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CHANGING DIMENSIONS OF NATIONAL CULTURE IN JAPAN: APPLYING THE HOFSTEDE FRAMEWORK

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Changing Dimensions of National Culture in Japan: Applying the Hofstede Framework

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Abstract

In 1980, Hofstede (1980; 2001) introduced a national cultural framework based on data collected in two survey rounds between 1967 and 1973. The cultural dimensions identified in that framework, i.e., individualism (IDV), masculinity (MAS), power distance (PDI) and uncertainty avoidance (UAI), have since become a standard for cross-cultural research and are widely used to predict differences between members of different national cultures (Lonner and Berry 1998; Sondergaard 1994).

Hofstede believed these national cultural characteristics to be enduring and relatively stable over time. Changes, if they were to occur, would result from outside forces causing changes in a country's ecological factors, which, in turn, would slowly change values and institutions. In addition, as such outside forces would commonly affect more than one country, changes would occur synchronously among countries, maintaining the differences among them.

Among the fifty-three countries and regions included in Hofstede's study, Japan was distinctive. In clustering these countries on the basis of their scores on IDV, PDI, MAS, and UAI, Japan remained separate, the only country that did not group with another country. Interestingly, Japan did not cluster with other Asian countries such as China, Taiwan, Korea, Malaysia, Thailand, Singapore, or Hong Kong. During the 1800's and 1900's, Japan has faced considerable outside forces. Were these forces of sufficient strength and duration to affect the cultural uniqueness of Japan as measured by the Hofstede dimensions?

Data were gathered for matched samples from a single industry segment, accountants working for public accounting firms in Japan, in 1985 and in 2002, and used to compute the Hofstede indices as of both time periods. The two samples were matched in terms of location, gender, occupation, level, and education to control for the potential influences on culture from other sources. The results show significant change has occurred for two of the four dimensions between 1985 and 2002.

Our research makes a unique contribution because it enables the examination of the relative stability of the Hofstede indices while controlling for other factors. The paper discusses possible reasons for the changes as well as the potential impact on cross-cultural research.

Introduction

The globalization of the world economy continues at a rapid pace and is mirrored in the academic settings in terms of the increasing number of cross-cultural research studies on international business topics. For example, Samiee and Athanasiou (1998) note that the number of international business strategy studies doubled in the last eight years when compared to the preceding ten years. The foundation utilized for much of this research has been Hofstede's cultural framework. In 1980 Hofstede (1980; 2001) introduced four national cultural characteristics based on data gathered from 1967 to 1973. His work was groundbreaking in its conceptualization of differences among national cultures and remains unsurpassed in the sheer number of observations and countries examined. As a result, Hofstede's dimensions have become a dominant and widely used framework in cross-cultural research (Chandy and Williams 1994; Lonner and Berry 1998; Redding 1994; Sondergaard 1994). Researchers report that the use of the Hofstede framework is increasing. Sivakumar and Nakata (2001) determined that 134 studies utilizing Hofstede's framework were completed during a 17 ½ year period from 1981 to 1998. Over 70% of those studies appeared after 1993.

Its popularity notwithstanding, controversy exists regarding the manner in which the Hofstede dimensions were derived and how they are applied. For example, the use of only IBM employees limited the number of dimensions to four when, in fact, more than four may exist (Triandis 1982; Yeh 1988). Similarly, the depiction of the dimensions as bipolar may be the result of a "western mindset" and not necessarily appropriate for evaluation of non-Western countries (Sama and Papamarcos 2000). Despite these weaknesses, the existence and conceptual validity of the Hofstede dimensions have generally been confirmed by related cross-cultural research efforts.

Efforts to propose alternative frameworks (e.g., Schwartz 1992, Smith et al. 1995, Trompenaars 1993) confirmed one or more of the Hofstede dimensions while recognizing

that other dimensions also exist. Similarly, efforts to replicate and validate Hofstede's findings (e.g., Barkema and Vermeulen 1997; Hofstede and Bond 1984; Hoppe 1993; Kagiticbasi 1997; Shane 1993, 1995; Smith et al. 1994; Sondergaard 1994) have provided additional support. As a result, Hofstede's work is expected to continue to be utilized extensively in cross-cultural research.

Thirty years have passed since the original data were collected. Although Hofstede believed the national dimensions to be enduring and relatively stable over time, questions have arisen as to the possible obsolescence of these measures due to their age. Krumbholz et al. (2000), for example, did not find expected national differences in examining the implementation of enterprise resource planning software among subsidiaries in different countries. They speculated that the Hofstede measures used to predict the differences might be outdated. Sivakumar and Nakata (2001) also cite a need to update the cultural scores due to the impact of global movements of people and products and advances in communication technologies. Others have proposed that cultures are converging over time (Ohmae 1985, O'Reilly 1991). Given the continued and widespread popularity of the Hofstede dimensions, an examination of the stability of these measures is not only useful but necessary.

In accordance with Hofstede's (2001) recommendation, our study offers an examination of changes in the Hofstede dimensions over a 17-year period. Recent efforts to measure the Hofstede dimensions have been hampered by a failure to utilize matched samples (e.g., Spector et al. 2001). Our study utilizes samples matched on gender, location, education, level, and occupation, thus providing a strong basis for examining whether changes in the measures have occurred. Changes, if they are indeed present, have important implications for the continually expanding field of cross-cultural research and must be taken into account in planning such studies.

The following sections describe the Hofstede framework and utilize the Hofstede dimensions to identify Japan's unique position especially among the Asian countries with which it is commonly grouped. The outside forces of change and their impact on Japan's ecological factors are also presented.

