

The Foundations of Cross Cultural Management¹

Fundamentos da Gestão Transcultural

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Abstract We trace the roots of current cross cultural management research that draws from each of the generic social sciences – anthropology, sociology, psychology, and economics – as well as the major topic areas or viewpoints within these disciplines. We emphasize the direct predecessors of major current projects and lines of research. The core of the analysis is the literature that we have used in a series of doctoral courses and seminars over a 10 year period (Soendergaard & Peterson, 2007). These courses and seminars are designed to identify major theoretical perspectives and traditions in current cross cultural management research, then look backward to trace their heritage.

Keywords

Cross-cultural management, cross-cultural research, cross-cultural history

Resumo

Neste artigo, analisamos as raízes da atual pesquisa em gestão intercultural, as quais podem ser encontradas nas ciências sociais, como antropologia, sociologia, psicologia e economia; e discutimos as principais abordagens ou perspectivas dentro dessas disciplinas. Enfatizamos os predecessores diretos dos maiores projetos e linhas de pesquisa atuais. O aspecto central da análise é a literatura utilizada em vários cursos de pós-graduação e seminários conduzidos ao longo de um período de dez anos (Soendergaard & Peterson, 2007). Esses cursos e seminários foram planejados para identificar as grandes perspectivas e tradições teóricas na pesquisa contemporânea sobre gestão intercultural, cuja herança teórica retorna-se ao passado para reconhecer.

Palavras-chave

Gestão transcultural, pesquisa em gestão transcultural, história da gestão

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THE FOUNDATIONS OF CROSS CULTURAL MANAGEMENT

Our purpose in the present article is to introduce a broad range of classic and highly influential publications from different disciplines that underlie the main current themes and controversies in international organization studies. The field of organization studies includes organizational behavior (OB) and organizational theory (OT). Topics related to international OB include comparative studies of values, views of self and others, individual motivation, cultural adaptation, multicultural group process, intergroup relations, and intercultural negotiation. Topics related to international OT include the institutional effects of nation and industry on organization design and management as well as cultural and governmental effects on institutions. Both international OB and OT cover comparative, intercultural, and multinational organization issues. We hope that this introduction will be useful for graduate students and faculty who seek to broaden and deepen their background in cross cultural organization research. Other contemporary reviews of international organization studies complement the present selective historical overview (e.g., Aycan & Gelfand, in press; Bhagat & Steers, 2009; Gelfand, Erez & Aycan, 2007; Peterson & Soendergaard, 2011; Smith, Peterson & Thomas, 2008). In the following, we will first briefly overview a sequence of topics that gives a historical perspective on the field. The largest portion of the introduction will trace the development of major disciplinary strands of work.

DISCIPLINARY TRADITIONS

A series of publications have critiqued international organizational research during the different stages of its development and provided direction for next steps. Several early reviews criticized the conceptual fragmentation and lack of methodological sophistication in early efforts through the 1980s to integrate culture into management research (Adler, 1983; Bhagat & McQuaid, 1982; Roberts, 1970). Some explain why an international cultural perspective is needed in management research (Boyacigiller & Adler, 1991; Gelfand, Leslie & Fehr, 2008). Others consider basic methodological issues of how researchers can build an international element into their work by constructively moving between established lines of research and research about new cultural settings not previously considered (Berry, 1969; Morris, Leung, Ames & Lickel, 1999; Peterson, 2001, 2007a, 2007b; Peterson & Pike, 2002).

Peterson (2007c) and colleagues explain the process of advance in the early development of a cultural perspective on social matters (Peterson & Soendergaard, 2011; Soendergaard & Peterson, 2007). Early analyses of culture, particularly in the 19th century and before, raise ethical concerns about ethnocentric biases in pre-scientific and early scientific culture analysis. Peterson (2007c) outlines the main approaches to culture analysis in the emergence of separate social science disciplines in the 19th through the early 20th centuries. He also indicates how these approaches influenced the first major cross cultural management research projects, explains the contribution of Hofstede's (1980) pivotal *Culture's Consequences* project, and suggests future directions for the field. Each major current line of international organizational research is rooted in a distinctive disciplinary heritage that developed during the late 19th into the 20th century, one that is often left implicit and sometimes even unrecognized by current scholars. Understanding these historical roots suggests that many current controversies about concepts, including the concept of culture itself, reflect different ways of theorizing a single phenomenon.

