Culture as an individual process: Deficits of national cultural theories in management of cultural diversity

Lenz, Rainer

University of Applied Sciences Bielefeld

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Most prevalent theories in cross cultural management reduce the variability of individual relations to one single category, the national culture. Based on the assumption that the national cultural values determine individual behavior the individual’s behavior in different national cultures becomes predictable. This over simplistic model pretends to provide “easy” answers for a complex world. In this article a new approach to culture is developed where culture is seen as a permanent individual process. The focus is the individual in its complex correlation to the society. This approach leads to a holistic view of a human being as it takes beside the social relations the individual's personality and it’s reflexivity into account.
1. Introduction

Due to the growing internationalisation of business over the past twenty years, researchers have increasingly acknowledged the importance of culture as a main determinant for human behavior. Surely the demand for developing an understanding of cultural aspects in business was extremely high as nowadays every company or organisation is confronted with culturally diverse workforces, negotiations across national boundaries, business communication in a foreign language or culturally oriented advertising strategies.

A comparison of research done in the area of cross-cultural management shows a common approach among scientists to conceptualize culture: Starting point is mostly the existences of a “national culture”. By defining a range of different cultural dimensions the characteristics of a national culture could be measured, clustered and compared with others. Based on the assumption that the national cultural values determine the individual behavior of nationals the individual’s behavior in different national cultures becomes predictable. Guidelines for managers like “how to deal with Germans” could be derived. Furthermore managers could be advised, which kind of activities and behavior are appropriate for the specific national culture.

Insert here “Figure 1: The national culture concept”

Obviously the strength of this national culture concept lies in its clarity and consistency. Due to the simplicity of the model it is easy to understand and has the advantage to provide clear guidance for everyone, who has to deal with different cultures. Nevertheless it is questionable if
this concept of culture helps managers to avoid or to solve cultural conflicts in business life and if it is a concept, which should be thought in business lectures.

As the expression “culture” is highly complex it is difficult to voice doubts about current cultural concepts. Therefore the aim of this research paper is in a first step to state more precisely what the shortcomings of the “national culture concepts” are about. But not to persist solely in criticism, the writing about limitations leads to the development of a new model which should be better suited to explain cultural effects on individual behavior. This new approach integrates elements from both the framework of the sociological theory of systems and the philosophy called “New Kantianism” from the beginning of the 20th century (1). As this new model expresses the complexity of culture a simple guidance for business managers can’t be derived. However, sometimes a pure understanding of the complexity of culture as a determinant for (economic) behavior of human beings could be more useful than to be trapped in over simplistic concepts of the reality. Nevertheless with the understanding of the complex relationship between individual and society managers gain a general method how to observe and to solve social conflicts.

2. Shortcomings of the “national culture” concept

The focus of cross cultural management textbooks and lectures is primarily the analysis of “national culture” and its differences when crossing the national boarder. But as nations are mostly the result of political will and not organic growth they could not be treated as an unity. Human beings are different and not homogeneous independently from their nationality. Although most researchers don’t deny the existence of cultural variations within a national culture it is not part of further analysis. For instance Trompenaars/Hampden-Turner (2005, p. 7) distinguish between national, corporate and professional culture even so they solely concentrate on national culture as the “highest level of culture”. However later (p.24) they compare national culture with a statistical normal distribution where
“People within a culture do not all have identical sets of artifacts, norms, values and assumptions. Within each culture there is a wide spread of these. This spread does have a pattern around an average. So, in a sense the variation around the norm can be seen as a normal distribution. Distinguish one culture from another depends on the limits we want to make on each side of the distribution.”

Hofstede (1997, p. 10), who dominates the western scientific discourse in cultural management, writes about different layers of culture in regard to differences in regional, ethnic, religious, linguistic affiliation and in gender, generations and social classes. Nevertheless he defends the concept of national culture by arguing that

“...many nations do form a historically developed whole even if they consist of clearly different groups and even if they contain less integrated minorities.”

Although these examples demonstrate some awareness of researchers for the shortcomings of aggregation to national culture, it still dominates the current thinking in the field of cross cultural management. In lectures of cultural management Germans are still compared with Japanese etc., despite the fact that the painted pictures of “Standard-Germans” and “Standard-Japanese” do not exist.

