2

DESCRIBING CULTURE

What It Is and Where It Comes From

Deep cultural undercurrents structure life in subtle but highly consistent
ways that are not consciously formulated. Like the invisible jet streams
in the skies that determine the course of a storm, these currents shape
our lives; yet, their influence is only beginning to be identified.

Edward T. Hall (1976)

Chapter 1 suggests that culture has a broad influence on how international managers see their world, on what international managers do, and on what others expect of international managers. To understand more specifically how culture affects the practice of management, we first need a clear definition of culture. Anthropologists Kroeber and Kluckhohn (1952) identify over 160 different definitions of the term *culture.* Clyde Kluckhohn (1961) presented a widely accepted definition that integrated many of these perspectives: "Culture consists of patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values" (p. 73). Triandis and Suh (2002) link societal culture to the psychology of individuals by explaining that elements of culture are shared standard operating procedures, unstated assumptions, tools, norms, values, habits about sampling the environment, and so on. Culture is the subjective perception of the human-made part of the environment. This includes the ways of categorizing social stimuli, associations, beliefs, attitudes, roles, and values from which individuals in a society can draw. A complimentary view is that of Hofstede (1980), who suggests that culture consists of shared mental programs that control individuals' response to their environment.

FEATURES OF CULTURE

These definitions have implications for understanding the relationship between cultural issues and global management. Three characteristics of culture provide a basis for the definition that we use in this book: Culture is shared, culture is transmitted between generations, and culture is systematic and organized.

Culture Is Shared

Culture is something shared by members of a particular group. *Shared* in this case means that most members intuitively understand the basic values, norms, or logics that underlie what is acceptable in a society (Peterson & Barreto, 2014). This does not suggest that everyone in a society knows everything about it. Hofstede (1991) explains the implications of the shared aspect of culture well when he describes culture as mental programming that lies between universal human nature on one side and unique personalities on the other. As shown in Figure 2.1, individuals carry in their mind three levels of programming about how they interact with their environment.

At the broadest level, all human beings share certain biological reactions. We eat when we are hungry, for example. At the narrowest level are the personality characteristics that are unique to each of us as individuals. Culture occurs at an intermediate level based on shared experiences within a particular society. Individuals within a society share an intuition for

FIGURE 2.1 ■ Three Levels of Mental Programming
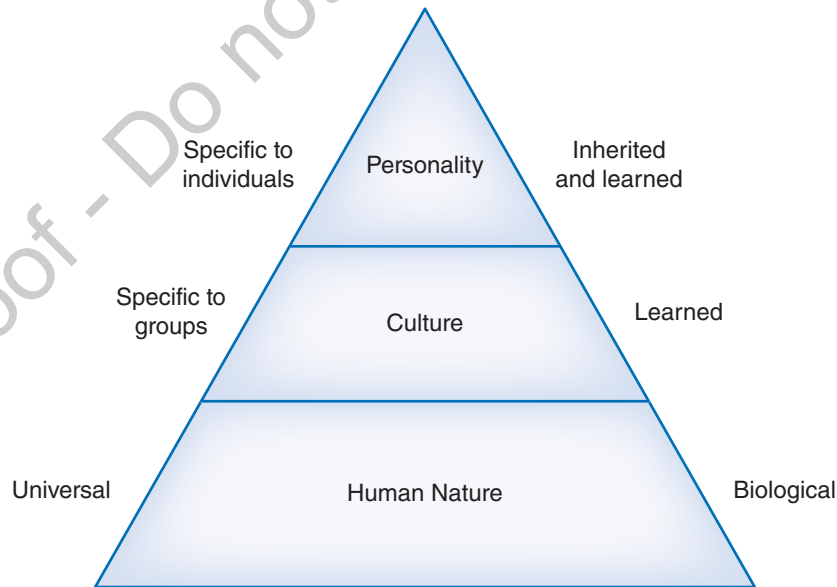
Source: Adapted from Hofstede (1980).

many of these cultural understandings not shared by outsiders (Peterson & Barreto, 2014). Members of any society will be more familiar with values and understandings that are epitomized by its heroes than they will be with stories surrounding the heroes of other societies. For example, people in the United States know that the (probably fictional) story of George Washington's life demonstrated honesty, because of his willingness to accept the consequences of a childhood misdeed (chopping down a cherry tree) by confessing it. People in Saudi Arabia know to be kind to spiders, because they protected the Muslim Prophet by hiding him from his enemies. People in China know to honor their teachers on the anniversary of the birth of Confucius on September 29.

These examples illustrate two main points about culture that are easily missed. One point is that individuals living in a society have very little personal choice about whether or not they are thoroughly familiar with the central cultural values and norms of their society. The other point is that individuals can differ quite widely in what they personally like and dislike about their society's cultural characteristics. For example, people in the United States vary in the value they place on honesty, those in Saudi Arabia have varied feelings about spiders, and those in China differ in the honor they show towards their teachers. While individuals in a society can differ widely in their attitudes about their societies' heroes and stories, it is unusual to be a member of a society without having a deep understanding of its values. Thus, culture is a collective phenomenon that is about elements of our mental programming that we share with others in a society.

Culture Is Learned

A second feature of culture is that culture is transmitted through the process of learning and interacting with the social environment (Peterson & Wood, 2008). Over time, the people in a society develop patterned ways of interacting with their environment. Language, systems of government, forms of marriage, and religious systems are all functioning when we are born into a society. Although these institutions gradually change, these patterns are transmitted to the new entrants as they learn the culturally acceptable range of responses to situations that occur in their society. For example, guidance about behavior that is considered appropriate is often contained in the stories that parents tell their children, such as those described previously about societal heroes (Howard, 1991). Learning through stories implies not only that children can learn about their own culture but also that it is possible to learn about the cultural patterns of another society. However, some aspects of an unfamiliar culture are likely to seem strange. For an adult to develop a deep understanding of a new culture can be greater than the challenge of learning to speak a new language without the accent of one's first language.

