



## CULTURE AND HRM- APPLICATION OF HOFSTEDE'S CULTURAL DIMENSIONS IN HOSPITALITY HRM

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**Abstract:** *Due to increased mobility in the internationalization of business, hospitality organizations are facing the challenge of managing an increasingly culturally diverse workforce. Each country has its distinct culture and working style so, organizations have to work according to host country's culture to manage their human resources. In order to maximize cross-national management capabilities, organizations need to understand how people in different cultural settings respond to similar concepts within their particular functions. Many cultural researchers have written on the concept of culture like Hofstede, 1980, Trompanaars, 1993 etc. But Hofstede's work in national culture is most referred and reliability and validity of his work has been tested by many researchers. Initially he gave four cultural dimensions i.e. power distance, individualism- collectivism, masculinity- femininity and uncertainty avoidance. And then later he added a new dimension long term- short term orientation. These dimensions provide an insight of the culture of a particular nation and help hospitality managers in managing their global work force efficiently. This paper critically evaluates Hofstede's work and its usefulness in understanding management of human resources of international hospitality industry.*

**Keywords:** *Hofstede, Hospitality, HRM, Culture, Cultural dimensions, Training*

### 1. INTRODUCTION

In this modern era of globalisation, the world has become a global village. Organisations, including the ones from hospitality operate in many countries even other than those of their parent countries and cultures. Due to increased mobility and globalisation of hospitality business, organisations are facing challenge of managing culturally diverse workforce (Groeschl and Doherty, 2000). Each country and culture has its own distinctive working style so the organisations have to adapt to the culture of the host country and have to work accordingly to manage their human resources (Budhwar and Sparrow, 2002). The employees within organisation also have a different set of values, ideas, beliefs and assumptions (Jabri, 2005). It means organisations have to manage human resources having



various different work values, attitude and behaviour (Groeschl and Doherty, 2000). In order to maximize cross-cultural management capabilities, organizations need to understand how people in different cultural settings respond to similar concepts within their particular functions. It may result being useful in clarifying the influence of a wide range of variables on cross-cultural HRM as well as in developing practical induction and training tools for employee (Budhwar and Sparrow, 2002). Many cultural researchers have written on the concept of culture like Hofstede, 1980, Trompanaars, 1993 etc. The relationship between human resource management and culture can be found in the definition of HRM by Storey(1995) as “Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques.”This paper will discuss the cultural dimensions given by Hofstede and will critically analyze their usefulness in understanding different aspects of human resources management in international hospitality industry.

## **2. METHODS**

This paper critically reviews application of Hofstede’s work in the field of national culture for human resource management in international hospitality industry. The method used for the same is by literature review only. Hofstede’s work has been used as framework for this paper and is being used along with HRM literature for understanding its usefulness in industry. Cultural dimensions are discussed one by one along with their usefulness in HRM in hospitality industry.

## **3. WHY HOFSTEDE?**

Though many researchers have written on the concept of culture, then why only Hofstede? The rationale behind choosing only Hofstede’s on cultural aspects is being chosen because he founded the framework for research on national cultures and his work is the most referred among many other researchers who have done their work in the same field i.e. of the national cultures (Budhwar and Sparrow, 2002; Jones, 2007). Soundergaard (1994) found that Hofstede’s 1980 study received 1036 citations, while another highly regarded study on strategy by Miles and Snow received only 200 citations. Though, the critical work of Sndergaard (1994) and Boyacigiller (2002) have summed up all the criticism raised on Hofstede’s work. They raised concerns about three different aspects of his work, firstly, on



the methodology used for collecting the data, second for the choice of nation to study culture and third is about the period during which the data was collected i.e. between 1967 and 1973 which may have become obsolete (cited in Ruysseveldt and Harzing, 2004). The validity and reliability of Hofstede's work on national culture has been tested by many researchers. Many studies were developed which confirmed the accuracy of Hofstede's work and cultural dimension given by him ( Soundergaard 1994, 453 cited in Jones 2007).