Background

Hofstede's Dimensions of National Culture

Hofstede defined culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another" (2001: 9). These "mental programs" are manifested in both visible and invisible forms. Outsiders may view a society's symbols, heroes, and rituals. The cultural meanings of these practices, however, are found only in the manner in which they are interpreted by members of that society and this interpretation reflects the society's values.

Societies are self-perpetuating. A society's values develop as a result of various factors affecting the society and its people. Such factors, termed "ecological factors" by Hofstede, include geography, history, demography, hygiene, nutrition, economy, technology, and urbanization. Institutions such as educational, political, and legislative systems are then created and maintained to reinforce both societal values and ecological factors. As a result, the society enters stasis and change will occur only as a result of outside forces (e.g., forces of nature, trade, scientific discovery) causing shifts in ecological factors. Given the interrelated and self-perpetuating nature of a society, change would occur only gradually, if at all.

Hofstede's research interest was primarily in country-level comparisons. His focus, therefore, resided in national culture. His original study included 53 countries and regions and more than 116,000 observations obtained from IBM employees from 1967 to 1973. Analysis of the data revealed four distinct and statistically independent dimensions. These

national cultural dimensions, individualism (IDV), masculinity (MAS), power distance (PDI), and uncertainty avoidance (UAI), were verified both empirically and through correlational analysis with over 140 other cross-cultural studies. While later research resulted in identification of a fifth dimension, long-term orientation, our study focuses on the initial four dimensions. The four dimensions are described in detail in the following section.

Individualism: This dimension addresses the degree to which members in a country define themselves in terms of group membership. The dimension is bipolar with collectivism at its opposite end. Markus and Kitayama (1991) note that this dimension impacts the individual's self-construal, the manner in which the individual views him/herself. In highly individualist countries, the individual views the self as independent, separate, and self-contained. Members look after themselves and their immediate families only.

In comparison, in highly collectivist countries, the individual views the self as fundamentally connected to others, i.e., as part of a group. In this interdependent construal, the self is defined in terms of its relationships with others. Members of collectivist countries become members of cohesive in-groups from birth onward that protect and support them throughout their lifetimes.

In the workplace, members of highly individualistic countries seek to distinguish themselves through individual achievements and successes. The employer-employee relationship is a negotiated transaction in the labor market. Members of highly collectivist countries, in contrast, are invited to join employers as members of an in-group. They, in turn, give the group their unquestioning loyalty and act to benefit the group through their achievements and successes.

Masculinity: This dimension describes the degree to which gender roles are clearly differentiated within a country. In a highly masculine country, men are expected to be assertive, competitive, and tough while women are tender, nurturing, and gentle. Men deal

with facts while women handle emotions. Men go out to work and support the family and women maintain the home.

At the other extreme, in a highly feminine country, the gender roles overlap. Both men and women may be assertive, caring, tough or emotional. Thus, the values that men and women hold are very similar and family and home responsibilities are likely to be shared.

In the work place, members of masculine societies rate material success and advancement as most important. To those members, work is a central component of their lives and they suffer from higher job stress. In feminine countries, quality of life and people and relationships are most highly valued while work takes a decidedly lesser role. As a result, career ambitions are optional for either sex.

Power distance: The degree to which members of a society differ in their acceptance of inequality is captured in this dimension. In low power distance countries, equal distribution of power is the norm; it is expected and accepted that everyone should be equal and any inequalities should be minimized.

In high power distance countries, an unequal distribution of power is accepted as appropriate and clear distinctions are expected to exist between classes. Powerful people are entitled to privileges and those with less power are in their rightful place.

In the work place, high power distance reveals itself in the form of centralized decision structures and concentration of authority. The ideal boss is a well-meaning autocrat or paternalistic leader. Subordinates expect to be closely supervised and directed. Low power distance is seen in a decentralized decision structure with fewer supervisors and a flatter organization pyramid. The ideal boss consults subordinates and relies on their support.

Uncertainty avoidance: This final dimension addresses the manner in which a society faces uncertainty. Societies differ in terms of their ability to deal with the unknown.

In high uncertainty avoidance societies, uncertainty is viewed as a threat that must be controlled via conservatism, law and order. Risk-taking is avoided and change is resisted.

Countries with low uncertainty avoidance find uncertainty less threatening. As a result, they are more open to change, more willing to take risks, and more tolerant of diversity. Fewer rules are needed and tolerance for ambiguity and novelty is higher.

In the workplace, members of high uncertainty avoidance societies try to reduce the occurrence of ambiguous situations through investments in technology, adoption of clearly defined rules, and implementation of uncertainty-reducing rituals such as detailed planning. Seniority and company loyalty are highly valued. In comparison, members of low uncertainty avoidance societies establish workplaces that are less formal and structured. Employees feel comfortable changing employers and company loyalty is not necessarily a virtue.

Japan

Huntington (1993) described Japan as "a society and civilization unique to itself" and noted cultural differences existing between Japan and its Asian neighbors large enough to inhibit efforts to integrate regionally. Why is Japan considered unique? Use of the Hofstede scores enables us to identify specific areas of both cultural difference and "uniqueness." Efforts to cluster similar countries and regions on the basis of their scores on the four dimensions resulted, in Japan's case, in a cluster of one (Hofstede 2001). No other country was similar to Japan. Especially surprising was that Japan was not similar enough to other Asian countries to be clustered with them. Its singular standing arose for several reasons including Japan's extremely high masculinity score. This section describes Japan's national cultural dimensions and the differences leading to its unique position.

Japan's scores and rankings on the four national cultural dimensions appear in Table 1 below. Discussion of the Japan's dimensions follows.

