

Hofstede model strengths and weaknesses



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Working in multicultural environments is a major challenge which faces many expatriates. Many multinationals face problems which arise as a result of inter-cultural conflicts in multicultural working environments[1]. This poses a danger of not achieving organizational goals due to low employee motivation. There are many problems which arise as a result of people from different cultural backgrounds working together and this at times leads to organizational conflict. It is important to analyze this issue in detail since it is an obstacle to effective operation of many multinationals across the world. This paper will analyze the challenges facing firms and employees working in multicultural environments. The Hofstede and Trompenaars models will be used in this analysis. The Louis Vuitton Moet Hennesy Group is an organization which will be used as a case study since it is a huge multinational. It has many employees with Chinese and French backgrounds which will expose multicultural conflicts or problems facing such a multinational. The various measures managers of multinationals should take to deal with these challenges will also be discussed in the paper. Academic journals and books will be used to support the research and the discussed issues will be summarized at the end of the paper.

PART 1

Hofstede model

The Hofstede model was developed by Hofstede, a Dutch, who explained interaction between organizational culture and national culture. He undertook a research which found out that regional and national groupings affect behaviors of organizations and societies[2]. He also found that these behaviors persist over time. Hofstede studied various dimensions of

organizational cultures including large vs small power distance which analyzes the extent to which least powerful organizational members view power distribution as unequal. He also studied collectivism vs individualism which assesses the ability of organizational members to define their individual culture away from group culture. Another aspect studied by Hofstede is the femininity vs masculinity of organizations which studies the values attached to female and male values respectively. Strong vs weak uncertainty avoidance is another aspect analyzed and it assesses the extent to which organizational members have anxiety towards the unknown. Finally, short term vs long term orientation was studied and this is the importance which is attached to present, past and future experiences[3].

Weaknesses and strengths

One major weakness which is associated with the Hofstede model is that it is based on inconclusive research. The model is based on answers from one company which makes the sample size small and biased. This makes the overall research have low validity and accuracy levels[4]. The second weakness is the methodology of this research which used questionnaires. Weaknesses present in this research methodology are many and it is difficult to establish research findings on five main dimensions being investigated solely using this methodology design. Hofstede is seen by some scholars as using an outdated definition of culture which ignores effects of globalization and this defeats his overall research objectives. Finally, Hofstede assumed that location does not affect employees' reactions, which is not the case, as people react differently to different situations and places. Its strengths include the fact that it analyzes the organizational culture versus the

national culture which is important in all multinationals as it affects employee motivation and organizational conflict[5]. His findings may be used by multinational managers in enhancing employee motivation and reducing conflict, both of which are ways of improving organizational performance.

How it can be improved

The Hofstede model may be improved in various ways. The first way is through examination of technological advancement and the effects of globalization and integrating them in Hofstede's research[6]. This is an approach which was used by Inglehart when discussing modernization and post-modernization. This would enable Hofstede eliminate the weakness associated with ignoring the effects of globalization in research. In addition, new research should take a larger sample size which is well represented with samples from different parts of the world to make the research more accurate and valid. Use of diverse data gathering techniques in addition to questionnaire use will also enhance the research accuracy and validity.

Trompenaars model

Trompenaars is also a Dutch sociologist who studied the individual cultural attributes which affect them when working in a multicultural environment. He studied various individual factors and the first was particularism vs universalism. Universalism is the use of general rules when making decisions while particularism is decision making on a case by case basis depending on circumstances[7]. Integrating vs analyzing is another aspect studied by Trompenaars and analyzing looks at the small details which develop the big picture while integrating looks at the bigger picture. He also analyzed communitarianism vs individualism where he viewed communitarianism as <https://assignbuster.com/hofstede-model-strengths-and-weaknesses/>

taking society or organizational rights as above the individual rights whereas individualism is taking individual rights and welfare to be above society or organizational rights.

Other aspects studied were outer-directed vs inner-directed and outer-directed is seeking decisions and information in the outer world while inner-directed is seeking decisions and information from within us through personal judgment and thinking. Trompenaars also studied time as synchronization and time as sequence. Time as synchronizations views events as synchronized with time while time as events views time and events as separate items[8]. Ascribed status vs achieved status is the sixth dimension studied by Trompenaars. Ascribed status is assumed status by seniority or position while achieved status is gained through performance. Finally, hierarchy and equality are the seventh dimensions discussed and hierarchy is having a superiority structure while equality is having an equal status to all.

Weaknesses and strengths

One weakness present in the Trompenaars model is that in his cultural model, scores of countries are not shown, which makes it difficult for readers to interpret research findings. His scale used to measure indexes is also vague and this too affects interpretation of research findings. Trompenaars' initial research was conducted on five small communities which make the sample size small and not representative. This affects the validity and accuracy of research findings. The strengths of this model was the fact that individual and group perspectives in decision making and playing organizational roles was analyzed. Factors which influence group and

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individual dynamics when making decisions were discussed and these heavily impact organizational performance[9]. Individual versus group strategies in decisions making influence attainment of organizational goals and these were effectively addressed by Trompenaars.

