

COMMENTARY

The cross-cultural research imperative: the need to balance cross-national and intra-national diversity

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Abstract

This paper provides a brief overview of the evolution of comparative management theories/paradigms, and highlights the contribution of the 'cross-vergence' construct. Despite progress, most studies of work values across countries continue to suffer from two primary limitations. The first is the fallacious assumption of cultural homogeneity with nations. Given the growing diversity of the workforce within country, intra-national variations can often be as significant as cross-national differences. The second is the fallacious assumption of cultural stability over time. Since cultures evolve, albeit slowly, it is important to take these changes over time into consideration, and be aware of the paradoxes inherent within any given society. Hence the paper calls for the need to balance cross-national and intra-national diversity in order to truly understand cross-cultural phenomena, and thus further improve the quality of cross-cultural research.

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COMPARATIVE MANAGEMENT THEORIES AND PARADIGMS: THE EARLY YEARS

The first systematic attempt to study and compare management practices across countries began with Harbison and Myers' publication *Management in the industrial world: An international analysis* (1959). In their book they hypothesized that variations in management styles could be attributed, by and large, to the stage and pace of economic development. This work was followed by a fairly rapid succession of research on the subject, including Farmer and Richman's *Comparative management and economic progress* (1965), which focused on the impact of the institutional environment on managerial effectiveness, and Haire, Ghiselli, and Porter's *Managerial thinking: An international study* (1966), which adopted a behavioral approach to examine the values and attitudes that guide managerial action and practices.

Much of the subsequent comparative management research centered around the behavioral approach, as evidenced by Hofstede's (1980) influential work on cultural dimensions. Other cultural schemas ensued, including Schwartz's value inventory

(SVI) (Schwartz, 1992), Trompenaars and Hampden-Turner's (1998) cultural dimensions, and the GLOBE project (House, Hanges, Javidan, & Dorfman, 2004).

CROSS VERGENCE

Ralston, Holt, Terpstra, and Yu (1997)'s winning essay for the 2007 *JIBS* Decade Award is an outgrowth of this behavioral school that focused on analyzing and understanding managerial differences across countries on the basis of select psychological traits, and more specifically the SVI. This four-country study of the US, Russia, Japan and China was intended to test the concept of 'cross-vergence' presented in Ralston, Gustafson, Cheung, and Terpstra (1993). Cross-vergence represents a useful perspective to strike a balance between the then raging debate between those who argued for the cultural imperative (i.e., cultural divergence) and those who proposed a technological imperative (i.e., cultural convergence). The former, as epitomized by the work of Hofstede, which uses the onion analogy, argued that, despite globalization, the core of the 'onion' - that is, values - will continue to diverge, as 'national cultures are extremely stable over time' (Hofstede, 2001: 34-36). On the other hand, those who subscribe to the technological imperative, as implicit in the work of Harbison and Myers (1959), posit that as countries develop economically, and as the level and magnitude of interactions among peoples from around the world intensifies with globalization, cultural differences will diminish, thus leading to convergence over time. Drawing upon data from a comparative study of managers from the US, Hong Kong, and China, Ralston *et al.* (1993) found that Hong Kong managers resembled their American counterparts in some respects, while remaining more similar to their Chinese compatriots in other ways, thus leading to the concept of 'cross-vergence'.

Using their 1993 piece as a springboard, Ralston and his colleagues established a trajectory of publications where they introduced, on an incremental basis, the impact of different elements of the institutional environment on work values across nations. The 1997 winning piece looked at the impact of economic ideology; the 1999 piece by Ralston, Nguyen, and Napier examined the role of political systems; and the 2004 article by Egri and Ralston investigated the interplay of technology and generation in 2004.

Fallacious Assumption of Cultural Homogeneity within Nations

While this series of studies to test the cross-vergence hypothesis has highlighted the fact that some work values are similar or dissimilar across countries, by and large they have masked the complexities of these variations. This is so because these studies, along with most cross-cultural studies published to date in the international business and International management literature, have used 'country' as the unit of analysis: that is, they equate cross-cultural with cross-national, and thereby assume cultural homogeneity within a given nation-state.

