

# Models of culture: developments and debates

## LEARNING OUTCOMES

After reading this chapter you should be able to:

- consider the relative impact of national culture on work organisations
- appreciate the trends for cultural convergence and divergence and the growing importance of diversity management within work organisations
- identify the limitations of existing frameworks for understanding culture and cultural difference
- understand several emerging alternative approaches to cross-cultural management

## INTRODUCTION

In the first three chapters of this book we highlighted the assumptions which underpin popular models of culture within the field of business and management studies. It is apparent that much of the cross-cultural academic work that has been applied to the business context is predicated on the construction of bipolar dimensions of culture and consequent location of individual nation-states along these dimensions – for example, placing countries on comparative scales listing items such as ‘uncertainty avoidance’ or ‘universalism’. Although there is some acknowledgement of the impact of culture shift, the mainstream models of culture view the concept as relatively stable, consistent and measurable. This conception of culture enables societies to be firstly categorised and then compared with each other. The fundamental focus is on intercultural difference.

Cross-cultural management as a subject has taken its bearings from the existing research canon with a resultant orientation towards the twin themes of the effect of culture on organisational actors and a need for cross-cultural sensitivity in interpersonal encounters. In both cases the ‘raw data’ of the subject has been extracted from the picture of cultural differences painted by writers such as Hall, Hofstede and Trompenaars.

The intention in this chapter is to revisit the theoretical assumptions of these mainstream models of culture in greater detail and depth and also to highlight and examine some alternative emerging models of culture. In addition, there will be some further unpicking of the methods employed in research studies that

informed some of the most hitherto popular models, which have increasingly have been questioned in newer contributions to the subject area.

Many textbooks in this area contain only sparse reference to 'deep' theoretical and methodological assumptions when analysing frameworks purporting to explain cultural difference, focusing instead on the provision of broad summaries encompassing the main features of such models. While this is in itself useful to some extent, a more evaluative approach should foster an appreciation of the inherent validity of the mainstream models and hence their applicability in actual situations.

A meaningful critique of the underlying assumptions of existing cross-cultural theory also ties in with an analysis of changing insights which have informed some new work in cross-cultural management in the first decade of the twenty-first century. One might expect no less given the massive recent changes in the business environment, including profound emergent forces of globalisation, convergence and divergence. Fang (2003, p.364) makes this point vividly: 'Geert Hofstede is a great scholar of our times; he has been inspiring us to catch up and move on. Culture is full of life, energy, complexity, diversity and paradox. Our cross-cultural theories should capture such dynamism.'

Before turning to evaluate the mainstream models of culture in greater depth, I revisit the core issue of *the actual impact of culture* by assessing its role in explaining organisational processes and activities in the light of potentially counterbalancing non-cultural factors. This is followed by an examination of globalisation and cultural convergence with a suggestion that these forces have led to a new domestic stage for cross-cultural management together with an accelerating focus on diversity in the workplace.

## NON-CULTURAL EXPLANATIONS

In Chapters 1 and 2 it was suggested that although there is consistently strong evidence to support the view that culture can impact on work organisations in a profound way, it was also necessary to balance this view by examining data which points to a less important role for culture.

Firstly, we can refer to the *contingency theories* of organisation which posit that policies and practices within organisations are influenced by a range of contingent factors. The key message emanating from this approach is that there is no one best way of organising or managing – rather, it all depends on the external variables impacting on the organisation. Hickson *et al* (1974) provided evidence to support this idea. In a cross-cultural study they discovered that organisations in different societies but of a similar size and operating in equivalent markets and with the same technologies would in fact look remarkably uniform in terms of their structure. In summary, cultural influences would be secondary to the other contingent factors impinging on their operations.

However, their findings were questioned by Child and Kieser (1979) who in an Anglo-German comparative study concluded that while organisations' structures

may indeed look alike on paper, in reality there were different interpretations of managers' roles and contrasting beliefs on the desirable extent of delegation. In practice, German employees would have greater autonomy than might be denoted by a formal organisation chart, in part due to a greater propensity to delegate on the part of senior managers and also because of the impact of an institutional feature – namely, the national system of industrial democracy evident in Germany, which again may not show up from an examination of a formal organisation structure diagram.

Maurice, Sorge and Warner (1980), in undertaking a French–German–British comparison, also found that institutional-level factors were significant in influencing organisational forms. For example, the prevalence of British specialist professional bodies such as the CIPD (at that time known as IPM) and similar marketing and accounting bodies led to a greater preponderance of specialised managers in UK organisations. We return to these studies and their possible implications in Chapter 5.

This brings us to the second approach which questions the impact of culture as manifested in different values or communication styles. This proposes that *system effects* – that is, features of the political economic system in a particular country – exert the dominant influence on work organisations in that society. These effects range from the nature of the economic system in place (eg free-market or mixed economy, open or closed) through the political framework (multi-party democracy or one-party hegemony) and further down through the industrial relations system underpinning work relations – for example, the extent of trade unionism and the powers available to unions.

While this institutional approach may locate societal differences at another level – although even the values approach acknowledges the impact of the macro level via formal socialisation – it by no means plays down the extent to which societal differences are found in reality. We have already referred to differences between countries in the European Union in Chapter 2 (for example, that resulting from recent legislation in France). It would also be difficult to claim that the US, Swedish and Japanese models of political economic systems have not resulted in significant variations in workplace policies and practices which have a real impact on the day-to-day experiences of employees.

The next school of thought which suggests that cultural differences may be less important, and indeed diminishing, emerges from literature examining the phenomenon of globalisation. 'Globalisation' is a broadly defined term, with significant implications for the subject matter of this book arising from the greater interconnectedness of people within the business setting. However, globalisation can also refer to greater homogenisation of brands, products and services which have the potential to minimise cultural difference – at least in the outer or surface layers. The increasing influence of multinational corporations (MNCs) could also affect culture at the level of organisational practice. It is certainly possible to identify some standardisation of organisational life across the world resulting from the influence of global corporations such as Disney or McDonald's (although even in these cases one can see some adaptation to local

cultures). One can nonetheless reasonably argue that the effects of globalisation are felt by only a narrow band of any population, and that the phenomenon has by no means spread across the entirety of the globe. Even if we accept that globalisation has resulted in major changes to organisational life, its continued spread is not guaranteed and there are groups mobilising in opposition, as seen for example in the protests at the G20 meeting in London in April 2009. Finally, it is feasible to regard the effects of globalisation as manifested more at the levels of systems and structure than behaviour. The mantra 'think global, act local' is still prevalent in a great deal of business rhetoric at the time of writing.

Yet we should still recognise the possibility of globalisation causing changes to people's values and beliefs, hitherto understood to be variable across societies. Grint (1998, p.298) offers two alternative visions of such a scenario: 'At last we are approaching an era where what is common between people transcends that which is different; where we can choose our identity rather than have it thrust upon us by accident of birth.' This as opposed to (*ibid*) a scenario in which 'We are heading for global convergence where national, ethnic and local cultures and identities are swamped by the McDonaldisation and/or Microsoftisation of the world.' Either vision of the future indicates the possibility of the encroachment of globalisation upon culture as experienced and perpetuated by individuals.

Finally in this regard, we should keep in mind Inglehart and Baker's thesis (see Chapter 2), which proposes that cultural values follow on from economic developments in all societies. If we accept this, it is possible to view cultural differences in terms of the economic stage reached by an individual society at an identified point in time, with the particular values exhibited at that time likely to change following further economic development, albeit in subtle and (paradoxically) unpredictable ways.

## CONVERGENCE, DIVERGENCE, GLOBALISATION AND CROSS-CULTURAL MANAGEMENT

It is commonly held that the processes contained within the term 'globalisation' have both increased interactions between members of cultural groups and at the same time led to some degree of homogenisation between cultures. Needle (2004, p.44) summarises this widely held view in the following way: 'Globalisation is a process in which the world appears to be converging economically, politically and culturally. Globalisation is seen by many as a fundamental change where national borders become irrelevant, a process accelerated by developments in information and communications technology. It is considered by many to be the dominant force in modern business.'