How it can be improved

This model may be improved through addressing the various shortcomings which it possesses. The first step is undertaking a clear research on group and individual dynamics and showing the country scores and index used. This will enable readers to accurately interpret research findings. Another improvement should be done in data collection. Trompenaars should increase the sample size when collecting data and use different geographical locations to ensure the research is representative. This will ensure that the research findings are accurate and valid.

Analysis of Louis Vuitton Moet Hennesy Group

Background

The LVMH group is the largest conglomerate of luxury goods in the world. It has over sixty companies and each manages prestigious brands. The group has its headquarters in France and it has many autonomous branches across the world. It was developed after the merger of luxury brands Louis Vuitton, Hennessy and Moet Chandon who produced champagne[10]. Since this firm is a huge multinational, it will expose the intended aspects of study which are multicultural influences in organizations. In addition, very few company dealing with luxury goods have been researched in the past, which makes it an interesting area of study. One of the biggest potential markets of luxury products is Asia and the analysis of cross cultural influences between France

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and China is even more interesting. This explains the choice of case study and cultures under analysis.

Cross cultural influences and challenges facing expatriates from China and France

The management of LVMH is considered ethnocentric partly due to its global presence and the presence of employees from many cultural backgrounds.

The employment of employees with a Chinese cultural origin has risen over the years. There is also a rise in training investment in both the French and Chinese markets, which stand at 3.6% and 2.6% respectively. Although in China there is a high masculinity index, the percentage of female employees is 76%. In line with the Hofstede Model, there is an individualism/collectivism criteria when studying the French/Chinese cultural interaction at LVMH.

Some Chinese employees may view French managers as unsupportive or cold and the managers will be forced to defend their opinions and prove their truth. However, Chinese may switch to acting discreetly especially when conflicts arise in order to “save face”. In line with the Trompenaars model, various cultural linkages may also be seen in LVMH. The

Particularism/Universalism Index may show that China has a high Particularism Index while France has a high Universalism Index. This may be explained by analysis of the culture of Chinese people where harmony is a key feature of this culture. In this case, it is necessary to encourage managers of French origins to be careful when interacting with Chinese employees and developing personal relationships. It is important to pay attention to these cultural differences since the Chinese are more extraverted and reserved than the French.

In terms of motivation, in France, dominant motivational factors are challenging work, autonomy and job security while in China they are training, conforming to rules and cohesion. It is therefore important to develop a motivation strategy geared towards conforming to the culture of these two unique cultural groups. Finally, there are differences in cultural attributes which relate to polychromic and monochromic cultural attributes. French have a polychromic culture which allows for undertaking multiple tasks simultaneously such as allowing phones and open doors during meetings. The Chinese have a monochromic culture which allows for orderliness when performing a single task at a time[11]. This makes it imperative for managers at LVMH to develop a culture which suits employees from both cultural backgrounds.

Recommendations on how to deal with such challenges

It is clear that there are various cultural differences which exist between employees of the Chinese and French origin working in LVMH. These challenges are the individualism/collectivism criteria, motivation, Particularism/Universalism Index and the polychromic/monochromic cultures. Managers working in such a culturally diverse environment should assess the cultural needs of all employees and manage them in conformity to these needs. The Chinese have appeared to be reserved, monochromic in nature and who are motivated by training, conforming to rules and cohesion[12]. The French are liberal, polychromic and are motivated by challenging work, autonomy and job security. Managers working at LVMH should ensure the organizational culture supports all these attributes. These should be applied on the basis of employee cultural background. For instance, when dealing

with Chinese employees, the organization should use training and cohesion as motivators while when dealing with the French, autonomy and job security should be applied as motivators.

However, the overall organizational culture should have principles which are applied to all employees regardless of their backgrounds in order to ensure organizational goals are achieved[13]. Since in such a culturally diverse organization there is likely to be conflict at one point, the management should develop a conflict resolution mechanism. The best way the LVMH management should tackle this is to use mediation in conflict management. Employees should choose a neutral mediator to solve minor problems and only major ones should be forwarded to the management. In addition, the management should ensure that communication channels are open to address any conflict and upper level management should be accessible to all employees. Finally, teamwork should be encouraged to take advantage of cultural diversity which would ensure employees learn each other's cultures and that they share skills they possess which is a key strategy when encouraging innovation.

PART 2

Training in preparation for expatriate assignments

Many organizations usually ignore training expatriates before sending them on assignments in foreign countries. Training in this case involves providing the know-how to people who are going to work in foreign places which will enable them work effectively with foreigners. The length of training depends on the individual assignment, foreign environment, individual capabilities and personality as well as other factors[14]. Training is very important when

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employees are undertaking expatriate assignments since it ensures that they have a transition which is smooth between their current job location and the future foreign location. The importance of training will be discussed in detail below;

Importance of training

There are benefits which organizations and employees enjoy as a result of training before embarking on foreign assignments. The first is that training ensures that employees easily work well and settle in when on expatriate assignments. When employees are trained effectively, they learn virtues such as tolerance for foreign culture and important cultural beliefs and attributes of the foreign place[15]. This reduces the probability of organizational conflict occurring as a result of different cultural backgrounds of the employee and those of foreign cultural background. Training therefore reduces organizational conflict, boost employee motivation due to reduce conflict and improves organizational performance.

