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# No Invitations:
## The Difficulties of Climbing the French Managerial Hierarchy

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**ABSTRACT**

The French model of managerial career development relies heavily on, not surprisingly, their elite educational system. What distinguishes France from other countries is that in order to rise to the upper echelon of management in an organization, graduation from one of the *grandes écoles* is imperative. *Grandes écoles* are universities that fit a specific set of criteria difficult to achieve, and that are primarily reserved for the lineage of families that have already established their status and wealth in French society. This paper analyzes the current state of the French hierarchical structure as it relates to government and management, and the challenges it poses to managers in the international business environment. While the success of companies like Michelin, L'Oreal, and Carrefour have proven that this system reliably produces high quality executives, it presents significant challenges for members of the international business community hoping to do business with French firms or work within a French company. Through the lens of Hofstede's cultural framework it was found that the Power Distance, Individualism, and Uncertainty Avoidance cultural dimensions support a hierarchical structure that distributes power at the top and rigidly opposes change from the outside and a strong sentiment that differences can be dangerous. The institution of the *grandes écoles*, coupled with Hofstede's cultural dimensions, creates a business environment that is not only difficult to navigate but makes it very difficult for non-*grandes écoles* executives to advance to higher positions.

**INTRODUCTION**

Leaders in both the public and private sectors in France are the product of a long-established network of the highly educated and mostly Caucasian male elite. This is largely due to a strong, self-sustaining union of government, management, and education. The impact that this state of affairs has on the system of hierarchy governing these institutions significantly affects global relationships between corporations both foreign and domestic to France. This research paper will analyze how the current state of the French hierarchical structure as it relates to government and management came to be, and will outline the challenges that it poses to managers in the international business environment.

**1. THE EVOLUTION OF FRENCH ORGANIZATIONAL HIERARCHY REGIME**

The hierarchical structure in the French private and public sectors is not far-removed from the French military hierarchical regime. The word "cadre," which denotes members of the ruling class, professional elite, was originally used by the armed forces to designate commissioned and non-commissioned officers (Barsoux and Lawrence, 2009). The word itself became rooted in French institutions and organizations predominantly in the 1950s, where it began to form the meaning that it holds today. The cadre group is not officially recognized, but represents an entrenched social division and is unique to France in that it encompasses people of different social upbringing, qualifications, income, vocation, and opinion (Boltanski, 1984).

Though there is no direct translation, the word cadre used in the private sector can analogously be taken to mean "manager". To obtain cadre status, one must receive education from one of the select few universities in France known as the *grandes écoles*, or prove their loyalty over several years with a single employer, the latter of the two being significantly more difficult to achieve, even for those brought up in the French educational system. Though companies may not use the same criteria to grant cadre status, "membership alone tacitly binds those inside," publicly validates their ability to think systematically and logically, and effectively distinguishes them from other members of the organization (Barsoux and Lawrence, 2009).

The result is a managerial model that views the organization as a distribution of authority. This contrasts with the North American approach, which tends to focus more on the distribution of roles within the organization. While the French cadre system reinforces a vertical distribution of personnel with its separation of upper management from the "collective of persons to be managed," the North American system is seen as a functional hierarchy of tasks, with individuals taking on the tasks that best suit their competencies (Amado, Faucheux and Laurent, 1985).

Neither methodology necessarily achieves greater returns, but rather each managerial model serves as a different approach of reaching the same goal. However, challenges are sure to arise when these models collide with one another, as is the case with mergers, acquisitions, and foreign hiring between North American and French companies.

