Long Term Orientation vs. Future Orientation: A critique of existing studies -

Hofstede and GLOBE

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Abstract

Both the Hofstede and GLOBE national culture studies embody a time oriented dimension: Long Term
Orientation (LTO) and Future Orientation (FO) respectively. Whilst the two dimensions and their scores are
often treated as equivalent in cross cultural studies, there are important differences between them. This
ambiguity as to equivalence and differences is leading to confusion as to the correct application of the
dimension scores. We critically deconstruct and analyse the two dimensions and identify their similarities and
differences. Based on our analysis, we suggest that Hofstede’s LTO should be relabelled as Past-tradition
versus Future-saving orientation, in place of Short-term versus Long-term orientation. Similarly, GLOBE FO
should be relabelled as Present versus Future-planning orientation instead of simply Future Orientation. This
will provide researchers with guidance on the appropriate use of each dimension in future research into related
variables.

Keywords: National culture, Hofstede, GLOBE, Long term orientation, Future orientation
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Introduction

Much of cross-cultural culture management research has been based on the core concepts of culture developed by the seminal work of Geert Hofstede (1980; 2001). This work remains the standard in national culture studies but it has recently been joined by another national culture study, conducted by the GLOBE group (House, Hanges, Javidan, Dorfman & Vipin, 2004). The publication of the GLOBE study seems to have rekindled thoughtful examination by scholars of the nature of national culture dimensions, in particular those developed by Hofstede and GLOBE. For example, there have recently been published a series of papers by GLOBE and Hofstede themselves comparing their two models (Hofstede, 2006; Javidan, House, Dorfman, Hanges & Sully de Luque, 2006), plus an analysis of the important Uncertainty Avoidance dimension in the two models (Venaik & Brewer, 2009) and a discussion as to the relationship between GLOBE’s practice and value scores, together with the implications of this relationship for ongoing research (Brewer & Venaik, 2010; Maseland & Van Hoorn, 2010; Taras, Steel & Kirkman, 2010). Synthesising the above, Tung and Verbeke (2010) discuss a range of important issues in progressing culture related business studies which have emerged in recent times.

The objective of this paper is to offer another element of clarification in comparing the Hofstede and GLOBE models, in this instance, covering the Long Term Orientation dimension of Hofstede and the Future Orientation dimension of GLOBE. It is important to do this research. These two dimensions seem to be equivalent given their origin and labels: both are related to the time orientation of societies and both infer a tendency to emphasise the future rather than the present or past in values and attitudes. Such attitudes are held to be important in business outcomes (Hayes & Abernathy, 2007; Macduff, 2006). However, in fact, there are important differences between the two dimensions and there is a need to ensure the research community is aware of those differences and equipped to appropriately design research to take them into account.

Specifically, we critically examine the two dimensions of time orientation – Long-Term Orientation (LTO) and Future Orientation (FO) in the Hofstede and GLOBE studies respectively, and identify the similarities and differences between them. Based on our analysis, we suggest a way forward for researchers aiming to use the time orientation element of national culture for their own research.
The paper begins with a short discussion of the concept of past, present and future in the time orientation dimension of culture. We then describe the development of LTO and FO in the Hofstede and GLOBE national culture models, and explain why the two are different yet often considered equivalent. We provide a critical theoretical analysis of the definition and measurement of LTO and FO, employing relevant extant literature. Finally, we suggest a way forward for future research utilising LTO/FO.

### Time Orientation

Time orientation can be thought of in several different ways: commonly, as delineating the past, present and future (Kluckhohn & Strodtbeck, 1961) or it could be about punctuality (Rayback, 1992) or it could be about a monochronic time system (one thing at a time in orderly fashion) versus a polychronic time system (several things done at the same time and time allocation is flexible) (Hall, 1983).

In the Hofstede and GLOBE culture models, the time orientation dimension adopted is the first of these alternatives: that is, Past, Present or Future classification (which we call a PPF orientation). This classification was identified, in a national culture context, in the landmark study by Kluckhohn and Strodtbeck (1961). Kluckhohn and Strodtbeck (1961: 11) noted five areas that defined human value orientations. One of these is represented by the question “What is the temporal focus of human life? (i.e., time orientation)”. The answer to this question in a human society falls into the range of Past, Present and Future. While all societies need to cope with all three time phases, it is the differences in ordering of this focus on time that differentiates one culture from another (in respect of time orientation). Each culture has “a preferred temporal perspective” (Mayfield, Mayfield, Martin & Herbig, 1997: 79). According to Kluckhohn and Strodtbeck’s examples, past-oriented societies tend to value ancestors and family tradition and take the view that nothing new happens; present-oriented societies think people are subject to uncontrolled external forces, they care little about the past and think the future is unpredictable; and future-oriented societies tend to look forward to bigger and better outcomes in life (Kluckhohn & Strodtbeck, 1961: 14).

