Culture in global era and hofstede work business essay

The current era brings with itself new arena for globalization where the entire world is a global village. However this Increase in global culture does not echo that customers are similar everywhere (Douglas B. Holt, John A. Quelch, and Earl L. Taylor 2004), Rather the needs of international customers vary (Yalcinkaya et al., 2007 ; Dwyer et al., 2005; Suh and Kwon, 2002). All human share common believes however there are several differences that needs to be well-thought-out for organizations going global (Craig et al., 2005; Yalcinkaya et al., 2007). And as a firm plan to enter foreign markets it faces several challenges and accordingly it makes several decisions which determine its success or failure. One of these challenges is dealing with different cultures. As these cultures not only determine the behaviors of customers but also they play an important role in determine the way an organization should work in different countries. This paper starts with understanding the importance of culture in the current era and later it discusses Hofstede work on culture, which is believed to be most suitable for understanding and evaluating national culture (Yalcinkaya, G., 2008; Kumar and Krishnan, 2002; Tellis et al., 2003; van den Bulte and Stremersch, 2004; Yaveroglu and Donthu, 2002; Yeniyurt and Townsend, 2003). In the end some major criticism on the Hofstede model is also included.

Literature Review:

Globalization affects the businesses, the politics, technology as well as national culture (Daniels et al. 2007; Hill 2007; International Monetary Fund 2007; Osland 2003). It is very important to understand national culture when entering new markets as globalization is effected by and has effect on culture Schaeffer 2003. Different researchers use different examples in order

to highlight the importance of culture during process of globalization. Few researchers cote the increased magnitude of Western culture in order to elaborate the relation of culture with globalization (Cavusgil et al. 2008; Schaeffer 2003). Whereas others study international communication in order to enlighten the relation and effect of globalization on culture (Ghauri and Cateora 2006).

Literature shows that different elements of culture like values, customs, attitude, beliefs, language, education and religion etc. have been identified and studied over time (Akaah 1991; Aydin and Terpstra 1981; Ghauri and Cateora 2006; Czinkota and Ronkainen 2007; Daniels et al. 2007; Hill and Still 1984; Steenkamp 2001; Doole and Lowe 2008;; Wild et al. 2005). These elements and their importance in eyes of manager effect the decision manager takes when going global (Czinkota and Ronkainen 2007; Katsikeas et al. 2006; Wild et al. 2005). Not only this but also culture is important to understand for managers belonging to firms planning to serve foreign markets because it is this culture that determines the behavior of and the decision made by people in those foreign markets (Hofstede 1980; Tayeb 1994). Wind and Douglas (1972) explains how family structure can have effect on the promotional campaigns to be adapted by organizations. Similarly others study the negotiation style a business must adapt with respect to culture (Forslund 1994; Graham 1985). Religion has also been an important cultural factor under study; few scholars have studied its influence in food industry (Hill and Still 1984; Wild et al. 2005; Wind and Douglas 1972). While others have studied the effect of religion on business hours and

even on different aspects of marketing mix (Wild et al. 2005; Boddewyn 1982).

Similarly research could be found on aesthetic element of culture (Terpstra and Sarathy 2000; Wild et al. 2005) and its effect on managerial decision making (Daniels et al. 2007; Ghauri and Cateora 2006; Hill and Still 1984). Language is also an important aspect of culture (Terpstra and Sarathy 2000). And research could be found on spoken (Ball et al. 2008; Cateora and Graham 2005; Czinkota and Ronkainen 2007; Wild et al. 2005) and unspoken elements of language in order to evaluate strategies for organizations involved in globalization (Hall 1976; Wild et al. 2005). Therefor Success of strategies is affected by cultural variables (Jain 1989; Katsikeas et al. 2006; Keegan et al. 1987; Jain 1989; Wild et al. 2005).

Several definitions of culture has been put forward but it still remains an ambiguous concept Ryan (2002) however one thing is clear that culture largely determines our behavior. Oxford Dictionary, 2010 defines culture as " ideas, norms and values, customs and social behavior of a particular group of people and society". Whereas, Hofstede defines culture as " the collective programming of the mind which distinguishes the member of one group or category of people from another" (Hofstede 1994, p. 5). National culture determines the market opportunities (Yalcinkaya, G., 2008), for this reason several researchers have tried to propose frameworks in order to elaborate culture (Clark, 1990; Kluckhohn and Strodtbeck, 1961; Triandis, 1995; Trompenaars, 1994) however, Hofstede's (2001) cultural framework is the most used one. Several academics have used this model in their research (Yalcinkaya, G., 2008; Kumar and Krishnan, 2002; Tellis et al., 2003; van den

Bulte and Stremersch, 2004; Yaveroglu and Donthu, 2002; Yeniyurt and Townsend, 2003).

Hofstede's research could be traced back to 1980s and is considered to be most popular of its kind (Bond 2002; Hofstede 1997). Hofstede studied culture of more than 50 countries in order to come up with initially four dimensions of national culture namely; Power Distance; Masculinity/Feminity; Individualism/Collectivism; Uncertainty Avoidance (Hofstede 1980; d'Iribarne 1996), however later a fifth dimension (Long/Short Term Orientation) was added to the model to make it more comprehensive one (Hofstede 1991b; Hofstede and Bond 1984; Hofstede and Bond 1988; Hofsted (2001). This model of cultural dimension is considered to be one of the most inclusive and cited models when understanding different cultures (Chandy and Williams, 1994; Yalcinkaya, G., 2008).

