

Understanding Indian and Vietnamese Business Culture through G. Hofstede's Cultural Dimensions

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Received on 21 May 2021.

Revised on 16 June 2021.

Accepted on 15 July 2021.

Abstract: Culture is a major element in doing business. Today's globalisation has been impacting the world economy and increased the importance of cross-cultural business transactions. While trade and technology practices are breaking down physical barriers, cultural issues are emerging as the new barriers for business. Cultural barriers are like icebergs that can cause misunderstandings and collisions during business transactions (Gupta, S. and Bhaskar, A. U. , 2016). This paper is an attempt to understand Indian and Vietnamese business cultures through the cultural dimensions proposed by Geert Hofstede. The cultural dimensions of Hofstede are significant in finding similarities and differences between the business practices and negotiation and leading styles of India and Vietnam. By using Hofstede's cultural dimensions in analysing the similarities and differences of Indian and Vietnamese business cultures, the paper hopes to contribute to better understanding both countries' business cultures which will eventually help promote bilateral economic relations.

Keywords: India, Vietnam, G. Hofstede, business, culture, dimensions.

Subject classification: Cultural studies

1. Introduction

It is believed that India and Vietnam have had cultural interactions since very early in history, and the two countries share many cultural similarities. However, it seems that this has not really been utilised to help bring effective economic interaction between the two countries. In 2014, Tata Steel of India had to withdraw its investment project worth USD 5 billion in Vung Ang, Ha Tinh

(a central province of Vietnam), with the stated reason being "the challenging business environment". (Duc Ngoc, et al., 2014). Many Vietnamese enterprises also find it difficult to do business in India. Vietnamese business people sometimes have a hard time understanding Indian customs. This can lead to miscommunication, mis-understandings, and finally missed business opportunities. Thus, differences in culture and ways of doing business seem to have been the barrier

in the economic cooperation between India and Vietnam.

If one of the barriers in economic cooperation between India and Vietnam is the lack of understanding the business culture of either sides, bilateral trade could grow much faster if an effort was made to understand each other's cultures. There is an Indian adage that says: "It takes two hands to generate applause." So, when the two cultures meet, both should be willing to accept the idiosyncrasies/peculiarities of the other and work together to reach a common agreement. By using Hofstede's cultural dimensions in analysing the similarities and differences of Indian and Vietnamese business cultures, the paper aims at promoting a better understanding of the two countries' business cultures which will eventually help strengthen bilateral economic cooperation.

2. Geert Hofstede's cultural dimensions

According to Hofstede (1991), culture is an onion that can be peeled, layer-by-layer, to reveal the content. The meaning of culture is compared with the layers of an onion. Where the outer layer is what people principally associate with culture, e.g., clothing, language, and food. The middle layer refers to the norms and values which a community holds. The core of the onion is the key to successfully working with other cultures. Hofstede et al. (1991) argue that culture is "the collective programming of the mind which distinguishes the members of one group or category from another." (Hofstede, G., 2011).

Hofstede approached culture by quantitative methods. His works from the 1970s until

now have always attracted the attention of scholars. Hofstede's first study was based on a sociological survey of 116,000 employees of IBM Company in 50 countries in three different regions of the world. Initially, Hofstede identified four cultural dimensions that are relevant and affect business culture, i.e., Power Distance, Individualism vs. Collectivism, Masculinity vs. Femininity, and Uncertainty Avoidance. In the 1980s, Hofstede expanded the scope of the survey and added the fifth dimension, i.e., Long Term vs. Short Term Orientation. In the 2000s, Hofstede continued to expand the scope of the survey and added the sixth dimension being "Indulgence vs. Restraint". These six dimensions are described as follows:

2.1. Power Distance

Power Distance has been defined as "the extent to which the less powerful members of organisations and institutions (like the family) accept and expect that power is distributed unequally" (Hofstede, G., 2011). For Hofstede, power and inequality are fundamental facts of any society. All societies are unequal, but some are more unequal than others. Hofstede identified 10 differences between Small (or less) Power Distance Societies and Large (or more) Power Distance Societies (Table 1).