## 2. THE BIAS FOR *GRANDES ÉCOLES*

The intelligence of individuals in the upper echelon of French management is not under scrutiny, however Barsoux and Lawrence (2009) argue that it may not be the primary method of assessment factoring into the recruitment of top management in French companies. Corporate recruiters often favor *grandes école* graduates over those from 'ordinary' universities because these graduates have successfully progressed through rigorous admission procedures that focus heavily on mathematics. Carol Crates, a professor at the School of Knowledge Economy and Management (SKEMA) has taught at several schools in France believes that while a few consider *grandes écoles* like SKEMA and others as 'ordinary' universities, in her experience, *grandes écoles* are much better organized and students seem to take their work more seriously, resulting in higher performance. Crates also admits that the entrance requirements to the *grandes écoles* are prohibitively expensive despite the availability of scholarships, and that the entrance exams themselves can be quite costly (Crates, 2011).

However, once admitted to a grandes écolé, one is recognized as having the ability to think critically and in the abstract, qualities that are paramount to becoming a cadre. It is believed that individuals with these qualities will have no trouble developing a specific expertise through work experience in the company that hires them (Barsoux and Lawrence, 2009).

Graduates of schools other than the *grandes écoles* who demonstrate excellence in their field of study have a difficult time rising through the ranks of management. While problems like this are publicly recognized by both private and public officials, there does not seem to be a movement in place to correct it. As Barsoux and Lawrence (2009) contend, politicians, civil servants, industrialists, and others with the power to push such an agenda have no desire to do so, as they "are themselves products of the system" and the concession that problems exist is of little importance to these people. Furthermore, while an opposition exists outside of the system, the allure of it is felt by all, considering the social status that the alumni maintain. This sentiment is endorsed by Pascal Eyt-Dessus, an executive at L'Air Liquide

who states that "Ninety percent of the population want to abolish the École Polytechnique, but they also want their sons to go there" (Barsoux and Lawrence, 2009).

In addition to these non-*grandes écoles* graduates, graduates with foreign credentials also run into challenges when operating within the French system. As this system recruits and promotes from within, employees with foreign credentials may not get the visibility they need in order to be successful.

## 3. THE PUBLIC-PRIVATE SECTOR RELATIONSHIP

After graduating from the *grandes écoles* and upon entering the professional life, students are granted near immediate cadre status. A grandes écolé degree is recognized by all and is an immediate invitation into the elite network of alumni in the public and private sectors (Crates, 2011). The transition has become so automated that one Renault cadre remarked, "Soon they will be naming them cadre upon admission to the *grandes écolés*" (Barsoux and Lawrence, 2009). Indeed, in some schools this is effectively what happens. At the École nationale d'administration (ENA), a grandes écolé that has groomed members of the ruling class elite for decades, students are considered government employees and receive a state-backed salary during their enrollment (Carreyrou, 2006). The environment within the schools remains competitive however, as the most desirable positions in government are reserved for the top graduating percentile.

## 4. TRANSITIONING BETWEEN THE PUBLIC AND PRIVATE SECTORS

In North America, political motivations and government decisions tend to be motivated by the corporate world, where a corps of individuals and businesses rally for a particular political party and are rewarded along with that party's success. This political machine does not exist in France, where the "upper bureaucracy doesn't shift with the moods of the electorate but is permanently controlled by the grandes corps of ENA graduates" (Fraser, 1994). These senior bureaucrats seem to be equally active in government and business due to a process referred to as le pantouflage, or revolving doors, where the transition between the public and private sectors is made incredibly easy by the strong network of *grandes écoles* graduates in both arenas. The end-result is a small percentage of the population having dominion over administrative and commercial power (Charle, 1987).

## 5. HOFSTEDE'S CULTURAL DIMENSIONS

To understand how these factors affect foreign managers and employees in France, it is useful to include Geert Hofstede's (1980) study of cultural dimensions in this analysis. Hofstede (1980) carried out a comparative study of the relationship between national and organizational cultures in forty different countries. His findings led him to believe that there are four dimensions of culture that affect the behavior of individuals, societies, and organizations, and that these dimensions remain stable over time. The four cultural dimensions that Hofstede identified were Power Distance, Individualism, Masculinity, and Uncertainty Avoidance. Further studies utilizing different research instruments have led Hofstede to incorporate a fifth dimension of Long-term Orientation into his framework (Hofstede and Bond, 1984). Although there are many differences in culture within a nation and individuals vary widely around the norm, Hofstede (2003) argues that cultural dimensions are relevant because they are constant despite these internal fluctuations. A brief discussion of four of the dimensions which are pertinent to our study follows.