While homogeneity or convergence within a nation may be the ideal for some countries, such as the US, which espouse a 'melting pot' approach to cultural diversity - or 'subtractive multiculturalism', to borrow Triandis' (1994) term - this is definitely not true in other countries, such as Canada, which adopt and practice 'additive' multiculturalism. Studies (Kanungo & Bhatnagar, 1978) have shown that there are significant differences in achievement orientation and work values between Anglophones (English-speaking Canadians) and Francophones (French-speaking Canadians). These intra-national differences can be more substantial than cross-national differences: that is, there could be more similarities between Anglophones and Americans, in general, than between Anglophones and Francophones. These variations in values and attitudes within Canada, a single nation, become even more accentuated when Allophones (an umbrella term used to refer to Canadians who are neither Anglophones nor Francophones) are taken into consideration. Canada is a culturally diverse nation where, until 1973, the majority of immigrants were from Europe and the US, with a minority from Asia. After 1973 that trend was reversed, so much so that there are now heavy concentrations of immigrants from Asia, including South Asia, in certain parts of Canada (Citizenship and Immigration Canada, various years).

While Canada might be unique in its attitude and approach toward multiculturalism, the fact remains that nation-states are becoming increasingly more diverse as evidenced by: (1) the reduction in immigration and emigration barriers to the movement of people (Johnston, 1991); and (2) the growing boundarylessness nature of the workforce (Stahl, Miller, & Tung, 2002; Tung, 1998). These geo-political and economic realities have led Leung, Bhagat, Buchan, Erez, and Gibson (2005)

to call for the adoption of a multiple-cultures perspective in understanding international business - that is, the need to view culture as a 'multi-level, multi-layer construct'. Similarly, Naylor (1996: 93) asserted that '[virtually every nation-state of the world is a multicultural one made up of a number of groups.]' Naylor identified four primary groupings that constitute the bases for these variations: nation-state, ethnicity, organization and industry, and global culture. For this reason, in their study of multicultural teams in the workplace in pluralistic societies, Von Glinow, Shapiro, and Brett (2004: 588) have called for the need for "'polycontextual sensitivity" with regard to contextual variables that are locally sensitive, not nationally aggregated'.

CULTURE AS A MULTI LAYERED CONSTRUCT

In light of the reality that culture is a multi-layered construct, I have long emphasized the need to (1) avoid treating management practices within a given country as homogeneous, and (2) understand cross-cultural phenomena better by venturing beyond our own literature to derive inspiration and insights from other related yet distinct disciplines of inquiry. With regard to the former, namely to recognize that management practices within a given country do differ, I posited the use of the 'organizational climate' construct within a multi-layered comparative management paradigm to capture such variations within a nation. While the 'organizational climate' is a psychological construct, it 'can allow for systematic movement from analysis at the societal environment level, to the organizational level, to the individual level, and back' (Tung, 1986: 237). As Payne and Mansfield (1973: 15) noted, the 'organizational climate' construct can become a 'conceptual linkage between analysis at the organizational level and analysis at the individual level; and may be elaborated within frames of reference centered upon either of these two levels of analysis.'

As far as borrowing theories and concepts from other fields of inquiry is concerned, in my 1993 paper entitled 'Managing cross-national and intra-national diversity' I lamented the futility of trying to study cross-national phenomena without drawing upon developments in the field of intra-national diversity, and vice versa. In that paper I highlighted the parallels and the differences between these two hitherto separate streams of research. For example, I compared the similarities in dynamics and patterns of interactions between

expatriates and host country nationals in a foreign locale and interactions among peoples from different ethnic backgrounds within the context of our domestic workforce. It is important to note, however, that even among people of the same ethnic background Tannen (1991) has found that there are significant differences between male and female patterns of communication. She referred to this as 'genderlect'. In my 1993 paper I drew the parallels between 'genderlect' and cross-national communication.

BRAIN CIRCULATION AND EX-HOST COUNTRY NATIONALS

The growing mobility of people, particularly skilled professionals and managers across countries, has contributed to the phenomenon of 'brain circulation', whereby people could leave their country of origin (COO) to settle in another country, referred to as country of residence (COR), and then return to their COO or commute continually between their COO and COR, as in the case of some Hong Kong immigrants to Vancouver, who are dubbed 'astronauts' as they shuttle between their homes and businesses in Hong Kong and Vancouver. In the remainder of the paper 'astronauts' will be used as a short-hand term to refer to people who have businesses and/or homes in two or more countries, and therefore ply between these places on a continual basis for professional and/or personal reasons.