LINGUISTICS AND SOCIAL-CULTURAL ANTHROPOLOGICAL ANALYSES OF ORGANIZATIONS

The study of culture has been the particular domain of anthropology, so we begin with anthropological contributions to international organization studies. Anthropological themes reflecting an interpretive or critical stance and linguistics themes appear most often in recent research in

two forms. One is in applications of the ideas of *emic* and *etic* to the process of conducting comparative research (Peterson, 2007a, b; Peterson & Pike, 2002) and the other is in ethnographic analyses (Baba, Gluesing, Ratner & Wagner, 2004; Brannen, 2004; d'Iribarne, 2002).

EMICS AND ETICS

Scholars use the terms *emic* and *etic* to point to the problem of how to compare phenomenon across societies when one has reason to expect that the way that members of different societies view the world is not precisely equivalent. The reason for using these two non-intuitive, complexly nuanced terms goes back to an especially influential approach to applied linguistics analysis. This is an approach that Pike (1967) developed to explain how a linguist should approach the sounds and grammar of a language that had not previously been put into written form or scientifically analyzed. The basic stance is that a scientifically trained newcomer brings along a set of scientific concepts, theoretical frameworks, and methods that are developed prior to and outside of entry into a new research setting (Peterson & Pike, 2002). In addition, each person has an inherent human ability to induce from observation that can be improved and refined by training in systematic inductive analysis. A newcomer's scientific concepts and theoretical frameworks provide the *etic* (abbreviated from the linguistic term phonetic) starting point for analyzing the new setting. Some parts of these previously developed concepts and theories are likely to be locally meaningful, while other parts are not. Inductive work is needed to understand those local ideas that were not anticipated by prior concepts and theory. The set of locally meaningful ideas identified through both prior theory and local induction constitute the *emic* (abbreviated from the linguistic term phonemic) units that can be used in the new setting.

Pike's (1967) approach to linguistics field research has been very influential in anthropology, particularly in the aspects of anthropology that have come into cross cultural psychology. One reason for its appeal to cross cultural management scholars has been its purpose of helping scientifically trained scholars function in and develop theory about a society that is new to them. Particular applications of the etic-emic approach have been to develop a written form of a previously oral language that provides the starting point for transferring religious ideas, establishing education programs, and promoting government influence in remote parts of a nation. Berry (1969) provided the initial application of the emic-etic approach to cross cultural psychological research that is based on questionnaires. Morris and colleagues (1999) generalize Berry's insights to cross cultural management research, and Peterson (2001) provides a more thorough review of their applications.

Pike's purpose of using the ideas of (phon)emic and (phon)etic to develop written forms of previously unwritten languages is quite different from the purpose of designing cross cultural organizational survey projects. Consequently, these applications of emic and etic have taken liberties with his original conception (Peterson & Pike, 2002) which make it challenging to use these ideas (Peterson, 2007a, b). Nevertheless, much of the discussion about cross cultural management research methods has been either couched in terms of emics and etics (Adler, 1983), or indirectly influenced by them.

CRITICAL AND INTERPRETIVE ANTHROPOLOGY

Although anthropology is the field that has most decidedly taken on the analysis of culture, cross cultural management research has been more influenced by other disciplines that have been influenced by early anthropological ideas than by anthropology itself. Mead's (1928/1949) *Coming of Age in Samoa* is well recognized for her method of participant observation. Her conclusions about the cultural dependency of gender relations reflect a *critical* stance in that they question the moral certainties of her home society. Much of anthropology has followed the lead of Mead and others like her to use qualitative analyses of non-industrial societies

to critique modernization. Mead's critical use of ethnographic analysis is more dominant in anthropology in general than in those aspects of anthropology from which cross cultural management draws most heavily.