Hofstede and GLOBE definitions and descriptions of their time dimensions have clear relationships to the Kluckhohn/Strodtbeck time orientation but with adaptations. Hofstede, through his construct Long Term Orientation, differentiates between societies on the basis of the importance they place on the long term future versus the present and the past. GLOBE Future Orientation differentiates between societies that prefer future rewards over living for the present. Clearly these two applications of time orientation are developed under the same overall rubric and are similar, at the least, in that respect. These relationships are set out in Figure 1.
Hofstede's (2001) Long Term Orientation dimension was added after the four other dimensions of his model were originally published in Hofstede (1980). The dimension was first developed by the Chinese Culture Connection (1987) as a response to the concern that cultural questionnaires are usually prepared by Western academics and therefore may be bound by a Western cultural outlook. As a consequence a survey was prepared specifically to identify and measure Chinese cultural values (and consequent dimensions). Three of the resulting dimensions were found to correspond with those in the original Hofstede survey. But one dimension, labelled Confucian Work Dynamism, did not have an equivalent in the Hofstede taxonomy and hence was added to that model as a new dimension. For a range of reasons (Hofstede, 2001: 355), Hofstede decided to change the name of this dimension within his culture model to Long Term Orientation (LTO). The dimension is defined as follows: “Long Term Orientation stands for the fostering of virtues oriented towards future rewards, in particular, perseverance and thrift. Its opposite pole, Short Term Orientation, stands for the fostering of virtues related to the past and the present, in particular, respect for tradition, preservation of face and fulfilling social obligations.” (Hofstede, 2001: 359).

GLOBE’s FO dimension is defined as: “the degree to which individuals in organizations or societies engage in future-orientated behaviors such as planning, investing in the future, and delaying individual or collective gratification” (House & Javidan, 2004: 12). In a theoretical sense there is reason to think of Hofstede LTO and GLOBE FO as the same construct. For example, Ashkanasy et al (2004: 285) describe FO as “the extent to which members of a society or an organization believe that their current actions will influence their future…and look far into the future for assessing the effects of their current actions”. In a similar vein, Hofstede (2001: 361) states, “Businesses in long-term-oriented cultures are accustomed to working toward building up strong positions in their markets; they do not expect immediate results”. Note also that Hofstede’s definition of LTO cited above contains the word “future”. These “looking towards the future” preferences seem to be strongly related. This impression of “sameness” is primarily a result of the fact that both Hofstede’s LTO and GLOBE’s FO are sub-dimensions of the broader concept of Kluckhohn and Strodtbeck’s PPF time orientation. According to Ashkanasy et al. (2004: 282), “future orientation has been identified as a dimension of the more general construct, time orientation” and of course, so is Long Term Orientation.
Thus LTO and FO have common origins. Also, interestingly, there is significant consistency in the relationships between Hofstede LTO and GLOBE FO values and some external variables, suggesting that these dimensions have some commonality insofar as their relationships with other constructs of interest are concerned. For example, Hofstede LTO has a significant negative relationship with affective autonomy ($r=-.53$, $p<.05$) (Hofstede, 2001: 511) and well-being versus survival values ($r=-.53^*$, $p<.05$) (Hofstede, 2001: 506). Likewise, GLOBE FO values have significant negative relationship with affective autonomy ($r=-.43$, $p<.01$) and survival/self-expression values ($r=-.69$, $p<.01$) (Ashkanasy et al., 2004: 312). Using Hofstede LTO scores, Tsui and Windsor (2001) found that LTO is consistent with low ethical reasoning, and Sanyal and Guvenli (2009) found that LTO is associated with more bribe giving.

But there are also reasons to think of LTO and FO as different since they have different constructs. The definitions of LTO and FO provided above are also different. LTO emphasises perseverance and thrift versus the past/present, whereas FO is primarily about planning for the future versus focusing on the present. We also note that GLOBE does not use the same scales as Hofstede to measure their FO construct and importantly GLOBE also shows there is no significant statistical relationship between the two dimensions based on the scores for countries that are common to both (the correlation between Hofstede LTO and GLOBE FO practices and values is $r = -.02$ and $r = -.16$ respectively, see Table 1). Hence Ashkanasy et al. (2004: 313), “suggest a need for caution in interpreting Confucian Dynamism scale as a proxy for long-term orientation”.

To clarify this situation, in the following sections we review the LTO/FO literature, deconstruct LTO and FO, provide an analysis of their measures and explain why and how LTO and FO should be treated as distinct dimensions of time orientation in future research.

**Review of Empirical Literature on Hofstede LTO and GLOBE FO**

There is a relative dearth of literature discussing or using the LTO and/or FO dimensions (Fang, 2003). Notwithstanding this constraint, studies examining the time orientation aspect of culture can be classified into four broad categories. In the first group are a handful of studies that critique or re-examine the conceptual and measurement foundations of Hofstede’s LTO dimension. The second group includes studies that use LTO to explain external constructs of interest to researchers. Recently, with the availability of the GLOBE scores, a third group of studies examines the relationship between GLOBE FO and other variables. Finally, a few studies adapt the LTO/FO items of Hofstede and/or GLOBE to measure time orientation at the firm or
individual level. A brief review of the literature in each of these four categories follows (see Table 1 for a summary).

One of the first critiques of Hofstede’s LTO is provided by Yeh and Lawrence (1995) who show how, after removing the outlying data for Pakistan and Philippines, Hofstede’s LTO is strongly positively related with collectivism and therefore lacks discriminant validity. Subsequently, Fang (2003) identified a number of serious flaws in the LTO measures used by Hofstede, including their lack of face validity and other conceptual and methodological issues, and called into question the usefulness of Hofstede’s LTO dimension for cross-cultural research. In contrast, Spector, Cooper and Sparks (2001) studied the psychometric properties of Hofstede’s 1994 Values Survey Module in 23 countries and found that all scales except LTO had poor reliability.