TABLE 1: Dimensions of National Culture for Japan (Hofstede 2001)			
Dimension	**Mean Score***	**Index Score**	**Rank**
Individualism	43	46	22/23
Masculinity	49	95	1
Power Distance	57	54	33
Uncertainty Avoidance	65	92	7
* 53 countries and regions			

Note that the mean score is included in Table 1 because Hofstede used the mean to determine whether countries that score around the scale midpoint should be grouped with the high or low scoring countries.

Table 2 includes relevant Hofstede scores for Asian countries. The scores are included for reference purposes related to the following discussion.

TABLE 2: HOFSTEDE (2001) NATIONAL CULTURAL DIMENSIONS – ASIA				
Country	**IDV**	**MAS**	**PDI**	**UAI**
East Asia				
China	20*	66*	80*	30*
Hong Kong	25	57	68	29
Japan	**46**	**95**	**54**	**92**
South Korea	18	39	60	85
Taiwan	17	45	58	69
SE Asia				
Indonesia	14	46	78	48
Malaysia	26	50	104	36
Philippines	32	64	94	44
Singapore	20	48	74	8
Thailand	20	34	64	64
Vietnam	20*	40*	70*	30*
West Asia				
Bangladesh	20*	55*	80*	60*
India	48	56	77	40
Iran	41	43	58	59
Israel	54	47	13	81
Pakistan	14	50	55	70
Turkey	37	45	66	85
*Estimated N/A = Not available				

With a score of 95 Japan ranked #1 on the masculinity scale, placing it at the forefront of masculine societies. The second highest masculine country, Austria, scored 79, a full 16 points below Japan. The result finds Japan with "probably the most absolute gender role division of any country in the world" (Hofstede 2001: 310). Men are expected to be dominant and tough while women are tender and address emotional needs. Both men and women value achievement, assertiveness, and material success and learn to be ambitious and

competitive. Women, however, may direct their ambition toward their brother's, husband's or children's achievements.

Japan also ranked among the higher scoring countries, #7, on uncertainty avoidance with a score of 92. Interestingly, though, this ranking placed Japan among a group of Latin and Mediterranean countries (e.g., Greece, Uruguay, Salvador). Recall that this dimension focuses on the extent to which members of a society are threatened by unstructured or ambiguous situations. Societies high in uncertainty avoidance emphasize rules, laws, and codes of conduct in order to better ensure a stable and orderly life. Japan's East and Southeast Asian neighbors noticeably differed from Japan in terms of uncertainty avoidance. Most fell into the low uncertainty avoidance category.

On the individualism measure, Japan's score of 46 placed it just above the mean of 43 or in the individualist category as opposed to the collectivist category. Other countries scoring as moderately individualist included Argentina, India, and Spain. Hofstede's classification of Japan as individualist is shared by other Asian countries. Only Western countries perceive Japan as collectivist (Hofstede 2001).

On the last dimension, power distance, Japan (with a score of 54) fell just below the mean of 57, placing it in the low power distance category. This categorization again separated Japan from its neighbors. All other East and Southeast Asian countries appeared in the high power distance category.

As a result of these scores, Hofstede's efforts to cluster similar countries resulted in Japan being classified by itself, the only country so designated. Clearly, Japan presented a unique case. For Westerners, it may be surprising that Japan was noticeably different from the other Asian countries, e.g., China, Taiwan, South Korea, Singapore, Hong Kong, Malaysia and Thailand. While recognizing, for example, that the Korean culture differs from the Japanese culture, more similarity than dissimilarity would be expected among Asian

cultures, particularly in terms of individualism and power distance. Asian cultures are generally noted for their collective and hierarchical nature.

Hofstede expected that "culture change basic enough to invalidate the country dimension index scores will need either a much longer period – say, 50 to 100 years – or extremely dramatic outside events" (Hofstede 2001: 36). Particularly relative to many other countries, Japan has experienced drastic changes in external forces since the mid-1800's that, in turn, have impacted Japan's ecological factors. We propose that these outside events and the resulting effect on Japan's ecological factors may have been dramatic enough to impact its cultural dimensions.

Outside Forces of Change

History in Japan has been presented as a series of "openings", each with dramatic and long-lasting effects on Japanese culture (e.g., Kusayanagi 1992; Maeno 2001; Satoh 2002). The "first opening" occurred in the form of the Meiji Restoration of 1868 when the Emperor was restored to ostensive power. A primary impetus for the Restoration was the existence of a series of forcibly and externally imposed trade treaties with foreign countries. In a series of edicts beginning in 1635, the Tokugawa Shogunate closed Japan to foreigners, a period of National Seclusion that lasted for over 200 years (Itasaka 1996). During this time, the Japanese people were forbidden to travel overseas and foreign trade was limited to two countries (the Netherlands and China) and a single port in Nagasaki (Itasaka 1996). Increasing pressure during the early 1800's from Russia, Britain, and the U.S. culminated in the 1853 appearance of Commodore Matthew Perry's "black ships" in Edo Bay and the signing of a treaty in 1854 granting the United States the right to provision their ships and establish a consulate in Japan (Nakano 2003; United States Library of Congress 1994). A series of similar one-sided treaties with the Netherlands and other European countries quickly followed (Maison and Caiger 1997). The combination of the unequal treaties, the opening of

the ports, and the shogunate's inability to "expel the barbarians" began a chain of events culminating in the overthrow of the shogunate and the restoration of the emperor (Japan: Profile 1999).

The first opening thus resulted from outside forces in the form of both domination and trade. Japan was forced to re-open its borders to foreign trade after 210 years of self-imposed isolation. Foreign trade, in turn, changed the ecological factors of "economy, technology, and urbanization." The first opening also created a drastic change in the ecological factor, "nutrition." In 676 AD, Emperor Tenmu had banned the eating of meat, a prohibition that lasted twelve hundred years (from the Nara period to the Meiji restoration). During the late 1800's and the Meiji restoration, State Shinto was established as the official national religion, headed by a divine leader, the Emperor. In exercise of his divinity, the Emperor approved the eating of meat, proclaiming that even Buddhist priests would be allowed to eat meat (Daijokan Fukoku No. 133, April 25, 1872). Meat thereafter became an accepted and increasingly common part of the local diet.