In Chapter 2 it was suggested that globalisation has clearly led to some harmonisation between societies in the outer or surface layer of culture. For example, in Asian countries one can find ample evidence, particularly among younger people, of the adoption of Western dress and musical taste along with a more general brand awareness, reflecting supra-national patterns of consumer

behaviour. However, this level of convergence is not a new phenomenon and in any case allows for concurrent and potentially wide differences in the deeper layers of culture with their associated core values. Reference was also made to the introduction of business philosophies and techniques across cultures – for example, the spread of Japanese concerns with quality assurance and a more ‘hands-on’ approach to management. At this stage it is deemed necessary to expand the debate on globalisation and possible resultant convergence, unravelling what is still a speculative and often confusing picture of the interplay between convergence and divergence and the implications of globalisation for cross-cultural management. The starting point for this analysis should be a review of how globalisation has itself been conceived.

Globalisation refers to an apparently escalating process of interconnectedness across parts of the world. This process has been given a huge impetus by advances in electronic communication. Clegg *et al* (2008, p.589) find an important expression of technology-driven global interlinking in the current worldwide financial system, noting that ‘The global integration of financial markets collapses time, creating instantaneous financial transactions in loans, securities and other innovative financial instruments, while the deregulation and internationalisation of financial markets creates a new competitive spatial environment in which globally integrated financial markets increase the speed and accuracy of information flows and the rapidity and directness of transactions.’

Such a manifestation of globalisation also leads us to an appreciation of two further realities of the concept. Firstly, there is a sense of interdependence in that events in one part of the world are profoundly affected by actions taking place in far-distant places. Secondly, events influencing economic and business life may increasingly occur supra-nationally in ‘real time’, with individual country-based actors shown to be relatively powerless in the face of international (or even virtual) knowledge generation and information processing. Events have shown that global financial markets are, at times, more important than nation-states. One example was so-called ‘Black Wednesday’ in 1992, when the British government was forced to leave the European Exchange Rate Mechanism, membership of which was central to its economic strategy, due to co-ordinated activity on international money markets by speculators selling the sterling currency. Such co-ordinated activity was, it is claimed, facilitated in part by 24/7 instantaneous trading.

It is crucial to appreciate that globalisation is not merely the latest incarnation of internationalisation. Banerjee and Linstead (2001) are among several commentators who point out that international penetration of foreign markets was greater pro rata in the early years of the twentieth century than at its end. However, the speed and complexity of current global communication, coupled with increased mobility due to enhanced transport links (at least those between countries) have, it is claimed, resulted in a new phenomenon whereby globalisation (in Giddens’ 1990, phrase) has led to *intensification of worldwide social relations*.

What, then, does the advent and rapid advance of globalisation mean for the study – and practice – of cross-cultural management? It should be clearly stated

at the outset that the impact of this phenomenon is by no means consistently felt. Whereas it has always been the case that some organisations, and their workforces, remain largely untouched by the effects of globalisation, at least directly, Sorge (2004, p.136) indicates that 'Internationalisation of economic exchange also entails an intensification of the international division of labour. Countries have come to specialise in sectors, industries or their segments, or in product-market combinations. When they do, the implication is that the properties of business systems may become more locally specific, rather than following a more international model.' The paradox here is that the spread of globalisation may in fact *reinforce* local difference. Nor is there any kind of fixed logic by which globalisation is seen to reduce cultural difference or determine managers' actions when dealing with different groups.

In earlier chapters we have examined models which claim that the deep-rooted nature of culture means that norms, values and ways of communicating may still vary across cultural groups in a relatively consistent way. This point will be supported in subsequent chapters looking at individual topics. It is also the case that globalisation can affect how individual organisations view and experience culture, which can vary enormously. In a paradoxical sense globalisation can both increase and at the same time decrease culture's importance to an individual organisation. Crowther and Green (2004, p.200) elaborate on the reasoning behind this seemingly symbiotic relationship as follows: 'One of the most important factors affected by globalisation is the significance of culture to organisations, making it both more important and less important. It is less important because the dominant culture of any society becomes less significant to an organisation. Similarly, the organisational culture becomes less important because of the way it must necessarily change in an era in which the organisational boundary is less important and more subject to change. It is more important because of the need to recognise different cultures across the world and the way they affect established *mores* of organising.'

The foregoing points are not intended to confuse the reader but will hopefully serve to counsel against taking a simplified and deterministic view of the links between globalisation and cross-cultural management, because these are in reality multi-dimensional and unpredictable. Future research in the cross-cultural management area should also build on models of divergence and convergence which envisage these forces as developing in dynamic motion and in a complex interrelated fashion. Students and practitioners will not benefit from one-dimensional thinking on these topics.

## A NEW DOMESTIC STAGE FOR CROSS-CULTURAL MANAGEMENT?

Much of the writing on cross-cultural management has taken as its primary focus either multinational/transnational corporations, particularly when they enter new national markets, or companies involved in international strategic alliances or joint ventures. These important situations are also referred to in this book,

particularly in Chapters 6, 10 and 11, because it can be argued that such scenarios continue to provide rich material for cross-cultural comparison. Anyone whose current job involves them in these ventures or who wishes to progress to a career in this aspect of international management should also obtain valuable and applicable knowledge from such material.

However, it is proposed that another aspect of globalisation has been relatively neglected in the literature – namely, labour flows across the world, whether of professional ‘knowledge workers’ or skilled manual employees filling local labour shortages or even those occupying the secondary labour market, possibly without legal worker status. Although national labour laws can reduce these labour flows, it is normal in many countries to find culturally mixed workforces within ‘domestic’ single organisations. This trend has resulted (certainly in the UK) in an emerging literature on *managing diversity*.

## DIVERSITY AT WORK

There are different aspects to diversity which encompass differences in educational background and work experience, and also diversity in terms of personality and attitudes. Each of these could be linked to a person’s culture. For our purposes in this book, however, the focus is on another dimension of diversity – namely, that centring on social categories, including race, ethnicity and nationality. Diversity management can crucially encompass the management of cultural difference, but also, and more importantly, it emphasises the sharing of knowledge and experience to be gained from a diverse workforce within the aim of securing added value for all parties. It should be acknowledged that this approach is self-evidently restricted to workplaces committed to its implementation – the sweatshops, brothels and houses with ‘unofficial’ domestic help sadly remain beyond its scope and off the radar of most academic studies.

A 2006 Chartered Institute of Personnel and Development (CIPD) report *Managing Diversity: Measuring success* notes that the concept of diversity embraces both a concern with securing distributive justice for individuals based on their membership of wider categories and a desire to foster a sense of inclusiveness within organisations for such (and indeed, all) individuals. In terms of this second aspect of diversity, the CIPD report (2006, p.3) suggests that ‘To avoid high turnover rates in a diverse workforce, appropriate culture changes are needed to create a more open and comfortable environment in which everyone fits in, feels valued and can contribute their best. Rigid, traditional workplace cultures tend to exclude non-traditional employees and can undermine business performance.’

Pilbeam and Corbridge (2006) summarise the business case for managing diversity, which includes enhanced customer relations, cost-effective employment relations and enhanced creativity and innovation, while acknowledging (2006, p.226) that ‘The business case for diversity is complex and difficult to quantify.’ Allard (2002) identifies disadvantages of diversity management programmes, including blocks on decision-making within diverse groups, miscommunication,

ambiguity, and actual resistance from members of majority groups. The 2006 CIPD report previously referred to locates research showing that where diversity programmes are put into effect, white males react more negatively than women or ethnic minorities, and display symptoms of demotivation. Nonetheless, there appears to be a consensus in the business studies literature regarding the overall benefits of recognising and harnessing diversity within workplaces, linked to what are in ethical terms broadly accepted negative consequences should managers ignore the area. Christy and Brown (2009, p.80) conclude that 'Workers who are new to a business where an alternative culture prevails, based for example on ethnic or religious grouping, could find themselves in a hostile work environment where unethical victimisation, harassment, loss of dignity, bullying, ignorance, prejudice, stereotyping and discrimination may arise.'