2.2. Uncertainty Avoidance

Hofstede stated that Uncertainty Avoidance is not the same as risk avoidance; it deals with a society's tolerance for ambiguity (Hofstede, G., 2011). This dimension is about 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? (Table 2).

This ambiguity brings with it anxiety, and different cultures have learnt to deal with this anxiety in different ways. Uncertainty avoiding cultures try to minimise the possibility of unstructured situations by strict behavioural codes, laws, and rules, disapproval

of deviant opinion and a belief in absolute truth. Hofstede identified 10 differences between Weak Uncertainty Avoidance Societies (or Uncertainty accepting Societies) and Strong Uncertainty Avoidance Societies (or Uncertainty avoiding Societies).

Table 1: Ten Differences between Small and Large Power Distance Societies

| Small Power Distance Societies | Large Power Distance Societies |
|---|--|
| 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 or feared | Older people are both respected and feared |
| Student-centred education | Teacher-centred 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, changed peacefully | Autocratic governments based on co-optation, 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 stress equality of believers | Religions with a hierarchy of priests |

Source: Hofstede, G. (2011), "Dimensionalizing Cultures: The Hofstede Model in Context", *Online Readings in Psychology and Culture*, 2 (1), <http://doi.org/10.9707/2307-0919.1014>.

Research by Hofstede has shown that people in uncertainty avoiding countries are more emotional and motivated by an inner, nervous energy. In uncertainty accepting countries, people are more tolerant of opinions different from what they are used to.

2.3. Individualism versus Collectivism

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". Hofstede identified 10 differences between individualist societies and collectivist societies (Table 3).

2.4. Masculinity versus Femininity

In Hofstede's view, Masculinity versus its opposite, Femininity, as a societal, not as an individual characteristic, refers to the distribution of values between the genders which is another fundamental issue for any

society (Hofstede, G., 2011). Hofstede identified 10 differences between Masculine and Feminine Societies (Table 4).

A high score on this dimension indicates that the society has a more masculine character and will be driven by competition, achievement, and success, with success being defined by the winner - a value system that starts in school and continues throughout organisational life. A low score on this dimension indicates that the society has a more feminine character and 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.

2.5. Long-Term versus Short-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. Societies which score low on this dimension prefer to maintain traditions and norms while viewing societal change with suspicion. Societies which score high on this dimension, 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. Hofstede identified 10 differences between Short-Term and Long-Term Oriented Societies (Table 5).

Table 2: Ten Differences between Weak and Strong Uncertainty Avoidance Societies

| Weak Uncertainty Avoidance Societies | Strong Uncertainty Avoidance Societies |
|---|---|
| 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 |
| Tolerant of deviant persons and ideas: what is different is curious | Intolerant 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 are supposed to have all the answers |
| Changing job 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 |

Source: Hofstede, G. (2011), "Dimensionalizing Cultures: The Hofstede Model in Context", *Online Readings in Psychology and Culture*, 2 (1), <http://doi.org/10.9707/2307-0919.1014>.

Table 3: Ten Differences between Individualist and Collectivist Societies

| Individualist Societies | Collectivist Societies |
|---|--|
| 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 |

Source: Hofstede, G. (2011), "Dimensionalizing Cultures: The Hofstede Model in Context", *Online Readings in Psychology and Culture*, 2 (1), <http://doi.org/10.9707/2307-0919.101>.

Table 4: Ten Differences between Masculine and Feminine Societies

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

Source: Hofstede, G. (2011), "Dimensionalizing Cultures: The Hofstede Model in Context", *Online Readings in Psychology and Culture*, 2 (1), <http://doi.org/10.9707/2307-0919.1014>.

2.6. *Indulgence versus Restraint*

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”. Therefore, according to Hofstede, cultures can be described as Indulgent or Restraint. Hofstede also identified 10 differences between Indulgent and Restraint Societies (Table 6).

