CULTURAL DIMENSION IN MARKETING MANAGERS' DECISION MAKING:
AN APPLICATION OF GEERT HOFSTEDE INDEX FOR GHANA

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ABSTRACT

The objective of the study was to profile the Ghanaian Marketing culture using Geert Hofstede index and further examined its relationship with Marketing Managers decision making. The paper examined the cultural dimension of marketing managers in Ghana using the predefined matrix of Geert Hofstede that is Strong vs. Weak power distance; Individualism vs. Collectivism; High vs. Low uncertainty avoidance as well as Masculinity vs. Femininity. Convenient and purposive sampling techniques were used in selecting 50 Marketing Managers for the study. Data was collected from both primary and secondary sources. Primary data was in a form of self-administered questionnaires and interviews in eliciting information for the study while the secondary data was culled from other related works, libraries as well as information from the internet. Qualitative and Quantitative research approaches were also adopted. SPSS was used in analyzing the data. It was revealed from the study that, power distance was somewhat big among marketing managers in the indigenous companies. The study also revealed that, Ghanaians marketing managers tend to be more collectivistic in nature and were also not interested in taking risk for fear of losing in the end. The study recommended for marketers to take risk in bringing new ideas to their organizations. There is also the need for marketers to be motivated through merit-based pay and promotion policies so as to improve profitability in a more masculine culture like Ghana.

Keywords: Synergy, Culture, Cultural dimensions, Hofstede index.

INTRODUCTION

The nature of today’s business world makes it seem mandatory to consider culture as one imperative factor which could influence the success of businesses and organizations. Cross-cultural miscommunication is capable of ruining business deals, hurt sales, or harm the corporate image of any organization. According to Lu et al (1999), Culture does not only influence learning, but also affect what is seen to be correct/incorrect, appropriate/inappropriate as well as ethical/unethical. Drucker (2001) observed that, what managers perform is the same all over the world, but how they perform it can be completely different from one another. Barnes (1992) observed that “the ever increasing opportunities to market products and services globally cannot be optimally capitalized upon unless the cultural domain of the buyer-seller dyad is better understood” (p. 102). It demonstrates to the fact that, the cultural dimension of once country needs to be understood properly for business to be survived. Ofosu & Hansen (2002) posited that, the little business information on Africa and business culture does not promote business activities in the continent. In 2009, African Business Guide observed that, one of the challenges hampering business in the sub-Saharan...
African countries is access to realistic and a thorough analytical information in making well-informed and dependable business decisions. Nwankwo (2000) posited that the understanding and appreciating of African culture is not an alternative but a fundamental for business activities to be successful. Iguisi & Rutashobyia (2002) also revealed that the lack of proper adaptation of culture among management of companies in Africa is denying Africa the substantial synergy to develop in both social and economic management.

The sound statistics on the Ghanaian economy in the past ten years coupled with the flexible policies of the government in attracting investors have enhanced the business activities with both the indigenous companies as well as the multinationals springing every year. The 2013 World Bank report on the "Ease of Doing Business" ranked Ghana as the:

- No. 1 on the “Ease of Doing Business in West Africa” index.
- No. 2 on the “Ease of Registering Property in Sub-Saharan Africa” index.
- No. 5 on the “Ease of Doing Business in Sub-Saharan Africa” index

It shows that, a knowledge on the country's marketing activities is necessary for businesses to be successful. Mavondo & Bridson (2008) added that an adaptation of local marketing strategies to foreign markets has a negative impact on performance. It points to the fact that, culture has a greater influence on once behaviour in management. Bissell (2008) posited that in the field of marketing, studies have shown that, cultural distinctions within the context of exchange relationships leads to a general consensus that culture impacts behaviour. It would be very remarkable and important for Marketing Managers in Ghana to know how they are profiled in the area of an accepted cultural dimension matrix like the Geert Hofstede matrix. Hofstede framework was chosen for the study because of its clarity, simplicity and appeal for managers as revealed by (Punnett & Withane, 1990 ; Kirkman et al., 2006; Cray, 2006). Hofstede's frame work is also used by researchers on culture because it is the most extensively used national cultural framework in psychology, sociology, marketing and management studies (Soares et al., 2007). He developed four cultural dimensions: individualism for societies in which the ties between individuals are loose; power distance to explain the way a society handles inequality among its members; uncertainty avoidance to show the extent to which the members of a culture feel threatened by uncertain and unknown situations, and masculinity for societies in which social gender roles are sharply differentiated (Christie, Kwon, Stoeberl & Baumhart, 2003).