A second group of studies examine the relationship between Hofstede’s LTO and other variables. For example, Van Everdingen and Waarts (2003) found a positive relationship between LTO and firm innovation adoption rate, Buck, Liu and Ott (2010) show that high LTO cultures tend to adopt long-term HRM strategies in international joint ventures, and Merkin (2004) argues that LTO culture members are more likely to use harmonious and cooperative face work strategies than their short-term orientated counterparts.

With the availability of GLOBE FO dimension scores since 2004, a third group of studies use this dimension instead of Hofstede’s LTO to explain their construct of interest. For example, Fu et al. (2004) show that high FO values strengthen the positive relationship between belief in fate control and perceived effectiveness of assertive strategies, and Seleim and Bontis (2009) find that high FO values have a strong positive relationship with high corruption. Naor et al.’s (2010) results indicate that organizational culture of high FO practices has a significant effect on manufacturing performance, whereas national culture of high FO values makes an insignificant additional contribution to explain performance.

Finally, the fourth category of studies develop their own scales to measure LTO or FO at the sub-national level of individuals or firms, incorporating items that are more relevant for the context under examination, or to refine the scale to remove items lacking face validity, especially relating to CCC’s original eight measures of LTO. For example, Barkema and Vermeulen (1997) measure LTO with a single item, namely, country’s marginal propensity to save, incorporating just the thrift aspect of Hofstede’s LTO. Peterson, Dibrell and Prett (2002) measure short-term and long-term firm performance with two items each – return on investments and return on assets for short-term performance, and R&D and market share for long-
term performance. Interestingly, their adapted items that purportedly aim to operationalize LTO have little in common with Hofstede’s LTO measures even though the study is conceptualized within the LTO logic of Hofstede.

In this last group, two studies that develop their own scales by adapting Hofstede’s LTO dimension are of particular interest since they support the view that much of the literature assumes Hofstede’s LTO and GLOBE FO are interchangeable (as Hofstede argues) rather than unrelated (as House et al. suggest). Ryu and Cook (2005) adapt the items used by Hofstede (1991) and measure LTO with the following four items (numbers in brackets are factor loadings): working toward future goal (.58), working for future life (.81), saving money for future (.45), and being frugal (.53). In operationalizing Hofstede’s LTO, the term “future” is used in three of the four items, which indicates that these authors consider Hofstede’s LTO to cover the same conceptual domain as GLOBE’s FO. Similarly, Bearden et al. (2006: 457) adapt Hofstede’s (1991) LTO and state that “individuals scoring high in LTO value planning, tradition, hard work for future benefit, and perseverance.” They propose two dimensions of LTO – Tradition and Planning – measured with four items each. The first Tradition dimension of LTO is measured with the following four items (numbers in brackets are factor loadings): respect for tradition is important to me (.67), family heritage is important to me (.67), I value a strong link to the past (.61), and traditional values are important to me (.71). The second Planning dimension of LTO is measured with the following four items: I plan for the long-term (.53), I work hard for success in the future (.58), I don't mind giving up today's fun for success in the future (.59), and persistence is important to me (.36). Thus, Bearden et al.’s (2006) two-dimensional conceptualization of LTO incorporates both the tradition and perseverance aspects of Hofstede’s LTO as well as the planning and future aspects of GLOBE’s FO. This “mixture” reflects a view of equivalence between the two.

To conclude, given the longer history of Hofstede’s LTO vis-à-vis GLOBE’s FO, the former has been subject to relatively greater scholarly scrutiny and applied either as is or with modification by researchers. With the availability of the GLOBE FO scores, scholars seem to consider the two to be substitutes and choose to use one or the other or a mixture of both without adequate explanation or justification. Given the differences in the items used to measure the LTO and FO dimensions in Hofstede and GLOBE respectively and their insignificant statistical relationship, it is erroneous to assume that the two are the same even though they cover a similar conceptual domain of PPF time orientation. In the next section, we present a detailed analysis of the items used to operationalize Hofstede’s LTO and GLOBE FO. Based on the similarities and differences in the
PPF time orientation conceptual domain encompassed by the two models, in the subsequent section, we suggest a way forward as to their relative applicability in examining the effects of societal time orientation on external variables of interest to researchers. We also propose alternative labels for these two dimensions to more closely reflect the PPF time orientation domain covered by each with their respective measures.

TABLE 2 HERE

Analysis of Hofstede LTO and GLOBE FO Measures

This section presents a comparative analysis of the items used by Hofstede and GLOBE to measure the time orientation dimensions of LTO and FO respectively (see Appendix A for Hofstede LTO measures and Appendix B for GLOBE FO measures). As noted earlier, Kluckhohn and Strodtbeck (1961) consider the temporal rank order emphasis of human societies to be past, present or future. Past orientation “places primary emphasis upon the maintenance, or the restoration, of the traditions of the past”; “future orientation stresses “planning for the future and hoping future is better than either the present or the past”; and present orientation gives most attention to what is happening now and is “timeless, traditionless, future-ignoring” (Kluckhohn & Strodtbeck, 1961: 14). We will apply the above definitions to assess and compare Hofstede LTO and GLOBE FO. Empirical evidence will be provided where appropriate.