Due to globalization the degree of homogeneity within the group of nationals which would justify such a cluster building like “The Germans” decreased to a minimum. These changes in the society could be vividly explained by using a system theory approach. The social system, to be defined as a set of elements (individuals) and relations, which depend upon each other, changed and became more and more complex in recent years. As a good example to illustrate the increase in system complexity could serve the worldwide change in corporate production processes of the past decades. Originally, almost every company designed its value chain process locally (input, production and output). Presently, spatial and functional processes are separated and the organization itself is highly specialized. The complexity of global processes and the rise of
unexpected problems requires intensive collaboration with colleagues, co-workers, or external consultants from different places in the world, different educational and knowledge backgrounds, different levels of hierarchy, and, most likely, from different organizations and companies.

Transfered to system theory, the change in corporate production processes implies a growing number of individuals and a much higher number of interrelationships among the individuals who are involved in. That is exactly the effect, Luhmann (1997, p. 134) describes as a result of globalization: A development which implies a growing number of system elements with a theoretical geometric progression and an increasing number of relations. If one does not simply count the elements, but rather considers the qualitative diversity of these and the time dimension according to the variety of elements and relations, than the complexity of open social systems becomes apparent.

To cut out of this system a set of individuals with the same nationality is artificial and implies the ignorance of an increasing system complexity. In some way it is backward looking to times of local production, local markets, less specialization, no labor mobility and no free flow of information. At this time the number of elements and their relations within a social system had been countable. But nowadays every individual develops a unique set of relations to its environment, which changes and expands constantly. Therefore cultural differences have to be linked to the individual and its relation to different groups in a society during its life time.

Shifting the focus from national culture to individual culture one could argue that this is not a new perspective. It is consensus in cross cultural theory that culture is not inherited by individuals as they are not born with cultural values. Belonging to different social groups like the family or the school etc. individuals are learning from and assimilating to the given group value systems. In other words any person acquires culture through its individual and unique socialization process that begins with birth. According to Hofstede (1997, p. 5) individuals more or less adopt given value-orientation systems of a particular nation or region are therefore
collective programmed and share a common understanding. Subsequently the value system of the
group is shared by the individual and becomes to a main determinant for the individuals
behavior. This, in theory of cross cultural management prevalent view of the relationship
between individual and group could be characterized as a one-way street: the groups system of
values, norms and beliefs influences the individual but that is not the case the other way round.
The possibility of a feedback loop in the way that individuals’ activities could in turn influence
group values is disregarded. Hence this missing aspect leads to two deficiencies in cross cultural
theory:

- Firstly there is no convincing explanation for the origin of the groups or national culture
  if not individual actions and reactions could be the source of origin. Human beings are
  able to learn from success and failure in their activities and readjust their behavior. If
  national culture impacts human behavior, the human capability of self-reflection and
  readjustment of behavior affects in turn cultural standards and cultural values (Fink,
  Neyer, Kölling: 2007, p.56)

- Secondly the concept of national culture is represented in management studies as a static
  and self-contained value system. Dynamic and change is not anchored in the prevalent
  management models. Despite the fact that globalization increased the dynamic of the
  social system dramatically as the number of actors and its relations are growing in
  geometric progression. As the logic of any system is that change is inevitable, national
  culture can't exist as an isolated island surrounded by a dynamic social environment.

Following the general principle “you can't manage it if you can't measure it” cross cultural
research concentrates to define dimensions or variables that explain how national cultures
differentiates from each other. There are several frameworks used to record and to measure
national cultural diversity, which differentiate mainly in types and numbers of used dimensions:
Kluckhom/Strodtbeck (1961) defined five dimensions, Hall/Hall (1990) four dimensions, Hofstede (1980) four dimensions and Trompenaars (1993) seven dimensions. Screening the defined dimensions of the above-named researchers four core areas could be found: (1) temporal aspects (2) relationship themes (3) confidence and (4) communication could be identified (Low/Chapman: 2003, p. 61). For empirical investigation mostly quantitative questionnaires with scales have been used, except of Hall/Hall, who extract information from qualitative open interviews (2). The measurement of differences in national cultures allows to compare, to classify and to cluster national cultures. Now, national culture constitutes by “real” variables (dimensions) and therefore becomes controllable and operational for cross cultural management (Lowe: 2002, p. 25). However this approach of cross-cultural functionalism ignores again the complexity of social systems. Before system elements (individuals) have been arbitrarily segmented into nationalities as basic units of analysis. Now the relations between national elements are segmented again into dimension categories. Obviously as system elements are not to be taken as homogeneous unity, the relations of these elements could neither form a basis unit for analysis.

