Collectivism power distance and cultural strength business essay

Business

Collectivism is a cultural determinant that emphasizes the interdependence of individuals in collective groups and the priority of the goals of a certain group over the goals of individuals. To be more specific, the whole society is seen as having more meaning than individuals separately who are located inside that society. It's a social or personal orientation that emphasizes the good of the group or society over individual gain. " Collectivism means the subjugation of the individual to a group -- whether to a race class or state does not matter. Collectivism holds that man must be chained to collective action and collective thought for the sake of what is called 'the common good'." (Ayn Rand, 1960)Collectivism gives a value to the collective, whether it's a society, a tribe, a family, a nation, a race, or any other category we belong to. The important is to benefit the group. Collectives are not only individuals who are interacting together; it is the belief that the whole group is a separate entity and is more important than all the individuals. The lives of those are ignored even if the group has something to gain. Individuals are not recognized but are a tool for the group. Collectivism aims at seeing a group of individuals having a single identity as if they are one individual. Collectivist people usually change their views and evaluate others as seen by the collective group. And if they accomplish something great, each individual in this collectivist group is given an equal credit like all the others. (Ayn Rand, 1960)

Collectivism in Politics

In politics, collectivism is not associated with a support for the government or institutions. Here, we talk about anarchists that are defined as people who seek to abolish authority and work on having a stateless society. Those

people are also collectivists and agree among each others that the means of production should be expropriated from private owners and converted to common properties.

Collectivism in Economy

In economics, collectivism is defined by two concepts. The first concept is that property should be owned by all the society in common and the second concept is that possessions should be owned by the collective groups that use the property. Collectivism in this part states that many things should be owned by the society that uses them while aiming at the benefit of all rather than being owned by individuals. We can compare economic collectivism to a company that is run by one single CEO and is owned by many shareholders.

Collectivism in typology

In typology, we talk about horizontal collectivism and vertical collectivism. The first one emphasizes equality and people's engagement in sharing and cooperation. It assumes that each individual is more or less equal and favors democratic decision making. Horizontal collectivists tend to go for democracy in decision making and stress common goals. The second one emphasizes hierarchy and people's self sacrifices to a whole group. It assumes that individuals are different from each other and believe in a strict chain of command. Vertical collectivists stress the integrity of the family and they expect that each individual sacrifices himself and promotes competition between him and other group members.

Collectivism critics

As critiques, people argued that there are two main objections to collectivism. The first one is that collectivism suffocates individuality and diversity and insists on a common social identity. The second one is that collectivism minimizes freedom when one uses political authority to reach goals. Ayn Rand, founder of Objectivism, believed the philosophy of collectivism led to totalitarianism. She argued that " collectivism means the subjugation of the individual to a group," and that " throughout history, no tyrant ever rose to power except on the claim of representing the common good." She further claimed that " horrors which no man would dare consider for his own selfish sake are perpetrated with a clear conscience by altruists who justify themselves by the common good." (Ayn Rand, 1960)Many socialists also criticized collectivism. They argued that true individualism exists when individuals are free from social structures to follow and reach their own interest. This can be accomplished by a free access to the means of life; therefore, no one will have power over others. Some people believed that after collectivism, individuals are empowered which leads to controlling most of the population in the name of freedom. (Ayn Rand, The only Path to Tomorrow, P. 88-89)The big distinction between those two concepts is that individualism focuses on the rights on the top of duties, a concern for the family and an emphasis on autonomy and self fulfillment. Whereas, the main principle of collectivism is that groups bind and obligate individuals. In those societies, social units have the same fate and group memberships is the aspect of identity where sacrificing ones goal for the collectivist goals is emphasized. (Readers Digest, January 1944, P. 90)Doney et Al. (1998)

proposed a framework where Hofstede's (1980) dimensions influence the way people develop trust in a target. They said that trust between two individuals is formed when those two share the same values and beliefs as the actions will be consistent with the assumptions.