## 5.1 POWER DISTANCE

Of particular importance to this discussion is the Power Distance dimension. The Power Distance Index is a measure of the degree to which individuals in a country's society are equal. This has a dramatic effect on the state of hierarchy within a country and its organizations. According to Hofsetede (2003) "a country with a High Power Distance ranking, such as France, indicates that inequalities of Power and Wealth have been allowed to grow within a society". He posits further that it is more likely that a caste system will have formed in these societies, which would prohibit "significant upward mobility of its citizens" (ibid). In France, this high power distance is reinforced by the corporate and government recruitment of *grandes écoles* graduates, and perpetuated by the elite network of bureaucrats and executives it creates. The consequences of a High Power Distance rating results in a high level of polarization between upper and mid-level management, which causes mid-level managers to feel dissatisfied with the level of control they have over relevant work decisions, their level of pay, the ambiguity of their role, and ultimately their career (Hofstede, 2003).

## 5.2 INDIVIDUALISM

Another important cultural dimension in the analysis of organizational behavior in France is Individualism. Individualism focuses on whether a society emphasizes the importance of individual or collective achievements and interpersonal relationships. With a High Individualism rating, France places the individual above the collective, and individuals within an organization are less likely to take responsibility for other members of the group (ITIM, 2003). This disposition can be observed at the most basic level within the organization, where there is "less asking for the collective sharing of good practice learning" than in countries with a lower Individualism ratings (Keup, 2011). High Individualism coupled with a High Power Distance Index often leads to the mentality that the underdog is to blame (Hofstede, 2003), despite the fact that in a typical hierarchical French organization it is not uncommon for executives to get involved in the most minute detail (Barsoux and Lawrence, 2009). This disconnect created by the paternalistic relationship between upper and middle management could lead to significant resentment on the part of middle managers.

Indeed, in the case of France, Hofstede (2003) found that "there was an extreme diversity of feelings toward superiors" and that "they may be either adored or despised with equal intensity". This could be particularly taxing on North American managers working in France, who by comparison are accustomed to a Low Power Distance rating and a High Individualism rating. Although both societies can be characterized as placing the individual above the collective, the Low Power Distance rating in Canada and the United States means that these workers may have trouble adapting to an environment where it is not uncommon for a superior to oversee and control the most minute detail of their work, and yet still place blame on that worker if something were to go wrong (Barsoux and Lawrence, 2009).

## 5.3 UNCERTAINTY AVOIDANCE

The next cultural dimension that has a significant correlation with this analysis is Uncertainty Avoidance. The Uncertainty Avoidance Index is a measure of the level of tolerance a society has for uncertainty and ambiguity. A country with a High Uncertainty Avoidance rating has a low tolerance for unstructured situations, whereas a country with a Low Uncertainty Avoidance rating is less concerned with uncertainty and ambiguity and is more tolerant of a variety of opinions (ITIM, 2003). France exhibits a High Uncertainty Avoidance rating in the bureaucratic nature of its public and private sectors, where laws, rules, and regulations form rigid organizational structures and the opinions of subordinates are considered less valuable than those of their superiors. According to Hofstede (2003), countries with a High Uncertainty Avoidance rating are more likely to only take known risks, often consider things that

are different from their norms to be dangerous, and even demonstrate a higher degree of xenophobic behavior.

### 5.4 MASCULINITY

According to Hofstede, in a country with a Masculinity rating as low as France, gender roles should be relatively more fluid than in a country with a High Masculinity rating. The result is a society that emphasizes the importance of gender equality and egalitarianism in general. Studies have found that women represent forty-seven percent of the French working population, supporting Hofstede's assumptions. However, only seventeen percent of women in the working population are in executive positions, and on average those women make thirty-two percent less than their male counterparts (Evans, 2010).