3. The individual as the source of culture

As a result of live lottery an individual is born into a certain social environment, with the family as a starting point of life and several social groups like Kindergarten, school, church, neighborhood, work place, peer group etc, during its life time. Hereby the expression “social group” defines a group, which consists of a certain number of members, who follow a common goal through a process of continued communication and interaction over a longer period of time. Group members share a set of common norms and values which leads often to a “we feeling” of group togetherness. Schäfers (1999, p. 19) points out that a group could be seen as a network comprised by different roles. Therefore every individual joins consciously or rather unconsciously several social groups during its lifetime and learns or adopts group values for its own life. This is just in line with Hofstede's understanding of culture (97, p.4) as mental programming:
“Every person carries within him or herself patterns of thinking, feeling and potential acting which were learned throughout their lifetime. Much of it has been acquired in early childhood, because at that time a person is most susceptible to learning and assimilating. The sources of one’s mental programs lie within the social environments in which one grew up and collected one’s life experiences.”

In that sense a human being learns to play a “role” within different social groups in a social system which surrounds him. But individuals are able to form or to modify their social roles and therefore to contribute to the group's system of values and norms. As human beings are able to reflect about their social roles it is always a two way relationship of influences between the individual and the group.

Boulding (1956, p. 204) distinguishes finely between the individual human with its unique personality and the role of that person. The individual human “…has a self-reflexive quality - he not only knows, but knows that he knows.” Therefore “…man exists not only in time and space but in history, and his behavior is profoundly affected by his view of the time process in which he stands.” In regard to social systems the “role” is the most relevant part of the individual. “The unit of such systems is not perhaps the person - the individual human as such - but the “role” that part of the person which is concerned with the organization or situation in question, and it is tempting to define social organizations, or almost any social system, as a set of roles tied together with channels of communication. The interrelations of the role and the person however can never completely neglected - a square person in a round role may become a little rounder, but he also makes the role squarer…”

Hence individual behavior is determined by two key elements: Firstly by the relation between “I” and “the other”, who is member of different social groups in the society. Every social group contains a system of values and norms - or to be more general - a kind of lived practice. The individual “I” as a member of social groups adopts partly or entirely different group values and behaves in specific situation as it is lived practice within the group. The degree of conformity between “I” and “the other” depends on the individuality of the “I”, which is the second key
determinant of individual behavior. “To be individual” stands for the individuality, the internal process of self-reflection, the unique human nature and soul. This part of the human being is responsible for an autonomic individual acting independent of social roles, values and beliefs in the society.

Insert here “Figure 2: The evolution of culture”

Both parts of the individual have to be seen as an unity as they are mutual dependent and interactive. The dialectic relation between these two constituting parts of an individual are described by Simmel (1910, p. 387) as follows:

“The essential thing, however and the meaning of the particular sociological apriori which has its basis herein, is this, that between individual and society the Within and Without are not two determinations which exist alongside of each other - although they may occasionally develop in that way, and even to the degree of reciprocal enmity - but that they signify the whole unitary position of the socially living human being. His existence is not merely, in subdivision of the contents, partially social and partially individual, but it stands under the fundamental, formative, irreducible category of a unity, which we cannot otherwise express than through the synthesis or the contemporariness of the two logically antithetical determinations - articulation and self-sufficiency, the condition of being produced by, and contained in, society and on the other hand, of being derived out of and moving around its own center.”

According to Simmel is every human being at the same time partly individual and partly social and therefore the individual and the society in a permanent mutual correlation. The degree of conformity of the individual in regard to its social role within a specific group depends on his degree of individuality. For instance a human being could show a low degree in individuality and high degree in conformity in the relation to the other family members, when the family is taken
as a specific group. In this case his behavior within the family relation is dominated by the family’s value system or lived practice and only to a minor part of his individuality. At the same time it could be just the other way round in the individual’s relation to his work colleagues or his employee. May be here the individual is mainly individual and not a socialized being. Meaning that the individual does not identify with corporate values and acts in an autonomous independent way based on its own view about the specific corporate. Subsequently every individual has specific relations to different social groups in the society which are characterized by a degree of conformity toward the group's value system and a degree of individuality. High conformity implies less individuality and vice versa always applied to a specific relation of the individual.