In view of the impact of increased flows of labour across the world, a major part of cross-cultural management involves effective management of diverse employees. French *et al* (2008, p.29) record examples of increasingly multicultural workforces in many locations, noting for example that 'Australia and New Zealand are among the more multicultural countries in the world. Almost one in three members of the workforce in major Australian cities such as Sydney and Melbourne was born outside Australia. ... Managers – whether or not they are directly involved in international business – must be able to manage people from different cultures effectively and make the most of the advantages that a diverse workforce can bring.' Such figures are indeed striking and bring home the scale of this social trend.

Multinational corporations in particular have come increasingly to regard workforce diversity as integral to their success. As Allard (2002, p.14) points out: 'In international ventures diversity is not an option – it is automatically part of the package, and some sort of diversity management framework is a necessity.' Yet multiculturalism within countries, together with further movement of labour, should now expand the scope of cross-cultural management to the domestic sphere. This preoccupation is by no means limited to business organisations. *The Independent* newspaper edition of 26 July 2006 carried a front-page story describing a primary school in East London (recently the subject of an excellent report by government inspectors) in which pupils speak 52 different home languages. Andrew Morrish, the school's headmaster, is quoted as saying, 'It's like a micro-world – we have got children from all corners of the globe. Our success story is how children who have witnessed really traumatic events, people being blown up and shot in the street, how they have assimilated in school.'

Here we see a real-life test-bed for cross-cultural management in a single location – one could argue in the most important type of organisation of all. While much of the teaching and learning activities in this school will undoubtedly involve intercultural communication, there must also be elements of wider cross-cultural management within Holden's (2002, p.293) conception of this set of activities as needing to provide 'direction and purpose to the cross-cultural activities of people [in order to] facilitate their interactions to achieve organisational goals'. It is recommended that the study of cross-cultural management should increasingly

move from an emphasis on the experiences of global expatriate managers to an attempt to understand the everyday reality of life in an ever-growing number of domestically anchored organisations which are influenced by globalisation through the identities of their members.

Much of the most recent writing in the field of cross-cultural management, very possibly responding to the social trends outlined in the previous paragraphs, has recommended that academics should in future refocus the scope of their studies to reflect this new business reality. Jackson and Aycan (2006, p.11) express a hope that contributors to one leading journal will address 'cross-cultural interactions and interfaces at multiple levels, including inter-continental, inter-national, inter-ethnic, inter-group and inter-organisational levels.' Gelfand *et al* (2007, p.499) state that a new research paradigm should involve a shift from 'the study of intracultural comparisons to the study of the dynamics of cultural interfaces in multicultural teams, in negotiations, and in global companies and mergers and acquisitions'. The debate on where cross-cultural management plays out in reality, and which arena should now form the location of cross-cultural research, points to a sea-change in thinking in the new century.



## GROUP ACTIVITY

### Phillips pushes the equality agenda

*Substantial movements in the labour market means equality is 'more critical than ever.'*

Equality is 'more critically significant to our success as a society than ever before' because of substantial movements in the labour market, according to Trevor Phillips, chairman of the Commission for Racial Equality.

'In the UK, half of all migrants arrived in the previous generation and a third in the past decade,' Phillips told delegates at the CIPD's Employment Law Conference. 'This indicates the scale of change. There are about 200 million international migrants across the globe – twice the number there were 25 years ago. There is also huge churn. Figures from the Office for National Statistics for 2004 show that half of all migrants left the UK within five years of arriving – so people are coming and going faster. They are also more diverse.'

As a result, Phillips said, the task of the new Commission for Equality and Human Rights would be to 'ensure that equality and diversity continue to sit together'.

Source: *People Management*, 27 July 2006

- 1 List reasons for the 'huge churn' of migrants remarked on by Trevor Phillips. Refer to business and other media sources when compiling your answer. To what extent should this 'churn' be seen as a problem for work organisations?
- 2 If you were a manager charged with helping to assimilate migrant workers within a work organisation, would you give higher priority to arranging cross-cultural awareness training for indigenous employees or implementing a diversity management programme? Give reasons for your answer.

## EVALUATING BIPOLAR VALUE-BASED MODELS OF CULTURE

The contributions of Kluckhohn and Strodtbeck (1961), Hofstede (1980), including his later collaborative work with Hall (1990), Schwartz (1992),

Trompenaars (1997) and the GLOBE research dating from 2002 provide the bedrock of cross-cultural management theory. The central messages of each of these important contributions have been set out in Chapter 3 of this book. It is important to recognise the overarching rationale of these writings – namely, that cultural differences are located in the ways that people think and in their preferred values and preferences for dealing with particular situations. Moreover, all of the aforementioned approaches to culture attempt to capture and gauge cultural differences with reference to *dimensions of culture*. This has resulted in the bipolar categories previously referred to, which it is claimed identify the critical differences between cultures. As noted by Fink *et al* (2005, p.8): ‘Researchers on cultural value dimensions imply that their system of value dimensions is explaining a large part of the observable variances across cultures.’

While acknowledging that individuals may respond in unique ways to their own socialisation, these mainstream models of culture conclude that there is sufficient ‘collective programming’ (to use Hofstede’s oft-quoted phrase) *within* societies for the essential focus to be on comparison – ie a search for differences *between* cultures. However, this is not the only philosophical and methodological stance that can be taken, and there are a number of writers who question whether the ‘comparative value dimensions’ school of thought does in reality deliver the richest – and most accurate – analysis of culture.

## UNDERSTANDING CULTURES IN THEIR OWN TERMS

Fang (2003) in looking back at cross-cultural research in business over decades questions the validity of previous work analysing culture by locating polarised dimensions. Fang examines Chinese culture using indigenous knowledge and as a result comes to question whether Hofstede’s analysis, and in particular Hofstede and Bond’s (1988) five dimensions of culture, reflect the richness and complexity of Chinese culture. I have already alerted readers to this possible line of critique when considering Hofstede’s work in Chapter 3. Yet Fang goes further through a more general questioning of the comparative perspective on culture, which we have previously referred to as the *etic* approach. As mentioned earlier, attempts to locate meaningful intercultural comparisons and to identify clusters of similar societies form by far the larger part of the research effort in this area, certainly as applied to business and management. It is important, though, to recognise the existence of an alternative approach stressing the *distinctive essence* of individual cultures. Koen (2005, p.55) describes this contrasting view as the *emic* approach, concluding that this viewpoint ‘emphasises the need to understand social systems from the inside and through the definitions of its members. It attempts to analyse the internal coherence of single examples and condemns any attempt at classification across cultures as denying the uniqueness of each culture.’ The emic approach also necessitates the use of particular research methods when conducting actual studies in this subject area.

Fang (2003) traces the development of Hofstede’s fifth dimension of culture (see Chapter 3 for a fuller account of its genesis, including the important contribution

of Michael Bond). He claims that the original term ‘Confucian dynamism’ put forward in Hofstede’s 1991 work and which initially appeared to be used interchangeably with the concept of long-term orientation (LTO) had by 2001 evolved into a fully fledged fifth dimension, itself containing another bipolar construct for comparing societies along a *long-term v short-term* continuum. However, Fang questions whether another bipolar dimension can in any meaningful sense capture the essential features of Chinese culture as they impact on the business sphere. For example, he casts doubt on the assumed prevalence of long-term thinking in Chinese business practice, suggesting (2003, p.355) that ‘An inside look at the Chinese business psyche reveals that short-term orientation, such as opportunity-driven behaviours and heavy reliance on cash transactions to expedite business deals, has been a salient Chinese trend throughout history. Running after short-term commercial interests without long-term vision in business ethics is an overriding problem of mainland Chinese business enterprises.’

