nicholson, 1991; Fernandez, Carlson, Stepina, & Nicholson, 1997). Their results demonstrated that these two research instruments were theoretically equivalent. Nicholson (1991) also argued that Dorfman and Howell's (1988) new scales are psychometrically more reliable than Hofstede's (1984) scales.

#### *Data Collection and Sampling*

As a pilot study, small businesses owners and employees of supervisory position and above from two nationalities but residing in Malaysia were surveyed in this study using convenience sampling method. A total of one hundred questionnaires were distributed to Malaysia participants in Sept 2011. Only thirty two (32%) returned surveys were valid and useable. Another one hundred questionnaires were

distributed to South Korea participants at the same time. However only twenty eight (28%) of the returned questionnaires can be used.

#### 4.0 Results and Discussions

##### *Respondents' Profile*

Female respondents are at fifty five percent (55%) and male respondents are at twenty seven (27%). Majority of these business owners or managers have been working for the current establishment between six and ten year (30%) and the age of between 31-35 years old (26.7%).

##### *Reliability Test*

After the one-dimensional assumption of the scales was confirmed by factor analysis, a reliability test was conducted to check the internal consistency of each scale. According to the results of the reliability analysis, all of the scales used in this study were above .60 reliable (Nunnally, 1978).

##### *Comparison of Malaysia and South Korea Culture Dimensions*

The results of this study demonstrated that both Malaysia and South Korean have significant changes in work-related cultural values as compared to Hofstede's (1984; 2001) study. Table 1 summarizes the statistical results of this study. The statistical results of five cultural dimensions will be discussed from Table 2 to Table 6.

Table 1. Means for Cultural Dimensions

No	Variables	Malaysia	South Korea
1	Power Distance	3.24	3.14
2	Uncertainty Avoidance	4.04	4.08
3	Masculinity	3.19	3.20
4	Collectivism	3.91	3.82
5	Work Dynamics	3.58	3.58

Power distance refers to the inequalities of all individuals in societies. Hofstede's (1984) study, Malaysia scores very high on this dimension; whereas South Korea was a high/medium power distance culture. Table 2 showed the results of this study demonstrated that both Malaysia (M=3.24) and South Korean (M=3.14). Results of this study shed some new lights in discovering Malaysia latest cultural value

dimensions. Malaysia has significant changes in this cultural value as compared to Hofstede’s previous studies (1984; 2001). In **power distance dimension**, Malaysia is one of those countries scores very high in Hofstede’s (1984) study. However in our findings, Malaysia participants’ score is 3.24. This indicates that people in Malaysia the still accept the fact that power is unevenly distributed in society and business, but the situations seem to be improved over times. Same explanation applied to South Korea.

Table 2. Means for Cultural Dimensions Power Distance

No	Power Distance	M	S
1	Managers should make most decisions without consulting subordinates.	3.11	2.75
2	It is frequently necessary for a manager to use authority and power when dealing with subordinates.	3.57	3.32
3	Managers should seldom ask for opinions of employees.	3.28	3.39
4	Employees should not disagree with management decisions.	3.13	3.16
5	Managers should not delegate important tasks to employees.	3.12	3.10
	<b>Total</b>	<b>3.24</b>	<b>3.14</b>

Participants from both cultural groups tend to have a **high uncertainty avoidance value**. Table 3 showed Malaysia participants (M=4.04) and South Korea participants (M=4.08) have high uncertainty avoidance culture. In Hofstede’s (1984) study, Malaysia scores very low in this cultural value which means has a low preference for avoiding uncertainty. On the other hand South Korea is one of the most uncertainty avoiding cultures in the world. In uncertainty avoidance dimension, Malaysia is one of those countries scores very low in Hofstede’s (1984) study. This is how Malaysian deal with uncertainties, take it easy and let it come (Pu, 2010). However in our findings, Malaysia participants’ score is 4.04. This significant changes could be due to political uncertainty, are more practically oriented. Coupled with the high economic growth mentioned above, people in Malaysia had become more motivated to generate wealth. This new found wealth, together with their comparatively high

level of competitiveness in Asia, had increases their score in uncertainty avoidance. Lailawati (2005) also found that in Malaysia workplace, administrative policies and procedures have been made more explicit as to replace “go ask your boss what to do” practice. This could be translated to people in Malaysia are more concerned in their future and would take all kind of means to improve their current situations. Meanwhile South Korea has medium score of uncertainty avoidance now as compare to Hofstede’s study (1984). This can be explained that South Korean people in Malaysia are likely to have more sense of belonging and therefore the score in this dimension is lower.