#### **4. HOFSTEDE'S WORK AND ITS USEFULNESS IN UNDERSTANDING HUMAN RESOURCES MANAGEMENT IN INTERNATIONAL HOSPITALITY INDUSTRY**

To understand Hofstede's cultural dimensions firstly we have to understand the culture. Hofstede (1997) defined culture as "the collective programming of the mind which distinguishes the members of one group or category of people from another" (pp. 5). Hofstede carried out a large body of survey data about "the collective programming of mind" i.e. cultural values of nationals of over 50 countries around the globe. These people worked in a multinational company- IBM. He collected this data from 1967 to 1973. He carried out statistical analysis of the answers given by IBM employees of the questions in different countries. It revealed common problems with their solutions varying from country to country in the areas:- social inequality, including the relationship with authority; the relationship between individual and group; concept of masculinity and femininity and the ways of dealing with uncertainty, relating to the control of aggression and the expression of emotions. (Hofstede, 1980) This result covered the prediction given by Inkeles and Levinson in 1969 (pp. 447ff. cited in Hofstede, 1980). Hofstede named those problems as power distance, individualism v/s collectivism, masculinity v/s femininity and uncertainty avoidance. Later he carried out a study among students of 23 countries by using a questionnaire designed by the Chinese scholars. Through, this study he developed a new cultural dimension in 1991 and added it to his prior developed 4 dimensions and named it as long term orientation v/s short term orientation. But a following study by Michael Minkov in 2010 the number of the countries for the fifth dimension can now be extended upto 93 and he added one more dimension to the earlier 5 dimensions as pragmatic v/s normative (Hofstede, 1997 and <http://www.geert-hofstede.com/>). But the latest and the sixth dimension will not be discussed in this paper as it is not the work actually done by Hofstede. Hofstede gave scores to each country for various dimensions for better understanding of



cultures (<<http://www.geert-hofstede.com/>>). His cultural dimensions and their usefulness for hospitality HRM are discussed as below:

**a) Individualism v/s collectivism** is defined as the degree to which individuals are integrated into groups. In individualist societies we find integration between individuals is loose and everyone is supposed to look after themselves or by their immediate families. On the other hand in collectivist societies people are integrated into strong, cohesive in- groups, often extended families (uncles, aunts and grandparents) since birth which continues protecting them in exchange for unquestioning loyalty ( Hofstede, 1997 and <http://www.geert-hofstede.com/> ). HRM functional areas are mainly recruitment, selection, training, development, performance appraisal, pay and benefits, internal transfers and separation. (Budhwar and Sparrow, 2002; Dowling and Welch, 2004; Donald, 2006; Boella and Turner, 2005). In terms of HRM, this dimensions mainly measure whether a person is used to work as an individual or as a group (Hofstede,1980 cited in Nickson, 2007). Hofstede's (1980) findings suggest that the hiring process in a collectivist society takes in-groups into account. He found that first preference in hiring process is given to the relatives of the manager and to those of the other employees. Hofstede further discusses that hiring people from a family known by the workers increase motivation level and reduces employee turnover related problems. Hofstede's work also remarks that employees from a collectivist society are more concerned with the reputation of the organisation they work for and help in correcting the undesirable behaviour of a family member in the organization. It suggests that individuals from such societies consider job security as very important aspect at work place. Hofstede(1980) also supports this with the argument that in collectivist cultures, the relationship between employer and employee in an organisation is similar to the relationship in a family where there are mutual obligations of protections in exchange for the loyalty. So, poor performance of an employee cannot be the reason for his dismissal, because the employee is a family member and one does not dismiss one's child (K'Obonyo, P. and Dimba, B. 2007; Rao, 2009). While in individualistic cultures, performance is the only measure for the continuation of the job. Poor performance by any employee may result in the loss of his job. One tends to move to other organisation as soon as he finds a suitable opportunity. In such cultures, open recruitment policy is adopted by the