The study seeks to profile the Ghanaian marketing culture using the indigenous companies other than the multinational companies and to assess its connection with the marketing managers' decisions.

STATEMENT OF PROBLEM

There are numerous researches on culture being used increasingly in business and marketing studies (Milner et al., 1993; Sondergaard, 1994; Engel et al., 1995; Dawar et al., 1996; Sivakumar and Nakata, 2001; Shamskarmahesh et al., 2003). There are other cross - cultural research works that have also been carried out on the activities of marketers : Ferrell et al (1985); Dubinsky & Loken(1989); Donoho et al (1999); Christie et al (2003).

Evidence from empirical literature on culture and marketers activities are limited in Ghana – especially in the area of Hofstede index. The need for knowledge on Ghanaian national and business culture is very important for managerial purposes, (Bond, 2005). Hence the
inadequate information on Ghanaian culture on Hofstede dimension couple with its influence on marketing managers’ decision making is a gap this study seeks to fill in the literature.

RESEARCH OBJECTIVE AND QUESTION

The present research has the objective of profiling the Ghanaian Marketing Managers decisions using Geert Hofstede cultural dimension index and to assess how the dimensions influence managers decisions in Ghana

As a means to achieve the purpose, the following research question was formulated:

How would you profile or catalogue Marketing Managers’ decisions in Ghana in the Geert Hofstede cultural Dimension index?

SIGNIFICANCE OF THE STUDY

The study will provide important information for further research on cultural dimensions of hofstede in Ghana. It will also help Marketing Managers in Ghana know more about how the dimensions of hofstede will make them get insight into marketing activities with respect to taking bold marketing decisions. It will help organizations and investors who may want to do business in Ghana. It will finally help in adding to the existing store of academic literature on the Ghanaian Marketing culture.

SCOPE OF THE STUDY

The scope of the study was within selected indigenous organizations other than the multinational companies in the Kumasi Metropolis of the Ashanti Region of Ghana. The companies were selected from the Insurance industry, Indigenous Banks, Manufacturing companies, Printing and Publishing houses, Media houses, Pharmaceuticals companies as well as Professional/Private Educational institutions. Data were gathered from the various Marketing and Sales managers from the Sales and Marketing Department of the organizations.

LITERATURE REVIEW

The literature was reviewed on the general perspective of culture, Hofstede cultural dimension as well as the implication of hofstede culture on the Ghanaian marketing managers’ activities.

General perspective on culture

Some contemporary anthropologists defined culture “as the distinctive way of life of a group of people, their complete design for a living” (Heidrich, 2002, p. 1). Hofstede (2001) defined culture as “the collective programming of the mind that distinguishes the members of one group or category of people from another” (p. 9). According to Johansson (2000), culture is usually defined as the underlying value framework that guides an individual’s behaviour. The above definitions points to the fact that culture is the summation of learned beliefs, principles and habits that guide the behaviour of a person or members of a group in a particular society.
Hofstede's dimension of culture

Geert Hofstede is a Dutch social psychologist and a management scholar who worked as a management trainer and manager of personnel research in IBM International, while working on his thesis in the area of introduction and application of employee opinion surveys. He examined the working values and attitudes of more than 116000 employers of IBM in more than 60 countries between 1968 and 1972. Data was collected using a self-completed questionnaire and developed a model - which is being used in cultural and cross-cultural research analysis. In 1980, Hofstede developed four broad cultural dimensions out of the study that was carried out using the IBM, which were largely independent of each other and they were:

- Large vs. small Power Distance,
- Individualism vs. Collectivism
- Strong versus Weak Uncertainty Avoidance
- Masculinity vs. Femininity.

Power distance

This dimension explains the consequences of power inequality and authority relations in society. It influences hierarchy and dependence relationships in the family and organizational contexts. This dimension means that the power is unevenly distributed within an organization or institute. As a consequence, bosses or managers are really more powerful than their subordinates. All the decision-making relies on the managers rather than on the discussion among the employees (Hofstede, 2001).