Table 5: Ten Differences between Short-Term and Long-Term Oriented Societies

| Short-Term Oriented Societies | Long-Term Oriented Societies |
|--|--|
| 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 |

Source: Hofstede, G. (2011), “Dimensionalizing Cultures: The Hofstede Model in Context”, *Online Readings in Psychology and Culture*, 2 (1), <http://doi.org/10.9707/2307-0919.1014>.

Table 6: Ten Differences between Indulgent and Restraint Societies

| Indulgent Societies | Restrained Societies |
|---|--|
| 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 |

| Indulgent Societies | Restrained Societies |
|--|--|
| 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 percentage 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 |

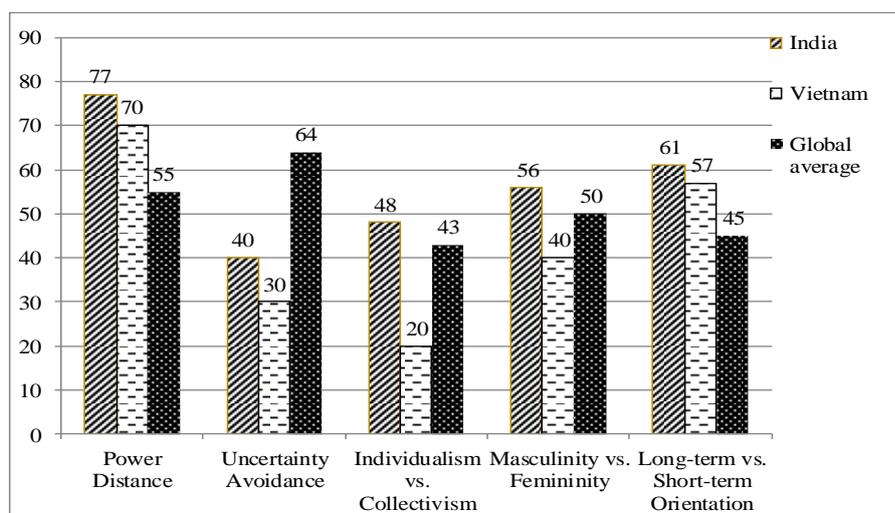
Source: Hofstede, G. (2011), “Dimensionalizing Cultures: The Hofstede Model in Context”, *Online Readings in Psychology and Culture*, 2 (1), <http://doi.org/10.9707/2307-0919.1014>.

3. Indian and Vietnamese Business Cultures through Hofstede’s cultural dimensions

differences between the business practices and negotiation and leading styles of India and Vietnam. Figure 1 shows that there are not too many big differences between Indian and Vietnamese cultures in most dimensions.

The cultural dimensions of Hofstede are significant in finding out the similarities and

Figure 1: Indian and Vietnamese Cultures through Hofstede’s Cultural Dimensions (Compared to Global Average)



Source: Author’s Generalisation based on Hofstede’s Cultural Dimensions, *What about Vietnam?*, <https://www.hofstede-insights.com/country-comparison/india,vietnam/>; *What about India?*, <https://www.hofstede-insights.com/country-comparison/india>.

3.1. Power Distance

If the level of power distance is to be measured by 100 points in Hofstede's dimension, India scores 77 and Vietnam scores 70, compared to a world average of 56, which means that both Indian and Vietnamese cultures have large power distances. This indicates a high level of inequality of power and wealth within the societies.

India scoring high on this dimension indicates that in Indian society and organisation, an appreciation is given for hierarchy and a top-down structure. Thus, Indian people tend to be very sensitive to the position of people. Seniors and elders are expected to be treated respectfully. In the workplace, a system of hierarchy exists where senior colleagues are obeyed and respected. According to Hofstede Insights (a), if one were to encapsulate the Indian attitude, one could use the following words or phrases: dependent on the boss or the power holder for direction, acceptance of unequal rights between the power-privileged and those who are lesser down in the pecking order, immediate superiors accessible but one layer above less so, paternalistic leaders, management directs, give reason/meaning to ones work and life, and rewards in exchange for loyalty from employees. Real power is centralised even though it may not appear to be, and managers count on the obedience of their team members. Employees expect to be directed clearly as to their functions and what is expected of them. Control is familiar, even a psychological security and attitude towards managers are formal. Communication is top down and directive in its style, and often negative feedback is never offered up the ladder.

