

# Geert hofstede vs. fons trompenaars essay sample

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## Geert Hofstede vs. Fons Trompenaars

### Introduction

How do we market in different cultures? Although we have done many researches about the different cultures, marketing, which is as a discipline, has lagged behind other researches in recognizing the need for it. Before we have found the importance of marketing in different cultures, usually, the approach for marketing was too simple, and we often use the economic theory to explain facts and solve problems, however, international marketing and management is a kind of practical work, which is different from the economic research. Firstly, we always assume that tastes, preferences, and habits are transferable between different countries; secondly, it also implies that we can do the trade freely in different countries. In the end of 20th century, we began to lay more emphasis on the influence of cultural differences, and more research have been done about the cultural differences. Take wine as an example, even now wine has become a global product, it still takes the French at least ten times longer to chose the right vintage and grape combination than it does the Dutch, who tend to be more focused on price. If we ignore this kind of difference, wine producers cannot success in both countries.

The researches about cultural differences of marketing are still a new field. The first serious book on the subject of the cultural aspects of marketing was written by Jean-Claude Usunier in 1997. In this book, he mainly compares the differences between cultural systems and refers that culture is also a factor affecting business, like other socio-political, financial, ecological, and legal factors. However, Usunier does not resolve the dilemmas and offer practical

solutions. Culture, based on our research at Trompenaars Hampden-Turner, is different from what describe in Usunier's theory, which is not simply a factor like most processes in the transactional environment. The factor of culture challenges the fundamental strategy of marketing, customer relations management, definition of product, price, advertisement and other business processes. In short, culture is all pervading.

However, so far there are a few famous approaches to the whole subject of cultures and their classification and generalization, that can be employed in developing a truly transnational approach to marketing. The ones that we are going to discuss and compare further are those of Geert Hofstede and Fons Trompenaars.

Geert Hofstede and Fons Trompenaars: biographies and theories

Geert Hofstede

He is a dutch psychologist and writer who was born in 1928. Hofstede was interested in the influence of culture on people's behaviour. He was inspired by the Culturalism (a trend which dominated the American sociology from the 1930's to the 1950's). The culturalists qualify culture as " the way of thinking, feeling and acting of a human group, which was acquired and transmitted by symbols and which represents its specific identity". (donner sources de la citation) Geert Hofstede explains the origins of the differences in behaviours, which can tend to problems. As we grow up and live in a multi-cultural world, we have to understand why people from "different nations act differently. This question is very important in business when a company from a certain country has to deal with a company from another

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country, or even within a company which is composed by employees from different nations, we have to know how to act and communicate.

Hofstede wrote several books: *Culture's consequences* (1984), *Cultures and Organizations: Software of the mind* (1992), co-authored by his son Gert Jan Hofstede. To explain and solve the problems engendered by people from different cultures living or working together, he included 5 factors of cultural differentiation: individualism/collectivism, masculinism/feminism, uncertainty avoidance, power distance and long term/short term orientation. According to Hofstede, these 5 criteria explain the disparities between the nations and the individuals. He applied his theories to all the countries in the world.

Hofstede used his culture dimensions by examining work related values in employees of IBM during the 1970's.

### Fons Trompenaars

Fons Trompenaars is a Dutch author in the field of cross-cultural communication. His books include: *Seven Cultures of Capitalism* (1993), *Riding the Waves of Culture* (1998), *Building Cross-Cultural Competence* (2000), *21 Leaders for the 21st Century* (2001) and *Innovating in a Global Crisis* (2009).

Trompenaars studied Economics at the Free University of Amsterdam and later earned a Ph. D. He experienced cultural differences first-hand at home, where he grew up speaking both French and Dutch, and then later at work with Shell in nine countries, where he worked for 7 years as the director of the Human resources. At this moment, he wrote *The Multi-cultural company* (1993) in which he explains his theories. According to him, international

companies tend to standardize their management functioning because of globalisation, and impose this way of thinking to their subsidiaries. Problems in companies appear as they don't take care about the cultural differences of employees and certain ways of managing are not appropriate to certain cultures.

He defines culture as “ the way a human group solve its problems”. Taking the example of Geert Hofstede and modifying his theories, he invented with Charles Hampden-Turner the 7 dimensions of cultural differentiations: universalism/particularism, individualism/communitarianism, affective/neutral, specific/diffuse, achievement/ascription, sequential/synchronic, internal/external control. These are the 7 criteria of cultural differentiation which have an impact on the management trends. He shows how to manage complexity in a heterogeneous environment, which is a major challenge for today's international managers and corporate leaders as well as a critical component of long term success. He explains how to reconcile cultural differences, which will lead to competitive advantage. Trompenaars wrote *The Seven Cultures of Capitalism* in which he applies his methods to 7 countries (France, Germany, US, Japan, Netherlands, UK and Sweden).