Saxenian (2002), for example, has studied how high-skilled immigrants to Silicon Valley in California could bring economic benefits to both their COO and COR through entrepreneurial start-ups in both countries. These high-skilled immigrants and 'astronauts' are increasingly blurring the line on what constitutes cross-cultural boundaries and valid sub-cultural groups. That is, if one were to study expatriation, do these 'astronauts' represent expatriates, or are they host country nationals? This distinction is important, because if this group were identified as expatriates in the work value studies as performed by Ralston and his colleagues, their perceptions could be very different from those of other expatriates who do not share the same ethnic background as the host country nationals. In the broader context of international human resource management, the challenges that these 'astronauts' encounter in their COO would be very different from those facing the traditional expatriate, thereby confounding the findings of such studies.

On the other hand, if these 'astronauts' were treated as host country nationals, because of their unique experience and background in living/

working between two cultures one would also expect their work values to be dissimilar from those of other host country nationals who have not lived/ worked extensively abroad. Thus lumping 'astronauts' with either the expatriate or host country national populations could only mask differences in the processes and values under investigation.

This challenge of how to treat sub-cultural groups, such as 'astronauts', has led me to coin the term *ex-host country nationals* (EHCNs). EHCNs are people who share the same ethnic background as those in the target country of operation. They include, for example, an ethnic Chinese who is: (1) born and raised in the US, but now works in China; or (2) born and raised in China and educated in the US, and now works in China. The findings of EHCNs from China and central and eastern Europe (Tung, 2006; Tung & Lazarova, 2006) thus far support my hypothesis that EHCNs are indeed a unique group. Thus to arbitrarily assign EHCNs to one country rather than another on the basis of their ethnicity or nationality (as defined by citizenship or COR) can only serve to mask or confound the variations of work values across countries. In short, the brain circulation phenomenon has challenged the status quo of current approaches to the study of cross-cultural work values across nations.

In addition, it is important to recognize that EHCNs do not constitute a homogeneous group either. Some EHCNs - and for that matter, people who are continually exposed to two or more cultures, as in the case of offspring of biracial unions - tend to experience more or less conflict in reconciling the differences between the sociocultural norms and practices of two or more social groups. In this context, Benet-Martinez and Haritatos (2005: 1015) have developed a bicultural identity integration (BII) index to gauge the extent to 'which a bicultural individual perceives his/her two cultural identities as "compatible" versus "oppositional"'. Such intra-national and individual differences have to be taken into consideration in understanding variations across countries, because intra-national and individual differences could be as salient and substantial as those that are found on a cross-national basis,

VARIATIONS WITHIN COUNTRIES THAT SHARE THE SAME POLITICAL/ECONOMIC IDEOLOGY

In a similar vein, homogeneity cannot be assumed across countries that share the same political and/ or economic ideology. In their four-country study, Ralston *et al.* (1997) chose the US, Japan, Russia, and China to examine the interplay between

political-economic ideology (Russia and China *vs* US and Japan) and cultural values (US and Russia *vs* China and Japan). While both Russia (up till the fall of communism in 1991) and China espouse socialist principles, except for a very short period of time the Chinese brand of socialism has been very different from that in the former Union of Soviet Socialist Republics (USSR) - Mao Zedong and his successors have long advocated 'communism with Chinese characteristics'. This might have contributed, in part at least, to the separate evolutionary paths followed by these socialist nations - in the case of the USSR *glasnost* (or political reform) preceded *perestroika* (economic reform), whereas in China the opposite was true. Likewise, the brand of capitalism espoused in Japan that emphasizes closer collaboration among business, government and labor (hence a form of 'network capitalism') is quite distinct from the more open form of capitalism prevalent in the US (Ozawa, 2003). As Takeo Fujisawa, co-founder of Honda Corporation poignantly remarked: 'Japanese and American management practices are 95% the same and differ in all important ways.' The '95% similarity' that Fujisawa alluded to would constitute the 'etic' component of culture, whereas the 'differ in all important ways' represents the 'emic' dimension. In other words, in conducting cross-cultural research it is imperative to explore beyond the broad labels/categories to discover the underlying, yet salient, differences that exist.