Vietnam also scores high on this dimension, though somewhat lower than India, which means that people in Vietnam also accept a hierarchical order in which everybody has a place without further justification. Hierarchy in an organisation is seen as reflecting inherent inequalities, centralisation is popular, subordinates expect to be told what to do, and the ideal boss is a benevolent autocrat. Challenges to the leadership are not well-received (Hofstede Insights, b). In the working culture of the Vietnamese people, following the words of the boss is considered a duty. The division based on "caste" is very clear and the move of an ordinary person (lower-level person) to the position of leadership is very difficult. There is a popular saying in Vietnam that, the son of a king will become a king, the son of a temple's keeper will become a temple's keeper. In addition to seniority and age, the hierarchy can be divided according to educational level and job position.

3.2. Uncertainty Avoidance

India scores 40 on this dimension and thus has a medium low preference for avoiding uncertainty. Vietnam scores 30 on this dimension and thus has a low preference for avoiding uncertainty. The world average of this dimension is 64. On the lower end of this ranking, the culture may be more open to unstructured ideas and situations. The population may have fewer rules and regulations controlling every unknown and unexpected event or situation, as it is the case in high Uncertainty Avoidance countries. Normally, a low score is "good", as it

means that the society has fewer rules and does not attempt to control all outcomes and results. It also means a greater level of tolerance for a variety of ideas, thoughts, and beliefs and a high tolerance for ambiguity (Thakur, M., 2010).

According to Hofstede, G., (Hofstede Insights, a), in India, there is acceptance of imperfection; nothing has to be perfect nor has to go exactly as planned. India is traditionally a patient country where tolerance for the unexpected is high and even welcomed as a break from monotony. People generally do not feel driven and compelled to take action-initiatives, and comfortably settle into established roles and routines without questioning. Rules are often in place just to be circumvented, and one relies on innovative methods to “bypass the system”. A word used often is “adjust” and means a wide range of things, from turning a blind eye to rules to being flouted to finding a unique and inventive solution to a seemingly insurmountable problem. It is this attitude that is both the cause of misery and the most empowering aspect of the country. There is a saying that “nothing is impossible” in India, so long as one knows how to “adjust”.

Vietnam scores 30 on this dimension which means a low preference for avoiding uncertainty. According to Hofstede, G., (Hofstede Insights, b), low uncertainty avoidance societies maintain a more relaxed attitude in which practice counts more than principles, and deviance from the norm is more easily tolerated. In these societies, people believe there should be no more rules than necessary and if they are ambiguous or do not work, they should be

abandoned or changed. Schedules are flexible, precision and punctuality do not come naturally, and innovation is not seen as threatening. A score of 30 also shows that Vietnamese people do not pay much attention to risks and unforeseen events. They are willing to accept change and experiments. In such a society, the so-called traditional values are constantly changing and less constrained by predetermined laws. But this is not true all over Vietnam. In the north of Vietnam, people feel more threatened by ambiguous, unpredictable situations that may occur in life, so they choose stable jobs and avoid new ideas that can lead to risk.

3.3. Individualism versus Collectivism

India, with a rather intermediate score of 48, is a society with both collectivist and individualist traits. Vietnam with a score of 20 is a collectivist society. The world average score for collectivism is 43. This is the dimension in which India and Vietnam have the largest difference.