Table 3. Means for Cultural Dimensions Uncertainty Avoidance

No	Uncertainty Avoidance	M	S
1	It is important to have job requirements and instructions spelled out in detail so that employees always know what they are expected to do.	3.88	3.83
2	Managers expect workers to closely follow instructions and procedures.	3.88	4.03
3	Rules and regularities are important because they inform workers what organization expects of them.	4.10	4.13
4	Standard operating procedures are helpful to employees on the job.	4.10	4.12
5	Instructions for operations are important for employees on the job.	4.22	4.29
	<b>Total</b>	<b>4.04</b>	<b>4.08</b>

Table 4 showed results from this study show that both Malaysia (M=3.19) and South Korea (M=3.20) were a medium masculinity culture. This is a measure of how distinct gender roles are in society, with higher results equating to higher masculinity scores. In Hofstede’s (1984) study, Malaysia considered a medium masculine society. However, South Korea is a feminine society. Malaysia is a medium masculinity culture whereby still consistent with our findings. The differences between Hofstede’s finding and ours in South Korea people may be due to the rapid economic growth in these countries and the fact that management style has been subjected to other cultures’ influences and there are opportunities for nurturing, as well as assertive roles.

Table 4. Means for Cultural Dimensions Masculinity

No	Masculinity	M	S
1	Meetings are usually run more effectively when they are chaired by a man.	3.37	3.28
2	It is more important for men to have a professional career than it is for women to have a professional career.	3.08	3.03
3	Men usually solve problems with logical analysis; women usually solve problems with intuition.	3.34	3.43
4	Solving organizational problems usually requires an active, forcible approach which is typical of men.	3.18	3.14
5	It is preferable to have a man in a high level position rather than a woman.	2.99	3.10
	<b>Total</b>	<b>3.19</b>	<b>3.20</b>

The results of this study show that Malaysian participants have a high/medium collectivism value (M=3.91). Meanwhile South Korean participants were also high/medium collectivism culture (M=3.82). In Hofstede's previous studies (1984; 2001) both Malaysia and South Korea are considered a collectivistic society. This indicates that human ties leading to group, rather than individual, effort in business are more common both in Malaysia and South Korea.

Table 5. Means for Cultural Dimensions Collectivism

No	Collectivism	M	S
1	Group welfare is more important than individual rewards.	3.86	3.59
2	Group success is more important than individual success.	3.92	3.78
3	Being accepted by members of your workgroup is very important.	4.05	4.06
4	Employees should pursue their goals after considering the welfare of the	3.82	3.84

	group.		
	<b>Total</b>	2.99	3.10

Since there are no records of Malaysia and South Korea regarding work dynamics dimension, there would be no comparison between Hofstede's finding (1984) and the finding from this study. This study show that both Malaysian participants (M=3.58) South Korean participants (M=3.58) have same scores in this cultural value. The results can be translated that both cultural groups have medium work dynamics value. It describe while both Malaysia and South Korea appreciates the value of persistence, ordering relationships by status, observing the order, thrift and having a sense of shame, but only to moderate level only.

Table 6. Means for Cultural Dimensions Work Dynamics

No	Work Dynamics	M	S
1	Ordering relationships by status and observing this order is important in the workplace.	3.67	3.58
2	Thrift is important in the workplace.	3.49	3.42
3	Persistence is importance in the workplace.	3.81	3.81
4	Having a sense of shame is important in the workplace.	3.34	3.42
	<b>Total</b>	<b>3.58</b>	<b>3.58</b>

## 5.0 Conclusion, Implications and Recommendation for Further Studies

In summary, this study has updated and expanded Hofstede's (1984; 2001) cultural studies between Malaysia and South Korea. The results of this study have brought significant insights to the business settings field in the organizational context. Very few previous studies quantitatively investigated the influences of this important cultural dimension. When the political, societal, and economic environments change, people's cultural values also change. Thus, many cultural theories should be updated and re-evaluated periodically.

Limitation of the study is the generalizability of the findings. Malaysia and South Korea are diverse cultures with an array of sub-cultures. The current study only involved participants from a particular region in the Malaysia and South Korea. Therefore, results of the study may be restricted to the areas in which the participants were recruited.

Future research of a similar vein should include a more representative sample. Future researchers may continue this chronological line of study of cross cultural business management and supplement with the study of more cultures. Then, the knowledge about cross cultural business management can be updated and extended.

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