Figure 1: Key differences between individualist and collectivist societies

2 key differences between individualist and collectivist societies. pngSource: This figure is extracted from google images, collectivism in societies, page 1.

Figure 2: Wagner family

Source: This table is extracted from the article: Psychological Collectivism, A Measurement Validation and Linkage to Group Member Performance, Journal of Applied Psychology, 2006Wagner and Moch (1986) talked about eight work groups as shown in the above table that measure collectivism. For them, working with others in a group promotes value where a sacrifice for the sake of the group is seen as subordinating the personal interests to the interests of the group. As for the effects on the productivity, the group is more productive when the members do what they want rather than what the group wants.

Power distance

Hofstede defines power distance as: " the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from below, not from above. It suggests that a society's level of inequality is endorsed by the followers as much as by the

leaders." (Hofstede, 1986)Power distance describes the degree to which employees accept that superiors have more powers than they have. In many countries with high power distance, employees are afraid to express their disagreement with the existence of an autocratic boss. Subordinates and superiors consider each other less equal even though we can find a difference in their educational level. Hierarchy is flat in decentralized organizations where we find a small number of supervisors. In such organizations, the degree of unequal treatment is reduced. There is interdependence between employer and employee. Salary ranges are narrow and subordinates expect to be consulted in the decision making process. (Hofstede, 1986)In large power distance countries, there is a ruled relation between the boss and its subordinates. The relation depends on the decision of the boss. In companies with a very centralized organization, subordinates consider each other unequal and they expect their superiors to tell them what to do. In high power distance cultures, emotions to superiors are expressed positively and negative emotions are expressed to subordinates. (Traversing the Abyss, Top power distance Index, 2013)

1. 2. 1- Small and large power distance societies

In 1986, Hofstede said that power distance, as a cultural characteristic defines the extent to which inequality in power is accepted and considered as normal by less powerful people in a society. He compared differences between societies and divided it in two categories: small and large. Listed below are the differences in an example on teacher-student and student-student interaction related to the power distance dimension adapted from Hofstede:

Figure 3: Small power distance societies versus large power distance societies, (Hofstede 1986, page 313)

Small Power distance societies

Large power distance societies

· Teachers respect the independence of his/her students· Students' initiative is considered very important (student-centered education)· Students initiate communication· Teachers expect students to find their own way· Students are encouraged to speak upspontaneously· Students are allowed to express their own opinion· Effective learning depends on two-waycommunication in class· In conflicts between teacher and student, parents take the student's side· Teachers are treated as equals outside class· Young teachers are more liked than older ones· Students respect their teacher· Order in class is very important (teacher-centered education)· Students wait for the teacher to initiatecommunication· Students expect teacher to show them paths to follow· Students speak up only when asked by the teacher· Students always accept what teacher says· Effective learning is a result of excellence of the teacher· In conflicts between teacher and student, parents take teacher's side· Teachers are respected also outside class· Old teachers are more respected than young onesSource: This table is extracted from an article written by Magdalena Polak, University of Birmingham, 2006Small power distance means that the extent to which less powerful people accept the social inequality is small, that is members of a society are treated as equal as possible in an unequal society (Hofstede in Hofstede, 1986 page 307); large power distance means that a big inequality in power is considered by the less powerful members of a society as normal. The above table gives a

description of two extreme environments. Many societies can find themselves as part of either a small or a large power distance but some others may identify themselves as having a part of the two categories. Basically, a teacher was a center of all the attention, the most important person in the class who established the rules. As a source of all the information, he or she was never contradicted, always right. Students, on the other hand, were expected to follow the rules, not questioning teacher's authority or criticize any method accepted by him/her. Very often the lesson looked more like a monologue that a teacher went into and the students' only role was to listen to it, occasionally answering questions whenever asked to do so.

Figure 4: Countries and culture profiles according to power distance/group self focus attitude

Source: This graph is extracted from Hofstede, 1986.