As distinct from critical anthropology, interpretive anthropological research has become part of international organization studies. Hall's books (1966) have been among the most influential anthropological studies of organizations. Ethnographic analyses represent a range of interpretive theory approaches to social anthropology (Geertz, 1973). For example, d'Iribarne (2002) uses a comparative ethnographic approach to illustrate motivational phenomena and organization practices in emerging nations. Such nations combine motivation universals, latent aspects of local cultures not evident in typical local business practices, and global practices like Total Quality Management. Baba and colleagues (2004) analyze multicultural virtual teams within a multinational organization in a way that evokes a range of qualitative research methods used in cultural anthropology.

Brannen's (2004) analysis of Disney's global operations reflects interest in the relationship of cultural meanings to physical symbols and language that was strongly influenced by Sapir (1951) and his student Whorf (1941). Pike (1967) acknowledges this tradition as having substantially influenced the ideas of emic and etic. The Sapir-Whorf position is that the meaning of words and other symbols, including physical symbols like architectural features and performances, is based on the history and traditions of particular societies. Language and cultural symbols, as a consequence, shape the way speakers think. A key to cross cultural understanding and management, then, is to identify and appropriately adapt to differences in meanings in the different parts of the world where a multinational organization operates. For a time, the Sapir-Whorf position was discounted as underestimating the ability for people to use different languages to think the same thoughts. However, the influence of language on thought has been revived by cognitive psychologists (Nisbett et al., 2001). Discussions continue about the extent to which a language controls the thoughts of speakers as against the extent to which speakers exercise ultimate control over their use of language (Burke, 2004; Peterson & Wood, 2008).

Considerable controversy remains within anthropology about many aspects of international organizational studies research. These include concerns about the meaningfulness of cultural boundaries, the value of operationalizing variables in social research, and the utility of using ideas about functions or any concepts developed in one context to understand other contexts (Geertz, 1973). Critical and interpretive approaches to anthropology are being increasingly re-integrated with international organization studies (Birkinshaw, Brannen & Tung, 2011).

ANTHROPOLOGICAL AND SOCIOLOGICAL THEORIES OF SOCIETAL FUNCTIONS AND STRUCTURES

The theories in anthropology that have most influenced cross cultural management research are those that merge with sociological theories of social functions and structures. Functional theories provide taxonomies for analyzing cultures by identifying a broad framework of societal problems that individuals and societies must continuously resolve in order to survive (Malinowski, 1939/1944). These theories take the view that the physical characteristics of humans and social characteristics of communities cause similar problems for all societies. Structural theories provide taxonomies for analyzing regularities in patterns of behavior or patterns of expectations in a society. Some, like the theory of action developed by Parsons and Shils (1951) link particular structures to the fulfillment of particular functions.

HOFSTEDE'S CULTURE'S CONSEQUENCES

Hofstede's *Culture's Consequences* project (Hofstede, 1980, 1995, 2001) and its critiques and applications (Kirkman, Lowe & Gibson, 2006; Kogut & Singh, 1988; Shenkar, 2001;

Soendergaard, 1994) provided the basis for a research paradigm that has been pivotal to the field. His approach was to create national culture dimension scores based on the relationships that were found among survey items after they had been aggregated to the nation level. His work responded to the many earlier calls for an integrated, comprehensive treatment of culture and has provided the basis for a disproportionate amount of subsequent research and application.

From a functional standpoint such as Hofstede's, values are understood as preferences about how the problems that a society faces are best met. The best known functionally-based values constructs used in cross cultural management are the originally four and later five dimensions of societal values linked to nations that Hofstede provided in his *Culture's Consequences* model (Hofstede, 2001). Hofstede found the dimensions that he identified to be particularly compatible with the functional scheme that Inkeles and Levinson (1969) had developed to organize a comprehensive review of cross cultural or "national character" research in psychology and anthropology through the 1960s.