Culture Is Systematic and Organized

A third important element is that cultures are integrated coherent systems. Culture is more than a random assortment of customs. It is an organized system of values, attitudes, beliefs, and behavioral meanings related to each other, to a cultural group's physical environment, and to other cultural groups. To understand a particular facet of a culture, it is necessary to understand the cultural context. For example, most U.S. citizens have difficulty identifying with the marital practice of polygamy (Ferraro, 2006). A number of contextual factors support the general lack of comfort with this practice in U.S. culture. First, it is illegal. Second, it is inconsistent with the traditions of the predominant U.S. religions. Third, it

is counterproductive in a cash economy in which having more partners means a need for more money to support them and their children. However, for the Kikuyu of East Africa, polygamy is a viable marital alternative. Kikuyu society is based on subsistence agriculture, and more wives and children enhance the economic well-being of the household because they produce more than they consume. Moreover, social status is based on the size of one's household and particularly on the number of male kinspeople in one's social unit. More wives mean more sons. In addition, because Kikuyu religion is fundamentally ancestor worship, larger families mean a bigger religious following. Therefore, not only are cultural beliefs about polygamy not viewed as immoral in Kikuyu society, they fit other aspects of the Kikuyu cultural context.

CULTURE: A WORKING DEFINITION

At the most general level, a working definition that is useful in considering the effects of culture on global management practice is as follows: *Culture is a set of knowledge structures consisting of systems of values, norms, attitudes, beliefs, and behavioral meanings that are shared by members of a social group (society) and embedded in its institutions and that are learned from previous generations.* As discussed ahead in Chapter 3, average levels of the values that a society's members express are often good indicators of societal culture characteristics. While a society's cultural characteristics are generally well known among its members, some cultural values, attitudes, and beliefs will be accepted more widely than will others. Culture is most directly about behavioral meanings and societal norms and only indirectly about patterns of behavior or personally held values.

FIGURE 2.2 ■ Levels of Culture

Artifacts

Espoused Values

Basic Underlying Assumptions
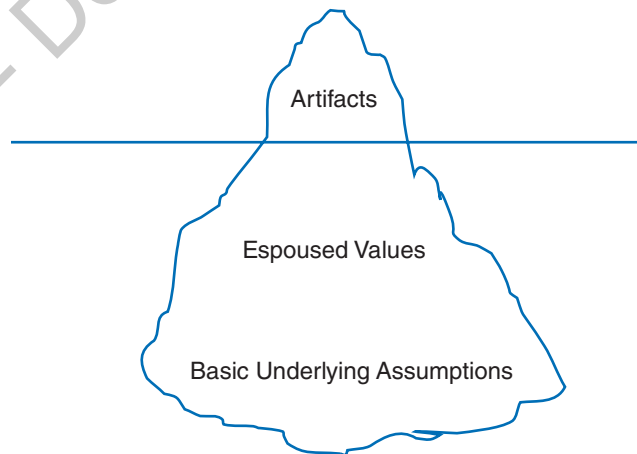
Source: Adapted from Schein (1985).

Consistent with our working definition of culture, Schein (1985) describes three levels of culture: artifacts and creations, values, and basic assumptions. Figure 2.2 depicts the relationship among these three levels of culture, which can be likened to an iceberg with only a small percentage being visible above the surface of the water. Figure 2.2 shows that above the surface are cultural artifacts, which include all the visible features of a culture, such as the architecture of its physical environment, language, technology, clothing, manners, dress, and so on. Just below the surface are the espoused values of the culture. These values are *consciously* held in the sense that they are explanations for the observable features of culture. Deep below the surface are the underlying assumptions shared by the culture, which are the ultimate source of values and action. These basic ways of structuring reactions to the world shape beliefs, perceptions, thoughts, and feelings at an *unconscious* level and are taken for granted by members of a cultural group. As pointed out in Chapter 1, because they are unconscious and taken for granted, the effects of culture are often not apparent to a society's members and are therefore often overlooked by global managers.

WHY CULTURES DIFFER AND PERSIST

Armed with a working definition of culture as a set of knowledge structures shared in a society, it is now possible to examine elements of the environmental context that give rise to and reinforce cultural differences. It is not possible to evaluate all possible contributors to cultural variation. However, some anthropologists have derived a set of assumptions about how cultures interact with the environment, which relate to how societies confront and solve the common problems of existence in a functional way. These characteristics are summarized in Box 2.1.

Based on these assumptions, elements of culture evolve to provide different solutions to common environmental problems. This is not to say that a particular ecological or environmental context will always result in similar cultural characteristics (see Cohen,

BOX 2.1

ASSUMPTIONS ABOUT A SOCIETY'S INTERACTIONS WITH THE ENVIRONMENT

There are a limited number of common human problems for which all peoples at all times must find solutions. (For example, every society must decide how to feed, clothe, house, and educate its people.)

There are a limited number of alternatives for dealing with these problems.

All alternatives are present in a society at all times, but some are preferred over others.

(Continued)

BOX 2.1 (Continued)

Each society has a dominant profile or value orientation but also has numerous varia-
tions or alternative profiles.

In both the dominant profile and the variations, there is a rank order preference for
alternatives.

In societies undergoing change, the ordering of preferences may not be clear.

Source: Adapted from Kluckhohn, C., & Strodtbeck, K. (1961). *Variations in value orientations.*
Westport, CT: Greenwood, as presented in Adler (1997).

2001). For example, while developing methods of producing warm clothing is more
useful to cultural groups in semi-arctic climates than in tropical climates, groups in the
chillier parts of the world have developed many alternative kinds of warm clothing and
ways of producing it. However, understanding something about how cultures emerge,
are maintained, and are changed can help international managers to anticipate ways in
which the parts of the world in which they are working are likely to react to globalizing
technological, social, and economic conditions.