According to Hofstede’s dimension, India is both a collectivist and individualist society (Hofstede Insights, a). The collectivist side means that there is a high preference for belonging to a larger social framework in which individuals are expected to act in accordance to the greater good of one’s community. In such situations, the actions of the individuals are influenced by various concepts such as the opinion of one’s family, extended family, neighbours, work group, and other such wider social networks that one has some affiliation towards. For a collectivist, to be rejected by one’s peers or

to be thought lowly of by one's extended and immediate in-groups, leaves him or her rudderless and with a sense of emptiness. The employer/employee relationship is one of expectations based on expectations - loyalty by the employee and almost familial protection by the employer. Hiring and promotion decisions are often made based on relationships, which are the key to everything in a collectivist society.

In India, there is no standard for rewarding employees proactively in their career advancement. Doing business in India involves building relationships. Indian people only deal favourably with those they know and trust - even at the expense of lucrative deals. It is vital for a good working relationship with any prospective partner. If business dealings in India involve negotiations, always bear in mind that they can be slow. Small talk is big, and it is often at the beginning of a business meeting, which could include questions about family. It is also appropriate to ask after the family of business partners, and in some instances this may be a good way of building trust. If trust has not been established yet, then efforts must be made towards building a rapport (Thakur, M., 2010). Interpersonal relationships are very important in doing business in India. Individuals work well in teams and tend to do activities together. The culture of collectivity stems from Indian family tradition values. Indians are extremely family-oriented people. The ideal family is an organised group where all members share common property and income. Each individual must care for the welfare of all others at home and in the work place.

In Hofstede's view, the individualist aspect of Indian society is seen as a result of its dominant religion/philosophy - Hinduism (Thakur, M., 2010). The Hindus believe in a cycle of death and rebirth, with the manner of each rebirth being dependent upon how the individual lived the preceding life. People are, therefore, individually responsible for the way they lead their lives and the impact it will have upon their rebirth. This focus on individualism interacts with the otherwise collectivist tendencies of the Indian society, which leads to its intermediate score on this dimension.

Vietnam scores only 20 in this dimension, meaning that it is a collectivist society. According to Hofstede, G. (Hofstede Insights, b), the collectivist character of Vietnam's society is manifested in a close long-term commitment to the "member" group, be that a family, extended family or extended relationships. Loyalty in a collectivist culture is paramount and overrides most other societal rules and regulations. Such a 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), and hiring and promotion take account of the employee's in-group. Management is the management of the group.

In general, like most Asian countries, Vietnamese people are often taught to be virtuous, loyal, and responsible at an early age. It can be said that, the Vietnamese live in community harmony and try to avoid dishonouring their organisations which can be family, lineage, or a company.

3.4. Masculinity versus Femininity

India scores 56 on this dimension and is thus considered a more masculine society. Vietnam scores 40 on this dimension and is thus considered a feminine society. The world average score is 50. The higher the country ranks in this dimension, the greater the gap is between values of men and women. It may also generate a more competitive and assertive female population, although still at a slower rate as compared to the male population.

According to Hofstede, G., (Hofstede Insights, a), India is actually very masculine in terms of visual display of success and power. The designer brand label, the flash and ostentation that goes with advertising one's success, is widely practised. However, India is also a spiritual country with millions of deities and various religious philosophies. It is also an ancient country with one of the longest surviving cultures, which gives it ample lessons in the value of humility and abstinence. This often reigns in people from indulging in masculine displays to the extent they might be naturally inclined to. In more masculine countries like India, the focus is on success and achievements, validated by material gains. Work is the centre of one's life, and visible symbols of success in the work place are very important.

There exists gender inequality in India from its early history. Male children are still highly desirable and women are rarely looked upon as bread winners; they are expected to be good wives and mothers. In business, males are more dominant figures in leading corporates. Males are not only known for muscles, but also the ability to stand against pressures.

Vietnam scores 40 on this dimension, which means that it has more feminine characters. The focus in feminine countries 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. The score of 40 also indicates that Vietnam is a relatively gender-equitable society.