Analysis of Hofstede’s LTO Measures

As noted earlier, Hofstede’s LTO national culture dimension is derived from an earlier study (Chinese Culture Connection, 1987) based on Confucian virtues (see Appendix A). The dimension has two poles – long term orientation (LTO) and short term orientation (STO) – each measured with four items. The LTO pole is measured with the following four items: thrift, ordering relationships by status and observing this order, persistence/perseverance, and having a sense of shame. And the STO pole is measured with the following four items: personal steadiness and stability, protecting your face, respect for tradition, and reciprocation of greetings, favors and gifts. We carry out a semantic analysis of the items used to better determine what has actually been measured and to help assess equivalence or otherwise between LTO and FO.

Firstly, we note that a pair of LTO scale items are equivalent in meaning, namely “shame” (zhichi) and “face” (yao mianzi) (this point was also made in Fang, 2003) (see items 4 and 6 in Appendix A). According to LCCASS (1981), face is about protecting one’s public image and reputation, and shame is the feeling of guilt towards something bad or inadequate (or losing face). These items have factor loadings of .61 and -.72 and according to Hofstede, represent the Long Term and Short Term poles respectively of his LTO dimension.
Since the items are similar in nature, have factor loadings that are similar in size but opposite in sign, adding them effectively cancels the effects of both these items in the construction of Hofstede’s LTO index for a country. Thus, in effect, Hofstede’s LTO scores do not represent the face or shame aspects of societies. In addition, neither of these items conceptually represents any aspect of time.

A second pair of items that are equivalent in meaning are “ordering of relationships by status” (zhui bei you xu) and “reciprocation of greetings, favors, and gifts” (li shang wang lai) (see items 2 and 8 in Appendix A). According to Fang (2003), “ordering of relationships by status” is based on Confucius’ wulun or five relations including the relationships between ruler and subject, father and son, husband and wife, elder brother and younger brother, and friend and friend. Among these five relationships, the first four are hierarchical and the last one is horizontal between equals (Zhu, 2009). In other words, these five relationships embrace all kinds of human relationships in the Chinese society, ranging from superior-subordinate, subordinate-superior to equal-equal relationships. Consequently, these relationships determine the social roles, obligations and status of each person in the social networking system. Although specific role allocation may differ across cultures, the basic hierarchical and horizontal relationships and relevant social roles would apply to all societies. Given that the two items – ordering relationships and exchanging gifts – emanate from the same underlying phenomena of social hierarchy, roles and obligations, and have factor loadings that are similar in size but opposite in sign (0.64 and -0.58 respectively), adding the two items to construct Hofstede’s LTO index effectively cancels the contribution of both these items to the overall country LTO index. Thus, the LTO scores do not capture the attributes of societal obligations relating to “ordering relationships” or “exchanging gifts”. In addition, neither of these items reflects any aspect of time in the PPF framework on which the Hofstede’s LTO is based or any other aspect of time orientation.

Thus, our analysis of the first four of the eight items used to measure LTO reveals two interesting insights. One, conceptually, these items have nothing to do with the PPF time dimension, although Hofstede claims to use these items to measure the Long Term Orientation of societies. More importantly, given that two pairs of equivalent items have both positive and negative factor loadings and therefore represent opposite poles of the LTO/STO dimension, adding the scores for these items to construct the LTO index effectively cancels out their contribution to the content and meaning of the LTO construct. Notwithstanding this anomaly, Hofstede includes the characteristic of face (but not shame), and that of fulfilling social obligations (but not ordering relationships) in his definition of LTO. This points to serious problems of lack of congruence between
Hofstede’s definition of LTO and its measurement, and researchers need to be aware of this issue when using Hofstede’s LTO scores or measures to explain their constructs of interest.

Persistence (naili) means the virtue to stand and endure (situations, conditions, etc.) or strong will to persist (LCCASS, 1981). This scale has a future time implication with a stress on enduring into the future. Thrift (Jian) is defined by LCCASS (1981) as (1) jian sheng or ‘to save’, (2) shengchi jian yong (practice economy in eating and other consumer behaviour, and (3) bu langfei (do not waste). Thrift leads to savings, and one saves for the future. Thus, both persistence and thrift are valid measures of “future” time orientation.

The two remaining items used to measure Hofstede’s STO (or societal past and present orientation) are tradition and steadiness/stability. Respect for tradition (zunjing chuangtong), according to LCCASS (1981), has only one simple meaning, that of social customs and heritage that are passed on from generation to generation. This definition is in alignment with Kluckhohn and Strodtbeck (1961: 326) conceptualization of past time which views history “as sources of knowledge to keep the present stable and the future predictable”. Respect for tradition therefore represents the past aspect of PPF time orientation. However, it has a long-term connotation and should not be seen as STO since societies respecting tradition such as historical rituals and custom tend to hold their tradition in pride and would like their tradition to last for a long time. Not surprisingly, regardless of Hofstede’s label of STO researchers interpret respect for tradition as LTO (e.g. Bearden et al., 2006; Newman & Nollen, 1996).