Survival (and the Emergence of Social Institutions)

Many cultural characteristics originally developed to aid the survival of groups in their
environment. For example, people in many Western cultures shake hands with their right
hand as a form of greeting. Initially, this was probably an indication that no weapon was
being held or about to be drawn with the dominant right hand. Similarly, the Maori of
New Zealand have an elaborate challenge ceremony or *wero*, which is now reserved for
greeting dignitaries (Barlow, 1991). This ceremony involves sending forth warriors who
challenge the visiting party by prancing about and brandishing fighting weapons, followed
by presenting a token on the ground to their leader. Originally, this challenge was to
determine the intentions of visitors. If they come in peace, the leader will pick up the
token, and the warriors will lead the visitors onto the *marae* (community meeting place).
Having determined the intent of a visitor, there was no need in this culture to display an
empty right hand as a form of friendly greeting. As a sign of peace, the Maori greeting
among individuals is to press noses or *hongi* (Barlow, 1991). As another example, people
in different climates seem to have different attitudes toward time. For example, the lack
of urgency often observed in tropical climates might have originally reflected the lack of
seasonality in agriculture. Because crops can be grown year-round, they do not need to be
planted and harvested at certain times. Consequently, such societies tended to develop little
regard for deadlines.

Ways of dealing with societal problems, such as determining the friendly or hostile
intent of visitors, come to be built into a society's *institutions*. Institutions are the structures

and activities that provide stability to a society; they consist of the family, education, economics, religious, and political systems. Institutions that support a society's cultural orientation typically include some governing group that rewards desired behavior and punishes unacceptable behavior as well as organizations that teach and promote desirable behaviors. Children learn the concepts that are reflected in their society's institutions in terms of beliefs about right or wrong, good or bad, ugly or beautiful, and so on. Cultural concepts that have their foundation in ancient beliefs about survival and that have become fundamental beliefs about right and wrong in a society are likely *programmed* at a very deep unconsciousness level in its members (Hofstede, 1991; Schein, 1985). Their meaning might not be apparent to the outsider and can even be obscured to members of the cultural group. And evolutionary theorists (e.g., Rozin, 1998) have demonstrated the importance of so-called *initial conditions* on the persistence of patterns of thinking over time. Once a cultural pattern is established, it is very resistant to change, even when surrounding circumstances change.

Language

Language plays a particularly prominent role in the way cultural characteristics have spread throughout the world and how they are maintained within a society (Hall, 1966). One long-standing view is that because people encode things in memory in terms of a particular language, language defines the way they view the world (Whorf, 1956). Language determines the range of possibilities that a society provides its members to mentally represent their environment. Although language is influenced by the environment and reflects the concerns of society, linguists disagree about the degree of control that language exerts over people (Bonvillian, 1993). For example, the Inuit language of the indigenous people of the northern part of North America contains numerous words describing snow. Apparently, the existence of many more terms for snow does not necessarily indicate the ability to distinguish types of snow any better than with fewer terms (Pinker, 1994). Some argue that language does not constrain thought. For example, when we do not have a word for something, we invent or borrow one.

Recent research (Nisbett, Peng, Choi, & Norenzayan, 2001) suggests that some features of language are related to how people view the world. For example, speakers of languages based on pictorial representations (e.g., Chinese characters) tend to see the world more holistically than do speakers of languages based on phonetic scripts (e.g., English, French, Greek, Russian). Even the way we think about time may be influenced by language (Boroditsky, 2001). For example, English speakers mainly think of time horizontally as *behind* followed by *ahead*, whereas Mandarin speakers think of time vertically as up (*shang)* followed by down (*xia*). Language, therefore, is an artifact of culture that helps to perpetuate its values, attitudes, beliefs, and behavioral routines. The fierce protection of the French language by francophone Canadians illustrates the recognition of the powerful effect that language has in perpetuating culture. Because we use language to interact with others, it has a powerful role in shaping behavior and in perpetuating beliefs and habitual patterns of interaction (Berger & Luckman, 1966), hence, culture.

Religion and Ideology

Religions and ideologies reflect beliefs and behaviors shared by groups of people that cannot be verified by scientific tests (Terpstra & David, 1985). Religious traditions are closely

related to cultural values (Inglehart & Baker, 2000). They can have a cultural influence through the *content* of their belief systems, the *structure* of their beliefs and rituals, and the *identities* that they promote. For example, the content or specific teachings of many religious traditions promote a strong work ethic, not just among their adherents but also throughout the societies where the religious groups have been especially influential (Niles, 1999). Reliance on authoritative texts or on a succession of authoritative leaders can influence a society's structure, even when the content of the teachings change. For example, the reliance on written texts as a basis of authority has contributed to the written language unity and an emphasis on education of Chinese societies, even as authority has changed from Confucian teaching to Maoist teaching to more eclectic sources of values (Marginson, 2011).

Religious groups have long competed with nation states as a basis for social identities that shape with whom people are most willing to work, trade, or fight. To some extent, a society appears to select a major religion or a form of a major religion that fits well with its long traditions and then attempts to create a government to protect its heritage and religion (Minkov & Hofstede, 2014). Governments are often originally designed to protect a group that has a common religious and cultural history. The extent to which religion influences the cultural profile of a society depends on the degree to which a particular religion is dominant or state sanctioned, the importance that society places on religion, the degree of religious homogeneity in the society, and the degree of tolerance for religious diversity that exists in the society (Mendenhall, Punnett, & Ricks, 1995). Some evidence suggests that religious devotion is related to particular cultural values, such as tradition, conformity, and benevolence, (Huismans, 1994) and/or future orientation and collectivism (House et al., 2004). Additional evidence suggests that devoutly religious individuals are more likely to endorse the dominant cultural profile of a society (Burris, Branscombe, & Jackson, 2000). As societies shift from agrarian to industrial and survival is taken for granted, traditional religious beliefs tend to decline. However, while attendance at religious services has declined, spirituality is on the rise, and deep differences along religious lines remain (Inglehart & Baker, 2000).