In 2010, David Evans underwent an analysis of the current state of women in leadership roles in North America and Europe, the trends of their role over the past twenty years, and then compared those findings with France to determine whether or not the country is in line with the general trends. He found that France was by no means a "cultural exception" to the emergence of women in the business community over the past twenty years, but that there were peculiarities: particularly, the discrepancy between the number of women receiving their high school diploma (in 2007 eighty-four percent of women graduated with their high school diploma, an increase from 2006) and the paucity of women executives in the upper echelon of the business community in France (Evans, 2010).

This discrepancy can be traced back to the *grandes écoles* system, where many of the highly respected schools have maintained a strong male admittance rate despite distancing themselves from their military traditions. In fact, some *grandes écoles* have only begun admitting women in the last twenty years and, according to Brasseux and Lawrence (2009) female access remains limited (2009).

A survey carried out by IPSOS in 2008 of over one thousand individuals from various social demographics also found that seventy-nine percent of them wanted to see changes in management practices, with the "reinforcing [of] the role of women leadership in corporate governance" being one of the most cited reasons behind it (Evans, 2010). This lends itself to the idea that, although women in general are advancing in the French workplace, there is still an invisible ceiling for both French and foreign businesswomen. By interviewing several female executives, Evans (2010) found that many women are "relegated to human resource management and communication departments" rather than achieving board level and that "male nepotism and co-opting" factor into the challenges that women, both foreign and domestic, will have to overcome while climbing the managerial hierarchy.

In her experience, Keep (2011) however, did not observe any overt gender discrimination that would impede her working with French companies. It is important to note then, that it is not impossible for women to achieve success in the French business hierarchy, but that it may require them to "make greater efforts, be more self-confident, and have more tenacity" than their male counterparts to reach the equivalent levels (Evans, 2010).

Thus far this discussion has revolved around the challenges that managers will face when doing business with French companies or within France, but it has not distinguished between the sex or ethnicity of those managers. By examining the current state of the *grandees écoles* and their elite graduates in the public and private sectors with respect to gender and ethnic equality, we can see that there may be additional challenges that members of those minorities must overcome to rise through the managerial system.

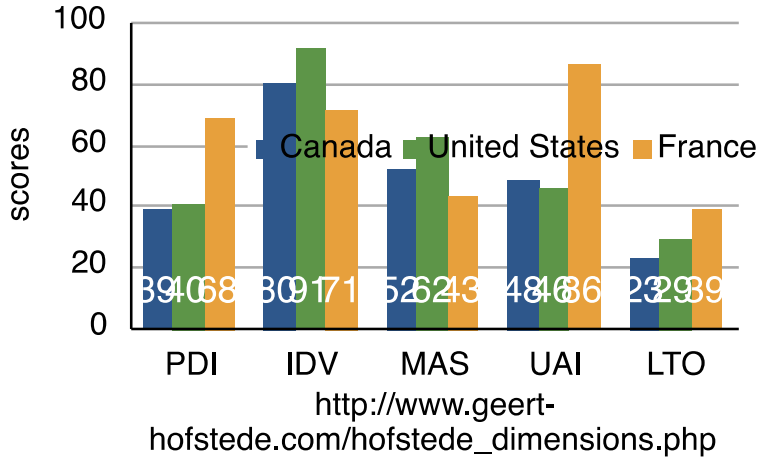
Another factor that may increase the complexity encountered by outsiders when working in France is that of race and ethnicity. In Canada and the United States, citizens are recognized and labeled according to their race and ethnicity. France, on the other hand, officially considers all of its citizens to be French and rejects these concepts entirely. This is due, in part, to Article 1 of the French Constitution, which ensures the "equality of all citizens before the law, without distinction of origin, race, or religion" (Meier and Hawes, 2009). France also strictly forbids the collection of ethnic data and affirmative action based on ethnic or racial distinctions. While the intention behind these laws may be noble, there are consequences that negatively affect equality in France. Meier and Hawes (2009) argue that, "because France as a nation rejects the ideas of race and ethnicity, it also failed to recognized any possible benefits that might accrue from a representative bureaucracy". Studies in the United States have demonstrated that race is an important determinant of identity, attitudes and behavior. It not unreasonable to assume then, that race and ethnicity have similar effects within the French population. With no structure in place to balance the individuals whose actions are affected by race and ethnicity with equality in the workplace, there is no definitive way of ensuring egalitarianism.