Fang’s reference here to an inside look at the Chinese psyche is interesting because once again the clear inference is that an emic or intra-cultural analysis may result in more meaningful research data. Yet Hofstede had been sensitive to the dangers of imposing culturally bound classification measures when developing his fifth dimension, which had been specifically intended to engender a deep understanding of Chinese culture. Hofstede (2001, p.352), in reviewing the genesis of this element of his work and in particular the contribution of Michael Bond, noted that ‘Recognising that the results of surveys designed by Westerners are necessarily biased by the designers’ Western minds, Bond decided to introduce a deliberate Eastern bias. He asked four Chinese colleagues from Hong Kong and Taiwan to prepare in Chinese a list of at least 10 “fundamental and basic values for Chinese people”. So how can it be that such an attempt to locate values of one culture can be criticised both on its own terms and as an underpinning for a wider bipolar comparison with other cultures?’

Fang puts forward the following criticisms of Hofstede and Bond’s fifth dimension of culture which resulted in the emergence of the *long-term v short-term* classification measure.

- Bond’s Chinese Values Survey drew excessively on Confucianism, other philosophical traditions such as Taoism and Buddhism being relatively neglected as influences on contemporary values. In this sense Fang is suggesting that an emic or intra-cultural analysis may itself – possibly inevitably – result in an incomplete picture of the essential features of a specific culture.
- Possibly as a result of an over-reliance on Confucianism in terms of explaining Chinese culture, the list of 40 ‘fundamental values’ excludes other core values which can equally well, or even better, explain Chinese business values and behaviour. One such omission for Fang was *guanxi*, a term that is analysed in depth below.
- The data for the Chinese Values Survey was obtained from university students. Fang proposes that even within an emic research study there should be a

concern with how representative a survey sample is, and in this case he suggests that the student population may have been, in important ways, less conservative than an alternative more balanced sample population. This point is addressed again later in the chapter in the context of wider methodological issues.

Perhaps the most profound criticism of Hofstede and Bond's work put forward by Fang is that the division of cultural dimensions into divergent poles – in this case long- or short-term orientation – goes against what is for Fang the most fundamental aspect of Chinese culture, the *yin-yang* concept. He expands on this notion (2003, p.363): 'The *yin-yang* philosophy suggests that human beings, organisations and cultures, like all other universal phenomena, intrinsically crave variation and harmony for their sheer existence and healthy development. We are "both/and" instead of "either/or". We are both *yin* and *yang*, feminine and masculine, long-term and short-term, individualistic and collectivistic . . . depending on situations, circumstances and time.'

It may be that in this holistic and harmonious concept we see a new way forward for cultural explanation both within and between cultures, and this line of reasoning is explored again in Chapter 11. At this point we can note that Hofstede and Bond's fifth dimension, which began as an attempt to construct an in-depth model of one particular culture, ultimately evolved into a device for comparing cultures and, in the opinion of Fang, led to a 'philosophical flaw' – namely, the undermining of a key element of the culture under scrutiny. For in his view *any* bipolar scale must profoundly misunderstand and misrepresent Chinese culture. Nonetheless, it does not follow that all emic or intra-cultural studies must develop into etic or comparative models, and the emic approach has significant potential in terms of both evaluating individual cultures and providing guidance for people dealing with that culture in a business setting.

In Chapter 1 we referred briefly to the work of Yin Fan (2000), who developed 71 core values which spring out of Chinese culture and which, interestingly, would find expression by Chinese people wherever they lived and worked – ie not just in predominantly Chinese societies. Fan attempts a tentative comparison with Hofstede's dimensions of culture and finds that whereas some of the 71 core values can indeed be mapped on to Hofstede's model, many others cannot, suggesting that an analysis of a unique culture – in this case the Chinese – may reveal important aspects which fall outside a comparative typology. We now go on to explore this point in more detail via analysis of one commonly identified feature of Chinese culture.

### AN EXAMPLE OF THE EMIC APPROACH – *guanxi*

The concept of *guanxi* looms large in many analyses of Chinese culture. In the early twenty-first century the widely publicised emergence of China as a major economic power has led to a renewed preoccupation with this important feature of Chinese life. Although it is interesting to record that the Chinese Values Survey

which formed the basis for Hofstede and Bond's summary of Eastern culture did *not* include *guanxi* among the 40 values listed, this omission can now be seen as exceptional. Chen (2004) devotes an entire chapter in her book on Asian management systems to an extended analysis of *guanxi* and its effects on business processes. She notes (2004, p.44) that: 'Anyone who has had experience in dealing with the Chinese could hardly fail to observe that Chinese people attach great importance to cultivating, maintaining and developing *guanxi* (connection or relationship). Anyone who has associated with the Chinese at even a minimum level would easily notice the Chinese sensitivity to "face" and *renqing* (humanised obligation) in their daily life. These traits are shared by the Chinese living not only in mainland China but also in Taiwan, Hong Kong and other overseas Chinese societies all over the world. Simply put, these three concepts of *guanxi*, face and *renqing* are the keys for understanding Chinese social behavioural patterns and their business dynamics.'

All three of the Chinese cultural characteristics mentioned by Chen are addressed later in this book when discussing specific topic areas – for example, intercultural communication in Chapter 6. At this stage the purpose is to highlight their importance within more general frameworks for understanding culture and cultural difference. The view put forward here is that a concept like *guanxi* is an integral part of one specific culture and cannot readily be moulded to fit superimposed models of culture which originate from another part of the world.

*Guanxi* is defined as referring both to interpersonal relationships and connections. It therefore denotes both a special relationship between two people and a more widespread network which guides an individual's social world. A *guanxi* relationship is inherently reciprocal in that both parties can trust the other to be committed to their joint interests. This commitment is expressed in practical ways – as Chen (2004, p.45) notes: '*Guanxi* binds people through the exchange of favours rather than through expressions of sympathy and friendship. The *guanxi* relationship does not have to involve friends, although this is often preferred. The relationship tends to be more utilitarian than emotional. The moral dimension functioning here is that a person who fails to observe a rule of equity and refuses to return favour loses face and looks untrustworthy.' It is possible to understand the importance of *guanxi* within Chinese culture by reference to comparative etic-style models of culture. Thus the preoccupation with reciprocity in human interaction could be seen as indicative of a relationship culture – to use Trompenaars' term – while the search for mutually beneficial networks could be linked back to the perception of China as a collective culture put forward by a number of writers in the field.

It is proposed here that *guanxi* should, however, also be viewed as indicative of a *specific element within a unique culture*. Chen (2004) gives an in-depth account of how *guanxi* forms part of the Confucian philosophy which is underscored by the principle of social harmony. This in turn links to the notion of 'face' which underpins interpersonal encounters in Chinese culture. An individual must protect, maintain or even gain face when interacting with other people. *Guanxi* can therefore be an important means for guarding against loss of face.

*Guanxi* is in fact so intrinsically bound up with Confucianism that it feels highly inappropriate to interpret its perceived behavioural consequences within a model of culture emanating from Europe. To characterise *guanxi* as evidence of a group-oriented culture underestimates the centrality of social bonds within Chinese society. Chen (2004, p.47) provides an evocative illustration of this point: 'The Chinese character *ren* consists of two components, one illustrating a human being and the other depicting the number two. As this implies, *ren* refers to the way people relate to each other. In other words, man cannot exist alone and must be able to interact with others. *Ren* as the highest virtue of Confucianism would be meaningless if not understood in the context of the social interactions among men.'