Although Christianity currently has the largest number of adherents worldwide, its percentage of followers is projected to be relatively stable in the near future, with Islamic religions and Hindus representing an increasing percentage of the world population (due in part to differences in birth rates) (Barrett, Kurian, & Johnson, 2001). Table 2.1 shows the approximate geographic distribution of the major religions around the world.

Of course, religions are not evenly distributed across the planet, with some religions concentrated in specific geographic regions. For example, Islam is largely concentrated in Asia and Africa, and Shinto exists almost exclusively in Japan. Obviously, therefore, specific religions have a greater influence in some cultures than in others. Religions and ideologies have to do with explanations for things that cannot be scientifically demonstrated, as the definition of religion suggests. Therefore, research issues discussed in Chapter 1 have special significance with regard to assessing the effect of religion. A great deal that people believe about what is valuable and what actions will have what consequences is difficult to demonstrate scientifically. Societies can support very rigid values and beliefs that shape the politics of how they should operate and ethnocentric views that their members take for granted about the self-evident truth of their beliefs or the goodness of their practices.

Religion	Sub-Saharan Africa	Asia-Pacific	Europe	Latin America-Caribbean	North America	Middle East–North Africa	Total
TABLE 2.1 ■ Distribution of Religions Around the World (Thousands of Adherents)							
Buddhism	Less than 0.1%	11.9%	0.2%	Less than 0.1%	1.1%	0.1%	7.1%
Folk religions	3.3%	9.0%	0.1%	1.7%	0.3%	0.3%	5.9%
Christianity	62.9%	7.1%	75.2%	90.0%	77.4%	3.7%	31.5%
Hinduism	0.2%	25.3%	0.2%	0.1%	0.7%	0.5%	15.0%
Judaism	Less than 0.1%	Less than 0.1%	0.2%	Less than 0.1%	1.8%	1.6%	0.2%
Islam	30.2%	24.3%	5.9%	0.1%	1.0%	93.0%	23.2%
Other religions	0.2%	1.3%	0.1%	0.2%	0.6%	Less than 0.1%	0.8%
Unaffiliated	3.2%	21.2%	18.2%	7.7%	17.1%	0.6%	16.3%

Source: Adapted from *Pew Research Center, The Global Religious Landscape* (2012).

Other Factors

Numerous other factors can be suggested as contributors to cultural variation and persistence. For example, Smith and Peterson (1994) identify the following factors in addition to those mentioned previously:

- *Climate, topography, and the indigenous economy* affect traditions and behavior in the primitive heritage of modern societies.
- *Proximity and topography* affect the exchange of culture among societies, because barriers, such as mountains and oceans, limit the potential for cross-cultural interaction.
- *Economic systems and technology* affect the exchanges between cultures and hence the transfer of culture.
- *Political boundaries* (also discussed ahead) define areas where there is more or less interaction among cultures.

DEBATES SURROUNDING THE CONCEPT OF CULTURE

In part, because of the ambiguity of the culture concept, a number of debates regarding culture have emerged in the literature. The issues raised are important, because they influence the utility of the concept of culture for explaining and predicting behavior in organizations.

These issues are the concept of a national culture, the convergence or divergence of cultures, the concept of an organizational culture, and the effects of acculturation.

National Culture

A key question to identifying culture, so that its effect on management can be assessed, is the extent to which a nation has a distinctive culture. In fact, much of the research in this book reports little more than the nation in which respondents lived. It should be apparent that based on the definition of culture presented previously, this could be misleading. Multiple cultures can exist within national borders, and the same cultural group can span many nations (Lenartowicz & Johnson, 2003; Luiz, 2015; Peterson & Soendergaard, 2014). For example, Canada is the home to both Anglophones and Francophones, each having distinctive cultures. Yet both are Canadian in their unique appreciation for the dynamics between these two specific subcultures. And the First Nations peoples of North America span the borders of the United States and Canada, and any major North American city will have pockets of many distinct cultures that also exist elsewhere. However, the 19th and 20th centuries saw the emergence of nation-states that in many cases were a political expression of cultural similarity (or a carefully forged economic and political alliance between a small number of culturally different subgroups; Peterson, 2016). The dynamic between cultural fragmentation and national unity raises the question of the appropriateness of the concept of a national culture.

Hofstede (1983) makes a powerful argument in favor of national culture. He argues that because nations are political entities, they vary in their forms of government, legal systems, educational systems, labor, and employment relations systems, all of which reflect a working cultural consensus. In addition, one or a small number of official languages characterizes most nations, which may be in addition to the one that inhabitants learned from birth. Many nations are small enough to have relatively similar geographical and ecological conditions that may promote cultural homogeneity (Smith, 2006). These institutional and geographical factors influence the way in which people interact with their environment and each other and thereby condition the way they think—their *mental programming*. Nations are social systems and therefore can have cultures. In addition, Hofstede (1983) suggests that nationality has a symbolic value to citizens that influences how people perceive themselves. We all derive our self-identity, in part, from our nationality (Tajfel, 1982).

For managers, laws and regulations of sovereign nations govern the activities of firms. Therefore, from an international business perspective, national culture is probably the most logical level of analysis from which to begin to understand the cultural environment. If, for practical purposes, the concept of national culture is adopted, two major issues must be recognized (Smith, Fischer, Vignoles, & Bond, 2013). First, by comparing national cultures, the large number of subcultures that exist within some nations is at risk of being ignored. We must remember that differences of the magnitude observed between any two countries might also be found between selected subcultures within a country (Lenartowicz & Johnson, 2003). Within any country, cultural differences that are not obvious to the outside observer are often much more apparent to local nationals. Second, we risk ignoring the variation, conflict, and dissent that exist within national cultures. Not only do countries have subcultures, but each individual also has unique life experiences with various local and global cultural groups that contribute to diversity within a national culture. Finding

agreement on the defining elements of a complex concept, such as culture, is not easy. The search for a common language to describe cultural variation is discussed in Chapter 3.