CULTURAL VALUES TAXONOMIES USING ALTERNATIVE FUNCTIONAL MODELS

Several other alternative culture dimension projects fall roughly within Hofstede's paradigm. They include values-based projects such as the World Value Survey project led by Inglehart (Inglehart & Baker, 2000; Minkov, 2007), the Schwartz Value Survey project (Schwartz, 2004; Schwartz & Sagiv, 1995), a re-analysis of Trompenaars' extensive consulting data base (Smith, Dugan & Trompenaars, 1996), and the GLOBE project (Hofstede, 2006; House, et al., 2004). They also include a study from a project (Smith & Peterson, 1988; Smith, Peterson & Schwartz, 2002) based on role theory and other theories of social structures about the sources that managers use to make sense of and give meaning to work events. Several studies raise questions about whether nations are the most useful delimiter of culture. These include studies which suggest that within-nation regions are often more culturally significant than are nations (Lenartowicz & Roth, 2001), that there is so much within-nation variability among individuals that the utility of nation averages is limited (Au, 1999), and that multiple-nation regions can be culturally consequential (Ronen & Shenkar, 1985).

Several cross cultural studies of values emerged beginning in the mid-1990s that rest on alternative functional theories to the Inkeles and Levinson (1969) model. Trompenaars and colleagues (Smith, Dugan & Trompenaars, 1996) designed value dimensions largely based on a set of societal functions provided in Parson and Shils's (1951) theory of action. The Schwartz Value Survey (Schwartz & Sagiv, 1995) project evokes the Rokeach Value Survey (Rokeach, 1968) and Kluckhohn and Strodtbeck's (1961) functional model. The GLOBE project (House et al., 2004) draws indirectly from each of these functional theories by referring to the more recent cross cultural projects that are based on them.

FUNCTIONS AND VALUES AT DIFFERENT LEVELS

Several kinds of value dimensions can be distinguished -- values expressed by individuals, values as societal norms that are explicitly represented in symbols and stories, and values that are implicit in patterns of behavior of which a society's members are unaware. Functional analyses of values through the 1970s rarely distinguish these kinds of values. For example, collectivist values were identified at an early stage in research (Triandis, 1995), but the difference between what collectivism means for an individual, what it means as an explicit societal norm, and what it means as a norm only visible when societies are compared only began to be addressed later. Differences in what values mean at different levels of analysis and differences between overtly expressed values and values that implicitly shape thought and behavior are central to current controversy. Some scholars sort out values at different levels of analysis by using different labels for roughly analogous constructs at different levels (Triandis, et al.,

1985) or by specifying differences in the procedures to follow to design measures for use at different levels (Peterson & Castro, 2006). Hofstede (1995) discusses the levels issue, while Nisbett, Peng, Choi and Norenzayan (2001) deal with the extent to which the embeddedness of values in language (consistent with the Whorf-Sapir tradition) limits the extent to which individuals are consciously aware of their values.

Some social anthropologists treat functional theories as providing broad-scope taxonomies that are compatible with interpretive or critical analyses of culture, while others find these different approaches more difficult to reconcile. Malinowski (1939/1944) contributed substantially to participant observation methods in anthropology that provide a common methodological point of departure for functional, interpretive, and critical viewpoints. Also consistent with a methodological compatibility view, Hofstede (2001) endorses the sort of ethnographic analyses provided by d'Iribarne (2002). The GLOBE project, best known for its set of cultural value dimensions, includes a substantial qualitative component (Chhokar, Brodbeck & House, 2007). However, other scholars find that even the broad categories of constructs in functional theories and the propensity of functional theorists like Parsons and Shils (1951) to link functions to particular social structures provide an excess of operationalism, universalism, and determinism (Geertz, 1973).

ROLE STRUCTURE THEORIES

A corollary to the concept of social function is the idea of social structure. In some models, specific structures are tightly linked to specific functions that they are designed to or are particularly adapted to fulfilling (Parsons & Shils, 1951). For example, adaptation structures are sometimes postulated to be systems of people, groups, and procedural arrangements that fulfill adaptation functions. Other structural models define structures apart from the functions that they fulfill. Interest in role structures appears in a number of early cross cultural management research projects, especially those that consider differences in influence, control, or decision making by people occupying different organizational roles (e.g., Rosner et al., 1973). Haire, Ghiselli and Porter (1963) use role theories when they consider managers' views about the interest and capability of shop-floor employees to participate in decision making.