Hofstede's dimensions of culture

It is often said that, deep inside, all people are the same. But they are not. Actually, everyone is very different from the others. For those who work in international business, it is sometimes very hard to adapt, because people can live in very different ways. Therefore, if you go abroad and make

decisions based on how you usually operate in your own country, there are obvious chances you don't act properly.

Geert Hofstede's researches permit us to understand easier other cultures, so we can be more effective when interacting with people all around the world. For example, in some countries, yes means hear you more than I agree. Stereotyping can have intense negative effects, especially when managers make fewer attempts to involve those of other cultures. Hofstede led a study on the IBM employees, in more than 50 countries. Its goal was to identify the major differences in mental programming. This worldwide analysis made him realize that there were five fundamental differences between the societies, which he called five dimensions:

#### Low vs. High Power Distance Index (PDI)

This dimension measures the degree of equality, or inequality, between people of one society ; and how much the less influential members accept the hierarchy. The institutions or organizations where less powerful members accept power is distributed unequally will have a high PDI. This is also often indicating that the governments allowed inequalities to grow within the society (ex: Malaysia). Those countries will be more likely not to allow significant upward mobility of its citizens, because they accept autocratic and paternalistic relations. A low PDI indicates the society tends to reduce the differences between citizen's power and wealth. In those cultures (ex: Austria, Denmark), people expect power relations that are more democratic. They relate to others regardless of formal positions, such as if they were

consulting them. Subordinates are more comfortable with contributing to and criticizing the decisions of those who are hierarchically higher.

#### Individualism vs. Collectivism (IDV)

It focuses on how much people of a society define themselves apart from their group, and on how much the country emphasizes individual or collective achievements. A High Individualism ranking indicates that people are expected to develop and to be proud of their personalities and their choices. People often tend to form a higher number of looser relationships in those societies. A Low Individualism ranking typifies societies where the individuals are more likely to act as a member of a group (ex: family, town, profession). This collectivist nature tends to develop relationships between individuals, and reinforce extended families.

#### Masculinity vs. femininity (MAS)

This dimension measures the degree the society reinforces the traditional masculine work role model (as understood in most Western countries) or not. A High Masculinity ranking indicates the country gives a high importance on traditional male values (such as ambition, accumulation of wealth and power). Those societies emphasize high gender differentiation. In these cultures, males dominate a significant portion of the society, while females are under domination. In the opposite case, a low MAS will indicate that the society de-emphasizes the gender differentiation. In those countries, females are treated equally to males in all aspects of the society. The valuable things are relationships and quality of life.

This strong opposition between the quantity values (masculine societies) and the quality values (feminine societies) led many users of Hofstede's work to rename this index the Quantity of Life vs. Quality of life.

#### Low vs. high Uncertainty Avoidance Index (UAI)

It focuses on the level people try to cope with stress by fighting uncertainty and ambiguous situations within the society. A high UAI indicates a rule-oriented society, where citizens prefer explicit laws, rules and controls, in order to reduce the amount of uncertainty (ex: religion, food industry). A Low Uncertainty Avoidance ranking indicates the country has less concern about ambiguity and has a greater tolerance for informal situations. This is reflected in a society that is less rule-oriented, where people value implicit or flexible guidelines. Michael Harris Bond subsequently found a fifth dimension which was originally called Confucian dynamism. Hofstede later integrated this into his dimensions of culture as :

#### Long-Term vs. Short-Term Orientation (LTO)

It focuses on the degree a society attaches importance to a future oriented perspective rather than a short-term point of view. In other words, this index describes the time horizon of a society (future vs. past and present). A high LTO characterizes countries where people value the behaviors that affect the future, such as perseverance, thrift and shame. (ex: Asian countries). Those societies are often superstitious or based on many truths or faiths. Cultures scoring low on this dimension believe in absolute truth. They (ex: Western countries) have a short-term orientation and a concern for immediate



stability, which means they value actions that are affected by the past or the present (ex: normative statements, respect for tradition and reciprocation of favors and gifts).

Those five dimensions describe tendencies and not precise characteristics of individuals. Consequently, a society's score should not be interpreted without no further reflection.

#### Trompenaars's dimensions of culture

According to Trompenaars, culture is a way a group of people act to solve problems. From three basics which are the relationship with others, time and environment, Trompenaars identifies seven fundamental dimensions of culture.