Convergence, Divergence, or Equilibrium

An additional consideration to identifying culture is the extent to which cultures around the world are becoming more similar or more different. The fact that national culture is related to other societal factors, such as political, legal, educational, and labor relations systems, leads some authors to suggest that the rapid technological and economic development around the world (characteristic of globalization) will have a homogenizing effect on culture (Dunphy, 1987; Webber, 1969). Scholars who emphasize processes that maintain cultural stability, however, argue that cultural diversity will persist or even expand as societies with different cultural traditions respond to rapid technological development (Huntington, 1996). Stability, it is argued, is fostered by the large number of complex links between the various elements having a long history that make up a culture (Goldstein, 1999).

The argument for convergence of cultures hinges on the fact that nations are not static entities but develop over time. This development of nations is evident in changes, such as the expansion of education, increased occupational diversity, urban intensification, and development of mass communication (Yang, 1988). Proponents of the convergence perspective suggest that this modernization results from a common economic orientation (Eisenhardt, 1973) and eventually leads to a common society where differences in ideology (values) will cease to exist (Kerr, Dunlop, Harbison, & Myers, 1960). Given enough time, cultures will converge to the point that no difference in values, attitudes, beliefs, and behavior exists. Furthermore, because until recently economic development was equated with Western capitalistic economic orientations, convergence suggests adopting the ideological values of the West (Ralston, Holt, Terpstra, & Yu, 1997). Some support for the convergence hypothesis is also provided by Inglehart's (Inglehart, 1977; 1990; Inglehart & Baker, 2000) survey of values in 65 countries. He identified two value orientations (materialist and postmaterialist) related to a country's wealth. As wealth increased, so did endorsement of postmaterialist values. A steady year-by-year increase in the endorsement of postmaterialist values was found in economically developed countries in three administrations (1981–1982, 1990–1991, 1995–1998) of the World Values Survey (Inglehart & Baker, 2000). This sort of empirical finding supports the notion that as wealth gradually increases in a country, cultural differences diminish and people become more similar.

In addition, sociologists suggest that to participate effectively in a modern society, people must possess a core set of psychological characteristics (Kahl, 1968). Preindustrial life is depicted as a game against the forces of nature. Industrial life is depicted as a game against the fabricated nature of the technical, mechanical, rationalized, and bureaucratic world directed toward dominating the environment. Postindustrial life, which centers on services, becomes a game between persons (Bell, 1973). In modern, postindustrial societies, most people spend their productive time interacting with people and symbols, with a growing emphasis on self-expression and autonomous decision-making. Yang (1988), in a review of the literature on modernization, found a high degree of agreement on the characteristics of a modern person regardless of culture. These are summarized in Box 2.2.

This profile of a modern person is conceptually similar to key concepts in descriptions of *Western* culture. Smith and colleagues (2013) point out an interesting reaction in developing countries to the idea of cultural convergence. As arguments for cultural convergence are

BOX 2.2
THE PROFILE OF A MODERN PERSON

- A sense of personal efficacy (antifatalism)
- Low social integration with relatives
- Egalitarian attitudes toward others
- Openness to innovation and change
- A belief in sex equality
- High achievement motivation
- Independence or self-reliance
- Active participation in social organizations
- Tolerance of and respect for others
- Cognitive and behavioral flexibility
- Strong future orientation
- Empathetic capacity
- A high need for information
- The propensity to take risks in life
- Secularization in religious belief
- A preference for urban life
- An individualistic orientation toward others
- Psychological differentiation
- A nonlocal orientation

Source: Yang, K.-S. (1988). "The Cross Cultural Link," from *The Cross-Cultural Challenge to Social Psychology*. Thousand Oaks, CA: Sage. Reprinted with permission.

popularized, many developing countries take action to distinguish themselves from the West and assert their cultural uniqueness. Political leaders in these countries are often concerned with the growth in self-centeredness and erosion of civil harmony associated with Western-style modernization (Smith et al., 2013). In addition to technological and economic pressures, an additional force toward cultural homogeneity is an increasing awareness of the interdependence of humanity (Smith et al., 2013). Humankind's pursuit of personal and national wealth leads to the depletion of energy resources, overharvesting of the oceans, erosion of the atmosphere, destruction of rain forests, and depletion of agricultural land. This results in a *dilemma of the commons* (Dawes, 1980). This means that the efforts of each individual and group to take as much as they can from the world tend

to destroy the world's resources that everyone shares in common. One result of this threat is the development of *world mindedness* or internationalism, which implies a common set of attitudes and behaviors toward people of different races, nations, and cultures.

Despite the logic of arguments in favor of cultural convergence, upon close examination they are somewhat less compelling. Although Inglehart (1990) found a shift toward postmaterialist values related to economic development, this finding does not hold for other elements of culture (see Inglehart & Baker, 2000). Culture is more than just holding post-materialist values, and other variations in national culture that have nothing to do with modernization are probably related to social behavior in much the same way (Smith et al., 2013). The case of the McDonaldization of the world provides another example. The seemingly identical McDonalds restaurants that exist almost everywhere actually have different meanings and fulfill different social functions in different parts of the world (Watson, 1997). Although the physical facilities are similar, eating in a McDonalds is a very different social experience in Japan or China or the United States or France. And while some convergence toward Western managerial values is evident in firms in transition economies, the form of this convergence and its effect on managerial behavior is not uniform nor is the effect on managerial behavior (Alexashin & Blenkinsopp, 2005; Meyer & Peng, 2016). Moreover, modernization is probably not the linear uniform process that it is sometimes presented to be. Studies of modernization reveal that countries can modernized in different ways, at different rates, and with different outcomes (Sack, 1973). Smith and colleagues (2013) argue that, because of the unique origins and complexity of cultures, cultures will evolve in different and unpredictable ways, making the idea of convergence toward some common end point highly unlikely. This type of cultural change is called *path dependence* (Inglehart & Baker, 2000). While economic development brings pervasive cultural changes, the historical basis for a society has an enduring effect on the character of this development. In addition, cultural systems might be able to combine traditional and modern elements in unique ways. For example, Hong Kong Chinese seem to be able to retain their traditional respect for authority while rejecting its fatalism and adopting modern competitiveness while rejecting modern views toward sexual promiscuity (Bond & King, 1986).