Models based on role structures postulate categories of parties that are defined in relation to one another, for example, as superiors *vis a vis* subordinates (Smith & Peterson, 1988). Role systems include expectations specific to particular role categories, as well as expectations on all parties in a role system, that are based on explicit rules and laws or implicit social norms (Biddle & Thomas, 1966; Kahn et al, 1964).

Cultural differences in social structures that show a role theory heritage are elements in most models of societal values. For example, the Hofstede (2001) and GLOBE (House et al., 2004) taxonomies of dimensions describe power distance as having to do with the relationship between parties in superior and subordinate positions. Similarly, the Schwartz (2004) model of national culture uses the idea of hierarchy values for a similar purpose. Smith, Peterson and Schwartz (2002) build from a role theory base to use cultural value dimensions to predict national differences in managers' emphasis on different categories of organizational roles, rules, and norms (Smith & Peterson, 1988). They update the rational psychological basis of early discussions of role theory that focused on decisions and influence by treating various kinds of roles, rules, and norms as sources of meaning that compete to influence the way organization members interpret work events. A model of managerial roles in multinational organizations also extends role theory for international application and links it to theories of organization structure (Bartlett & Ghoshal, 1998).

ORGANIZATION STRUCTURE THEORIES

The ways and extent to which functionally based taxonomies or culture dimensions are reflected in organization design has been debated. The evolution of the discussion is reflected in

cross cultural organization design research. Child (1981) takes a perspective on organization structure that derives from ideas about organization design originating in Weber's bureaucracy theory (Giddens & Held, 1982; Parsons & Shils, 1951). Lincoln, Hanada and McBride (1986) use organization design dimensions to contrast the prevailing structure of organizations in the United States and Japan. One of the earlier analyses of organization design in China by Boisot and Child (1988) links management practices in particular organizations to larger social institutions rather than to culturally-based values.

In addition to discussions of the implications of culture for analyses of organization structure that follow from a Weberian sociological tradition are analyses of organization culture. Organizational culture research draws heavily from topics based in interpretive anthropological traditions. Hofstede (1980, 2001) cautions that national culture and organizational culture are fundamentally quite different and not closely linked, whereas the GLOBE project (House et al., 2004) identifies a number of possible relationships.

SOCIAL CAPITAL

Whereas some theories define structures in terms of functions and others specify categories of parties occupying specific positions, network models of structure emphasize qualities of the relationships among parties. The term social capital has developed in sociology to indicate the economic advantages of social relationships and networks, advantages that bear analogy to those of ownership of things (Portes, 1998). Social capital ideas were introduced into cross cultural management analyses by Kostova and Roth (2003).

Our overview of phases in cross cultural management research emphasizes the contribution of functional theories of values and, secondarily, social structures from anthropology and sociology as a point at which the field largely adopted Hofstede's (1995) nation-level theory to provide an overall structure for cross cultural analysis. As that paradigm became established, some of its limitations became apparent. Among them is the recognition of variability in the personal values of individuals and among subcultures of nations (Au, 1999; Kirkman, Lowe & Gibson, 2006; Lenartowicz & Roth, 2001). This variability means that studies of national values and structures leave much about cross cultural management unexplained. The recognition of these limitations plus the continuing only partially integrated development of strictly psychological perspectives on culture maintain an ongoing tension with sociological and functional anthropological views (McSweeney, 2002).