Training also ensures that expatriates together with their families are well prepared for culture shock, which is common in foreign cultures and societies. Culture shock results from differences in religious, social, economic and political beliefs. Preparing for culture shock reduces the adverse effects of culture shock on families by explaining to them of what to expect at the new location[16]. This is important since families have a significant impact on the performance of employee as well as employee motivation at work. When an employee's family is unable to effectively fit in into a new location, this is likely to impact negatively on the employee and is likely to translate into reduced performance. Training reduces the probability of such an

occurrence happening and allows employees and their families to fit into the new location thereby boosting employee motivation. Finally, training enables employee to be aware of the communication, working styles, expectations and etiquette of the new culture. This enables employees to function more effectively and minimizes conflict at the workplace.

Requirements for working in multicultural environments

There are various requirements which should form the minimal standards for employees who work in foreign environments. The first is the ability to embrace organizational change and adapt to the environment. Employees should be open minded and ready to embrace change if they are to effectively work in foreign environments[17]. The management should ensure that employees sent on foreign assignments are open minded and they are not opposed to change. This will ensure that they adapt to the new working environment faster and with little conflict. Another requirement for a multicultural environment is tolerance. This is a personal value which many people do not possess. Tolerance ensures that one is able to embrace differences between themselves and others positively. Tolerance entails accepting that the world has diverse cultures and that each should be respected. Employees who are not tolerant of others' cultures should not be sent on expatriate duties since they are likely to cause organizational conflict as a result of disrespecting the culture of foreigners. This is likely to harm the organizational performance.

Finally, employees working in multicultural environments should be willing to learn. There are many new practices and cultures which are inherent in foreign business environments and one should be keen to learn them if he or

she is to work effectively. One should readily embrace such cultures and learn from the foreign employees, especially if such cultures ensure a smooth working environment. For instance, in China the managers may view advice by lower cadre employees as inferior while in Western countries such as France such advice may be readily embraced by the management. Employees should accept the culture present and learn from it as opposed from trying to influence the foreign employees to embrace their individual culture.

How firms support and prepare expatriates

Different firms use different strategies to motivate employees working as expatriates. One of the most common forms of support is through training which has earlier been discussed in the paper. Another form of support is through rewards. Rewards are effective forms of motivating employees. There are non-economic and economic forms of motivation. Economic rewards such as promotions, salary increments, increase in bonuses and allowances and others are effectively used in motivating employees to take up new responsibilities in foreign places[18]. Development of conflict resolution mechanism is also an effective way of supporting employees working in multicultural environments. Conflict resolution should involve mediation for minor conflicts. The mediator should be neutral and chosen by employees. Major conflict cases should be referred to the management.

How to raise multicultural awareness and reduce stereotyping

It is important for managers to learn strategies which aim at raising multicultural awareness and reducing stereotyping. The first strategy is

developing policies which discourage stereotyping and any form of discrimination. All organizations especially those which are multicultural should develop policies which encourage harsh punishment to employees who stereotype others based on any cultural differences[19]. This will discourage stereotyping of employees. Another strategy which should be used by managers is appropriate training of employees. Employees should be trained on embracing other people's cultures and its importance when working in multicultural organizations. Employees should also be trained to work in teams irrespective of their cultural backgrounds. This will foster cooperation between employees and reduce organizational conflict due to cultural diversity.

Multinationals should strive to develop a global culture where subsidiaries adapt to cultures where they operate[20]. This facilitates effective interaction between employees and the local market which is important in developing customer loyalty. Employers should also be keen to employ open minded employees who can embrace change during the recruitment process. There are various personal traits which facilitate interaction with people from different cultural backgrounds and employers should encourage these during recruitment. These include open mindedness, tolerance, empathy and others. The ability of employers to recruit employees who possess these traits will make it easier to work in a multicultural environment.

Summary and conclusion

Various aspects of organizational performance in multicultural environments have been discussed in the paper. There are many challenges which arise in

such environments and these at times lead to organizational conflict. The Hofstede and Trompenaars models have been used to understand the multicultural environment better and these have been applied in the Louis Vuitton Moët Hennessey Group which features multicultural employees. The weaknesses present in these models and recommendations on how they can be improved have also been discussed. The various ways in which challenges facing multicultural environment can be tackled have been discussed and these include training, effective policies to discourage stereotyping, effective recruitment of employees, use of rewards and others. Managers should apply these and other strategies to ensure that there is no organizational conflict and that employees work efficiently in multicultural environment. This will ensure that organizational objectives are achieved in the long run.