The "second opening" occurred in 1945 following Japan's defeat in World War II. Again in response to outside forces of domination, changes occurred in numerous ecological factors, including economy, nutrition, technology, and urbanization. Changes were also imposed in institutions including education, religion, political systems, and legislation. For example, a new constitution and a new educational system were adopted. One change is particularly noteworthy, the change in spiritual factors. "State Shinto," Japan's national religion, was abolished. State Shinto was created during the Meiji period as an official creed intended to unify the population behind the government and to provide support for the government's ambitious agenda to modernize the nation. It accomplished these goals by establishing the Emperor as the divine descendent of the Sun Goddess and the high priest of

Shinto. In 1945 the Emperor renounced his divinity and all state support for Shinto was removed (Japan: Profile 1999). Japan has been without a state supported religion since then.

Finally, in response to trade forces, the "third opening" began in 1996 with Prime Minister Hashimoto's announcement of the "Big Bang" financial deregulation plan. A major component of this plan was approval of foreign investment in Japanese banks (Japan's Bank Mergers 1999; Japan Ministry of Finance 2000). Although efforts to promote foreign direct investment in Japan had begun in the 1960's, foreign investors had been effectively "locked out" of the domestic financial market. In December 1998, the Financial System Reform Law was enacted as part of a "Big Bang" financial deregulation plan. The Law not only enabled foreign investors to acquire Japanese banks, it also sought to remove other impediments such as restrictions on sales of securities and broker commissions (Japan Ministry of Finance 2000). As a result, foreign investment in the financial sector quadrupled between 1997 and 1999 (Tett 2000a). The striking increase in foreign investment into once-closed markets has led some Japanese to call them the "Black Ships" of the modern era and to speculate that the impact of these investments will be severe and shocking to the corporate world (Tett 2000b). Thus, the ecological factor of "economy" was again impacted.

We suggest that the combined effect of these changes in Japan's ecological factors was dramatic enough to now be reflected in a rather abrupt change in Japan's culture. Perhaps, although the ecological changes in Japan occurred at different points in time, the combined effect of these changes on culture has only now become considerable enough to be observable and detectable. Anecdotal evidence, for example, shows that Japan's traditional emphasis on conformity and homogeneity may be diminishing. Younger Japanese seek to differentiate themselves from their peers through creative dress and appearance. Also, the Japanese approach to education has changed in an effort to emphasize creativity and entrepreneurial spirit over emphasizing conformity and fitting in (Role of Education 1998;

Fujisawa 1999). We propose that these individual-level and institutional-level changes are reflections of fundamental changes in values and norms. Our study will explore whether change in the cultural dimensions for Japan has occurred over time. To date, no other studies of this kind have been conducted.

Hypotheses

Our data consist of two sets of measurements taken in 1985 and in 2002, respectively. The 1985 data were kindly provided to us by Jamie Pratt and Phil Beaulieu who collected the data in Japan as part of a larger project involving professional accountants in the United States, United Kingdom and Australia (see Pratt et al. 1993).

Although Hofstede noted that the national cultural dimensions were enduring, we suggest that Japan has experienced changes in its ecological factors that combined to be severe enough to impact its culture. As a result, we expect the measures of Japan's national cultural dimensions to have changed and to have changed rather recently and abruptly.

Our data enable us to determine whether Japan has maintained its cultural uniqueness by comparing cultural dimension index scores for 1985 and 2002. The matched samples utilized in this study allow a direct comparison minimizing potential confounding from other factors.

H1: IDV scores for Japan changed from 1985 to 2002.

H2: MAS scores for Japan changed from 1985 to 2002.

H3: PDI scores for Japan changed from 1985 to 2002.

H4: UAI scores for Japan changed from 1985 to 2002.

Methodology

Sample: Survey questionnaires were distributed through contacts to participants at all levels employed by large public accounting firms in Tokyo, Osaka, and Nagoya in 1985 and in 2002. Responses were returned by 87 and 235 accountants in each year, respectively.

The survey instrument incorporated previously translated and validated questions from Hofstede's Value Survey Module 1982 (VSM82) that allow computation of the four dimensions of national culture.

Hofstede noted that factors other than nationality could potentially influence the cultural measures, such as age, educational level, gender, kind of work, and industry. To reduce such potential contamination as well as to better enable interpretable results, such extraneous variables should be minimized (Adler 1984). The two samples were reduced to enable matching on location, gender, position, and kind of work as well as industry and company size. The resultant samples (75 subjects for 1985 and 98 subjects for 2002) consisted of Japanese men below the partner level working primarily as auditors for large public accounting firms in Tokyo and Osaka (see Table 3). Hofstede (2001) noted that sample sufficiency required at least 20 but preferably 50 subjects. This requirement is amply met by our samples.

The majority of the respondents were in their 20's and 30's and had completed a bachelor's degree. The samples were comprised of accountants working at staff, senior, and manager levels. However, using a sample from one organization enabled control for factors that may affect responses to the survey but are related to organizational differences rather than cultural differences.

TABLE 3: SAMPLE		
Category	**1985**	**2002**
AGE		
24 and below	4	43
25 to 29	21	26
30 to 34	22	19
35 to 39	22	6
40 and over	5	4
Total	74	98
EDUCATION		
16 years	67	75
17 years	3	6
18 years or more	5	11
Total	75	92
POSITION		
Staff	25	37
Senior	35	16
Manager	15	42
Total	75	95
Totals differ as complete information was not always provided.		