In conclusion, therefore, an in-depth understanding of *guanxi* – and, of course, of its effects in business encounters – may best be gained by reference to the emic tradition of cultural analysis, involving understanding a culture 'from the inside' and through the interpretations of actors from that culture. Even when we focus on culture at the institutional level, an emic approach contains powerful advantages. As an example, Child (1998) records an absence of commercial laws in China, leading to the possibility of great uncertainty when engaging in inter-organisational alliances in that country. He notes that as a result, high trust between parties is of paramount importance and that implicit and tacit agreements assume a critical role. He claims that this institutional setting both reflects and reinforces a situation where *guanxi* flourishes.

None of the foregoing section is intended to state or imply that comparative etic models of culture are worthless or even seriously flawed: rather, what is proposed is that insights derived from such mainstream models should be combined with, and evaluated against, an alternative perspective which takes as its main focus an in-depth approach focusing on individual cultures both at the level of individuals' meanings and institutional frameworks.

## A TIME FOR NEW RESEARCH METHODS?

In Chapters 2 and 3 it was suggested that previous cross-cultural research studies, several of which underpinned influential theoretical models, could be open to some level of criticism on methodological grounds. Hofstede, in an attempt to compare like with like, based his main research on one organisation, from which he derived average country scores. While Hofstede allowed for genuine differences within each country sample, therefore claiming that his methodology resulted in a realistic picture of any society, Clegg *et al* (2008) question the value of these average scores to an explanation of individual attitudes and behaviour. It is also unclear whether respondents in some research studies were representative in terms of gender and age – the latter point is of potentially critical importance in detecting possible culture change. Schwartz's work is exempt from this critical comment in that his sample comprised teachers and students, mostly differentiated by age. However, this choice of category is itself questionable in that it is restricted to the educational sector. Similarly, Trompenaars' work was drawn



## INDIVIDUAL ACTIVITY

### Contracts or *guanxi*?

Companies from outside China entering the dynamic Chinese market are often faced with a choice of different strategies and tactics for doing business. Luo (2002) describes a proactive strategy centring on networking or *guanxi*, opening up the possibility of an escalating reciprocity of favours. The main alternative highlighted is the defensive strategy of using rigid contracts to minimise uncertainties. The author advocates the use of a blend of both strategies, claiming that they are in reality complementary and that both have to be used in any case. He notes (2002, p.297) that ‘Contracts counter the threats of opportunistic behaviours of local business partners and alleviate the hazards from disturbing competitive environments. These benefits reduce an MNE’s transaction costs. *Guanxi*, however, facilitates an MNE’s adaptation, localisation and legitimacy. It increases revenues by obtaining institutional support and reciprocal assistance from suppliers and buyers.’

There is some suggestion that *guanxi* is declining in importance as more universal business practices have become widespread since China’s entry into the World Trade Organisation, and following efforts made at government level to guard against perceptions of impropriety. The current and future importance of *guanxi* is being openly questioned in some quarters.

- 1 What do you understand by the terms ‘opportunistic behaviour’ and ‘facilitating adaptation, localisation and legitimacy’, as used in Luo’s article? Provide one example each of how both phrases might take effect in reality. In what ways could the use of *guanxi* and contracts be complementary?
- 2 How realistic in your view is it to expect *guanxi* to decline in significance within Chinese business in the period up to 2015? Give reasons for your conclusions, referring to material set out in Chapters 1 to 3 of this book.

from data obtained from management workshops, again bringing the issue of generalisability into play.

All of these criticisms stem from the researchers’ attempts to delineate cultures and to highlight significant differences between them – this being the essence of the etic approach to the subject. The etic theoretical stance necessitates the use of a methodological approach in which the primary aim is to identify matched samples in different societies, achieved through holding certain variables constant – eg type of organisation or employee. The sample data is then compared with that obtained from similar populations in other countries in order to locate significant differences which could be culturally based. But, as previously noted, even the most rigorous attempts to control some variables in order to isolate the impact of culture have been censured for omitting others, while large-scale projects such as those led by Hofstede have been criticised for their very scope, in that important individual variations could be hidden within the researchers’ concluding average score data.

The *emic* approach to culture, contrastingly, suggests that an entirely different methodological stance is more suited to research efforts in this field of study. Long-term observation of a single group has a venerable tradition within anthropology. Ethnographic research within this discipline has frequently

involved the researcher's engaging in observation or participant observation (becoming a member of the group under study). This research tradition enables a deep understanding in a natural setting, although one has to place considerable trust in the reliability and objectivity of the researcher. There has been a comparative dearth of studies conducted within this tradition in the area of business and management – although Kluckhohn and Strodtbeck's 1961 work examining five ethnic groups within the USA, referred to in Chapter 3, while not itself dealing with work situations, has played some part in informing thinking in cross-cultural aspects of business in more recent years.

D'Iribarne (1997) questions whether the survey methods typically used within *etic* studies of culture do in fact provide realistic pictures of cultural differences and the ways in which these operate in practice. He concludes that Hofstede's classification of France as a high power distance society arises from a juxtaposition of hierarchy and power. D'Iribarne's view is that a steep hierarchy need not result in a concentration of power at its top levels, so actual experienced power distance in France may be considerably different from that as deduced from Hofstede's work. D'Iribarne goes on to attribute what he sees as Hofstede's skewed conclusion to the questions posed within Hofstede's research programme. In particular, an expressed preference for democratic styles of management is, according to D'Iribarne, interpreted by Hofstede as a reaction to the experience of autocratic styles.

However, there are alternative interpretations, and D'Iribarne's own research, which looked at single plants within countries – in his case France, the Netherlands and the USA – led to quite different conclusions, including the actual isolation of senior French managers due to steep organisational hierarchies which left them dependent on the practical knowledge and expertise of their subordinates. D'Iribarne accordingly calls for a different style of more ethnographic research in the cross-cultural field involving observation, document analysis and open interviews which, he claims, could more accurately reflect the reality of working life in – and consequently the wider categorisation of – particular societies.

Yet as we have seen, the *etic* approach and its associated methods of study have been and continue to be prevalent. Perhaps, though, it is time for a change in this regard. Just as it is suggested that a resurgence of the *emic* approach can reinvigorate this subject area at the current time, so its associated research methods could be activated in order to provide a richer, deeper picture of culture and cultural variation than currently exists following several decades of domination by the *etic* tradition.

Tsui (2004) made a plea for more country-specific studies in a wider range of societies, in order to re-balance the spread of knowledge in cross-cultural management across the world. She records the overwhelming dominance of thinking emanating from Europe and North America in the field. There is undoubtedly scope to develop work based on some parts of the planet hitherto neglected in the literature. In this chapter, for example, it can be seen that many examples cited so far relate to China, reflecting the great interest shown in this

(from the Western perspective) fast-growing key economic player. This reflects the often skewed nature of geographical coverage in cross-cultural management. Tsui (2004) expresses a wish to see this gap filled by single-country studies from South America and other developing regions. She furthermore sends out encouragement for so-called *indigenous* research which does not seek merely to test an existing model in a new context but rather aims to develop new theories in new contexts.

### SENIOR MANAGERS AS THE OBJECT OF STUDY

Thompson and Phua (2005) applied Hofstede's dimensions of culture, and their consequent impact on attitudes and values, in a study of 'Anglo-Saxon' and Chinese managers operating in the Hong Kong construction industry. In formulating their research, they hypothesised that senior managers might comprise a distinct group exhibiting characteristics which separated them from average employee populations. Furthermore, these researchers speculated that actual decisions made by managers may link as much to task and business imperatives as the managers' cultural background. Following a study which included up to 398 respondents, Thompson and Phua (2005, p.65) concluded that there was no evidence of expected cultural norms, but rather that, in contrast, 'Senior Chinese managers exhibit no significant differences from their Anglo-Saxon counterparts in terms of collectivism or co-operation, and even manifest significantly lower in-group identity than Anglo-Saxons. Moreover, Chinese managers, contrary to what Hofstede's categorisations would lead us to expect, are associated negatively with collectivism and intra-firm co-operation.'