His definition of culture is a mix between organizational and national cultures.

He proceeded by using a database which contained more than 30000 survey results so that he could analyse the seven dimensions of culture.

#### Universalism vs. Particularism

In universalistic cultures, people share the belief that general rules, codes, values and standards are much more important than needs, claims and relations. On the contrary, in a particularistic culture, people think that human relationships are more important than rules and codes. They are not against rules, they just aim at showing that everybody can count on their friends. Rules come after human aspects.

### Individualism vs. Collectivism (Communitarianism)

In individualistic cultures, people place the community after the individual, which is definitely the contrary in a communitarian culture.

People are autonomous in the first case, they can take decisions, they can take care of them and their family on their own.

In the second case, people are responsible for the good functioning of the society and are the representation of the health of a society considering his degree of involvement in the development of the society.

### Neutral vs. Affective Relationships

People in an affective culture can show up there emotions and their feelings.

They do not have to hide them and people from this type of culture sometimes interpret less explicit signals from neutral cultures.

People in a neutral culture think that it is not correct to show emotions and feelings even if they have it. It is the degree of manifesting it which is limited and controlled. They might interpret signals from an affective culture as excited and too emotional.

### Specific vs. Diffuse Relationships

People in specific cultures always start analyzing by small details, specific elements to finally put them together to have a global idea. They concentrate on facts, standards and contracts. They have a larger specific sphere than the private one (which is very difficult to enter in. On the contrary, people in diffuse cultures start analyzing the whole and then the elements, but in a perspective of the whole because all elements are linked

to each other. In fact, the elements matter less than the link between them. They have a large private sphere and a small public one.

### Achievement vs. Ascription

This cultural dimension is similar to the power distance dimension of Hofstede. In achievement cultures, people respect their colleagues basing their respect on anterior demonstration of knowledge and previous achievements. They do not look at the title of people's job.

In ascription cultures, people use their titles of job and respect their hierarchical superior.

### Time orientation

He shows that meanings of past, present and future depend on cultures. For instance, people who have a past-oriented culture respect older people and are quite traditional whereas people who have a future-oriented culture enjoy discussing potential and future achievement. There is a second division of cultures possible thanks to time orientation which compares sequential and synchronic cultures. This dimension looks like a distribution of tasks in the time in a culture.

People who have a sequential culture tend to do one activity at a time by following plans whereas people who have a synchronic culture can do many tasks and activities at a time by changing the subject at any time.

### Human-nature relationship: Internal vs. external control

This last dimension lays the stress on the fact that cultures think that they

control their environment and others think that they are controlled by it. In an internalistic culture like the United States, people believe that what happens to them is their own doing. Many Asian countries have an external culture in which the environment shapes their destiny. Because they don't believe they are in full control of their destinies, often externalistic people adapt to external circumstances.

### Comparison and criticism

Hofstede's aim was to evaluate work values, while Trompenaars & Hampden-Turner's questionnaires inquired into respondents' preferred behaviour in a number of both work and leisure situations. What both studies have in common is that in both questionnaires the focus is on the ultimate goal state, and that the underlying values, the underwater part of the culture iceberg, are derived from a series of questions about more outer layers of the "culture onion", closer to the top of iceberg.

Trompenaars's system appears focus-oriented; it speaks a lot about what is on people's minds and what is in their sight, it speaks about the logical organization and framework of their behaviour (specific vs. diffuse, internal vs. external control, universalism vs. particularism) and relationships (individualism vs. collectivism; achievement vs. ascription; neutral vs. affective). Hofstede, on the other hand describes some of values present in people and finally affecting their

behavior. The difference therefore is that Trompenaars's investigation lies on the surface of the investigation of the person's culture, showing exactly the choice and manner in which the actions are planned and handled, while

Hofstede tries to go in the very deep of culture layers and lets us make our own forecasts of people's behavior based on the knowledge of the hidden part of iceberg.

Taking a closer look into the comparison between the dimensions themselves, we can notice similarities between the two theories.

One of these is the closeness between the notions of collectivism vs. individualism of Hofstede and communitarianism vs. individualism of Trompenaars. For a marketer, from our point of view, there is close no difference which index to use.