The *grandes écoles* do not help matters with their recruitment process limited in many respects to the sons and grandsons of their alumni. Moreover, this elite selection process is biased in favor of "upper-middle class, male Parisians" and ultimately generates a homogenous group that "may not contain enough racial variation for representative bureaucracy to flourish, particularly at the highest levels" (Meier and Hawes, 2009). Foreign managers in a racial or ethnic minority will face similar challenges to these on top of those already discussed.

## 6. IMPLICATIONS

Together, the Power Distance, Individualism, Uncertainty Avoidance and Masculinity cultural dimensions create several unique challenges that foreign nationals must overcome if they are to successfully do business in France. Figure 1 below illustrates the comparison of Hofstede's cultural dimensions between North America (Canada and the United States) and France. The greatest differences can be seen when comparing the PDI and UAI of Canada and the United States, which are virtually identical, to that of France. Not surprisingly then, it is also these cultural dimensions that create the greatest challenges for North American expatriates when doing business in France.

***Figure 1:*** **The 5D Model of Geert Hofstede**



The Individualism rating presents somewhat of a different challenge. In Hofstede's analysis, he found that in the vast majority of countries there was a negative correlation between the Individualism and both the Power Distance Index and Uncertainty Avoidance Index. This relationship is demonstrated by the United States and Canada in Figure 1. France, on the other hand, is one of the few countries that exhibits a positive correlation between these three cultural dimensions, with individuals that "have a need for strict authority of hierarchical superiors, but at the same time … stress their personal independence from any collectivity: They are dependent individualists" (Hofstede, 2003). The result is a bureaucratic system that is very different from institutions in North America.

The extent to which the *grandes écoles* in France create a tight network of elite bureaucrats and executives has a profound impact on the way business is done in France for both national and foreign managers. Using Hofstede's framework of cultural dimensions we have seen that there is a huge differential in the Power Distance Index between North America and France. This presents several challenges to international business people who do business with or within French companies.

As a foreign business manager, one challenge that must be overcome is the difficulty of connecting and doing business with those in the top tier of the organizational hierarchy. Mady Keup, a member of British Tourism Association with work experience in six different European countries including France, believes that the French organizational hierarchy made it more difficult for her as an outsider when she was working as a destination marketing consultant. She posited that,

> *"as a consultant you need to talk to the right people and, without showing any disrespect to the people that are a bit further down, you need to identify those who might be more influential in helping you get information and making sure that your requests are being processed. It's very much about where they're positioned within the company, and how close they are to the highest echelon" (Keup, 2011)*

In her experience, the challenge was often about determining how a particular process should proceed and who needs to be contacted for the process to move forward. This is a reflection of France's High Uncertainty Avoidance Index. Figure 1 illustrates that both Canada and the United States have a low Uncertainty Avoidance Index, while France is ranked much higher. Hofstede argues that a High Uncertainty Avoidance rating is characterized by the need for detailed and strict guidelines. Individuals "like situations in which there is one correct answer they can find … and they expect to be rewarded for accuracy" (Hofstede, 2003).

For foreign business people, this makes it even more difficult to navigate within the French bureaucracy. Keup found that in France more than anywhere else, "you will always get an answer to a question, you just need to know what are the right questions to ask and you may need to go a bit deeper" than you would have to in countries with a lower Uncertainty Avoidance Index. She goes on to state that in other countries, "the discussion starts after a question is asked, and in France (when) the question is answered you (may) have to ask another question" (Keup, 2011).