3.5. Long-term versus Short-term Orientation

India scores 61 on this dimension which shows that it is a Long-Term Oriented society. Vietnam scores 57, which is not very much different from India. The world average score is 45. A higher Long-Term Orientation score can be indicative of a culture that is perseverant and parsimonious. India's high score means that their culture is more persistent and thrifty. Indians have a sense of shame that is shared amongst a group of people, and relationships are viewed by order of status. It is expected that the Indian businessperson will provide detailed business plans because of their need for Long-Term Orientations.

According to Hofstede, G., (Hofstede Insights, a), in India, the concept of "karma" dominates religious and philosophical thought. Time is not linear, and thus it not as important as to western societies, which typically score low on this dimension. Countries like India have a great tolerance for religious views from all over the world.

Hinduism is often considered a philosophy more than a religion; an amalgamation of ideas, views, practices, and esoteric beliefs. In India, there is an acceptance that there are many ways of perceiving truth that often depends on the seeker. Societies that have a high score on pragmatism typically forgive a lack of punctuality, a changing game-plan based on changing reality and a general comfort with discovering the fated path as one goes along rather than playing to an exact plan.

With a fairly high score of 61, in India, businesses are done for long term and mostly with family and friends. In India, business families are common. Most families in India run a business which is based on the strong foundation of long-term commitments and relationships, which are very successful. Gift-giving is acceptable and not anti-ethic. Relationships are celebrated in India (mother day, father day, brother day, sister day, etc.). Marriage is a union of two families rather than two individuals. Saving and thriftiness is valued in India. In business, time is flexible. Indians forgive the lack of punctuality. They accept the fated path.

Vietnam scores 57 in this dimension, which is not too different from India. This also means that Vietnam is a pragmatic culture. In societies with a pragmatic orientation, people believe that truth depends very much on situation, context, and time. They show an ability to adapt traditions easily to changed conditions and a strong propensity to save and invest. Of the six cultural dimensions, the score of Vietnam at this dimension is highest. This shows that Vietnamese people are concerned about the future and often make detailed plans in saving money and

investing in business. This cultural dimension score of Vietnam also shows that, the Vietnamese people appreciate persistence (patience, perseverance and), long-term oriented thriftiness.

3.6. Indulgence versus Restraint

India scores 26 in this dimension, meaning that it is a culture of restraint. While Vietnam scores 35 on this dimension, thus indicating that Vietnamese culture is characterised as restrained, though at a lesser degree than India.

According to Hofstede's cultural dimension (Hofstede Insights, a), both India and Vietnam are restrained cultures. In Hofstede's view, a low score on this dimension indicates that Indian and Vietnamese societies have a tendency to cynicism and pessimism. In contrast to indulgent societies, restrained societies like India and Vietnam do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are restrained by social norms and feel that indulging themselves is somewhat wrong.

4. Assessments

Several hypotheses are to be drawn through the study of the business cultures of Vietnam and India from Hofstede's cultural dimensions:

Firstly, Vietnamese and Indian business cultures share more similarities than differences. The Hofstede analysis for Vietnam and India suggests that, both countries are Large Power Distance societies with a high level of

inequality of power and wealth within the society. Vietnam and India share similarities in dimensions such as Power Distance and Long-Term Orientation. Vietnam and India have some differences in dimensions such as Uncertainty Avoidance, and large differences in dimensions such as Collectivism/Individualism and Masculinity/Femininity.

An analysis of the Power Distance dimension can illustrate the similarities between Indian and Vietnamese business culture. Social hierarchies are very much in place, even at work in both India and Vietnam. Respect for elders and hierarchy are core values that permeate all aspects of the societies. Positions of power and authority are highly valued and revered. It is to be noted that, in negotiations, decisions are generally made at the highest levels. Therefore, unless the company director, owner or a very senior manager is present at a meeting, a decision is not likely to occur at that stage (Tim H., 2012). The concept of saving face - avoiding any type of shameful situation - can influence decision-making processes and affect business deals in Vietnam and India. Building good business relationships and trust are important in both countries. So, businesspeople should spend plenty of time at meetings, dinners, and social gatherings with potential business partners.