organisations such as e-recruitment (Hofstede, 1997; Rao, 2009). Apart from the recruitment policy performance appraisal is also an area affected by the collectivist societies. In such societies performance is measured on the basis of a project carried by a group collectively and the whole is rewarded for their performance (K'Obonyo, P. and Dimba, B. 2007). While in individualistic society, one may say "I did this" and he will be rewarded (Jones, 2007). Training and development programs are designed as per the needs of the organisation for individualistic cultures while for collectivist cultures are given as reward to the employees who have served the organisation for longest (Hofstede, 1997; K'Obonyo, P. and Dimba, B. 2007). Since, the most of the hospitality activities emphasis on the need of teamwork, so, an extremely individualistic culture may be problematic for the organisation and certainly not in the interest of the customers.

**b) Masculinity v/s femininity** refers to the distribution of roles between genders which is also a fundamental issue for all societies to which a range of solutions are found. Hofstede's survey data among IBM employees revealed women in feminine countries have the same modest, caring values as the man; in the masculine countries they are somewhat assertive and competitive, but not as much as the men; So that, these countries show a gap between men's values and women's values. (hofstede's, 1997, <http://www.geert-hofstede.com/> ). While discussing masculinity and femininity in terms of human resources management, then it refers to the extent of relationship among colleagues, their decision making process and to the degree of job stress. Feminine management practices emphasise on the quality of interpersonal relations and quality of working life issues (Newman, 1996 cited in K'Obonyo, P. and Dimba, B. 2007). There is relatively low stress in the workplace because workers are provided with a great deal of freedom. Hence, employees are motivated to work and perform (Abudu, 1986 cited in K'Obonyo, P. and Dimba, B. 2007). On the other side, masculine cultures favour performance- contingent rewards to produce higher performance in work units (K'Obonyo, P. and Dimba, B. 2007). Hofstede also link masculinity and femininity of an occupation to the level of female workers' participation in that sector and their influence in that industry. In this sense, the hospitality industry shows some tendency towards female values and the caring culture of the guest- employee relationship in



many situations would seem to support this argument. Some hotels in Russia are even planning of employing former care workers as they are best suited for hospitality industry work. Traditionally hospitality industry exhibits masculine traits and this is supported by dominance of males in position of authority and power within the industry, despite their minority status (Baum, 2006).

- c) **Power distance** power distance measures the extent to which the less powerful members of a society accepts and expects the power which is distributed unequally. Inequality exists in all societies but the degree to which it exists varies from society to society and culture to culture. In case of organisations, the level of power distance is directly related to the level of decentralisation of authority and to the degree of autocratic leadership. A centralized and autocratic organization has higher degree of power distance while on the other hand a decentralized and participative organization has a relatively lower degree (Hofstede, 1997; Albrecht, 2001). When we discuss training in hospitality organisations then, the power distance reflects the degree to which participants are self directed or are trainer directed. Cultures with lower level of power distance values learner centred learning and trainee initiative. The effectiveness of training in such societies or cultures is related to the amount of communication among the trainer and the participants; and among the participants itself as the knowledge can be gained from any competent person. While, high power distance cultures values trainer centred learning approach. Training effectiveness is considered as the product of the knowledge and expertise of the trainer, and the knowledge is to be obtained from the trainer. ( Hofstede, 1997; Albrecht, 2001; Baum, 2006; Budhwar and Sparrow, 2002). In relatively higher power distance level cultures, recruitment for upper level management is done internally as superiors promote their subordinates whom they trust and have known for a long time (Davilla and Elvira, 2005 cited in Rao, 2009). Subordinates realize that their career development is dependent on their strong organizational relationship with their superiors and hence rarely question their authority (Hofstede, 1997; Budhwar and Sparrow, 2002). In such cultures staffing is considered to be the main domain of the managerial staff and they do not involve their subordinates in staffing decision process. While in lower power distance cultures managers involve their subordinates in hiring process to get a comprehensive assessment of applicants