Implication of High Power distance culture on managers and employees

- Ryan (1999) revealed that in large Power Distance cultures educational qualifications are more important in hiring, probably because of the emphasis those countries place on status.
- Subordinates always expect clear guidance from superiors.
- Superiors openly illustrate their rank.
- The relationship between employers and employees is not quite close.
- Countries with high power distance culture tend to use social connections and status in employing people rather than considering merit and experience (Budhwar & Khatri, 2001).
- De Mooij (2011) revealed that large power distance cultures subordinates rely on superiors in making decisions for them.

Implication of Low Power distance culture on managers and employees

- Blame is often shared by superiors and subordinates, or sometimes accepted by superiors because of responsibility.
- Subordinates are treated with respect and trust by their superiors.
- The relationship between employers and employees could be personal and very close.
- Less non-hierarchical work environment at workplace (Hofstede, 2001).
Uncertainty avoidance

Uncertainty avoidance refers to “The extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations” (Hofstede, 1991, p113). This dimension deals with the need for well-defined rules for prescribed behaviour. In a high uncertainty avoidance culture, people try to avoid uncertainty and ambiguity, seek for consensus and believe in absolute truths. Moreover, they are also characterized by a higher level of anxiety and stress with strong need for written rules, planning, regulations, rituals, and ceremonies which add structure to life. On the contrary, for the low uncertainty avoidance culture, it is easier to accept the uncertainty inherent and take risks in life and they are less tense and more relaxed. (Hofstede, 2001)

Implication on High and Low uncertainty avoidance

- More written organizational activities are seen in countries with high uncertainty avoidance and people have less ambitious and are more risk-averse. On the other hand, in societies with low uncertainty avoidance there are less structure and fewer precise rules and regulations and employees and Managers are inspired to take more risks (Adler, 1997).
- Armstrong (1996) discovered that in countries with high uncertainty avoidance, employees need written rules to lead decision making.

Individualism vs Collectivism

In an individualist culture, individuals put more emphasis on their own interests rather than the groups which they belong. They pay more attention to personal sovereignty and want to be independent. In a collectivist culture, the situation is quite opposite. In that case, individuals put group’s interest over theirs and they are more loyal to their groups. Additionally, they do not value self-independence as much as individualist people do. People in collectivism culture are thought to be more humane to others than those in individualism culture to some extent. (Hofstede, 2001).

Erez (2000) indicated that in individualistic cultures the selection procedure of new employees is based on their personal records, whereas in collectivistic cultures new employees are recommended by family members, who already work for the company.

Implication on Individualism and Collectivism

- Lowe & Von Glinow (1998) discovered that in collectivist societies there are a relatively greater use of workplace child-care practices, flexible benefit plans, maternity leave programs and career break schemes
- Kirkman & Shapiro (2001) discovered positive correlation between team working and collectivist culture.
- Collectivists restrain their actions and impulses, ignore temptations and desires in favor of group interests (Schwartz & Bilsky, 1990).
- Researchers have revealed that the collectivistic culture leads to imitation instead of innovative behaviour (Yaveroglu & Donthu, 2002).
Masculinity Vrs Femininity

Masculinity refers to a society where there is a distinct difference between roles of men and women and masculine traits include assertiveness, materialism or material success, self-centeredness, power, strength, and individual achievements, whereas femininity refers to a society where gender roles somehow overlap and they both ought to be modest, tender and concerned with the quality of life (Hofstede, 2001). In work places, people in masculine culture are ambitious and they have a high desire of achievement. Conversely, people in feminine culture consider work just as a way of living and they strive for consensus and develop sympathy for people who are in need.

Implication on Masculinity and Femininity

- Butler (1990) stated that high masculine societies stressed on money, success and status and men are dominated in these societies.
- High earnings and reputation are appropriate to be symbolic of masculine culture (Hofstede, 2001; Stremersch & Tellis, 2004).

METHODOLOGY

The methods used comprised Research design and approach, population and sample size, sampling technique, data collection instrument, pre-testing of the instrument, data collection procedure as well as data analysis plan.