Personal steadiness and stability (wenzhong) is a somewhat difficult concept to assess since it has no clear denotative meaning related to time. However, it has connotative meanings suggesting the past aspect of PPF time orientation. According to LCCASS (1981), personal steadiness is defined as (1) chenzhuo (steadiness, calmness or constancy) and (2) you fenchun (indicating a degree of well-adjusted balance or prudence when speaking or acting). The first meaning relating to constancy may suggest a past time as the pattern of being steady or constant continues from the past. Second, the characteristic of well-adjusted balance suggests a pre-measured calculation of the situation one deals with based on past experiences or existing conventions of behaviour, hence suggesting a focus on the past. For example, the prudence of speaking (shenyan) is stressed as a well-adjusted speaking behavior of junzi or gentlemen as part of Confucian teaching (Lu, 1998). In addition, this constant pattern of behaviour embedded in personal steadiness indicates a long term orientation, rather than STO as Hofstede suggests.
Based on our analysis, we find that out of the eight original measures of Hofstede’s LTO, four are either unrelated to the concept of time, or cancel each other out. Of the remaining four items, two – perseverance and thrift – are better conceptualized as representing the future aspect of PPF time orientation, and the other two – tradition and steadiness/stability – as representing the past aspect of PPF time orientation.

Analysis of GLOBE FO Measures

There are important differences, however, between the two time orientation dimensions of LTO and FO. The GLOBE study represents societal time orientation in two ways – practices “as is” and values “should be” – measured with five and four items respectively (see Appendix B). Unexpectedly, the FO practices and values have a significant negative relationship. We will first examine the content of the items used to measure FO in GLOBE and then we will discuss the anomalous negative relationship between FO practices and values.

Content analysis of the items used to measure GLOBE FO practices and values (see Appendix B) indicates that the GLOBE FO items represent the practices or values/preferences of societies for future vis-à-vis the present. For example, one of the items used to measure GLOBE FO practices (item 1-3) is: “the way to be successful in this society is to: plan ahead versus take life events as they occur. Similarly, one of the GLOBE FO values measure (item 3-4) is: “I believe that the accepted norm in this society should be to: plan for the future versus accept the status quo”. Thus, following PPF time orientation framework, the GLOBE FO focuses on the future aspect of time orientation vis-à-vis the present.

Relationship between GLOBE FO Practices and Values

As seen in Table 1 and Figure 2, GLOBE FO practices and values have a significant negative relationship (r=-.40, p<.01). Prima facie, this negative relationship seems anomalous, since it is often believed that peoples’ practices are driven by their values. However, on closer examination of the FO practices-values gap in figure 2 and the specific questions asked in the GLOBE survey, it is possible to explain this apparent anomaly.

First, national economic prosperity has a strong positive relationship with GLOBE FO practices (r=.54, p<.01) but a strong negative relationship with GLOBE FO values (r=-.62, p<.01) (House et al., 2004: 315) (the latter most likely due to the significant negative relationship between GLOBE FO practices and values). Thus, countries that “plan ahead”, “plan for the future” and “plan well in advance” (see Appendix B for items) have a higher level of prosperity than those that do not have these practices. Second, as seen in Figure 2, almost all countries have higher level of FO values than their practice. In other words, nearly all
countries aspire for a high level of planning since countries with high planning practices are found to be economically well off and all countries aspire for high levels of prosperity.

The negative relationship between FO practices and values is due to the fact that countries with extremely low FO practices aspire to more planning than do countries with high FO practices. Thus, rich countries with high FO practices are largely satisfied with their current level of planning and hence have relatively small difference between their practices-values scores. On the other hand, poor countries (with low FO practices) aspire to be rich and therefore have high FO values similar to that of rich countries, and hence have a large gap between their practices-values scores. In our view, GLOBE FO practices scores should be used to examine relationships between societal planning practices and their current achievements as a result of planning. GLOBE FO values scores should be used to examine relationships between societal planning aspirations and future goals and aspirations of the society, rather than current practices.

**Comparison between Hofstede LTO and GLOBE FO**

Based on our analysis of the Hofstede LTO and GLOBE FO dimensions, we find a number of similarities and differences in the two models, as summarized in Table 3. As shown in the table, whereas both Hofstede’s LTO and GLOBE FO are similar in that they focus on time orientation of societies, adopting the PPF schema, there are several critical differences that researchers need to be aware of in using these dimensions for their own research. The first key difference is that the Hofstede LTO focuses on societal values (see Appendix A questionnaire preamble), whereas GLOBE FO provides scores for both practices and values. Hence, the use of the two scores will vary depending on whether we aim to explain phenomena that represent societal values and preferences or their current practices. This is a critical difference but which many researchers seem to ignore in their research (Brewer & Venaik, 2010; Venaik & Brewer, 2010).