(Davila and Elvira, 2005; Heneman and Judge, 2007 cited in Rao, 2009 and Hofstede, 1997). Kamenchuk(2004, cited in Rao, 2009) suggests that high power distance creates both upward and downward management inclination where employees want to get closer to their superiors who have power and tend to maintain a distance from their subordinates who do not have any power. Hofstede found that lower education, lower status occupations tend to produce high power distance values while higher education; higher status occupations tend to produce low power distance values, with education being the dominant factor in determining the split of power. This may account for the traditions of authoritarian management and its acceptance in lower- skills sub- sectors of the tourism, hospitality and leisure, notably in the hotel and catering sector of hospitality industry. (Baum, 2006)

**d) Uncertainty Avoidance** dimension measures the degree to which members of a society feel threatened by unstructured, unpredictable situations and the extent to which they try to avoid those situations. In training situations in hospitality organizations, the uncertainty avoidance would describe the degree to which participants seek to collect the information and avoid confusions through generalized principles and a search for the absolute truth. In relatively weaker uncertainty avoidance cultures, trainers are allowed to say 'I don't know' and the trainees are comfortable with unanswered questions. Trainees are encouraged to take innovative approaches to problem solving and intellectual disagreements are thought to be stimulating. While on the other hand, cultures with strong uncertainty avoidance expect trainer to have all the answers. Trainers are supposed to be experts so the intellectual disagreements are supposed to be disgraceful and disrespectful. In such cultures, trainees are rewarded for problem solving ability on the set principles and methods by the trainer. (Hofstede, 1997; Albrecht 2001)

In recruitment process also, in strong uncertainty avoidance cultures, the use of elaborately written documents such as contract with each specified term is required to avoid further conflicts. Organizations seek for detailed information from the applicants to increase the predictability in the hiring process in their bio data or application form. High uncertainty avoidance culture do not trust oral information provided by the applicants and therefore they seek an elaborate written information to make sure that





professional and personal information is correct. Personal references play a vital role at the time of hiring (Heneman and Judge, 2007; Dickerson and Mandell, 2006 cited in Rao, 2009; Hofstede, 1997). In such cultures, managers are supposed to follow the set principles and hence less risk taking involves. On the other hand, in low uncertainty avoidance cultures, no such formal employment contracts are signed. Organization trust the information provided by the applicant and do not seek any elaborate personal information from applicant and managers are being provided a degree of freedom to take decisions in the best interest of the organisation (Hofstede, 1997).

**e) Long term orientation v/s short term orientation** is a dimension which addresses the business and personal perspective of cultures in terms of their goal achievement (Hofstede, 1997). Asian cultures such as Chinese and Japanese and also people from Southern Europe (Greece and Portugal) appear to exhibit a greater willingness to invest over time to achieve their goals. By contrast Northern Europe and Northern America include countries where short- term objectives and achievements are valued. In management of people, such distinctions are important and are reflected in matters such as career commitment, seeking promotion opportunities within the organization and also outside the organisation (Baum, 2006). Hospitality is an ever going process and accomplishes both long term and short term goals. It can be reflected by the hiring of temporary workforce to execute a particular event in banquets, similarly having a regular workforce for restaurant operations which focuses on repetitive business and customer loyalty building.

## **5. CONCLUSION**

This paper discussed Geert Hofstede's ground breaking work on cross cultural differences and provided an evaluation of application of Hofstede's work in managing human resources in international hospitality industry. To conclude one must be cautious while using Hofstede's cultural model and must only be used as an analytical framework and not as a precise program for the management of international human resource in an international hospitality organization. Hofstede's work seems to have fallen short in describing the emerging issue in hospitality HRM such as work family- relationship. Still, Hofstede's work will always continue to have value both for the scholars and for the practitioners in HRM based on culture. Hofstede's scorecard for each country can provide human resource





managers a better insight of the host country's culture and can be very helpful in managing various aspects of HRM practices. The literature supports the idea that HRM practices vary across the countries. More research is required for HRM in hospitality industry across the cultures to cover the shifting culture maps influenced by globalization and technology.

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