**Insert here “Figure 3: The individual's set of relations within the society”**

As part of a society the individual has numerous relations (R1 until Rn) to different groups. Thereby it is important to emphasize the factor time. The individual's specific set of social relations changes permanently in both, quantity and quality of relations over time. A change in the quantity of relations means that the individual cuts out existing relations or establishes new ones. A change within a relation (the quality) implies a change in the degree of conformity and individuality. The following factors contribute to the dynamic in change of the individual's set of relations:

- **External factors;** As mentioned before the globalization increased the system complexity which leads to a growing number of elements (individuals) and its relations within the society. But not only the quantity of relations increased as well the relations in itself become more and more diverse. For example the growing labor mobility across borders
leads to higher fluctuation and a rapid change in relations to the family, the peer group, the school, the corporate and various other social groups. Furthermore the development in information technology affects the individual's set of relations. Although these external factors (environmental change) have effect on every human beings in general, the impact on a individual’s set is from individual to individual different.

- **Direct internal factors;** There are various internal factors which could affect the individual's relation to a specific group. For example the relation of the individual x to the corporate y is directly affected by monetary and non-monetary incentives, frustration, working climate, hierarchy etc. Corporate identity and the acceptance of corporate culture of the employee could be high (implies low degree of individuality) at one point in time and low the next time.

- **Indirect internal factors;** The relations of an individual toward different social groups are characterized by mutual interdependence. For example the individual relation to the corporate could be indirectly influenced by a change in the individual's family relation (vice versa). Family relation and corporate relation of the individual are interdependent. Furthermore peer group relation and family relation are linked in some way.

- **Inter temporal factors;** The dynamic of the system related to the factor time plays a major role. Depending on the group's size and other factors the individual's behavior could modify the group's value system. This in turn could lead to higher individual acceptance of social group values in the future. As the change of the group’s value system takes some time it could be classified as an inter-temporal factor. Another example could be the individual's historical experience within his set of relations, which leads to learning process in regard to the individual behavior in establishing new relations. However as the relation between the individual and the other of group has to be seen as a dynamic process the time is always involved. Therefore all the beforehand listed factor are in some way inter temporal factors.
4. Culture as an individual momentum

Culture is the permanent process of a human being to acquire social values from a specific social group. It is linked to a specific relation of one individual to social group, in a specific context and time. In its specific relation “n” to social group “n” in a specific point in time “t” the individual x decides to accept entirely or partly the group values or to refuse it or to modify it.

Witsch (2008, p. 9) describes the culture as follows: “Culture has no existence, no being outside the process of production, the creation by the individual human being. (3)”

Subsequently culture does not exist as a fixed category differentiated to national, ethical, religious or other phenomenological criteria (Witsch: 2008, p. 9). Culture is defined as a context and a time specific process of an individual's relation to a group. The process is the result of both parts of a human being: the individuality and the sociality in the relation. Therefore culture is permanently recreated and exists just for the thinkable fraction of a moment.

Sen (2006, p. 24) describes the plurality of groups to which any person belongs and the effect of cultural identity as follows:

“We belong to many different groups, in one way or another, and each of these collectivities can give a person a potentially important identity. We may have to decide whether a particular group to which we belong is – or is not – important for us. Two different, though interrelated, exercises are involved here: (1) deciding on what our relevant identities are, and (2) weighing the relative importance of these identities. Both tasks demand reasoning and choice.”

Furthermore culture is characterized by the highest degree of heterogeneity, which in turn makes any aggregation into categories impossible. A horizontal aggregation into subcultures for instances like “the culture of families” neglects the individuality of human beings in their relations
to the social group “family”, the time effect and any interdependence between the individual's relations. The same applies for vertical aggregation of individuals into national, ethical or gender groups. There is no degree of homogeneity given to justify such a cluster building into categories. Furthermore the time aspect and therefore the dynamic of culture would be ignored by aggregation. To put in a nutshell social systems based on elements (individuals) and relations are too complex to build up categories of culture.

5. Implications for cross-cultural management

As a matter of fact the diversity of the work force, the business partners and of the social environment as a whole increased in the past years. The globalization, to be used as a generic term for technological and economical change, leads to a growing system complexity with a higher quantity in the individual's relations and a much higher diversity in the relations itself. Cultural differences and diversity don't manifest between national cultures as one single category. Human beings belong to numerous different groups and not only the group of nationals.

According to Sen (2006, p. 20) “Each of these group identities can – and sometimes does – give the person a sense of affiliation and loyalty. ….. The intricacies of plural groups and multiples loyalties are obliterated by seeing each person as firmly embedded in exactly one affiliation, replacing the richness of leading an abundant human life with the formulaic narrowness of insisting that any person is “situated” in just one organic pack.”