Measures: Hofstede (1994) revised his original questionnaire in 1982 (VSM82) and again in 1994. The Values Survey Module 1994 Manual (Hofstede 1994) includes questions for both versions and notes that indices must be calculated based on the same version to be comparable. We utilized the 1982 version to compute the indices. It includes three or four questions for each of the four dimensions as well as various demographic questions (gender, age, experience, and nationality).

Table 4 provides a summary of the variables and measures.

TABLE 4: VARIABLES AND MEASURES

Variable	Variable Name	Measure
Independent Variables:		
Individualism/collectivism	IDV82	VSM82 items and computation
Masculinity/femininity	MAS82	VSM82 items and computation
Power distance	PDI82	VSM82 items and computation
Uncertainty avoidance	UAI82	VSM82 items and computation
Control Variables:		
Age	AGE	2 = 24 and below; 3 = 25 to 29; 4 = 30-34; 5 = 35 to 39; 6 = 40 and over
Education	EDUCATION	7 = 16 years; 8 = 17 years; 9 = 18 years or more
Level	POSITION	1 = Staff; 2 = Senior; 3 = Manager

Analysis: Frequency and correlational analysis and mean comparisons were utilized to match the samples in terms of gender, location, position, type of work, and education. To compare the cultural dimensions between 1985 and 2002, the indices were calculated for 1985 and 2002. Mean comparisons and t-tests were then employed to evaluate the statistical significance of changes in the indices from 1985 to 2002.

Results

Table 5 provides descriptive statistics.

TABLE 5: DESCRIPTIVE STATISTICS

Variable	N	Mean	Std. Dev.	Range
1985				
IDV82	74	37.23	87.82	-134.00 to 263.14
MAS82	74	89.73	74.83	-112.57 to 279.57
PDI82	75	138.93	23.81	91.60 to 191.60

UAI82	75	45.03	48.83	-49.50 to 159.07
AGE	74	4.04	1.04	2 to 6
EDUCATION	75	7.17	.53	7 to 9
POSITION	75	1.87	.72	1 to 3
2002				
IDV82	98	67.50	66.99	-63.00 to 274.00
MAS82	98	28.03	91.15	-299.00 to 241.00
PDI82	96	145.36	23.73	106.30 to 206.30
UAI82	97	54.96	42.89	-63.60 to 146.40
AGE	98	3.00	1.12	2 to 6
EDUCATION	92	7.30	.68	7 to 9
POSITION	95	2.05	.92	1 to 3

The average age category of sampled Japanese accountants was 30-34 in 1985 but had dropped to 25-29 in 2002. As the difference in age between the two samples potentially affects comparison of the indices, an ANOVA analysis was performed. No significant differences among the age groups were found in any of the dimensions. The 1985 and 2002 samples did not significantly differ in education and level (position) (See Table 7).

Tables 6a and 6b summarize Pearson correlations among the study variables. In the 1985 sample, only one significant correlation appeared – between age and position. As would be expected, older accountants have higher level positions. In the 2002 sample, the significant age-position correlation was duplicated. In addition, several other significant relationships appeared. IDV was negatively correlated with MAS and education. Thus, less educated and lower MAS scoring individuals displayed higher individualism scores. PDI was negatively correlated with level, i.e., lower-ranked accountants had higher PDI scores.

TABLE 6a: PEARSON CORRELATIONS - 1985

Variable	1	2	3	4	5	6
1. IDV82						
2. MAS82	.225					
3. PDI82	.032	-.118				
4. UAI82	-.053	.062	.188			
Control Factor						
5. AGE	.065	.092	-.079	.026		
6. EDUCATION	.115	-.091	-.097	-.027	.185	
7. POSITION	.089	.176	.018	.161	.714**	.202

* = Significant at p < .05; ** = Significant at p < .01

TABLE 6b: PEARSON CORRELATIONS - 2002

Variable	1	2	3	4	5	6
1. IDV82						
2. MAS82	-.211*					
3. PDI82	-.088	.063				
4. UAI82	-.010	-.060	.122			
Control Factor						
5. AGE	.136	-.065	-.045	.058		
6. EDUCATION	-.224*	.003	.158	-.121	-.120	
7. POSITION	.007	.036	-.243*	.034	.623**	.019

* = Significant at p < .05; ** = Significant at p < .01

Table 7 presents the results of the mean comparisons. As predicted, significant changes appeared in the individualism and masculinity dimensions. However, contrary to prediction, no change occurred in the power distance and uncertainty avoidance measures. Thus, Hypotheses 1 and 2 were supported while 3 and 4 were not supported.

TABLE 7: T-TESTS OF THE CHANGE BETWEEN 1985 AND 2002

	1985			2002			CHANGE	
Variable	**N**	**Mean**	**S.D.**	**N**	**Mean**	**S.D.**	**Diff.**	***p* value**
IDV82	74	37.23	87.82	98	67.50	66.99	30.27	.011
MAS82	74	89.73	74.83	98	28.03	91.14	-61.70	.000
PDI82	75	138.93	23.81	96	145.36	23.73	6.43	.081
UAI82	75	45.03	48.83	97	54.96	42.89	9.93	.159
AGE	74	4.04	1.04	98	3.00	1.12	1.04	.000
EDUCATION	75	7.17	.53	92	7.30	.68	-.13	.162
POSITION	75	1.87	.72	95	2.05	.92	-.19	.141

Note: The change was calculated as follows for each country: (2002 measure – 1985 measure).

Discussion

The primary purpose of this study was to explore the stability of the Hofstede's national cultural dimensions. We were able to evaluate stability over a 17-year time period from 1985 to 2002. Given the severe changes in ecological factors experienced by Japan since the late 1800's, we expected the measures to change. Significant changes appeared in two of the measures while two remained unchanged (see Table 8).