The first dimension of Hofstede model is power distance which deals with the unequal distribution of power in and there acceptance by societies (Hofstede, 2001; Yalcinkaya, G., 2008). Societies with high power distance have people who are less innovative and these people high vale for authority and status (Hofstede, 2001; Yalcinkaya, G., 2008 ; Yeniyurt and Townsend, 2003). Whereas culture with low-power distance tend to have individuals who are more sovereign (Dwyer et al., 2005; van den Bulte and Stremersch, 2004; Yalcinkaya, G., 2008).

The second dimension of Hofstede (2001) model is Individualism/collectivism. Individualism refers to the magnitude to which individuals focus on their interest compared to a groups', such individuals

prefer their personal accomplishments over group interest (Hofstede, 2001; Yalcinkaya, G., 2008). In Contrast, individuals belonging to collectivist culture prefer group tasks over their individual ones (Hofstede, 2001).

Hofstede's next dimension, namely Masculine/feminine discusses the sex role configuration in culture (Tellis et al., 2003). As masculinity relates to culture with career oriented and ambitious individuals (van Everdingen and Waarts, 2003), who want to show their success by acquiring unique products (Stremersch and Tellis, 2004), consequently, recognition and high earnings are better motivators in such cultures (Hofstede, 2001; Stremersch and Tellis, 2004; Yalcinkaya, G., 2008). In contrast feminine culture has care, consideration, and sensitivity at its heart (Hofstede, 2001; Tellis et al., 2003; Yalcinkaya, G., 2008).

Uncertainty avoidance which makes the fourth dimension of Hofstede's model tends to deal with the extent to which a society can handle ambiguous situations. Low uncertainty avoidance reflects the ability to tolerate improbabilities and take risk (Hofstede, 2001; Yeniyurt and Townsend, 2003; Tellis et al., 2003), Whereas the case is opposite with high uncertainty avoidance cultures (Stremersch and Tellis, 2004; Yaveroglu and Donthu, 2002). Uncertainty avoidance has effect on the way people response to innovation (van den Bulte and Stremersch, 2004; Yalcinkaya, G., 2008).

The final dimension for cultural evaluation of Hofstede model is the Long-term/short-term orientation. This dimension deals with whether a culture has long term orientation or short term orientation at its heart (Hofstede, 2001). Culture with short term orientation focuses on slow results and hence is

cautious to abrupt changes (Dwyer et al., 2005). By contrast cultures with short term orientation are open to novelty (Yalcinkaya, G., 2008). It could also be put as cultures scoring high in long-term orientation have focus on future whereas contrasting to this is the culture with short-term orientation which focus on present (Nakata and Sivakumar, 1996).

Although Hofstede model of cultural evaluation is the most cited model by researchers never the less it carries many debates over its validity. As Cross-cultural research is a challenging task (Cavusgil and Das 1997) And many definitions of the word culture can be found (Olie 1995) for this and many other reasons criticism on Hofstede work could also be found (Jones, 2007). Few scholars even indict his work to be imprudent effort to measure culture, where as in their opinion culture is something that can't be measured (MacIntyre, 1971; Smelser, 1992), whereas, several critics claim that the sample used by Hofstede was faulty and unfairly distributed (McSweeney 2000). Some critiques of Hofstede have been able to come up with different dimensions of culture (Schwartz 1994), McSweeney (2002) reasons that Hofstede has unintentionally used illustrative stories in order to justify his findings, but these stories do not authenticate his findings. He further talks about Hofstede model and take a deeper look into the dimensions and the way they were analyzed. He questions Hofstede on several stages and tries to prove that this model is not an appropriate one, as culture could not be understood by just few dimensions, especially when these dimensions are not collected and thought of properly. He starts with the question of whether Hofstede took the correct meaning of culture or not, as he argues that boundaries can't define culture and there are sub-cultures within culture

which are ignored in the model. Emphasizing his point McSweeney (2002) argues that same words could have different meanings in different cultures and sub-cultures hence raising a question on the survey and the technique used to collect data. Likewise he questions the validation of the sample used by Hofstede for construction of the model. McSweeney believes the sample used by Hofstede to be deceiving and not a proper representation of the population, and for this reason questions the generalization of results as he believes that Hofstede's sample could represent only small segment of a very big nation. On the contrary McSweeney (2002) questions Hofstede on several grounds. Even with all this criticism it could be concluded that, as no other individual have been able to produce such a comprehensive and compact model for cultural evaluation, despite of high level of dispute, Hofstede's work on culture remains the most cherished one.

Managerial Implication

More and more organizations are going global and now they see the entire world as their market. It is very important for organizations, planning to serve foreign markets, to understand the Cultural differences that they might face. And plan their strategies accordingly. However globalization is not only effected by but also is effecting culture, as the change in communication , technology and economic conditions are bringing with it a new era where many cultures are merging in to one and new cultures are evolving or the old ones are changing. Managers could use Hofstede dimensions to evaluate the culture of countries their organizations plan to target and determine strategies that are most suitable for those cultures so as to achieve long lasting success.

CONCLUSION

This paper seeks to understand the importance of culture in the present era when more and more organizations are going for globalization. An effort is made to understand Hofstede's revolutionary work on culture. Last but not the least this piece of work also encompasses argument against Hofstede's work. Nevertheless it could be said quite confidently that cultural understanding in the process of globalization is of immense importance, and Hofstede model provides the most comprehensive study for this purpose. However it could be argued that more research is needed in order to understand the cultural variables identified by Hofstede and to see if they fit in the changing paradigm of culture.

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