

CROSS CULTURAL MANAGEMENT

The case of the Clever Clogs International



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Introduction:

The aspect of cross cultural management has become a buzzword in management science and managerial practices in the recent times. Owing to the advent and spread of globalization and the bringing together of people from all over the world under one roof, the need for managers and decision makers to be adept with cross cultural management dynamics has become more crucial than ever (Briscoe and Schuler, 2004). The coming together of the people from different parts of the world has sought to blur the geographical, social as well as cultural boundaries and sought to create what is being referred to as globalized managers and employees. However, owing to the vital role played by culture in the management of the human resources and in the effective devising of strategies to capitalize upon new markets and business destinations on foreign land continues to be on the centre stage so far international human resource management is concerned (Burke, 2010). Keeping this at the background, the present report would seek to analyze the aspects related to the cross cultural dimension of management of international businesses with the case of the Clever Clogs International being the focus of the research and analyses. This report would seek to provide an in-depth assessment of the cultural aspects that influence the management and efficacy of working of a female, Muslim mid-aged manager in the Netherlands. The findings and recommendations that would be stated at the culmination would be justified by relevant theories, concepts and models.

Overview of the macro-economic factors of Netherlands influencing the finance services of the Clever Clogs International:

One of the indispensable preconditions to effective and efficient working of managers on foreign land and culture is the effectiveness of the management to gauge the macro-economic factors of the business destination. For the effective analysis and examination of the external factors of Netherlands and assess the ways such factors would influence the working of the Clever Clogs International vis-a-vis the efficacy of the new manager, the PEST analysis is a must (Dowling, *et al.* 2009). The PEST analysis of the macro-economic factors of Netherlands with specific reference to the intended financial services that the Clever Clogs International seeks to provide to a client can be identified as follows:

Political factors:

The Netherlands is known all over the world as being extremely friendly and encouraging towards foreign companies to enter its market. The economic policies, investment laws, rules and regulations as well as the commercial laws make it a suitable off-shore destination for many foreign companies dealing in providing financial services to clients. Moreover, the economy of the Netherlands boasts of being one of the most internalization- conducive in the world and except for a handful of sectors where the government has exclusive rights, all local and international companies entering Netherlands enjoy the same rights and privileges (Fisher, *et al.* 2003). The absence of strict regulations, entry barriers and different laws for foreign companies make the Netherlands a preferred business destination for quite many global companies. Moreover, so far the aspects pertaining to a company dealing in financial services is concerned, the taxation system of the Netherlands is favourable with low tax- rates and also the chances of the taxes being cleared in advance through the EU.

Economic factors:



The strategic location of Netherlands in the world map, being located in the junction between North Atlantic Ocean and the exit gate of Europe, the Netherlands has a vital proportion of consumer markets contributing effectively and profoundly to the consumer market potential of the EU nations. The GDP of Netherlands, as recorded in the year 2007, stands as being the 13th most prosperous of the world and ranks eighth so far the ranking of the nations importing products from the United States of America are concerned (Harris, *et al.* 2003). The Netherlands, so far the financial sector is concerned, has one of the best technological, infrastructural and managerial expertise in the world and the destination is definitely is one of the easiest and most convenient destinations for business which is reflected in the fact that the Netherlands is regarded as one of the most comfortable financial market destinations to invest in. As a matter of fact, the effective support mechanism laden with incentives, the well-developed economy and the well-operated taxation systems have made the Netherlands the most preferred destination in all of Europe so far the economic factors influencing the businesses is the financial sector are concerned (Harzing and Ruysseveldt, 2005).

Social factors:

The standard of living of the people and the quality of life is high in the Netherlands. The culture and societal structures of Netherlands are friendly towards foreigners and accept them as their own and this holds as good in the business fraternity as well. The capital city of Amsterdam is one of the most diverse cosmopolitans of the world with surveys claiming people from 200 different countries living in Amsterdam (Mendenhall and Oddou, 2000). The ways the Dutch mingle with the people in the society is reflected in the workplace as well and harmony and cooperation forms the bedrock of these practices. The stability of the political and social factors and the advantages in terms of technology, research and development facilities and developed infrastructure and logistics leave no stone unturned to make the Netherlands one of the best places for local as well as foreign firms to invest in. The availability of high quality labour force and they being savvy with soft skills and speaking English make the labour force as also a force to reckon. However, there are restrictions to the number of foreign employees who can be employed vis-a-vis the proportion of local people in the organizations (Peterson and Søndergaard, 2008).

Technological factors:

So far the efficacy of financial services in Netherlands context in concerned: the aspects related to fact that the Netherlands takes pride in being one of the most technologically advanced, savvy and matured European nations at present. Moreover, in line with the advancements in the field of technology elsewhere in the world, the Netherlands as leading and welcoming nation for foreign investment has been steadfast in the development of the state of art network and wireless services to ensure better and seamless connectivity and information sharing, storage, dissemination and protection (Pieper, 2000).