TABLE 8: SUMMARY OF HYPOTHESES RESULTS		
H1: IDV scores for Japan changed from 1985 to 2002.	Increase	Supported
H2: MAS scores for Japan changed from 1985 to 2002.	Decrease	Supported
H3: PDI scores for Japan changed from 1985 to 2002.	No change	Not supported
H4: UAI scores for Japan changed from 1985 to 2002.	No change	Not supported

As the potential reasons for these results differ by dimension, we discuss each dimension separately.

Individualism

Individualism increased significantly from 1985 to 2002. Why did individualism change?

Hofstede (2001) noted that individualism was positively correlated with national wealth (GNP/capita) with wealthier countries exhibiting greater individualism ($r = .82$; $p < .0001$). Similarly, the changes found four years later in his follow-up study revealed significant shifts correlated with changes in national wealth. The countries with increasing wealth also displayed increasing individualism scores while countries with decreasing wealth displayed decreasing individualism scores.

Japan has experienced increases in national wealth since Hofstede's study was completed. In 1970, Japan was ranked #9 with GNP of U.S. $1,920 per capita. Between 1970 and 1985, Japan's GNP per capita grew steadily, hitting U.S. $11,300 by 1985 (World Bank 1986). After 1985, however, Japan's economy became the wonder of the industrialized world. In 1988, Japan's GNP per capita (U.S. $21,020) exceeded that of the U.S. (World Bank 1989). Although problems began to appear in 1990, the economy continued its steady rise and by 1996, GNP per capita had reached a high of U.S. $40,940 (World Bank 1997).

The end of the 90's, however, brought an end to Japan's spectacular growth. Although Japan has remained among the world economic leaders, the country's continuing economic problems were a primary concern in 2002.

From 1970 to 1985, Japan's economy grew steadily. This period of stable growth was followed by over a decade (from 1985 to 1998) of rampant and widely proclaimed economic growth. The Japanese thus experienced increasing national wealth for more than a quarter of a century. Based on the results of this study, it appears that individualism also increased in conjunction with national wealth.

This result also provides support for Hofstede's belief that changes, if any, would appear gradually. The increased individualism in 2002 fails to reflect Japan's current economic problems, despite their apparent severity. As such problems did not appear until the 1990's, they may be too recent in origin to be reflected in the individualism measure.

Note that these results may be unique to the accounting profession and may not reflect the Japanese culture in general. Aono and Daniel (1992) observed that Japanese accounting firms attracted more independent personalities. That characteristic may be indicative of a more individualistic nature on the part of those who chose to become accountants. McKinnon (1984) found that Japan's emphasis on relationships made independent auditors a foreign concept prior to their introduction in 1948. Those who select the accounting profession must overcome cultural constraints in order to do their jobs. That, in itself, may require a higher degree of individualism for accountants.

Masculinity

The 2002 masculinity score significantly decreased from that found in 1985. This increase coincided with the introduction of relatively large numbers of women into the workplace and into the public accounting profession specifically. In 1985, only two women appeared in the total sample of 87 (2%), both at the staff level. By 2002, that number had

risen to 37 out of 235 (16%) distributed proportionately among the staff, senior, and manager levels. The Japanese Institute of Certified Public Accountants (JICPA) reported that women made up 8.54% of the total CPAs in Japan in 2002 (JICPA 2003). Our 2002 sample had approximately twice that number. Anecdotal evidence indicates that women make up a greater percentage of the auditing divisions of the large accounting firms due to their tendency to study languages (primarily English) while in school.

Although this study restricted the sample to men, the working environment for men in 2002 would have differed substantially from that found in 1985. Perhaps simply the presence of women in the public accounting workplace has resulted in a change in business practices, including a change from the emphasis placed on high earnings and advancement to one focusing on cooperation and group decisions.

As in other developed countries, women are increasingly found in the workplace. As they become integrated in the workforce, their views may be reflected in business practices. The end result is increased emphasis on "feminine" values such as improved working conditions, protection of employees, and environmental protection. Developed countries may be transitioning to become less masculine societies. This argument receives further support from recent research showing possible declines in masculinity scores in Japan among pilots, business professionals and advanced business students (e.g., Fernandez et al. 1997, Merritt 2000, Spector et al. 2001).

Power Distance

Hofstede (2001) also found power distance to be correlated with national wealth ($r = -.65$; $p < .001$). Wealthier countries had lower PDI scores. Power distance refers to the emotional dependence of less powerful individuals on more power individuals. As national wealth and access to resources increase in a country, inequities in power distribution are likely to disappear. Based on Japan's steadily and sometimes dramatically increasing

national wealth, if change were to occur, the PDI scores should have decreased. Our results, however, show the PDI scores unchanged from 1985 to 2002. Given the significant increase in IDV, also correlated with national wealth, the lack of change is puzzling.

In considering possible explanations for these somewhat contrary results, we considered Hofstede's original 1970 scores and changes in the components of the PDI measure. Although a direct comparison between the IBM sample and our sample is not possible due to the different populations utilized, consideration of the 1970 scores is helpful for discussion purposes.

Japan's PDI measure in 1970 was 54 and it ranked 33rd out of 53. Our results indicated PDI measures of 139 and 145 in 1985 and 2002, respectively. Hofstede noted that the theoretical range for the power distance measure was -90 to 210. He further noted that in 1970 the high power distance countries were "pushing" against the normal ceiling of 100. It appears that our sample of Japanese accountants belongs in the high power distance group as opposed to the low power distance category. The lack of change from 1985 to 2002 reflected the continuation of a high power distance working environment for accountants during that time period.