CROSS CULTURAL PSYCHOLOGICAL PERSPECTIVES ON PEOPLE IN ORGANIZATIONS

To this point, we have considered the heritage of recent cross cultural research in functional sociological and anthropological viewpoints consistent with societal culture research (Peterson & Soendergaard, 2011). Other cross cultural research is more closely tied to other social science disciplines. Psychology has disproportionately influenced recent cross cultural management research. This research reflects two main traditions. One is a tradition drawing heavily from studies of personality, attitude, and value dimensions based on paper-and-pencil survey methods. Exemplars include a study of big-five personality traits (Hofstede & McCrae, 2004) and individualism as a personal value dimension (Schimmack, Oishi & Diener, 2005). The other tradition is cognitive theory with roots in Gestalt psychology and phenomenology that has been developed into theories of cognitive structures like scripts, schemas and prototypes, and in cognitive processes like attributions, self-regulation, and control. Examples include a study that links geography to patterns of thinking (Nisbett, Peng, Choi & Norenzayan, 2001), a study that links the cognition and dimension traditions by constructing dimensions based on attribution propensities (Leung et al., 2002), and a study of the influence of culture differences in cognitive structures associated with conflict (Gelfand et al., 2001).

Perhaps the largest proportion of current cross cultural management research is derived from psychological perspectives on culture that are based to different degrees and in different ways on sociological and anthropological perspectives (Smith, Bond & Kağıtçıbaşı, 2006). Kirkman, Lowe and Gibson (2006) and Gelfand, Erez and Aycan (2007) review the current status of psychological contributions to cross cultural management research. The preponderance of this literature follows from psychological studies of individual attitudes, values, or personality dimensions. Research based on psychological dimensions was most influential in psychology through the 1970s, including that in cross cultural management (Adler, 1983; Bhagat & McQuaid, 1982; Roberts, 1970), but gave way to theories of non-conscious cognitive structures and processes that accelerated during the 1980s (Markus & Zajonc, 1985). Cross cultural management research about individuals draws heavily on these earlier dimension traditions in psychology, although more recent cognitive theory influences also appear.

CULTURE AND INDIVIDUALS' VALUES

Among the more influential early studies of psychological dimensions for cross cultural management was Rokeach's (1968) analysis of values on which the Schwartz Value Survey (Schwartz & Sagiv, 1995) is based. Rokeach used the idea of values to overcome the fragmentation that had arisen in psychology by the proliferation of studies of attitude dimensions during the 1960s. This fragmentation is also reflected in the range of attitudes that were studied in the early major cross cultural management projects by Haire, Ghiselli and Porter (1963), England and Lee (1971), and Bass and Eldridge (1973).

An important alternative way of overcoming the fragmentation problem in cross cultural psychology was to center a considerable amount of research in the field on the value dimension of individualism-collectivism. Triandis (1995) especially contributed to the momentum for studying this concept or family of concepts by providing a number of syntheses and interpretations. Oyserman, Coon and Kimmelmeier (2002) provide a critical review that raises questions about the dimensionality and utility of this construct, while Schimmack, Oishi and Diener (2005) provide evidence supporting its continued use.

CULTURAL DIFFERENCES IN PERSONALITY DIMENSIONS

Another line of psychological research based on dimensions appears in personality assessment. Need for achievement (McClelland, 1961) is an influential illustration of cross cultural applications of personality dimension research. McClelland's (1961) analysis of psychological need profiles is used in both the Hofstede and GLOBE projects. He applied his need for achievement dimension to suggest that national prosperity is a function of cultural socialization into an acceptance of the need for achievement. McCrae and Costa (1997) provided a "big five" set of major personality trait categories. A joint article between Hofstede and McCrae (2004) was stimulated by McCrae's observation of what appeared to be national differences in typical personality dimensions.

CULTURAL THEORIES OF COGNITION

During the 1970s and 1980s, the focus of psychological research shifted away from psychological dimensions that could be represented by respondents' conscious reports. Taking its place were studies of psychological structures and processes that researchers need to infer indirectly from implicit patterns underlying conscious reports and directly from behavior rather than from its symbolic representation (Bandura, 1986; Kahneman, 2003). This research follows from Gestalt psychology's observation that aspects of context or the "ground" about which an individual is typically unaware shape the conscious focus or "figure" to which an individual attends (Markus & Zajonc, 1985). Erez and Earley (1993) provide one of the more

substantial cross cultural management applications of cognitive theory in a book devoted to theories of self in the context of work settings. Nisbett and colleagues (2001) consider the way in which language shapes the cognitive structures that influence what members of a particular culture perceive. Gelfand and colleagues (2001) speak to the issue of cultural differences in the cognitive representation of conflict in work situations. Bhagat and colleagues (2002) draw from a mix of dimension theories like individualism-collectivism and verticalness-horizontality as well as cognitive theories to explain cultural influences on how different sorts of knowledge are transferred.