A final perspective on cultural variation is provided by Cohen (2001). He argues that, while different environments produce different social systems, different environments can produce similar systems and similar environments can produce vastly different cultures. This results because cultures reach (multiple) stable equilibriums depending on their interaction with not only the physical but also the social, intercultural, and intracultural aspects of their context. While the physical environment provides a starting place, the social nature of humans leads to multiple possible solutions to environmental issues, and these equilibrium conditions take place within the context of other surrounding cultures.

An integration of these various perspectives on cultural variation is provided by Kara and Peterson (2012). They discuss functional, institutional, and complexity theory perspectives on culture to explain culture emergence, stability, and change. The implication of considering these multiple explanations for culture is that, once cultural characteristics have emerged in a society, their stability and change is not determined by any one of these influences but by a combination that includes some forces that promote stability and others that promote change. Those who take either the extreme position that culture dramatically changes all the time or that culture is largely unchanging are likely to overstate one or another of these three kinds of influences.

Organizational Versus National Culture

In the early 1980s, managers became aware that the social characteristics of organizations in some ways resemble the cultural characteristics of societies (Smircich & Calas, 1986). This awareness came partly because something about Japanese culture seemed to be promoting the competitive success of Japanese organizations. Managers and business scholars hoped that the keys to that success could be imitated (Peterson, 2011). The notion that it might be useful to think of an organization as having its own culture raises two questions about the conceptualization of culture and its influence. First, how are national culture and organizational culture related? How are they similar or different? Second, to what extent does an organizational culture moderate or negate the effect of national culture?

The term *organizational culture* was imported into the management literature from anthropology. However, the definition of culture is not synonymous in the two fields (Smircich, 1983). In particular, traditional anthropological views of culture, as we have described earlier in this chapter, emphasize the very strong and fundamental influence that a society has in shaping the way that children view the world. Organizations, however, have culture-like qualities mainly to the extent that they can (a) attract and select a subset of a society's members who have already adopted the organization's values and (b) socialize members into the organization's way of doing things (Feldman, 1976). Organizational culture has been variously defined as stable attitudes, beliefs, and values held in common by organization members (Williams, Dobson, & Walters, 1993); shared normative beliefs and behavioral expectations (Cooke & Szumal, 1993; 2000); or a set of goal-directed values, beliefs, and behaviors (Eldridge & Crombie, 1974). While there is little in the way of consensus as to the definition of the term, many authors describe it as an internal attribute of the organization that is socially constructed, historically determined, holistic, and difficult to change (Hofstede, Neuijen, Ohayv, & Sanders, 1990). Much of the literature on organizational culture focuses on what Schein (1985) describes as consciously held values about an organization's strategies, goals, and philosophies.

Hofstede et al. (1990) have made perhaps the clearest distinction between the constructs of corporate and national culture. They provide evidence that organizational culture and national culture are composed of different elements. Although the culture (values) of founders and key leaders shape organizational cultures, the way these cultures affect organizational members is through the routinized practices of the organization. These practices, as Hofstede refers to them, include organizational programs like human resources procedures and informal ways of doing things. The reason proposed for this distinction is that people enter organizations after their national cultural values, attitudes, and fundamental beliefs are well developed, whereas organizational practices are learned through workplace socialization (Hofstede et al., 1990). Organizational practices, like goal-setting programs or going out together after work, have different implications depending on the national culture where they occur. This focus on behavioral norms as the fundamental element of organizational culture amplifies the distinction between organizational culture and societal culture. Norms tell people how they should behave in a particular situation, whereas culture tells them the inherent meaning of the situation (D'Andrade, 1989). The effect of organizational culture is probably very weak in comparison to national culture and has limited lasting impact (Triandis, 1995). For example, Hofstede's (1980) classic study, discussed in more detail in Chapter 3, found striking cultural differences within a single MNC (IBM) that is often described as having a *strong* corporate culture. Individuals are

only partly involved with their organizations, although they are totally immersed in their national culture. Membership in an organization is conditional and based on a relatively focused exchange relationship that depends on both the person and the firm meeting certain conditions to continue the relationship (Thomas, Au, & Ravlin, 2003). Membership in a national culture, however, is much broader in scope and unconditional. Table 2.2 outlines the characteristic differences between national and organizational culture.

Another avenue for the possible effect of organizational culture is in its compatibility with national culture. Research suggests that national or societal-level culture influences the relationship of organizational culture to organizational outcomes (England, 1983; Joiner, 2001). For example, attempts to transfer organizational practices, such as diversity management programs (Ferner, Almond, & Colling, 2005), across cultures can produce intercultural stresses if their meaning and application cannot be adapted to local conditions. A more complete discussion of this compatibility issue is presented in Chapter 9, in which organization structure is discussed. Culture may also influence the type of local organizational culture that evolves within a single firm. In one recent study (van der Vegt, van de Vliert, & Huang, 2005) the cultural dimension of *power distance* (see Chapter 3) moderated the effect of demographic diversity on an innovative organizational climate in different local operations of a single MNC. Therefore, it is important to note that the implications of specific organizational norms, rules, procedures, and even climate, might need to be evaluated in relation to societal culture.