Furthermore, even if the right questions are asked and the right people are found, the degree to which a foreigner can do business with upper-management successfully comes into question. The tight network of elite individuals, both in commerce and government, is restricted to *grandes écoles* graduates. Utilizing this network would prove incredibly difficult without the backing of a major corporation or an ivy-league education, as priority is given to those operating within the network to maintain strong connections both government and state (Barsoux and Lawrence, 2009).

Another obstacle that may present itself to expatriates working for French companies is the difficulty of being promoted within the organization. If the High Power Distance Index in France makes it more difficult for French citizens that have not graduated from the *grandes écoles* to move through the ranks of management, then it will be just as, if not more challenging for foreign employees that were not educated in the French system to do so. The Uncertainty Avoidance Index also comes into play where a foreign education may not be as well recognized in France as it would be in a country with a Low Uncertainty Avoidance rating due to the sentiment that, "what is different is dangerous" (Hofstede, 2003).

This attitude has an effect on the how the French managerial model operates in the new global environment. The foreign nature of doing business abroad may prevent many French *grandes écoles* graduates from leaving the country. As L'Air Liquide's Pascal Eyt-Dessus speculated, "*grandes écoles* graduates have resisted moving outside of France because their credentials abroad would not elicit automatic admiration, and they would have to consort with those considered intellectual inferiors" (Barsoux and Lawrence, 2009). If this is in fact the case, then foreigners working within a French organization would likely find it prohibitively difficult to rise into the ranks of upper-management due to the inverse of this sentiment: that their *grandes écoles* education may not be recognized as highly by foreigners.

**CONCLUSION**

The cultural challenges and obstacles that the international business community must face when engaging in business in France arise from an educational system that succeeds at producing a small number of intellectuals for work in the public and private sectors, but that consequently creates barriers for those who are not bred to join their ruling elite. We have seen that graduation from the grandes écolé educational system is entrenched as the primary recruitment method of France's upper echelon of bureaucrats and executives. This makes it incredibly difficult for managers from France and abroad, who have not been educated in these elite schools, to climb the managerial hierarchy, particularly when it comes to becoming executives themselves.

Furthermore, utilizing Hoftsede's framework of cultural dimensions we can see that France's unique blend of a High Power Distance rating, High Individualism rating, and High Uncertainty Avoidance rating present foreign managers with other challenges. As a foreign manager doing business with a French company, one must learn who in the managerial hierarchy will be able to help to achieve their goals. This can prove to be difficult in France for several reasons. For one, France has a High Power Distance Index, which suggests that many organizations will be structured vertically with ultimate power distributed at the top. Without offending those lower in the hierarchy, managers must identify who it is that is influential with respect to the nature of their end goal. It is also important to recognize that this approach may require more time and attention than it would in countries with a lower Uncertainty Avoidance Index than France, where more questions may be needed to navigate through the organization as an outsider. In addition to this, even if you make contact with someone influential in a French organization, it may be difficult to leverage their position without being part of the cadre network.

Working within a French organization introduces a different set of challenges. The difficulties that French graduates of 'ordinary' universities face as a result of the High Power Distance rating when climbing the managerial ladder will also be present for expatriates. Foreigners working in a French firm will have the added challenge of overcoming issues that arise from France's High Uncertainty Avoidance rating, such as proving the worth of their foreign education. Gender, racial, and ethnic discrimination also play a role in the hiring and promoting of managers. While France's Low Masculinity rating suggests that it is a society that promotes egalitarianism as a whole, there are discrepancies related to the lack of

women and members of racial and ethnic minorities graduating from the *grandes écoles* and its direct relationship to the hiring and promoting of individuals into the upper echelon of executive management.

These issues all stem from the entrenchment of the *grandes écoles* as an institution for the recruitment of a powerful elite in French culture, and should be factored into the decision making process of members of the international business community hoping to do business with French firms or from within France.

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