There is some degree of similarity in Hofstede's power distance index and achievement vs. ascription. One values the accepted degree of high class/low class lifestyle and secondary characteristics difference, while the other measures the motivation of the low class to move higher. A marketer can infer that customers are better evaluated with the high power distance index in relation of selling status-emphasizing products (like luxury brands), while Trompenaars's index is better used when selling low cost practical business tools (like cheap PDAs). We would advise to use the two indices together as they complement each other. Long-term vs. short-term orientation index of Hofstede has got something in common with the past/present/future orientation of Trompenaars. That is in the way, how i. e. short-term oriented cultures will show the same tendency to be populist, tradition-oriented as the past- and present-oriented cultures. After taking a look into evaluations of different cultures one can find that the results, obtained by the two theories are often counter logical. German corporate

culture is hierarchical, as is claimed by Trompenaars in his studies. Whereas Hofstede identifies Germany as relatively low in terms of Power Distance.

These differences in the approach attracted some serious criticism over the years. One of the most prominent points often criticized is Hofstede perception of culture as a static characteristic of societies and their representatives. This approach does not take into the account the cultural drift that can easily be observed as the time passes by. As a vivid example, one can take the comparison between, say, the UK of the Victorian age and the Post Second World War UK and just try to assess the Power Distance Indices. Apparently, over this period of time people's behavior has altered enough to allow a society with a lot lower power distance, the expressions of which found their way in the art of the time as well as in the politics (Rise of the Labor Party in 1945-1951) – people of lower class were have become conscious to demand equality in these dimensions with the former unapproachable higher class, the expression of wealth and power and respect to it have decreased, as well as PDI. Similar drift patterns can now be observed today in some of the underdeveloped countries, like Mexico, where former strong collectivist communities are dissolving, as their member become more individualistic, pushed by their desire to be successful in the new highly commercialized society. The same can be said about political influence on the culture (transition from Communist to Capitalist values). In other words it is "easily observable that through time cultures evolve. Therefore the estimations for indices are slowly becoming outdated. Hofstede was later pushed by this evidence to regularly update his Index database, still retorting that cultural evolution is a very slow process.

However the problem that may be hard to identify is actually not the quantitative, but rather the qualitative obsolescence of the framework itself, that will sooner or later present itself. I. e. what was reasonable and precise description in the 1970s can be an incomplete, flawed and vague characterization for 2010, and even more so for future.

That is however just one of the many debatable things. Among the others are: 1. Question interpretation of the surveyed, i. e. will the question really be a precise way to determine the culture, as the culture and personality may directly affect the way the question is translated and thus produce errors in the resulting evaluation. 2. Researchers' background diminishes the completeness of cultural description and offers one-sided look at the problem. This way it would be preferable for marketers to have a marketer, not a manager, to make the proper evaluations framework, which would be more suited for marketing decision making.

3. Ignoring the ethnic group and communities' presence, national culture fragmentation. Just saying that Germany has low UAC index may totally confuse the policymaker, as this does not differ between East, West and especially Turkish communities. Moreover, a study carried out only in only one company (Hofstede) cannot give an outlook on the entire cultural system of a country.

The cultural dimensions in international marketing

Why marketing uses the cultural dimensions?

The Hofstede and Trompenaars cultural dimensions can be a useful tool for several themes, such as within the organization and the structure of a

company or when trading with other countries. In fact, for those who works in an international business is essential to know the differences between countries and cultures.

And moreover, cultural dimensions are also a helpful instrument for marketing purposes due to the fact that they facilitate the design of an optimum strategy. Each society has developed through the history a different culture where it is extremely important to take into account the different ways of communication and the usage and the meaning of the language.

Actually, the markets can be segmented by cultural dimensions; consequently we can develop a marketing plan to exploit the common elements of these segments. Thus, we can affirm that in the international marketing, the success or failure of a campaign depends on the prior analysis of the environment.

The cultural analysis can also provide various guides to develop the marketing strategy, in fact, when a company is entering in a new market, in a foreign market, it is necessary to study the

population and the society, the history and the culture. There is some data that we can obtain by public sources of information, and other data that has to be collected by the company itself. Concerning the culture and the habits of the society in a certain country, we can use the cultural dimensions' theory developed by the two professors as a guideline, but it is also necessary to make a specific study, for the reason that every product is



different and it is important to analyze which is the greatest manner to promote a new product in a foreign country regarding the different cultural dimensions.

How to apply the cultural dimensions in a marketing context? For instance, we know, thanks to the theory elaborated by Geert Hofstede, that United States has low power distance, in marketing terms that should be translated in commercials and promotions where the communication must be informal and friendly. In countries where the situation is totally different, the message for a new product must communicate that the product is well accepted in the society. These assumptions are the starting point, apart from them, the company will have to analyze the culture of the specific country itself taking into account the new product to be launched and thus create a commercial and a campaign with great results in that market. However, a company has two options: to adapt the marketing strategy to each culture by using the cultural dimensions or to try to change the culture.