There are important conceptual implications which could be drawn from this study and its main findings. It may be, for example, that the Anglo-Saxon managers' values have changed when operating in the new context – which points to the impermanence of such values. Alternatively, Hong Kong may have quickly evolved from a Chinese society (with all that implies) to one which has taken on a wider range of cultural influences. Finally, it is possible to infer that senior managers conform to a separate set of cultural norms, set apart from those previously associated with countries or geographical clusters.

This last point relates most closely to the current discussion on research methods within cultural studies. It is possible to argue that senior managers (with their particular ability to influence corporate policies and practices) should be studied as a separate group if average employees' scores do not, in the event, adequately reflect managers' own values and behaviour. This point can be inverted in that a more exclusive focus on senior managers in *some* research studies would free up others to look at the everyday work experiences of non-executive workers, possibly using more ethnographic methods. These studies could also be free from possible constraints arising from a managerial perspective. In particular, it is possible to argue that a more realistic picture of work organisations would be obtained – and this in turn should lead to a situation in which managers can make better-informed judgements.

Grey (2009, p.8) refers to the paradoxes and ironies of referring to managerialist writings as follows: 'The managerialist-positivist camp, for all their desire to speak effectively to the world of practice, have consistently failed to come up with anything of much use to managers or others, a fact for which they are consistently criticised by others and over which they themselves persistently agonise. Whereas the constructionist critics at least provide an account which is recognisably about people in organisations, rather than the abstract statistical hypothesis-testing of their more mainstream colleagues.' Without entering into a deconstruction of the terms used by Grey, there is very definitely a case for a new focus on ethnographic non-statistical work in the cross-cultural management field, in order to reinvigorate the field in academic terms and to provide more meaningful data for practitioners.

In recent years there is some evidence of research studies which have moved away from a focus on top management, and by implication, a view of culture as embodied in key actors through socialisation which then becomes solidified within work organisations through top-down decision-making. Söderberg and Holden (2002, p.108), in contrast, suggest that 'cultural differences are manifesting themselves in new ways: for example, in the working environment of a multicultural project team collaborating across geographical, organisational and occupational boundaries and involving email interactions and video conferences, maybe even with a foreign language as their "lingua franca".'

## SOME EMERGING THEORETICAL APPROACHES

### CULTURAL STANDARDS

Fink *et al* (2005) propose that cross-cultural studies could profitably examine actual norms of behaviour which emerge from value dimensions, noting that whereas values may appear to be the same across cultures, what they call 'available norms of behaviour' can differ. They propose that the notion of 'cultural standards' in which a person in reacting to a specific situation will consider the views and judgements of others and may seek to behave within the parameters set out by specific people and their own culture more generally, would be especially relevant in understanding the reality of cross-cultural encounters. Fink *et al* suggest that a key part of cross-cultural research involves the identification of critical incidents found to occur in cross-cultural business interactions. However, they cast doubt on the extent to which existing models of culture do capture the reality of these real-life situations, suggesting (2005, p.11) that 'general culture concepts with four to 11 dimensions from Hofstede (2001) to Schwartz (1992) have limited predictive value for the coping capabilities of individuals with difficulties in cross-cultural encounters.'

In terms of our focus in this chapter on methods of study, Fink *et al* diverge from many previous researchers in their use of narrative interviews in which they asked respondents to tell short stories detailing real (critical) incidents from their

own past experiences. These stories were then given to cultural experts who had lived and worked in either the home or the foreign culture. The experts were asked to interpret the events depicted in the respondents' stories. One aim of involving experts in this way was to reduce interpretation biases and to strip out incidents which were the result of non-cultural factors. The reference to cultural standards does take the subject forward in terms of looking at actual behaviour rather than speculative examples of how values *could* be operationalised in the workplace. The methods used are reminiscent of Trompenaars' discussion of scenarios – however, there is a crucial difference in Fink's exclusive focus on situations that were actually experienced. The cultural standards approach represents an emerging school of thought with the potential to further illuminate the area of cross-cultural business.

## CROSS-CULTURAL LEARNING AND KNOWLEDGE-SHARING

Holden (2002) is another contributor to the sphere of cross-cultural management who has sought to redefine the scope of the subject while putting forward a different model of culture. He criticises what he sees as the classical essentialist model of culture which has been predominant within the cross-cultural management literature. This view of culture is characterised as comprising stable and consistent categories, centred on values and norms, which distinguish cultural groups – mainly, as we have already seen, focusing on individual countries. Holden (2002, p.28) questions the currency of this traditional approach, recording his view that 'This essentialist or functionalist view can be valid if we want to understand the characteristics of a particular cultural system, such as a country or company, but when, as in everyday international business practice, cultures clash and fuse with each other in myriad ways, the concept is unhelpful: it is virtually programmed to exaggerate the differences between cultures and to generate criteria to rank them competitively.' Holden declares that mainstream models of culture, exemplified by Hofstede's work, have resulted in an excessive preoccupation with the identification and management of cross-cultural differences.

Holden goes on to reformulate a view of culture that is relational, based on shared meanings and interpretations by members. He goes on to propose that (2002, p.56) 'These patterns of meaning are produced, reproduced, and continually changed by the people identifying with them and *negotiating* with them in the course of social interaction.' Culture as exhibited at national, organisational, professional or any other levels is both changing and diffuse in that the boundaries between cultures may frequently dissolve and reappear elsewhere. The task of cross-cultural management for Holden is to manage the many cultures existing both at intra- and inter-organisational levels, with particular reference to knowledge transfer and continuous learning. This for him involves (2002, p.285) 'a significant shift from cross-cultural management seen as the management of cultural differences, in which these differences are all too often represented as inescapable vortices of corporate undoing. Part of the shift entailed regarding culture, or rather cultural inputs, as an object of knowledge at the organisational level of analysis.'

Holden's work has particular resonance for us in that his conception of culture points to a critical role for managers' competencies including cultural know-how (we return to this theme in Chapter 10). Furthermore, there is an implication that the terrain of cross-cultural analysis should be at organisational level. Holden casts doubt on whether it is appropriate to refer to cross-cultural management across national cultures at all, which is a clear departure from most previous work in the field.

Holden's work takes the subject forward in that while he recognises that cultural values are still important, he says it may not be possible to be aware of the values held by all people in a diverse multicultural team. Furthermore, such knowledge would not, in any case, be sufficient to explain actual events. What is more important for Holden is, to reiterate, the need to provide situations (including structures) which allow cross-cultural learning and knowledge-sharing.

## CROSS-CULTURAL COMPETENCE AND LANGUAGE

Magala (2005), in a wide-ranging treatment of cross-cultural management, firstly conceptualises culture as a language in which people express themselves, as a result of which they become aware of meanings. He views cultural learning as analogous to breaking a code both linguistic and behavioural. In order to function in a society it is necessary to communicate complex messages and to respond to them. In this sense, language can be viewed as a system of signs. If we accept the views of linguists such as de Saussure, language is both signifier and signified – the latter element enabling concepts to be communicated and understood. From this perspective one can go on to link language to culture in that it too transmits meaning and maintains the assumptions held by a particular group of people.

Magala also links language to cultural competence. He notes that expatriates' children develop a dual cultural identity, becoming fluent in two cultures and languages including expert use of non-verbal communication forms such as touch and gestures – see Chapter 6 for more detail in these areas. Whereas children find this process easy – as Magala puts it, they learn tacitly and spontaneously – adults (for example, managers on an overseas secondment) may have to be prepared in a more formal way. However, cultural competence overall is likened to linguistic fluency, within the underlying view of culture as itself constituting a language.