Research Design and approach

The study adopted a descriptive research design. There are two main approaches to research - namely quantitative and qualitative research approaches (Saunders et al, 2007). The quantitative research is connected to numerical values such as questionnaires and statistics while qualitative research makes use of non-numerical data through interview and then categorizes. The study used both quantitative and qualitative research approaches.

Population and sample size

A population is defined as the entire group under study (Burns & Bush 2000). The population comprised all the registered indigenous organizations within the Kumasi Metropolis excluding the multinationals. Fifty of the managers in the companies were selected for the study. Since, it is impossible to do a survey investigation on the whole population (Malhotra, 2010).

An ideal size for a homogeneous sample is 50 respondents as suggested by Hofstede and Minkov (2013). They revealed that, a sample size smaller than twenty respondents should not be used in a single respondents because it will unduly affect the results.

Sampling Technique

Convenient and purposive sampling techniques were used for the study. A convenience sampling of people makes it easier accessible for researchers at the time the research is
carried out (Bryman & Bell, 2005). Convenient sampling technique was used in getting managers at their own will so as to get the required information for the study while the purposive sampling technique also used purposely to gather information from the Marketing Managers in the metropolis.

Data Collection Instruments

The study combined both primary data and secondary data sources. The primary data was in a form of questionnaire and interviews in eliciting information from the respondents while the secondary was culled from other related works. Having multiple sources of data helps secure the reliability of interviews and minimize the risk of having some answers misinterpreted (Ringdal, 2001).

Pilot – testing of the instrument

A pre-test should be done on a small group which should be between five to ten respondents (Christensen, 2010). Ten of the questionnaires were pilot tested or pre-tested with ten different Marketing Managers from the selected companies. A common opinion is that a questionnaire should not be used without being pretested (Malhotra, 2010). Corrections were then made to the answered questionnaire until the edited questionnaires were made available to the fifty managers who accepted to contribute towards the study.

Data Collection Procedure

A period of three weeks was used throughout the distribution and collection of the questionnaires. Appointments were scheduled with the various managers on different days and dates. Marketing Managers of the various companies were given the questionnaires after accepting to contribute towards the research. Some questionnaires were retrieved immediately after their distribution while the rest were received within the three week period; until all the fifty questionnaires were received for the final analysis.

DATA ANALYSIS

The data was analyzed using a statistical package for social sciences research (SPSS version 16 ). The data were expressed in percentages and were in tables and figures to ensure easy and quick interpretation.

RESULTS AND DISCUSSIONS

The results of the study are discussed below:

<table>
<thead>
<tr>
<th>Table 1 Gender Distribution of the Respondents</th>
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<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Field survey 2014.
From the respondents, it was found out that 58.0 % were male while 42.0 % were female. The gender distribution is shown in table 1. The findings suggested that there were more male
than female marketing managers and manageress. This suggested that more male managers were in marketing positions than their female counterpart.

Table 2  Age Distribution of the Respondents

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>18-29</td>
<td>16.0</td>
</tr>
<tr>
<td>30-39</td>
<td>54.0</td>
</tr>
<tr>
<td>40-49</td>
<td>22.0</td>
</tr>
<tr>
<td>50 +</td>
<td>8.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
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</table>


The result revealed that, respondents between 18-29 were 16.0%, 30-39 were 54.0%, 40-49 were 22.0% while those above 50 were 8.0%. It has shown from the study that a greater number of Marketing managers in Ghana were between the ages of 30-39 while managers above 50 years were the least.

Table 3  Educational Background of the Respondents

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>O/A-Level</td>
<td>12.0</td>
</tr>
<tr>
<td>Graduate</td>
<td>66.0</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>22.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Table 3 has shown that, managers who were graduates constituted the majority with 66.0%, managers with Ordinary /Advanced Level certificates recorded 12.0% whilst managers with postgraduate degrees also recorded 22.0%. It then suggested that majority of the Marketing managers in Ghana are using first degrees in managing organizations while managers with postgraduate degree are also coming up gradually.