Our examination of the components of the PDI measure revealed the following:

- The perception that employees are afraid to disagree with their bosses increased from 3.11 to 3.44 from 1985 to 2002 (with 5 = very frequently). The value for 1970 was 2.84.
- The percentage of respondents viewing their boss as autocratic or paternalistic increased from 50.6% in 1985 to 65.5% in 2002. This percentage was 44% in 1970.
- The percentage of respondents preferring a boss with a consultative decision-making style was 69% (in both 1985 and 2002). This percentage was 46% in 1970.

Based on the differences in the responses to the dimension's component questions, it appears that the work environment for Japanese accountants was much more authoritarian than was the case for IBM employees in 1970. Further, it appears that the authoritarian environment remained intact, or perhaps became slightly more authoritarian, from 1985 to 2002.

We speculate that these differences reflect changes in the public accounting profession rather than in the nation as a whole. Other researchers (e.g. Merritt 2000, Yamamura and Stedham 2002) have found little or no apparent change in PDI among Japanese pilots and advanced business students. The profession grew rapidly from 1970 to 2002, more than doubling in size (JICPA 2001). As the nation's companies rapidly expanded, the demands placed on public accountants increased. Highly publicized audit failures increased demands on the profession to perform more extensive audits and to increase quality control standards (Balancing 2000; Opening Up 1999; Sakagami et al. 1999). The combination of the need for greater control and the large influx of new and relatively inexperienced staff to handle the increasing work load may have resulted in a more rigid authority structure.

This shift to a more authoritarian structure was also emphasized by the change in the nature of accounting firms. The first audit corporation did not appear until 1967 (JICPA 2001). Prior to that time, Japanese CPAs operated as sole proprietorships as audit firms were not allowed (McKinnon 1984). In 1970, the accounting firms in existence were limited both in number and size (JICPA 2001). In addition, such firms were largely formed by merging existing proprietorships and the resultant firms were not highly integrated or standardized (McKinnon 1984). The rapid growth of the Japanese economy, however, placed continuing pressure on the accounting firms to expand and to maintain quality control while providing required auditing services. By 1985 as well as 2002, large audit corporations were the primary providers of auditing services in Japan and the largest were affiliated with the big

international accounting firms. The more relaxed, small firm environment of 1970 would thus have been replaced by a more structured, large firm environment in 1985 and 2002.

The final point to be made with regard to power distance pertains to audit proficiency. Becoming proficient in auditing requires on-the-job experience. As entry-level auditors begin their professional careers, they discover how much they need to learn and rely heavily on those with more experience to guide and train them. As a result, new accountants find it increasingly difficult to question the judgments of those above them, thus effectively supporting a more authoritarian structure. The significant negative correlation between power distance and position found in the 2002 sample provides further evidence for this rationale. The continued addition of large numbers of younger staff members (as seen in the drop in the average age level from 1985 to 2002) would maintain or possibly increase the high power distance measure.

Uncertainty Avoidance

Of the four dimensions, uncertainty avoidance raised the greatest question with regard to stability. Hofstede's (2001) subsequent examination approximately four years later noted apparent changes but without specific direction. He noted that uncertainty avoidance was subject to fluctuations on a 25 to 40 year cycle. Similarly, Sondergaard (1994) found that the uncertainty avoidance measure appeared to be sensitive to the timing of the survey. Our finding of no change in the measure from 1985 to 2002 would appear to be fortuitous.

The results, however, provide an opportunity for further analysis and discussion. In 1970, Japan ranked #7 on the uncertainty avoidance measure with a score of 92. In our study the UAI scores appear much lower with values of 45 in 1985 and 55 in 2002. It appears that although UAI did not change from 1985 to 2002, it was far below the 1970 levels of IBM employees found by Hofstede. Consideration of the causes of these lower UAI values may be found by examining the components of the measure as shown below.

Uncertainty avoidance consisted of three questions as follows:

- The belief that company rules should not be broken increased from 2.80 in 1985 to 3.37 in 2002 (with 5 = strongly agree). This value was 2.95 in 1970. A strong belief that rules should not be broken increases the uncertainty avoidance measure.
- The percentage of respondents planning to remain working for the firm for five years or less increased from 39.5% to 53.6% from 1985 to 2002. This percentage was 15% in 1970. An increased willingness to leave the firm decreases the uncertainty avoidance measure.
- The stress level (feeling nervous or tense at work) increased from 3.01 in 1985 to 3.19 in 2002 (with 5 = always). This value was 3.45 in 1970. High stress levels increase the uncertainty avoidance measure.

We believe these differences potentially reflect changes in the Japanese society as well as changes in the work environment for Japanese accountants.

The lower uncertainty avoidance measures exhibited by our sample of Japanese accountants in 1985 and 2002 reflect the general prosperity of the nation and the well-being of its citizens. Despite the current economic slowdown, Japan remains an extremely wealthy country with a high standard of living. Sales of luxury goods, e.g., Hermes and Gucci, are strong (Wolf 2002). In 1970 Japan was a relative newcomer to international markets. By 1985 and even more so in 2002, Japan had been a leading economic figure for decades. The combination of changes in the ecological factors of economy, technology, and urbanization occurring during those decades may have reduced the nation's uncertainty avoidance measure below the level found in 1970.

Furthermore, the increase in UAI from 1985 to 2002, although statistically insignificant, may be an indicator of an increasingly difficult work environment for accountants. The first lawsuit against a Japanese CPA firm was filed in 1998 against Chuo

Audit, the Cooper & Lybrand Japanese affiliate (Auditors 1998). A year later, three lawsuits were in process and approximately twenty cases were being investigated by the Ministry of Finance (Liability Net 1999). Suing accounting firms for audit failures is a very recent occurrence in Japan, a society in which lawsuits are relatively uncommon. At the firm level, the increasing severity of audit failure consequences would have created greater emphasis on auditing practices. As a result, auditors would feel increasing pressure to follow the auditing rules under all circumstances.