On the cultural front, even though the Japanese have borrowed heavily from the Chinese in terms of culture and language in ancient times, ever since the time of the Meiji Restoration in the second half of the nineteenth century Japan has identified itself more closely with the West than with other geographically proximate countries in east Asia. Thus to assert that Japan and China are more similar, culturally, may be spurious, just as it is to assume that Russia, a Slavic nation, is culturally akin to the US, which is based primarily on an Anglo-Saxon heritage.

Fallacious Assumption of Cultural Stability over Time

Just as cultures are not homogeneous within a given nation-state, similarly 'culture is not static; rather it evolves over time' (Tung, 1996: 244). Brannen and Salk (2000) attributed these evolutionary changes to increased interactions among peoples from different national cultures, thus contributing to the resultant 'negotiated culture'. Fang (2006) went a step further by proposing an 'ocean'

metaphor to capture the dynamics and paradoxes inherent in a national culture. In their study of how Sino-Western business negotiations have changed three decades after China's open door policy, Tung, Worm, and Fang (2008) found significant variations on the basis of

- (1) regional differences (i.e., between Beijing, Shanghai, Guangzhou and less developed cities in western China such as Chongqing and Chengdu);
- (2) generational differences (i.e., between young and older Chinese negotiators); and
- (3) large- and small-sized enterprises.

Tung et al., (2008) found that the 'ocean' metaphor was an apt analogy for capturing the dynamics and complexities of cultural changes in China in the past 30 years. Similar to the ebbs and flows of an ocean, 'at any given time, some cultural values may be suppressed or dampened. However, certain external events ... could trigger or re-ignite these dormant values/ An example of a dormant value is the penchant for entrepreneurship. This value was suppressed during the heyday of communism, but quickly resurfaced with a vengeance once the late Chinese leader, Deng Xiaoping, promoted his now famous slogan: 'To be rich is glorious.' Viewed in this context, globalization and foreign direct investment are the external events that have contributed to unleashing these 'hibernating' values so that they could coexist side by side with the 'old values'. Thus, following Fang (2006), culture is viewed as possessing paradoxical attributes as in 'both/and', instead of 'either/or' favored in bipolar paradigms. Viewed in this context, both old and new values can coexist concurrently in the same society.

While paradoxes may be particularly suited to capture the dynamics of Asian cultures that espouse the yin-yang principle, it appears that the West, which has traditionally favored a linear logic approach, has also started to embrace apparently paradoxical strategies. In this connection, apparently oxymoronic terms have been coined to capture these new tactics, such as 'co-opetition' to

signify the concurrent deployment of cooperation and competition, and 'glocalization' to denote the simultaneous use of globalization and localization. The relatively recent espousal of paradoxes in Western business literature appears to be an apt response to the challenges associated with managing in today's world, which are fraught with complexities and chaos. Thus the traditional linear logic paradigm may no longer be adequate to allow researchers and practitioners to capture the realities of the new economic world order. As Fang (2006: 77) wrote: 'human beings, organizations, and cultures intrinsically embrace paradoxes for their sheer existence and healthy development.'

In fairness to Ralston and his collaborators, in a subsequent publication (Egri & Ralston, 2004) they did recognize the need to incorporate generational cohorts into their comparative analysis of personal values of US and Chinese managers and professionals.

SUMMARY AND CONCLUSION

While Ralston *et al.* (1997) have rendered an important contribution to our understanding of cross-cultural phenomena through empirical verification of their 'cross-vergence' construct, in the long run, however, studies that compare cross-national differences without capturing intra-national diversity and the dynamics of cultural changes are inadequate. In light of the realities of the world in which we live, where pluralism in all respects has increasingly become the norm, good cross-cultural research must give due consideration to these intra-national differences, or risk the generation of results that mask or confound the phenomena under investigation. Furthermore, this advocacy of a multi-level and multiple-perspectives approach is consistent with the new Editorial Statement of the *Journal of International Business Studies*, which states that the journal 'is particularly interested in publishing innovative papers that ... integrate across disciplines rather than being single disciplinary, and are multi-level (micro, meso and/or macro) rather than single-level studies' (http://www.palgrave-journals.com/jibs/jibs_statement.html).

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