The convergence argument discussed previously, when taken to the organizational level, centers on convergence toward common organizational practices in different countries, because of technological determinism. This was a popular line of thinking, particularly regarding the economic resurgence of Japanese industry during the late 1970s and early 1980s (Ouchi, 1981). However, research results indicate that similar general technology could be operated differently by different social systems (Dunphy, 1987). For example, although Japan adopted Western technology, distinctive practices that related to national culture persisted (Whitehill & Takezawa, 1978). Despite technological changes toward *American* methods over a 15-year period, Japanese workers maintained many traditional attitudes toward their work environment, such as the commitment to the company and its productivity goals and a norm for workplace harmony.

The debate over cultural convergence versus divergence has resulted in a number of compromise proposals concerning organizations. Child (1981), in a review of organizational studies, suggested that cultural convergence-divergence was a matter of level of analysis. His study concludes that studies of macrolevel issues of organizational structure and

TABLE 2.2 ■ Comparison of Organizational and National Culture	
National Culture	**Organizational Culture**
Shared meanings	Shared behaviors
Unconditional relationship	Conditional relationship
Born into it	Socialized into it
Totally immersed	Partly involved

technology often indicate cultural convergence, whereas research-concluding divergence was typically involved with the more microlevel issues of the behavior of individuals within organizations. Yang (1988) suggests convergence in only those cultural characteristics that relate specifically to functioning more easily in a technological environment. Certain behaviors and attitudes are necessary to adapt to the imperatives of an industrial society, but others have no functional relationship to industrialization. They are, therefore, not influenced by modernization. Ralston and colleagues (Ralston, 1993; Ralston et al., 1997) attempted to accommodate the middle ground by coining the term *crossvergence* to refer to the incorporation by individuals of influences from both national culture and economic ideology.

The idea of organizational culture remains central to the way many managers think and feel about their organizational experiences and continues to draw scholarly attention (Alvesson, 2011). The early expectation of the positive effects of a strong organizational culture in which organization members can depend on one another to do the right thing has not been supported in most studies (Sackmann, 2011). However, analyses of overall organizational culture have spawned separate subfields that consider its specific components. For example, scholars now often find that the strength of norms emphasizing specific outcomes, such as safety, production quality, or service quality, often predict organizational performance (Schneider, Ehrhart, & Macey, 2011; Sackmann, 2011). Also, whereas early organizational culture research showed the tendency noted in Chapter 1 to be done in the United States, the majority of such studies since 2000 have been done in other parts of the world (Sackmann, 2011). In fact, whereas early organizational culture research was stimulated by the interest in how to transfer Japanese-like practices to the United States, recent organizational culture research has been especially prominent in nations such as China as researchers seek to optimally use and appropriately adjust practices developed elsewhere (Denison, Xin, Guidroz, & Zhang, 2011; Peterson, 2011).

In summary, organizational culture is a somewhat different construct and is composed of different elements than national culture. In addition, entry to and transmittal of organizational culture occur in different ways and at different times from national culture. Moreover, individuals are only partly involved with an organizational culture as compared to totally immersed in their national culture. However, the influence of organizational norms must be considered in concert with societal culture in understanding the causes of behavior in organizations.

Acculturation and Biculturalism

Acculturation concerns the psychological and behavioral changes that occur in people because of contact with different cultures. Most often, it is used to describe the changes in people who relocate from one culture to another. Acculturation, however, can also occur on a larger collective scale. In collective acculturation, the whole group (e.g., the large group of Turkish immigrants in the Netherlands or the nation of Japan when controlled by the United States after WWII), as opposed to the individual, changes (Triandis, 1995). The gradual process of psychological acculturation that occurs during immigration results in changes in individual behavior, identity, values, and attitudes (Berry, 1990). For example, in a study of Italian and Greek immigrants to Canada, first-generation immigrants exhibited a stronger ethnic identification than did their children (Lalonde & Cameron, 1993). Over time the identification of people with their new country becomes stronger. However, some

evidence suggests that these changes might take generations. Boski (1991), in a study of two generations of Polish immigrants to Canada, found that after two generations, participants' values were still more closely allied to prototypical Polish than to Canadian value profiles.

The acculturation patterns of individuals and groups can be influenced by a number of individual difference and situational factors. The entry status of individuals (Berry, 1997), their facility in communication in the local language (Elkholy, 1981), their personality (Padilla & Perez, 2003), and whether the immigrants forge relationships on entry with host country nationals or coethnics (Kosic, Kruglanski, Pierro, & Mannetti, 2004) all influence acculturation patterns. For example, Kosic et al. (2004) found that for individuals with a high need for cognitive closure (the desire for definitive answers as opposed to uncertainty or ambiguity), those who formed initial close relationships with coethnics had a strong tendency to adhere to their culture of origin, while those who formed initial close relationships with host nationals showed a stronger tendency to adapt to the new culture.

Finally, some individuals with experience living in multiple cultures acculturate to the extent that they demonstrate the ability to function very effectively in more than one culture. These so-called bicultural individuals (see Brislin, 1993; Benet-Martínez & Haritatos, 2005, and also Chapter 11) have, through time living in another culture or through intensive daily interaction with culturally different others, developed cultural flexibility so that they can adjust their behavior based on the cultural context of the situation (Benet-Martínez, Leu, Lee, & Morris, 2002). Research indicates that biculturals do not just superficially adapt their behavior but that they are able to hold different conceptions of themselves reflecting two different cultures. For example, they can define themselves as simultaneously independent of others and interdependent with others (Yamada & Singelis, 1999), which are characteristic of individualism and collectivism, respectively (discussed ahead in Chapter 3).

The concept of culture, as presented in this book, suggests that a society's culture is resistant to change and that this resistance is typically too strong for a work organization to overcome. However, this is not meant to suggest that cultures are static (Kara & Peterson, 2012). One way that cultures change is through the process of acculturation, as large groups migrate from one society to another and mutual adjustment occurs.