**TABLE 3 HERE**

The second key difference is that although the upper end of both dimensions focus on society’s long term or future orientation, Hofstede’s LTO captures the perseverance and thrift aspects of future orientation, whereas GLOBE’s FO represents the planning aspect of future orientation. Unless it can be shown theoretically and empirically that these two aspects of future orientation are similar and related, they must be regarded as distinct and different aspects of future time orientation. Importantly, the other end of the LTO and FO scales are dissimilar. Whereas Hofstede’s future orientation is relative to the past, in the case of GLOBE, societal future orientation is relative to the present. Since PPF time orientation is three-dimensional, consisting
of three distinct time phases, past, present and future, it is important to understand and appropriately designate the characteristics of time orientation that are represented by the measures of each end of Hofstede’s LTO and GLOBE’s FO scales.

**Way Forward**

In light of the important issues discussed above, we recommend a relabeling of both the Hofstede LTO and GLOBE FO dimensions. We suggest that Hofstede LTO should be relabelled as Past-tradition versus Future-saving orientation, in place of Short-term versus Long-term orientation, because the Past-tradition pole is measured with items reflecting societies’ regard for tradition and steadiness/stability and the Future-saving pole is measured with items reflecting societies’ future orientation through perseverance and thrift. Similarly, based on the items used to measure GLOBE FO, it should be relabelled as Present versus Future-planning orientation instead of simply Future orientation. The suggested labels not only clearly identify the differences in the scale anchors used by each model (past for Hofstede versus present for GLOBE) but also capture the differences that underlie the future end of the two scales (measured with perseverance and thrift in Hofstede versus planning in GLOBE). Our relabeling of Hofstede LTO and GLOBE FO dimensions will help researchers in deciding which model (measures and/or scores) may be more appropriate to explain the phenomena of their interest. In addition, it will help overcome the current confusion in the literature where the two dimensions are regarded as either the same (Hofstede, 2006) or different (Ashkanasy et al., 2004).

**Conclusion**

In this paper, we attempt to resolve the confusion and contradictions between Hofstede’s LTO and GLOBE’s FO by deconstructing the items used to measure these dimensions in both models. Our theoretical and empirical analysis shows that Hofstede’s LTO and GLOBE’s FO values represent two sub-dimensions of a higher order time-orientation dimension of national culture. Hence, each may be useful, albeit differently, in future research relating time orientation with other variables of interest to scholars. Accordingly we offer a way forward for researchers on how to use these scales and scores for their own research and we believe our clarification and suggested relabelling of these two important dimensions will help researchers to more effectively explain their phenomena of interest.

Our analysis clarifying the intrinsic meaning of the Hofstede and GLOBE national culture time dimensions have implications for practitioners. Managers should be aware that the usefulness of understanding foreign cultures through the widely acknowledged Hofstede and GLOBE dimensions
needs to be guided by the underlying rationale of each dimension. In the case of Hofstede LTO, the societal score represents a tendency for thrift and saving. Thus, managers can target high LTO countries as potential markets for financial services and as sources of funds for other national markets.

Our study, as we acknowledge in the introduction, is restricted to an examination and clarification of the Hofstede and GLOBE time related dimensions and their true meanings. We recognise that these dimensions are limited to two dimensional time perspectives developed in both culture models and the corresponding cultural norms are therefore also two dimensional. This may be an inadequate basis for both researchers and practitioners wishing to gain insights into the cultural implications of the time orientation of different groups, which are thought to be based on all three of the past, present and future perspectives. In addition, since both these studies used multilingual surveys in different countries, a comprehensive understanding of what each culture model really measured in each of the different languages requires an examination of the questionnaire items in all the languages in which the questionnaires were administered.

NOTES

1. Although the LTO/STO poles of Hofstede’s Long Term Orientation dimension are each measured with four items, surprisingly, Hofstede’s (Hofstede, 2001: 359) LTO definition omits mention of the items relating to shame and ordering relationships for the LTO pole and the aspect of steadiness/stability from the STO pole: “Long Term Orientation stands for the fostering of virtues oriented towards future rewards, in particular, perseverance and thrift. Its opposite pole, Short Term Orientation, stands for the fostering of virtues related to the past and the present, in particular, respect for tradition, preservation of face and fulfilling social obligations.”

2. A general discussion of the reasons for the negative correlations between practices and values in GLOBE scores has been provided by Maseland and van Hoorn (2009) and Brewer and Venaik (2010).
REFERENCES


## APPENDIX A

### Hofstede survey questions for Long-term Orientation

<table>
<thead>
<tr>
<th>Factor loading in CVS87</th>
<th>CVS87</th>
<th>VSM94</th>
<th>VSM94</th>
<th>VSM 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>In your private life, how important is each of the following to you? (1. Of utmost importance…..5. Of very little or no importance)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. <strong>Persistence</strong> (perseverance)</td>
<td>0.76</td>
<td>24</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>2. Ordering relationships by <strong>status</strong> and observing this order</td>
<td>0.64</td>
<td>14</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>3. <strong>Thrift</strong></td>
<td>0.63</td>
<td>23</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>4. Having a sense of <strong>shame</strong></td>
<td>0.61</td>
<td>31</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>5. Personal <strong>steadiness</strong> and stability</td>
<td>-0.76</td>
<td>18</td>
<td>9</td>
<td>.</td>
</tr>
<tr>
<td>6. Protecting your &quot;<strong>face</strong>&quot;</td>
<td>-0.72</td>
<td>35</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>7. Respect for <strong>tradition</strong></td>
<td>-0.62</td>
<td>39</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>8. <strong>Reciprocation</strong> of greetings, favors, and gifts</td>
<td>-0.58</td>
<td>8</td>
<td>.</td>
<td>.</td>
</tr>
<tr>
<td>(1). <strong>Persistent</strong> efforts are the surest way to results</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1. Strongly agree…..5. Strongly disagree)</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>25</td>
</tr>
<tr>
<td>(3). If there is something expensive you really want to buy but you do not have enough money, what do you do? (1.Always save before buying…..5. Always buy now, pay off later.)</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>15</td>
</tr>
<tr>
<td>(5). Are you the same person at work (or at school if you are a student) and at home? (1. Quite the same…..5. Quite different)</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>18</td>
</tr>
<tr>
<td>(7). We should honour our heroes from the past</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1. Strongly agree…..5. Strongly disagree)</td>
<td>.</td>
<td>.</td>
<td>.</td>
<td>28</td>
</tr>
</tbody>
</table>