Secondly, it is to be noted that, generalising India may not be rational due to its huge population, cultural pluralism, and diversity. In addition, Indian cultural values, beliefs, and conditions are contradictory from state to state and region to region. Rather than thinking of India as one single culture, it is wiser to think of it as an association of various regional and sub-cultures.

An analysis of the religious aspects in Indian business can illustrate this point. In India, separating religious life from public or business life is practically impossible. To conduct and foster Indian business relations, it is crucial that a person understands the role of religion. Though India is largely a Hindu society, other religions such as Islam, Christianity, Buddhism, Sikhism, and Jainism are also at work in India. Even within Hinduism there is great diversity in different regions. Hindu Indians have myriad varieties of the one formless and omnipresent Supreme Being they believe in. There are four major traditions in Hinduism, namely Vaishnavism, Shaivism, Shaktism, and Smartism. Vaishnavism is the devotional religious tradition that worships Vishnu and his avatars, particularly Krishna and Rama. Shaivism is the tradition that focuses on Shiva. Shaktism focuses on goddess worship of Shakti or Devi as cosmic mother, and it is particularly common in northeastern and eastern states of India such as Assam and Bengal. Devi is depicted as in gentler forms like Parvati, the consort of Shiva; or as fierce warrior goddesses like Kali and Durga. Smartism centres its worship simultaneously on all the major Hindu deities: Shiva, Vishnu, Shakti, Ganesha, Surya, and Skanda (UK India Business Council). It is quite common for an employee to keep a picture of one of these gods or goddesses in an office or on a desk. Indians make a daily routine of bowing before these religious pictures, symbols or statues before beginning to work. Vietnamese businesspeople should always be very sensitive to the religious aspects of their Indian partners.

Thirdly, similarly, though Vietnam is not as diverse as India, generalising Vietnam may

also lead to misconceptions. Vietnam does have regional cultural differences. On the common background of an agricultural culture, the Vietnamese are generally friendly and diligent. People in the North are considered politically sensitive, hard-working, and always look for ways to avoid risks. The Northern people are heavily influenced by Chinese culture, as it was dominated by the Chinese for more than one thousand years. They are considered to be more formal in social interaction. Rituals and costumes are important for Northern people. The Southern Vietnamese people are considered more open and friendly. They often look for new opportunities and the change of work is not a big issue to them. The Vietnamese people in central Vietnam are considered to be hospitable and hard-working. They enjoy socialising with people but, at the same time, are reserved. Therefore, Indian partners need to take into account regional characteristics and diversity while working with Vietnamese partners.

5. Conclusion

In order to be successful in doing business with partners of other cultures, it is important for businesspeople to develop a high sensitivity to cultural factors, identify and pursue a culturally responsive strategy most appropriate in a given negotiation but, at the same time, acknowledge that individuals may have adapted to a different culture due to their up-bringing, experiences, age, and religion. Hofstede's cultural dimensions may not be the perfect indicator in giving the exact information about both cultures. These findings stereotype cultures

into boxes, which is not always correct, as there are differences between people of the same culture. Obviously, there will be no homogeneous society from top to bottom, and there will always be deviations from Hofstede's criteria. However, Hofstede's dimensions will provide a basic understanding of the national culture of a country and help us feel more confident in interacting with other cultures through this model. Good advice for the Vietnamese enterprises wanting to do business in India may be what was stated by Budhwar, associate Dean of Research at Aston Business School and co-author of "Doing Business in India: Building Research-based Practice": "Have persistence, and don't give up. The mileage to get into India is great. Don't expect it to be a smooth ride, expect it to be irritating. But once you are there, you will enjoy it - and you will make a lot of money as well." (Lochtefeld, J., 2010; Bryant, E. F. and Ekstrand, M., 2013). This is true for the case of Indian enterprises doing business in Vietnam as well.

Note

¹ Language editor: Etienne Mahler.

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