Individualism Vs Collectivism index for Ghana

The research revealed that 90% of the respondents attested to the use of “We” while 10% recorded to have used “I /Me” at their various places of work as managers whenever they wanted to take marketing decisions. In the analysis of Hofstede on culture, the use of the pronoun “We” more frequently than " I or Me" signifies that such a society is more collectivist than individualistic. The findings are in consistent with the findings of Hofstede (1991) who posited that, the use of pronoun “We” instead of “I” is normal in collective societies.
Figure 2. Indicates that there is a Large or strong power distance among marketing managers in the indigenous organizations in Ghana. In determining whether managers were consulted by their superiors in marketing decisions it was revealed that, 70% recorded "No" while 30% recorded "Yes". It shows the existence of a large power distance in the Ghanaian marketing culture when it comes to decision making in organizations. It was also revealed from the interview that marketing managers in Ghana placed much importance on qualification rather than experience.

Fig 2
Masculinity Vs Femininity index for Ghana

From Fig 3 it was found out that 86% of the respondents agreed that there were more men than women in most marketing organizations, 10% were neutral while 4% disagreed that there were more men than women. Butler (1990) stated that high masculine societies stressed on money, success and status and men are dominated in these societies - which was in consistent with the findings from the interview. It demonstrates that the Ghanaian marketing culture is that of the masculine type.

Fig 3.

<table>
<thead>
<tr>
<th>Series1</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>86</td>
<td>10</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

Strong or Weak Uncertainty Avoidance index for Ghana.

In determining whether marketing managers in Ghana have strong or weak uncertainty avoidance index in the Hofstede dimension. It was revealed that as many as 92% responded “No” when asked whether marketing managers in Ghana liked taking risk while 8% responded “Yes” showing that there is a strong or high uncertainty avoidance index in the Ghanaian marketing culture. The findings are in consonance with Hofstede (1980) who posited that countries with strong religious background always showed high or strong uncertainty avoidance indices. The revelation is in consistent with the Ghanaian culture with excessive religious activities - where prayers are said in many companies before the actual work of the day commences.

Fig 4.

8% Yes
92% No
An assessment of risk taking among demographics using a one way ANOVA

The figure presents an assessment on Risk takers among the demographics. It was observed that managers with ages between 18-29 had a mean score of 2.0, followed by 30-39 with a mean score of 1.92, 40-49 recorded 1.82 while 50 and above recorded 1.75. This explains how a greater number of marketing managers are not willing in taking risk due to the fear for the unknown but the young; the up and coming managers are willing to take risk at their companies. The findings are in consistent with Bartlette & Davidsson (2003) who observed that North American companies prefer young experts with approval to make decisions immediately because the young are fearless in taking bold business decisions.

SUMMARY OF RESULTS

This section provides the summary of findings of the study. It has been organized according to the predefined matrix of Hofstede and they are follows:

First, the result revealed that the marketing environment in Ghana was a masculine one-where a greater number of the managers were males. Secondly, in the individualism and collectivism score, the result revealed that decisions by the managers in Ghana were collective in nature. Thirdly, in the power distance score, it was clear that, marketing managers in Ghana have a very large or strong power distance in making decisions with minimal consultation. Finally, the findings suggest that marketing managers have very high uncertainty avoidance and that makes it difficult in taking risk which could change the fortunes of marketing activities.
CONCLUSION

The following conclusions were drawn from the study:

- The relation or respect from employers of companies is more important in the Ghanaian marketing culture due to higher power distance.
- Recognition is more important in the Ghanaian marketing environment because of high power distance culture, in which subordinates always expect clear guidance from managers.
- Job security is more important to Ghanaian marketing managers because of relatively higher uncertainty avoidance.
- Team work is more important in the Ghanaian marketing environment as a result of higher uncertainty avoidance, in which employees would like to work in groups to avoid high risk sharing.
- Achievement is more important to marketing managers in Ghana because of higher masculine marketing environment.
- Salary is more important in the Ghanaian marketing environment due to the high masculinity in the country's marketing culture.

BUSINESS IMPLICATION

- Participative marketing activities could exacerbate profitability in high power distance culture like Ghana but will improve profitability in low power distance cultures.
- Merit-based pay and promotion policies can improve profitability in more masculine cultures.
- Masculinity and high uncertainty avoidance have a negative correlation with new product introduction in the realm of marketing.
- Young marketers must be employed and trained in a culture where risks taking by matured marketers are very minimal.
- Working experience must be considered more than qualifications in high uncertainty marketing culture like Ghana.

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