1. 2. 2- Changes in Lebanese societies

In about 1990, changes started to take place in Lebanese society including how they affected teacher-student and student-student interactions. Not only did students start expressing their own opinions, but their attitude toward teachers changed as well. Students better interacted with and preferred young teachers to their older colleagues. Teachers were no longer ' untouchable', they were treated as equal outside the class, they also started being contradicted and criticized. Also parents started to defend students in teacher-student conflict situations. Lessons were not monologues anymore. Gradually, teachers expected students to initiate communication as well as find their own way to understand and solve outlined language problems.

Although, they were just the beginnings, it was becoming more and more obvious that the era of a two-way communication was entering the classroom environment.

1. 2. 3- High power distance cultures

In high power distance cultures, people are considered unequal. At birth, the status of the person in generally determined by the family they were born in. We can find that power is centralized in a few hands. For instance, in organizations, usually subordinates are told what to do because they do not have this power. Those employees are uncomfortable because their superiors ask them for their input. They see it as a lack of knowledge on the part of the manager when he asks for this input. In high power distance cultures, visible signs of status are important. They are essential because they help the people to figure out how to communicate with each others, verbally or none verbally like for example what salutations I need to use or what shoes should I wear. All of those can determine the status of the person when they are that much visible. (World Press, Learn one thing a day, February 19, 2010)

1. 2. 4- Low power distance cultures

In low power distance cultures, people are considered equal. They look at what others do with themselves not in what family they were born. In organizations, subordinates wait for the managers to ask for their input. Status symbols are disapproved. Superiors treat their subordinates with respect and subordinates are entrusted with important assignments. Blame is shared or very often accepted by the superior because it is their

responsibility to manage. Managers may socialize with subordinates and influence democracy and liberality. (World Press, Learn one thing a day, February 19, 2010)

Figure 5: Hofstede's cultural parameters

f0064-01. jpgSource: Figure was extracted from google images, power distance, Page 1

Cultural strength

Cultural strength is the ultimate criterion of assessing the degree of within firm socialization. It concerns who and how many of the organizational members accept the dominant value set and how strongly the values are held. Cultural strength is identified by 3 features. The first is the thickness of the culture which is measured by the number of the most important and shared expectations. The second dimension is the extent of sharing. In strong cultures, layers of beliefs are shared. The third determinant of cultural strength is clarity of ordering. At McDonald's, the quality of the products and customer service are the highest priorities, but they are equally important. The strength of culture is important because strong cultures where values and beliefs are shared are more resistant to change than are weak cultures. (Strengh and weaknesses of organizational cultures, Scribd 2007)Cultural strength refers to the power of the culture in affecting what happens in an organization. As stated by Deal and Kennedy in 1982, a strong culture has always been the driving force behind the success of businesses. Managers need to consider the impact of the society on the culture of the organization and the fact that employees acquire the values of the organization through

the socialization process such as leadership and internal communication. An effective socialization process will lead to a strong culture in the organization and will highlight the fact that members share a common set of values and beliefs.

1. 3. 1-Socialization processes

Socialization is used by sociologists to refer to the process of sharing the norms and ideologies in order to provide the individuals with the required habits or skills for them to be a participative member in his society. In other words, socialization allows members to learn from each other either positively or negatively. Therefore, organizational members acquire the specific values that exist inside an organization through the socialization processes at the workplace. Thus, through effective socialization, the responsible inside the firm can create harmony of customer and learning oriented values inside the company. Socialization has a strong influence on the performance of the employee and the stability of the company. It allows him to easily fit in and guides him on how to perform his job. New members are very motivated to learn the norms and values of the company and are influenced by the behavior of their colleagues and management. Therefore, the socialization process is divided into three stages: The pre-arrival stage where individuals arrive to the firm with pre defined expectations and values which they have acquired and developed in past experiences; the encounter stage where those employees discover the match between their expectations and the reality inside the company. And this is where the differences exist allowing the socialization to fill the new comer with the standards available inside the organization; and the metamorphosis stage is

when the individuals adapt, know what is expected from them and feel accepted. This stage is also called the transformation stage (accepting environmental changes). (Saving the Business without Losing the Company, Harvard Business Review, January, 2002, Vol. 80, No. 1)Many factors facilitate the socialization process. We distinguish facilitative leadership and internal communication.