CULTURE AND SOCIAL GROUPS

A key aspect of culture as presented in this chapter is that culture is associated with a specific group of people. Identifying ourselves with a particular social group places boundaries around our group (in-group) and defines nonmembers as an out-group. The in-group/out-group distinction is useful in describing attitudes and behavior both within and across cultural-group boundaries. An important premise is that identifying a social group serves no purpose if no one is excluded from the group. That is, groups are about differentiation. For example, anthropologists report that those cultural groups that exist in isolation do not have characteristics (e.g., tribal name or unique symbols) that indicate a strong group identity (Mead, 1937). Treating culture as associated with social groups further illuminates two important considerations of cultural groups. First, while groups have systems of norms and role structures that give them stability despite changes in their membership, the characteristics of groups can in fact change as key members or large numbers of members

come and go. For example, concerns about *brain drain* from developing nations suggest that both the sending and receiving societies are changed by the migration of people who have special abilities. Second, our membership in a cultural group helps to determine how we perceive ourselves—our self-identity—as well as how others perceive us (Peterson & Thomas, 2007). The mere categorization of individuals into different groups results in a number of assumptions about both the in-group and out-group members. The assumptions about group members that arise from categorizing ourselves and others as members of certain groups can lead to different beliefs about, attitudes toward, and behavior directed at different cultural groups. When categorized as a group, individuals are thought to be relatively more similar in their beliefs and behavior, their behavior is thought to convey less information about themselves as individuals, and the group is believed to be a more important cause of their behavior than are individual characteristics (Wilder, 1986). The in-group/out-group boundary that results from categorization has several implications for the way individuals select, structure, and process social information. The way in which social categorization influences the process of culture's influence on management behavior is developed more fully in Chapter 4. In brief, however, this categorization results in a comparison of our own group with other cultural groups resulting in intergroup bias. Intergroup bias can be either positive or negative but most often favors our own group.

In-Group Bias and Prejudice

The universal bias in favor of one's own group is related to the role of our cultural group in defining who we are. We derive our sense of self, in part, from our identification with the groups to which we belong, including our cultural group (Tajfel, 1981). To maintain our self-image, we favorably compare the attributes of our own group with those of out-groups (Tajfel & Turner, 1986). Therefore, we consistently discriminate in favor of the group(s) with which we identify. Prejudicial judgments about members of out-groups relate to beliefs about the character of these groups. These, often negative, attitudes toward out-group members are based solely on their membership in a particular group. Prejudice translates to discrimination when action is taken for or more frequently against members of this out-group. The extent to which prejudicial attitudes result in discriminatory behavior depends on both personal and cultural factors (Smith et al., 2013). However, in-group favoritism is a consistent consequence of social categorization that occurs across gender, age, and nationalities (Wilder, 1986). Numerous, management-related examples of this bias exist, including reports of the so-called country-of-origin effect (Peterson & Jolibert, 1995). Although there may be some global country-of-origin biases to prefer special products from special countries, such as perfume if it comes from France, products described as coming from a person's own country are typically rated higher in quality than the same products coming from another country.

Ethnocentrism

In much of the cross-cultural management literature, the attitude that reflects the categorization of cultural groups is encapsulated under the term *ethnocentrism*. Ethnocentrism is described as an attitude that one's own cultural group is the center of everything and all other groups are evaluated with reference to it (Sumner, 1940). Although related to a narrow or provincial perspective of not even recognizing that cultural differences exist that is often labeled *parochialism*, ethnocentrism is a universal tendency

resulting from social categorization that has broad implications. Triandis (1994) identifies the following characteristic of ethnocentrism:

- What goes on in our culture is seen as "natural and correct," and what goes on in other cultures is perceived as "unnatural and incorrect."
- We perceive our own in-group customs as universally valid.
- We unquestionably think that in-group norms, roles, and values are correct.
- We believe that it is natural to help and cooperate with members of our in-group, to favor our in-group, to feel proud of our in-group, and to be distrustful of and even hostile toward out-group members (pp. 251–252).

Examples of ethnocentric attitudes in management include beliefs that the way business is conducted in one's own country is the only way to be effective, that people of one's own culture are naturally better suited to almost any management job, and the role of women in management is only correct as it exists at home.

Summary

This chapter presented the concept of culture as a set of shared mental representations that, in the most fundamental way, shape the way in which managers interact with their world. Therefore, it is responsible for the way in which management is conceptualized and the way in which managers enact their various roles. Culture is not inherited but is developed over time by the way societies interact with their physical environment, their social context, and with other societies. It is learned by each new generation. Culture is presented as a characteristic that can be associated with any social group. Thinking of culture in this way places boundaries around our cultural group and differentiates us from other groups. This perspective provides a basis in social cognition for understanding the influence of culture as something that influences the values that a society's members deeply understand even more than the values that they consciously support.

In addition, the concept of a national culture is presented as an appropriate starting place for understanding cultural influences on international management. Managers are concerned with the legal and political characteristics of countries, which are derived from a country's history and culture. Culture can be thought of as the most fundamental characteristics of a society, even though some aspects of culture will be more widely shared than others. National culture can be seen as distinct from organizational culture both in terms of its constituent elements and its influence on behavior. Although national cultures are relatively stable, they do change over time, and individuals can identify with a new culture through the process of acculturation. Some can even identify with more than one culture. While arguments can be presented for convergence, divergence, or multiple stable equilibrium perspectives on national cultures, the reality probably occupies some middle ground. Some aspects of cultures could be converging because of globalization, but other aspects of culture are selectively affected or unaffected by global technological and economic changes.

Questions for Discussion

1. What are the main features of culture?

2. Why do cultures differ and persist?

3. What are the debates about what culture is and whether it matters?

4. How does culture affect behavior by social groups?