DIMENSION BASED AND COGNITION BASED STUDIES OF SOCIAL SITUATIONS AND PROCESSES

Analyses of social situations can also take either a dimension-based perspective, a cognitive perspective, or combine the two. The literature from which Dorfman and House (2004) draw in their review of cross cultural leadership research reflects the dominance of dimension-based leadership research, but also seeks to link this research to cognitive theory by proposing cultural differences in cognitive prototypes about leadership. Negotiation analysis has advanced, from early comparative studies about how parties in relatively simple negotiations distribute benefits, to analyses of how culture influences the knowledge structures that shape the integrative and distributive aspects of both within-culture and intercultural interactions (Bhagat et al., 2002; Gelfand & Brett, 2004). Studies of teams and knowledge sharing frequently draw from both cognitive and dimension-based psychological theory (Leung & Peterson, 2010).

PSYCHOLOGICAL DIMENSIONS BASED ON COGNITIVE THEORY

Theories of attitude, value, and personality dimensions represent conscious aspects of cognition using self-report methods while theories of cognitive structures and processes typically represent effects of the unconscious through experimental research. The studies of locus of control described above ask respondents to provide conscious reports of such non-conscious propensities. The extent to which the two kinds of theories differ in emphasis and methods rather than being more fundamentally incompatible is increasingly debated (Peterson & Wood, 2008). At issue is not only the proportion of ordinary behavior that is based on conscious relative to unconscious cognition, but also the extent to which conscious reports of attitudes, values, or personality in paper-and-pencil forms adequately reflects the underlying cognitive structures and processes that most strongly influence behavior. Rokeach's (1968) perspective on value change draws on early cognitive theories, notably Festinger's (1957) theory of dissonance, in a way that suggests the potential both for discontinuity and for connection between the conscious and the unconscious. For example, different situations can make different, sometimes incompatible, sets of cognitive structures salient for the same person at different times. However, situations that juxtapose different or incompatible cognitions tend to bring them to consciousness and initiate psychological processes to resolve inconsistencies. Cognitive theories of self have been offered as a way of understanding individualism-collectivism values (Markus & Kitayama, 1991). Leung and colleagues (2002) represent a line of study that provides sets of individual-level and nation-level survey measures based on attribution propensities identified in studies of unconscious aspects of cognition.

The differences between psychological dimension-based and experimental cognitive perspectives on culture are pivotal for a number of seemingly unrelated debates in cross cultural management. If conscious expressions of personal values or other psychological dimensions adequately represent individuals' most basic ways of thinking, then perhaps cross cultural management scholars should abandon research about cultural context and study only these personal values. Societal context, in such a view, becomes largely inconsequential except insofar as it allows increased variance in these psychological dimensions. If, however, paper-and-pencil

reports of personal values are of more limited validity and can only be used in the aggregate to represent prevailing societal patterns of nonconscious assumptions, then societal-level value measures increase in significance as potentially better predictors of individual behavior than are personal expressions of values.

SOCIO-ECONOMIC THEORIES OF CROSS CULTURAL MANAGEMENT

Several major advances in sociology and economics have had a substantial influence on cross cultural management research. One of these advances has been the development of neo-institutional theory which recognizes that explicit, legally created organizations and systems function in combination with systems of emergent norms and understandings. Another major development in organization studies has been the reappearance of network analysis under the guise of social capital (Kostova & Roth, 2002). Sociological analyses of culture and organization structure are sometimes combined with ethnographic analyses to identify geographically unique structural arrangements, such as the arrangements associated with transitions from state socialism (Boisot & Child, 1988).