---

2. The Chinese Culture Connection, 1987: 147-48 (9-point scale with similar scale end points)

Hofstede uses the following formulae to compute country-level Long-Term Orientation scores in each survey:

- CVS87: \( LTO = 50 \times F + 50 \), where \( F \) is the factor score across the eight items in CVS87
- VSM94: \( LTO = -20m(10) + 20m(12) + 40 \) (old version: \( LTO = 45m(9) - 30m(10) - 35m(11) + 15m(12) + 67 \) (see Hofstede, 2001:497)
- VSM08: \( LTO = -40m(15) + 40m(18) - 25m(25) + 25m(28) + C(ls) \)

where, \( m(x) \) is the country mean score for survey question \( x \), \( C(ls) \) is any constant that converts the LTO index score to 0 to 100 range.
APPENDIX B
GLOBE survey questions for Future Orientation*

Practices

1-3. The way to be successful in this society is to: (reverse code)
   plan ahead - take life events as they occur
1-4. In this society, the accepted norm is to: (reverse code)
   plan for the future - accept the status quo
1-8. In this society, social gatherings are: (reverse code)
   planned well in advance (2 or more weeks in advance) - spontaneous (planned less than an hour in advance)
1-30. In this society, more people:
   live for the present than live for the future - live for the future than live for the present
1-31. In this society, people place more emphasis on:
   solving current problems - planning for the future

Values

3-3. I believe that people who are successful should: (reverse code)
   plan ahead - take life events as they occur
3-4. I believe that the accepted norm in this society should be to: (reverse code)
   plan for the future - accept the status quo
3-8. I believe that social gatherings should be: (reverse code)
   planned well in advance (2 or more weeks in advance) - spontaneous (planned less than an hour in advance)
3-30. I believe that people should:
   live for the present - live for the future

* GLOBE instruments are available at: http://www.thunderbird.edu/sites/globe/globe_instruments/index.htm.
All items are measured using 7-point Likert-type scales. The mean country score across respondents for each item and then across items for each country is the Power Distance score for respective country.
Table 1: Descriptive statistics for Hofstede Long-term Orientation (LTO) and GLOBE Future Orientation (FO)

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Median</th>
<th>Std. Deviation</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hofstede LTO Index</td>
<td>30</td>
<td>16</td>
<td>118</td>
<td>45.0</td>
<td>36.5</td>
<td>24.9</td>
<td>1</td>
</tr>
<tr>
<td>GLOBE FO Practices</td>
<td>30</td>
<td>3.11</td>
<td>5.07</td>
<td>3.99</td>
<td>4.06</td>
<td>0.47</td>
<td>-.02</td>
</tr>
<tr>
<td>GLOBE FO Values</td>
<td>30</td>
<td>4.73</td>
<td>6.20</td>
<td>5.38</td>
<td>5.33</td>
<td>0.39</td>
<td>-.16</td>
</tr>
</tbody>
</table>