For example: in Japan, people is used to subtle publicity campaigns, nevertheless, when Procter & Gamble started to sell its products there, the company launched a very aggressive campaign that first shake all the Japanese society, but later it was copied by other Japanese companies. Procter & Gamble changed part of the culture.

#### Contribution of culture in international marketing

In our fast moving world, local markets are not big enough for companies willing to have more profits. The future of each company that wants to be more important than its competitors is to go internationally. Selling a product

won't be the more complicated things that companies will have to face while going internationally but the cultural adaptation will be the hardest thing.

There are different kinds of adaptation, the product adaptation, the administrative and law adaptation and the cultural adaptation that means the situations where you meet a client or you create a subsidiary elsewhere.

The five dimensions, which are (cf 1, 4 in bibliography) PDI, IDV, MAS, UAI and LTO come from an analysis done by Geert Hofstede while working at IBM and trying to understand the employees' attitudes at IBM worldwide.

Actually, it is important to know that the 5 cultural dimensions of GH help individuals and companies to understand, analyse and compare the culture of different countries.

With the GH analysis, we are trying to define the culture. One of the goals of GH is to help to take into consideration the differences in the way of thinking, to react and act between the different people in the world. According to GH each country generates its own management system.

Example with Accenture Bands: For Luxembourg, United-Kingdom, France. \*

With the Fons Trompenaars analysis (cf. 3 in biblio.), we are seeing that even if each culture owns its main features, it remains a cultural identity toward each individual, as for each company, which allows to adapt into every context. By completing themselves, these different cultural orientations (for instance in the relationship with the group, with the individual, with the environment or even with the time), are no more impediments for the common work (within different groups) but become on the other hand the best key factors to carry out successfully. FT helps more the companies to

develop and create their own intercultural management. Each company has indeed its own management style or cultural organizational structure.

The use of both theories

The Use of Fons Trompenaars theory

In Fons Trompenaars' theory, there are two kinds of people, which is " universalism " and " particularism". Americans, Canadians, Australian all belong to the first group, and Chinese, Korean and other Asian all belong to the second group. Take ERP as an example, the first group will accept the ERP system as the best way to conduct the project, and members of the second group will think that they are different from each other, so when ERP works in China, it is most important for the managers to deal with average workers, if not so, the whole system may fail at last. And the theory is also applicable in the field of education, for example, English education in Chinese schools and other western countries is different since the different culture and language system. It is the same with other fields, like business, communication, the cultural differences are more and more important.

The use of Geert Hofstede theory

According to Geert Hofstede theory, there are different ways of management because of different cultures, for example, American cooperation always pay more attention to the individuals, and the third world countries is the opposite, so if an American firms operating abroad, it must consider the this kind of cultural differences, taking the employees into consideration and emphasize the loyalty, which can help to get success. The structure of organization is also influenced by the cultural differences, for example,

Germans always avoid the risk, so rules and regulations seems to be more important, however, in America, people prefer to taking risk, so people enjoy more freedom. According to the theory, Hofstede also shows that if the manager ignore the cultural differences, there will be something wrong with the communication, morale and have a negative effect on the final result in the end.

### Conclusion

As described in this paper, there are several approaches to the classification of the cultures of different nations. The ones that were observed closely here are Geert Hofstede's and Fons Trompenaars's classifications, so-called cultural dimensions. These, as shown have a number of things in common and many differences as well. Thus, a marketer has to make a decision, which part of which study is to be used to develop a successful strategy. However there is little doubt aAnthropology"that some way of adapting the strategy to the local culture is to be used. We may live in a globalized enviroment, however, so far there is no mundial culture and different clusters of people, whether they are separated geographically, historically or socially; some may choose one product instead of the other because of their culture and values. All of that is to be taken into consideration. And there are so far not many standartised approaches to the culture evaluations, other than Hofstede's and Trompenaars's, which economise time and enable the creation of a consolidated strategy in approach to culture. It is not surprising that some of the companies nowadays are already fully involved in applying these methods in their decision making, and the amount of them will inevitably grow as the studies of the theories are being held in many

Universities and Business Schools, from which the future executives will come. However one has to remember, that both these methods are quite controversial and obviously imperfect, therefore we should learn to use the questionnaires and the databases responsibly. Only in this way can they provide precise, trustworthy and calculated assistance to people learning to work effectively in other countries.