1. 3. 2-Facilitative leadership

A facilitative leader has a very strong interest in the employee and what he can contribute to the company. When working in small groups, he spends his time asking questions and listening to others. When views oppose, he sees this as an opportunity to talk on the open and resolve the issues. This leader coaches the employees, motivates them, pushes them towards their goals and supports and encourages them when needed. By that way, socialization process is facilitated and new comers can easily fit in.

1. 3. 3-Internal communication

Internal communication is divided into official and unofficial communication. The first one is defined by emails, memos and policies. The second one is the spread of information between employees or the exchange of opinions and personal relations. A good internal communication can give employees all needed information to perform their job, spreads awareness, gives employees feedback on their performance, provides support, allows them to understand the company's overall situation and helps in maintaining a sense of commitment to the firm. Why promote internal communication? Because it improves the efficiency of the company, keeps all employees aware of

what is going on around them, allows quick response to change, promotes channels for ideas exchange and creates an ambiance of openness within the company. This will facilitate the socialization process of the employees.

1. 3. 4- Strong culture in organizations

Either we manage the culture or the culture will manage us. The organizational culture is the way people think and act. The culture is responsible for the success or failure of the company. What matters the most is to manage the culture so that employees act in the right way to achieve the desired results. Leaders who have a big experience know that changing the culture leads to growing faster, beating the competitors and revolutionizing the value proposition of the organization. Managing the culture is very essential and is the key role of every leader in the organization in order to produce the needed results. Organizational culture has three essential components: experiences, beliefs and actions which have to be in harmony in order to achieve the maximum results. Experiences foster beliefs, beliefs influence actions and actions produce results.

1. 3. 4. 1- The steps to accountability

A culture of accountability should exist in all the organization: See it: When we see it, we obtain the results of others, communicate with them, ask for feedback and see the realityOwn it: When we own it, we are aligned with the mission and priorities of the company and accept them as they are. Solve it: When we constantly as the question " what else can we do?" to achieve results and reach our targets. Do it: Do what should be done by focusing on priorities and sustaining a trust environment.

Figure 6: Management concept of Isadore Sharp

http://www. nhorizons. ca/images/orgcult. jpgSource: This figure was extracted from the management concepts of Isadore Sharp, Head of 4 Seasons Hotel (www. nhorizons. ca/en-change-culture-change. asp)

Figure 7: Schein's ''Infrastructure of Every Organization''

levelsSource: This figure is extracted from Schein's ''Infrastructure of Every Infrastructure''; a chart based on his model in Organizational Culture & Leadership, 1992. We can clearly notice in this figure that the culture is at the base of the organization and includes the deeply held assumptions, values beliefs and norms. Leadership teams, at all management levels, should understand the importance of a system in improving performance. Change management theory suggests that good leadership and support are essential elements in organizational culture.

Figure 8: Measurable Factors of Organizational Culture

Measurable FactorsSource: (Johnson, Organizational Ethics, 2005)Carlos Ghosn, the Lebanese manager who became famous in implementing managerial tactics stated that ''A deep-seated cultural problem we had to address was the organization's inability to accept responsibility. We had a culture of blame. If the company did poorly, it was always someone else's fault. Sales blamed product planning, while product planning blamed finance'' (Ghosn, 2008, p. 15). On a broader level Ghosn sought to impose transparency on the entire organization to ensure that everyone knew what everyone else was doing. Nissan's identity and culture as a company have

been very important factors in its performance. And this would be true for

most companies in Lebanon when they follow this course.