Holden (2008, p.242) – see also Holden and Tansley (2008) – makes a strong case for language to be brought centre-stage within cross-cultural management, noting that 'Management cannot be conducted without words: words often with long histories and *always* with moveable meanings in any language and variable meanings among them. This relationship between management and language is waiting to be examined through the systematic comparative study of management terminology in various languages.' Holden (2008) puts forward examples to substantiate his view, recording Japanese managers' use of language to create and sustain an atmosphere that is conducive to harmonious relationships. We could,

in this context, locate this finding within the notion of Japan as ‘collectivist’, a ‘relationship culture’ and ‘high context’, all of which terms (from Hofstede, Trompenaars and Hall respectively) were dealt with in Chapter 3. Bringing language into view at this point could therefore be seen as akin to shining a torch on a familiar object . . . but from an alternative viewpoint.

A language perspective offers the possibility for ongoing explanation into new situations. Holden refers to recent developments in Russia, suggesting that the Russian language was unable to take on the vernacular of the market economy and that the frequent use of proverbs might result in people easily reverting to past situations. There is therefore a suggestion that Russian business terminology might evolve as a sub-language – what Rathmayr (2004) referred to as ‘russgligskii’: an odd mix of Russian and English languages. The importance of this notion is reinforced by a suggestion that the adoption of a hybrid *language* could be critical in political and economic development in creating a melting-pot in which attitudes and values could ferment and prosper.



## APPLYING THEORY TO PRACTICE

### The unique language of German organisational life

The German term *ein Akademiker* can be translated simply as ‘an academic’, a person working in academia. This would miss some subtleties, however, because the term has additional layers of meaning with significant behavioural consequences. It denotes a person with university-level education who has considerable prestige. This aspect of the term is specific to German culture and is, in an important sense, untranslatable. An *Akademiker* may also feel that he or she can behave in a manner reflecting this high status. In German universities the phrase *akademische Viertel* refers to a period of time (typically 15 minutes, hence *Viertel*, ‘quarter’) that elapses before an *Akademiker* appears to deliver a class – it is a form of legitimised lateness. Some German students speculate that this lateness is staged: the *Akademiker* displays a relaxed attitude towards time to convey his or her superior status.

Here we see how unique language not only conveys a specific feature of organisational life in a particular society but also in itself both denotes and reinforces distinctive ways of behaving based on an individual’s self-awareness of nuances in his or her own culture.

## THE SOCIAL IDENTITY APPROACH

We have already stated that mainstream models of culture view the concept as underpinned by shared values and norms, which tend to exist over a long period of time as they are passed on from one generation to the next through socialisation. While all writers on culture prudently allow for some measure of culture change (or shift), mainstream perspectives hold that culture is something that a society exhibits and which its members belong to. French *et al* (2008), in analysing organisational culture, draw attention to multiple perspectives

on the subject area. Whereas many contributors to the area see organisational culture as comprising shared values and beliefs, French *et al* (2008) identify competing approaches which question the reality of such conformity. Alternative perspectives include the *differentiation approach*, which proposes that different groups within an organisation might have different values – at least from time to time. This could apply to groups differentiated by function, location or demographic variation – for example, gender – thus raising the possibility of the existence of sub-cultures or even counter-cultures. We have acknowledged the existence and impact of such groups when analysing national cultures in Chapters 1 and 2.

French *et al* also highlight the *ambiguity/fragmentation approach* when considering organisational culture. This approach questions the existence of clearly defined patterns of culture. In place of shared meanings we instead see meanings interpreted by individuals in random ambiguous ways. These meanings might be widely shared – but not necessarily – and change is continual and by definition difficult to plan.

Söderberg and Holden (2002, p.112) make similar observations with reference to national cultures, stating that these are 'produced, reproduced, and continually changed by the people identifying with them and negotiating them in the course of social interaction'. Furthermore, one can suggest that people identify with different cultures. A person can have multiple identities – for example, a Polish female, single, Catholic marketing manager. Any one of these identities forms only part of this woman's life. The social identity approach clearly poses some important challenges to mainstream treatment of culture and its role in work organisations – if we accept the tenets of social identity theory. It would certainly imply a downplaying of national culture as explanatory variable.

Söderberg and Holden (2002) propose that the future of cross-cultural management (as set out earlier in the chapter) should lie in the management of multiple cultures rather than highlighting differences based on more static conceptions of culture. These authors also conclude that if individuals have multiple identities, then *any* communication and negotiation is intercultural. So, paradoxically, although the focus of cross-cultural management might have to shift and take place in a new arena, it actually becomes more important – and prevalent – than ever before.

## THE STRESS AND COPING APPROACH

The interlinked concepts of stress and coping are increasingly visible within the study of cross-cultural management. This has come about in two ways. There is, firstly, a connection with intercultural competence and, in particular, the notion of culture shock or acculturative distress. We examine this concept closely in Chapter 9 within a summary of the personal sphere of cross-cultural management which has especial resonance in the experience of sojourners (much of the literature deals with expatriate managers). It has been claimed that the experience of working abroad habitually results in situations in which

we experience some measure of psychological distress, possibly resulting in our questioning our values and even conceivably losing our sense of identity. In as much as stress is normally defined as a force emerging from the environment which interacts within an individual and causes strain, there is certainly reason to suppose that the experience of cross-cultural managers may well be a potentially stressful one.

We also see in Chapter 9 that success in cross-cultural work has been linked to 'adaptation behaviours' – in other words, *coping strategies*. In Chapter 1 I suggested that a high proportion of the academic and management literature in cross-cultural management has been devoted to the topic of culture shock. Although some of the assumptions in this literature is questioned in Chapter 9, there is little doubt that stress and coping are important concepts with clear practical implications.

Some writers also conclude that people in different types of cultures have different characteristic coping or control strategies when confronted by stressful events. The roots of such work can be traced back to Triandis (1989), who identified differences in how 'the self' was conceptualised across the world. The self here is identified by Triandis (1989, p.506) as consisting of 'all statements made by a person, overtly or covertly, that include the words *I, me, mine* and *myself*'. The self, following on from this broad definition, is broken down into private, public and collective elements. Triandis found that in collectivist societies the collective self could be identified with more readily – the reverse, of course, being true of individualistic societies. Reasons for these patterns included child-rearing – parents in collectivist cultures giving greater weight to obedience, reliability and 'proper' behaviour, whereas parents in individualist contexts are concerned to instill qualities of self-reliance and independence. It is also the case that individualistic cultures tend to have smaller family sizes, allowing children more leeway to 'do their own thing' (the one-child policy in collectivist China would be an interesting testbed to see if this holds true). These are relative trends, in that some degree of obedience, etc, is required of children by parents in individualistic cultures and some degree of self-assertion is required of their children by parents in collectivist cultures. Triandis's main contribution is to locate the self as a source of behaviour and then extend his analysis to cross-cultural comparison.

Tweed *et al* (2004) conclude that culture is related to ways of coping with stressful events. Based on research involving students of different descent – namely, First-Nation-Canadian, European-Canadian, East-Asian-Canadian and Japanese exchange students, these authors located important variations in coping strategies. They note (2004, p.665) that European Canadians and Asian Canadians all incorporate aspects of externally targeted control into their coping strategies, but that those from Far-East-Asian backgrounds are more likely to engage in coping strategies involving internally targeted control. What does this mean in practice? Internally targeted control involves an attempt to control the self when faced with stressful situations, whereas externally targeted control contrastingly occurs when an individual tries to control or alter the environment.

Tweed *et al* refer to Hofstede's work, citing his view that people from societies where power distance is high are more likely to accept situations *per se*. The cultural map of a society also comes back into view here as Tweed *et al* suggest that Buddhist and Taoist beliefs respectively stress the inevitability of suffering and the need to adapt oneself to the rhythms of nature. It is also possible to hear echoes of Trompenaars' distinction between inner- and outer-directed cultures and Schwartz's mastery *v* harmony dichotomy in Tweed *et al*'s findings.