**Correlation significant at 0.01 level (2-tailed)**
(For the 61 countries within GLOBE, the correlation between future orientation practices and values is also strongly negative, r = -.41, p<.01)
<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Year</th>
<th>Journal</th>
<th>LTO measures</th>
<th>Key results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buck, Liu &amp; Ott (2010)</td>
<td>2010</td>
<td>IBR</td>
<td>1</td>
<td>Chinese cultures (with high LTO) tend to adopt long-term HRM strategies in international joint ventures.</td>
</tr>
<tr>
<td>Fang (2003)</td>
<td>2003</td>
<td>IJCCM</td>
<td>1</td>
<td>Conceptual and methodological critique of Hofstede's LTO dimension, identifies fatal flaws in LTO measures, and calls into question the usefulness of Hofstede LTO for cross cultural research.</td>
</tr>
<tr>
<td>Merkin (2004)</td>
<td>2004</td>
<td>AJC</td>
<td>1</td>
<td>LTO culture members are more likely to use harmonious and cooperative facework strategies than their short-term orientated counterparts.</td>
</tr>
<tr>
<td>Sanyal &amp; Guvenli (2009)</td>
<td>2009</td>
<td>CCM</td>
<td>1</td>
<td>LTO (STO) is associated with more (less) bribe giving.</td>
</tr>
<tr>
<td>Spector, Cooper &amp; Sparks (2001)</td>
<td>2001</td>
<td>AP</td>
<td>1</td>
<td>Test psychometric properties of Hofstede measures using VSM94 (not the original LTO measures in the Chinese Values Survey) in 23 countries. Except LTO, all scales have poor reliability.</td>
</tr>
<tr>
<td>Tsui &amp; Windsor (2001)</td>
<td>2001</td>
<td>JBE</td>
<td>1</td>
<td>LTO (STO) is consistent with low (high) ethical reasoning.</td>
</tr>
<tr>
<td>Van Everdingen &amp; Waarts (2003)</td>
<td>2003</td>
<td>ML</td>
<td>1</td>
<td>The higher the score on LTO, the higher the innovation adoption rate (ERP adoption rate) (n=10 European countries).</td>
</tr>
<tr>
<td>Yeh &amp; Lawrence (1995)</td>
<td>1995</td>
<td>JIBS</td>
<td>1</td>
<td>Argues how Hofstede's LTO and Collectivism dimensions are strongly related and therefore tap into the same underlying construct</td>
</tr>
<tr>
<td>Seleim &amp; Bontis (2009)</td>
<td>2009</td>
<td>JIC</td>
<td>2p,2v</td>
<td>High scores on FO values (practices) are associated with high (low) corruption.</td>
</tr>
<tr>
<td>Fu et al. (2004)</td>
<td>2004</td>
<td>JIBS</td>
<td>2v</td>
<td>High FO values strengthen the positive relationship between belief in fate control and perceived effectiveness of assertive strategies.</td>
</tr>
<tr>
<td>Naor et al. (2010)</td>
<td>2010</td>
<td>JOM</td>
<td>2v (3bp for firm culture)</td>
<td>Controlling for organizational culture, national culture of high FO values has no effect on manufacturing performance. However, organizational culture of high FO practices has a significant positive effect on manufacturing performance.</td>
</tr>
<tr>
<td>Barkema &amp; Vermeulen (1997)</td>
<td>1997</td>
<td>JIBS</td>
<td>3a</td>
<td>Differences in LTO between home and host countries (1) have a negative impact on international joint venture survival, and (2) reduce a firm's propensity to set up an international joint venture rather than a wholly-owned subsidiary.</td>
</tr>
<tr>
<td>Bearden et al. (2006)</td>
<td>2006</td>
<td>JAMS</td>
<td>3a</td>
<td>8-item scale for two dimensions of LTO - tradition and planning</td>
</tr>
<tr>
<td>Hofstede, Hofstede and Minkov (2010)</td>
<td>2010</td>
<td>APBR</td>
<td>3e</td>
<td>Use World Values Survey items to measure LTO/STO and identify relationship with Hofstede’s LTO/STO for matching countries</td>
</tr>
</tbody>
</table>
Nevins et al. (2007), Bearden et al. (2006) 2007 JBE 3a High LTO on both tradition and planning dimensions has significant positive relationship with work ethic and personal ethical values.

Ryu & Cook (2005) 2005 JABR 3a,3bp Firms in high LTO culture prefer soft contracts with supply chain members.

Peterson, Dibrell & Pett (2002) 2002 JWB 3c Western European MNCs place equally high priority on both long- and short-term performance measures compared to Japanese and US MNCs; Japanese and US MNCs are not statistically different in their long- or short-term performance measures.

1 The list is sorted by LTO measures followed by author's name.
2 LTO measures: 1: Hofstede LTO scores/scales, 2p,2v: GLOBE FO scores/scales (p-practices, v-values), 3a: Author's scales adapted from Hofstede LTO, 3bp,3bv: Author's scales adapted from GLOBE FO (p-practices, v-values), 3c: Author's scales.
## Table 3: Comparing Hofstede LTO and GLOBE FO

<table>
<thead>
<tr>
<th></th>
<th>Hofstede LTO</th>
<th>GLOBE FO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Similarities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Focus on time orientation of societies</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2. Based on PPF rubric</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Differences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Practices/Values</td>
<td>Values</td>
<td>Practices and Values</td>
</tr>
<tr>
<td>2. Countries</td>
<td>Originally 23 (now 35)</td>
<td>61</td>
</tr>
<tr>
<td>3. Past-present-future dimensions</td>
<td>Past versus Future</td>
<td>Present versus Future</td>
</tr>
<tr>
<td>4. Item measures</td>
<td>Conceptually multidimensional, focus on multiple attributes such as perseverance and thrift for the future pole, and tradition and steadiness/stability for the past pole</td>
<td>Conceptually one-dimensional, focus on a single planning attribute for future versus present</td>
</tr>
<tr>
<td>5. Dimension</td>
<td>Bipolar (LTO vs STO)</td>
<td>Unipolar (FO, high versus low)</td>
</tr>
</tbody>
</table>
Figure 1: Time orientation in culture models

- **Time Orientation in culture**
  - Punctuality (Rayback, 1992)
  - Past, Present, Future (PPF) (Kluckhohn & Strodtbeck, 1961)
  - Monochronic/Polychronic (Hall, 1983)
  - Long Term Orientation (Hofstede, 2001)
  - Future Orientation (House et al., 2004)
Figure 2: GLOBE Future Orientation Practices and Values