In Japan, plans to work for a firm for five years or less indicate relatively short-term employment. The Japanese CPA firms, like many of their industry clients, are noted for "permanent" employment in which employees, once hired, remain until retirement. The steady increase in employees planning only a "short-term" stay with the firm may reflect both the larger number of job opportunities available to Japanese CPAs and the desire to seek more satisfying positions. As noted above, the stress level increased from 1985 to 2002. Anecdotal evidence indicates that turnover in Japanese CPA firms may be on the increase. Like their U.S. compatriots, Japanese accountants are tiring of the heavy work demands placed upon auditors, including both overtime and pressure. They are leaving the CPA firms for positions in industry and government, involving less overtime and presumably less pressure.

Hofstede suggested that accountants as a group had a greater need to avoid uncertainty and thus would tend to demonstrate higher UAI scores. We did not find accountants to demonstrate higher uncertainty avoidance. In particular, their scores in support of the belief that company rules should not be broken appeared somewhat neutral (around 3.0 on a 5.0 scale). In light of recent highly publicized audit failures in the U.S. (e.g., Enron, WorldCom), higher uncertainty avoidance levels would have been more comforting. As auditors are responsible for ensuring that generally accepted accounting principles

(GAAP) have been properly applied and for performing such work in accordance with generally accepted auditing standards (GAAS), their strong agreement with "company rules should not be broken" would seem automatic. If our results indicate a tendency to allow clients to bend the rules, this may indicate future problems for the business community and the accounting profession.

Limitations

In interpreting these results, some caveats must be considered. First, the data were collected by survey and thus are subject to the usual limitations of such data. Second, generalization issues are also present. We began with the belief that the values of Japanese accountants reflected those of the society as a whole. Our results indicate that while Japanese accountants reflect the changes occurring in their society, they also represent a unique industry group that may differ from the rest of the Japanese society. Efforts to generalize results to other Japanese professions or industries must first take the unique characteristics of Japanese accountants into consideration. Third, we examined only one country. Hofstede noted that the dimensions were primarily intended for comparative purposes. Thus, extension of our work to accountants in other countries is needed. Finally, we utilized only four dimensions in attempting to capture both Japan's uniqueness and changes over time. Other dimensions that are present and unmeasured may have contributed to our results.

Implications and Future Research

Despite these limitations, this study has important theoretical and practical implications. We presented Japan as unique and examined the stability of the cultural dimensions utilizing the Hofstede measures in an effort to see if Japan's unique culture had been affected by the dramatic changes in ecological factors which have occurred since the mid-1800's. Our results indicate that Japan has increased in individualism and decreased in masculinity. Both changes push Japan further toward the "western" group which has

historically exhibited high levels of individualism and has experienced decreasing masculinity. These changes may indicate that Japan's culture has not been able to retain its "uniqueness" and may now be clustered with other countries unless other countries have experienced similar cultural changes. The change in masculinity is particularly striking as Japan's extremely high masculinity scores were a strong factor in its unique position in Hofstede's 1970 analysis.

An immediate impact of these cultural changes may appear in Japan's efforts to adopt and implement international accounting standards (IAS). Adoption of IAS was included in the "Big Bang" financial deregulation plan as an element essential to attracting international capital to Japanese companies and the Japanese markets. The corporate sector, however, has not been supportive and has successfully resisted prior government efforts related to the adoption of unwanted accounting standards. This resistance may be related to the "western" nature of IAS. IAS were developed primarily by "western" countries and are not necessarily easy to implement by other cultures. Japan's cultural changes, the increase in individualism and decrease in masculinity, may facilitate IAS adoption by providing a more "western" outlook for Japanese accountants that enables them to better understand and perhaps accept IAS.

Gray (1988) identified four dimensions of professional accounting, professionalism, uniformity, conservatism, and secrecy, related to national culture. Eddie (1990) later verified Gray's predicted relationships between national cultural dimensions and the professional accounting dimensions. Our research indicates that changes in individualism and masculinity may have occurred in Japan. Future research examining changes in the Hofstede dimensions as well as changes in professional accounting dimensions may provide valuable input to countries attempting adoption of IAS.

Hofstede's presentation of the national cultural dimensions as relatively stable and enduring is not entirely supported by our results. It appears that Japan has significantly changed in two of the national cultural dimensions. Extension of our research to accountants in other countries is needed to determine if other countries have moved in a synchronous fashion as predicted by Hofstede.

Similar to Merritt's (2000) analysis of airline pilots, the effects of the respondents' occupational context significantly impacted the scores obtained for the national cultural dimensions. Future research needs to consider potential industry effects in applying the Hofstede dimensions to identify differences in national culture and their resultant effects. Further, the interaction between national culture and the professional culture also presents an area of future research interest as performance is known to be impacted by both factors as well as other influences such as the historic and economic context (Helmreich and Merritt 1998). For example, extension of our research to other accounting groups in Japan and to professional and other accountants in other Asian countries would enable consideration of the influence of professional culture as well as national culture.

The popularity of the Hofstede framework is expected to remain high. Sivakumar and Nakata (2001) note that number of studies incorporating Hofstede's dimensions has shown steady increases since the 1980's with most appearing in the 1990's. They proposed a means of better selecting countries in comparative research involving the use of Hofstede's national culture dimensions. We expect Japan's popularity as a research country to continue due to its economic prominence and the uniqueness of its national character. Our study provides some support for as well as identifying certain limitations related to the use of the Hofstede dimensions.

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