We see here that a new focus for cross-cultural study – stress and coping – brings forward practical recommendations when analysing culture shock, while the comparative study of mechanisms for coping with stress generally has resulted in a reversion to more traditional etic-style models in order to explain a contemporary phenomenon in comparative terms.

### WHAT MAKES US DIFFERENT AND SIMILAR? A NEW INTERPRETATION

We have seen that much of the traditional cross-cultural management literature views culture in terms of cultural values as central tendencies located along continuums. An individual country's profile can then be categorised by reference to identified dimensions and then compared to that of other nation states. As we have seen in this chapter, there has been some reaction against this core idea. However, the focus on cultural variation has an enduring appeal and new work continues to emerge which is very much within this tradition. Minkov's (2007) recent contribution to the cross-cultural management literature provides an excellent example. Minkov (2007, p.18) makes a renewed case for the value of nation-level dimensions, noting that 'No matter what cooking method you use, the important thing is to be aware of the properties of the dish that you have cooked. Once you have your dimensions and your country indexes on it, you should look for correlations with the results of other studies. Your indexes should correlate convincingly with previous measurements of cultural differences in important social domains, and – most importantly – with real issues: for example, in savings rates, crime rates, birth rates, traffic death rates, educational achievement and IQ measurements, religiousness, sexual practices, suicide rates, etc. If your dimension predicts some of these real-life phenomena, it is interesting and useful, no matter how it was discovered.'

Minkov acknowledges the antecedents of his own work, including that of Hofstede, Trompenaars and Hampden-Turner, Schwartz and the GLOBE researchers. In particular, he draws on the contribution of Inglehart and his associates, referred to in Chapter 2, and the WVS or World Values Survey (2006). Minkov identifies three *new* cultural dimensions extracted by factor analysis and correlation analysis from the WVS data.

- *Exclusionism v universalism*

Exclusionism involves treating people in a privileged way on the basis of group affiliation – eg family and friends – while excluding outsiders from

this special treatment. Universalism contrastingly involves treating people on the basis of who they are as individuals. There is a strong link here to the earlier categorisation of individualism/collectivism. However, enrichment and globalisation have led to 'universal' values taking hold in more affluent Western societies, so it is interesting to examine the impact of greater affluence in other countries. Minkov identifies a complex pattern of possible change (reminiscent of Inglehart's model). In Bulgaria, young couples can increasingly afford to move from their extended family, which is (2007, p.103) 'the first step to distance, physical as well as emotional, between in-group members'. But the experience of Japan and Greece is that a preference for in-groups has not disintegrated as these countries have become richer.

- *Indulgence v restraint*

The distinction in this category is between allowing relatively free gratification of feelings and desires (indulgence) as opposed to a lesser sense of control of life events, freedom, leisure and happiness (restraint). Anglo societies are among the highest scorers on the indulgency index, those in Eastern Europe scoring high on restraint. Minkov, reflecting his concern with real issues, notes a positive correlation between indulgence and obesity rates, which is indeed marked when one eliminates the role of poverty. Drawing on his conclusion, it is interesting to record that in the UK (an indulgent society) recent government campaigns have linked obesity *positively* with poverty, thus providing paradoxical confirmation of the value of this dimension.

- *Monumentalism v flexumility*

In this dimension, monumentalist cultures – which include the Arab world, northern Latin America, parts of South Asia and the Anglo societies – are characterised by people's consistent and inflexible sense of self, resulting in (among other things) high self-regard, interpersonal competition and poor educational performance. Cultures high on flexumility – including those in East Asia, Eastern Europe and parts of Western Europe – exhibit opposing characteristics: eg humility and lower self-regard, lack of interpersonal competition and flexible values and beliefs. Using World Health Organisation (WHO) data, Minkov records the high suicide rates in high flexumility societies such as Eastern Europe, some Asian countries, Finland and some French- and German-speaking countries. He concludes (2007, p.174) that 'It seems that being proud and having good and strong family bonds is more important for suicide prevention than happiness or life satisfaction.'

In a review of Minkov's contribution, Smith (2007) points to Minkov's deep understanding of cultures which have hitherto been relatively neglected by cross-cultural management researchers, including Central and Eastern Europe and Arab cultures. Smith also suggests that by using World Values Survey data – together with the wide range of nations sampled – Minkov is well placed to flag up aspects of cultural difference that might otherwise be missed. We see that the comparative values-based notion of culture is far from extinct, and new contributions drawing on this tradition continue to inform the cross-cultural management canon in the twenty-first century.

## CONCLUSIONS

The development of models for understanding cross-cultural management post-2000 has seen some movement away from the etic approach exemplified in the traditional literature by Hofstede. New areas for scrutiny have included in-depth one-country emic-style research, the notion of (changing) social identity, the management of multicultural teams, a renewed examination of the role of language in underpinning cultures, and a concern with stress and coping. Nonetheless, the work of Tweed *et al* and Minkov denotes a continuing interest in comparative values-based approaches to the subject area which may point to the enduring appeal and, lurking behind this, the inherent value of these traditional perspectives.



### MICHELLE OBAMA VISITS A LONDON SCHOOL

#### CASE STUDY

In April 2009 the US First Lady Michelle Obama chose to deliver her first speech on a foreign visit at the Elizabeth Garrett Anderson girls' school in London. The students' demographic profile in this inner-city school reflects the multicultural makeup of Britain's capital city in much the same way as the '7/7' tragedy referred to in Chapter 1. Pupils speak 55 different languages and 20% of them are the daughters of refugees or asylum-seekers. 92% are from a black or other minority ethnic background. After listening to a performance by pupils, Ms Obama said, 'When I look at a performance like this, it just reminds me that there are diamonds like this all over the world. All of you are jewels. You are precious and you touch my heart. And it's important for the world to know that there are wonderful girls like you all over the world.'

There are powerful reasons why this school might have been singled out for Michelle Obama's visit. It could, for example, be regarded as a testbed for cross-cultural management and fostering integration, given the diverse nature of its pupils. As an example of 'diversity management' it appears to work – the last UK Government Ofsted inspection judged the school to be outstanding.

- 1 What models of cross-cultural management do you think are most useful in helping staff and pupils at this school to achieve success? Give reasons for your answer.
- 2 How might the diverse nature of this school's student intake both bring challenges and be integral to its success?

This evaluative review of existing frameworks underpinning cross-cultural management, together with pointers to future developments in the subject area, concludes Part 2 of this book. In Part 3 the focus shifts to an examination of particular topics encapsulating cross-cultural management within work organisations, starting in Chapter 5 with a look at the extent to which formal organisational arrangements such as structure are subject to cultural variation.

## REVIEW QUESTIONS

- 1 What do you understand by the emic approach to cross-cultural management? Provide two examples from academic sources to illustrate your answer.
- 2 List the ways in which language forms part of a person's culture and contributes to cultural understanding.
- 3 Evaluate the usefulness of any *one* model of culture which has emerged since 2000.



### EXPLORE FURTHER

The following three books all focus in depth on different aspects of culture and cultural difference. All are recent additions to the literature and can be read to gauge the development of the subject area at this time and to identify contemporary themes and debates.

Holden, N. J. (2002) *Cross-Cultural Management: A knowledge management perspective*. Harlow: FT/Prentice Hall

Magala, S. (2005) *Cross-Cultural Competence*. Abingdon: Routledge

Minkov, M. (2007) *What Makes Us Different and Similar: A new interpretation of the World Values Survey and other cross-cultural data*. Sofia, Bulgaria: Klasika i Stil Publishing House

Visit this book's companion website [www.cipd.co.uk/ssc](http://www.cipd.co.uk/ssc) for additional exercises, weblinks to media and academic journal articles and more.