As such, based on the four factors of the PEST analysis model the macro-environmental aspects of Netherlands could be assessed and the reasons behind it being such a successful foreign business destination for financial services sector could be delved and understood.

Comparison of Netherlands and Lebanon through the Hofstede's model:

The application of the six factor model of Hofstede to the context of Lebanon can enable identification of the key concepts and specificities of the cultural and social dynamics of Lebanon that seek to define the behaviour attitudes of the people and the extent to which they can adjust with the cultural and social dynamism of Netherlands. In the case of the present analysis the case of the Muslim, female manager in her mid-thirties moving to Netherlands would be taken into account.

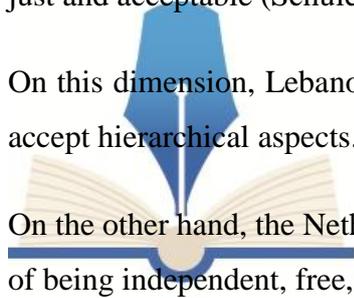
Hofstede model and a comparative analysis of Lebanon and Netherlands:

Power distance:

This factor deals with the ways the culture behaves towards the hierarchy in the society and organizations or the extent to which the subordinates consider the hierarchy to be just and acceptable (Schuler and Jackson, 2006).

On this dimension, Lebanon scored a high score representing the fact that the people tend to accept hierarchical aspects.

On the other hand, the Netherlands scored low and presented the quintessential Dutch essence of being independent, free, equality, accessibility and empowerment (Schweitzer, 2003).



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Individualism:

Individualism relates to the consideration of the self and the immediate family. On this dimension Lebanon scores low. This represents the fact that the Lebanese culture and society is a collectivist one (Scullion and Linehan, 2005).

Whereas, in the case of the Netherlands, the score is very high as high as 80, out of 100. This shows that the Netherlands society is highly individualistic. The social framework and societal patterns are loosely knit and individuals prefer caring for themselves and their immediate families.

Masculinity:

This factor relates to the competition, urge for success and achievements. Lebanon scores low on this case and represents that the society and culture are feminine in nature.

In the case of the Netherlands, it scores low on this dimension presenting a feminine characteristic of the society where the quality of life and caring for others (Singh, 2012).

Uncertainty avoidance:

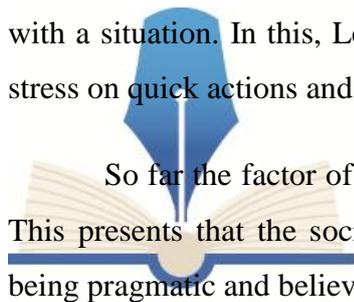
This factor deals with the ways the people perceived and treat uncertainties and plan or not plan to tackle the same. In this case, Lebanon scores 50 representing a midway between the two extremes (Watson, *et al.* 2002).

So far this factor is concerned; the Netherlands demonstrated moderate rating and slightly is in favour of avoiding the unforeseen and the uncertain and are somewhat rigid when it comes to holding on to well-defined norms, rules and regulations.

Pragmatism:

This factor deals with the extent to which the society relates to past events when faced with a situation. In this, Lebanon scores extremely low representing the fact that the people stress on quick actions and results with respect for the traditions of the culture (Wolf, 2007).

So far the factor of pragmatism is concerned; the Netherlands displayed a high score. This presents that the society and culture of the Netherlands is one which is identified as being pragmatic and believe in the specific time and context as they come.

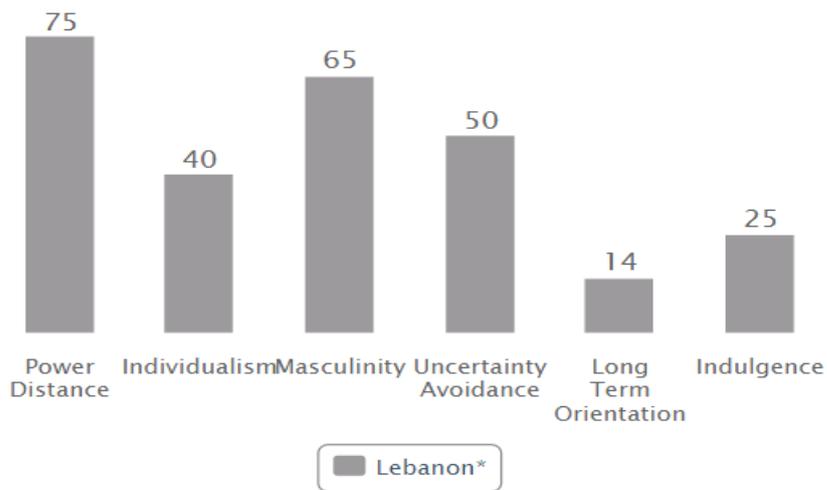


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Indulgence:

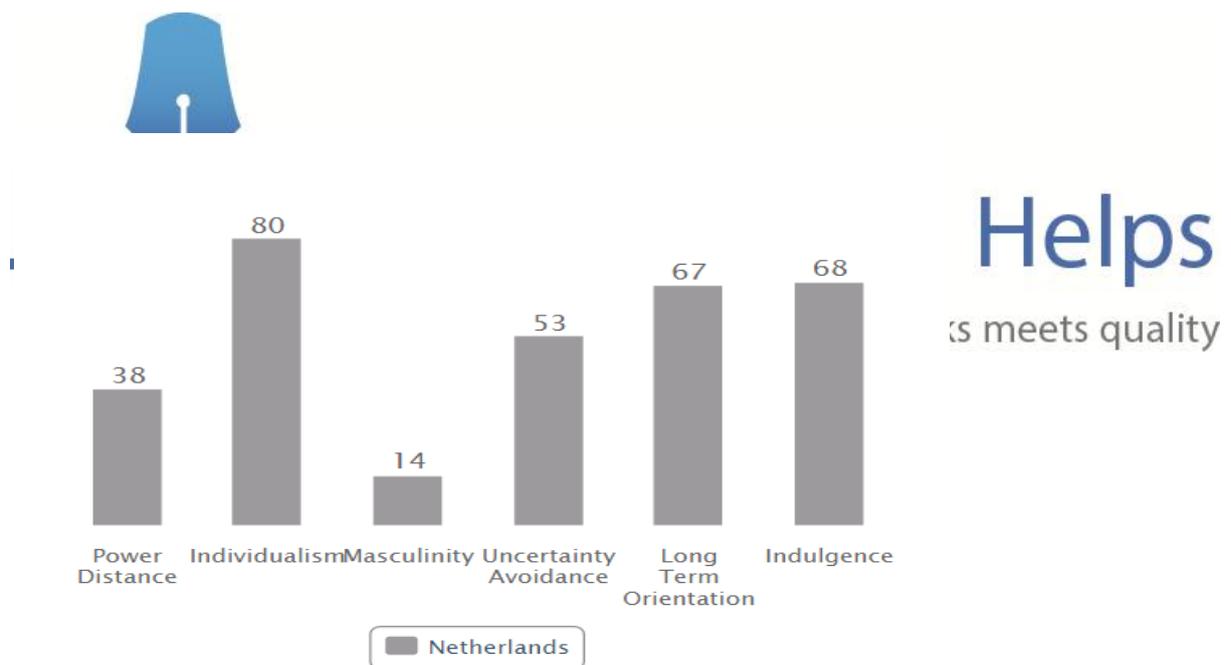
The factor of indulgence refers to the extent to which the people of a given culture or society exert control over their impulses and desires. So far this factor is concerned, Lebanon scored low representing the fact that the culture and society of Lebanon stress on restraint and consider the social norms as barriers to their actions and realization of the results that emanate (Singh, 2012).

So far this factor is concerned, in the case of the Netherlands, score a high score representing the fact that the people tend to realize their desires and impulses and prefer having a good quality and enjoyable life.



Hofstede's model analysis of Lebanon

Source: (Geert-hofstede.com, 2015)



Hofstede model analysis of Netherlands:

Source: (Geert-hofstede.com, 2015)

Analysis of the challenges the female, Muslim Lebanese manager may face in the Netherlands:

As such, so far the leadership of the manager is concerned; the incentives and motivation for the Dutch employees needs to keep in mind the indulgence levels of the employees. So far the value differences are concerned, the aspects of individualism, low on masculinity and low score on power distance reveals that the Dutch employees would prefer loosely knit hierarchical structures, worth only for smoother administration with rights and empowerment being vital aspects (Singh, 2012). So far decision making on the part of the managers in Netherlands is concerned, the aspects of the indulgence levels as displayed by the Netherlands need to be kept in mind and effectively dealt with through plans that fetch short term results one after the other and ultimately the long term broader goals.

So far negotiation and communication are concerned, the factors of the power distance, the need for equality, independence, liberty and empowerment of the employees and the feminine nature of the society need to be kept in mind so far the efficacy of the female, Muslim manager from Lebanon is concerned (Schuler and Jackson, 2006).

Therefore, the above mentioned aspects underline the main areas of concern for the female, Muslim manager of the Clever Clogs International so far the delivery of financial services in Netherlands is concerned.

Conclusion:

The consideration of the macro- economic factors, collation with the Hofstede's model analyses of Lebanon and Netherlands and the ways the leadership,. Decision making and communication management styles need to be changed and adapted by the female, Muslim manager have been brought to the fore. These would serve to be vital prescription for the Clever Clogs International.

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