Therefore any guideline for managers like “Doing business with Asians, Middle Easterns or Europeans or..” to be found in several textbooks about cross cultural management is misleading and could be even counterproductive. As human beings are not homogeneous units and therefore any aggregation into one national cultural category is wrong. Furthermore the categorization of culture itself is wrong as it neglects the character as a process, the dynamic in change and the interdependence of individual relations.
If managers are trained to think in terms of national cultural differences it inevitable leads to a misjudgment of the counterpart in various situations. Managers, who believe to be well prepared from reading the business tips section in the culture-textbooks (for example `"Doing business with Arabs") could discover that their Arabian counterpart in business relations shows a low degree of conformity with the value system or the lived practice of the regional business community and high degree in individuality. Every time the manager follows the textbook guidelines (for Arabs, the time is flexible, negotiating and bargaining are commonplace processes, hyperbole is normal etc.) the negotiation process could threaten to fail. Instead to put emphasis on the differences between negotiation partners the manager would have be better done to find a common place of understanding to start the negotiation process. Clearly thinking in patterns and fixed cultural schemata have the advantage to reduce the complexity but the risk that individuals behave individual in a specific context and in a specific situation seemed to be unbearable high. Categorization and thinking in cultural differences stands therefore in sharp contrast to the principle task of cross cultural management lectures or text books: to create sensitivity for cultural differences and to open the managers minds for diversity. Unintentionally it guides people to think in fixed stereotypes by taking them into single national cultural categories where they are not belonging. The reduction of human beings belonging to one national category serves as a major intellectual barrier to focusing more fully to prevailing individual relations and to investigate the processes and their dynamics.

In the individual approach model culture is seen as a process of production, in which the individual acquires values from a specific group at a specific time. This general idea to observe culture as a process of production is important to develop an understanding and an evaluation of individual behavior within different groups of the society. For example an assessment of the quality of corporate governance or corporate culture could not be based on reading the business reports. The evaluation has to set up at the employees or stakeholders relation to the company. In the activities, the processes, the relations between individual and the group the culture
becomes apparent. The evaluator could clearly observe if the corporate culture (corporate governance) is lived by the employees (stakeholders) or if it is solely an empty shell. In general evaluation of social systems like a corporation is one request a system internal view on those processes and activities in which the employees are involved.

The beforehand developed individual approach to culture teaches managers to see both part of the individual: the “to be individual” and the “to be part of the society”, within the set of relations. It is a much more holistic view of a human being as it takes beside the social relations the individual's personality and the reflexivity into account. Whereas in most cross cultural management theories only the sociality of human beings isolated from the individual part is taken as object of investigation. Simmel (1999, p. 68) compared the both parts of the individual with the two legs everyone needs for walking. Observing just one leg doesn’t enable you to see the process of walking or to see the dialectic relation between individual and society. In this sense it is recommendable to broaden the narrow perspective of cross-cultural management by taking in theories and models from neighbor disciplines like philosophy, pedagogy, sociology and psychology. In the context of culture the pedagogy could play a prominent role as here the human being is observed in its various activities and therefore as unity.

6. Conclusion

The presented approach to culture observes the human being in its unity embedded in the society and acting as an individual. The focus is always the individual in its relationship to (the other of) different groups. Therefore the benefit of knowing about the complexity of the correlation between individual and society is that people than at least try to get a fully picture of prevailing individual relations, its behavior and specific situations. Having a textbook assessment ready before someone knows the individual and investigates the processes the individual is involved in can’t lead to success, not in human resource management, not in international trade and negotiations and not in any relation to other individuals. The focal point for any assessment,
evaluation and as well for education has to be always the individual with its specific set of relations.

Most prevalent theories in cross cultural management reduce the variability of individual relations to one single category, the national culture. This kind of reductionism is an over simplistic model which provides “easy” answers for a complex world. However the worst is that managers and business students are thought in stereotypes and fixed pattern of thinking which provides the intellectual basis for discrimination and racism.
Notes:

(1) The most prominent philosophers of “New Kantianism” (The Marburg School) are Georg Simmel, Richard Hönigswald and Ernst Casierer

(2) Fink, Neyer, Kölling 2007 provides a complete list of value dimension in mainstream literature, p. 44f.

(3) translated from German „Kultur hat keine Existenz, kein Dasein außerhalb ihres Prozesses der Produktion, der Herstellung durch den einzelnen Menschen.“
References


Figure 1: The national culture concept

Source: the author
Figure 2: The evolution of culture

Source: the author
Figure 3: The individual's set of relations within the society

Individual x in relation n to group n in t

Source: the author