Gelfand, Erez and Aycan (2007) provide a recent overview of cross cultural organizational behavior. International OB research has contributed to understanding four different sorts of social interactions – negotiations, lateral knowledge sharing, leader-subordinate interactions, and team processes. Theories of knowledge transfer address largely cooperative interactions between parties typically within the same organization (Bhagat, Kedia, Harveston & Triandis, 2002). Theories of leadership deal with interactions where parties are hierarchically differentiated. Dorfman and House (2004) provide the literature base and theoretical basis for the leadership aspect of the GLOBE project, the most far reaching study of leadership and culture to date. Zellmer-Bruhn and Gibson (2006) illustrate advances in studies of cultural issues in team management. Their study considers how many aspects of cross cultural organizational behavior, including company leadership for teams and, somewhat implicitly, between-team negotiation, affect knowledge sharing between teams in multinational organizations.

Although cross cultural management scholars have been particularly fascinated by societal normative values and personal values, debates in socio-economic theory draw attention to the difference between thinking of societies in terms of values and thinking of them in other ways. In socio-economic theories of culture, the theoretical significance of values is not based on the personal expressions of individuals. Instead, while societal characteristics may have a strong enough effect on what individuals say to use average personal values as social indicators, societal values are most fundamentally built into political documents, religious texts, literature, and media. Theories of social structures, social institutions, and technological influences that are inferred from such sources offer alternatives to the theories of values that we have covered to this point.

IMPERATIVES: MARX AND WEBER

Inglehart and Baker (2000) provide the customary simplified summary of the core difference between Marx's position that values are an expression of economic power relationships, and Weber's position that social and economic institutions are an expression of societal values. Giddens and Held (1982) begin with Marx's major points about the structure of societies and then describe Weber's uses and exceptions to these points. Kerr, Dunlop, Harbison and Myers (1971) summarize a program of research beginning in the 1960s that sought to empirically evaluate the implications of social, technological, and economic factors on overall societal organization. Rather than suggesting global convergence toward one model of culture and technological development, this project explains forces that lead to several major variants of socio-economic organization throughout the world.

RECENT NEO-INSTITUTIONAL AND NETWORK THEORIES

Applications of socio-economic theory to politics and government traditionally study the way in which laws, legal systems, and governmental institutions should be established. These applications motivate theories of explicit institutions. Some management research continues to emphasize the implications of explicit social institutions for explicit management programs such as accounting, finance, or human resources procedures (Whitley, 1999).

The observation that explicit institutions like laws and government structures are not easily created or implemented made the limitations in such theories evident. Instead, they compete with explicit norms held by various groups in a society as well as with implicit, taken-for-granted ways of thinking and behaving. The result of this observation was the emergence of neo-institutional theories, the most influential in management being those based on a taxonomy of three types or bases for institutions (Scott, 1995) corresponding to explicit institutions, explicitly accepted norms, and accepted implicit systems of behavior. Kostova and Roth (2002) use theories of institutional diffusion to analyze the spread of practices across national divisions within a multinational organization.

CONCLUSION

Our purpose here has been to describe phases in the development of the field of international organization studies and to consider how disciplinary perspectives on culture are shaping current controversies. The broad scope of material in cross cultural management, as in many other fields, means that thoroughly knowing all relevant theory and methods exceeds the capacity of any individual. That limitation places those of us working in the field in the position of being informed and tolerant collaborators with one another.

The gloss of the field that we have provided in this introduction has obvious limitations, but its brevity and scope has the advantage of making potential interdisciplinary connections evident. In particular, debates about whether societal culture dimensions should be studied are seen to be closely related to whether conscious dimension-based views of psychology or unconscious cognitive structure and process-based views of psychology are given pre-eminence. The difference between the heritage of relatively rationalistic socio-economic institutional theories that have given way to neo-institutional theories and the heritage of cultural value theories provides insights into how to integrate the many lines of culture research that contribute to the field of international organization studies.

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