PART II

LITERATURE REVIEW
Chapter 2

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“... a literature review uses as its database reports of primary or original scholarship, and does not report new primary scholarship itself. The primary reports used in the literature may be verbal, but in the vast majority of cases reports are written documents. The types of scholarship may be empirical, theoretical, critical/analytic, or methodological in nature.”

(Cooper, 1988)

2.0: Introduction

In the last few decades global project management has developed considerably with a much greater understanding of the key variables that lead to project success. Past studies have focused on the benefits of using multicultural teams. As mentioned above, role of cultural communication among cross cultural team members in overall project performance has been widely researched and the results of these researches have clearly illustrated that best project performance is achieved when the whole project team is fully integrated and aligned with project objectives. However such integration and alignment of the team members has been a controversial issue. Local dominant cultures in project teams have been found to behave in a manner which has caused cross cultural teams to perform lower (Emmitt and Gorse, 2007). Cultural issues among team individuals can cause conflict, misunderstanding and poor performance (Shenkar and Zeira, 1992). The understanding of the behavioral dynamics of multicultural project teams in certain industrial sectors is still in its infancy (Ochieng and Price, 2009). Dainty et al., (2007) found that the lagging industrial sectors in this area need to address their poor performance in people management in international project teams, by focusing on cultural issues. The study proposed that such behavior generally emanates from lower ‘comfort of local cultures with foreign cultures’
(CFC), which is central to the cross cultural issues facing managers of international project teams in multinational firms. This level of comfort with foreign cultures (CFC) needs further research efforts to enable project managers to deal with the jerks and glitches caused by observed and latent behavior of members of cross cultural teams in multinational firms, thereby ensuring improved results from more integrated and aligned teams.

Five of the most distinctive challenges international project managers in multinational firms, face are: managing cultural diversity, differences and conflicts, developing team cohesiveness; maintaining communication richness; dealing with coordination and control issues; and handling geographic distances and dispersion of teams (Pearson and Nelson, 2003). At the core of the issues of facing these challenges are the ones that relate to the understanding of intercultural comfort dynamics. And the same are discussed in following paragraphs.

2.1: Defining ‘cultures’ and its impact on ‘level of comfort’

Historically, there are several approaches to defining world cultures. The ‘Iceberg’ (also called ‘two layered model’) and the ‘Onion’ models (also called ‘multi-layered models’) are widely known.

Iceberg model of culture developed by Selfridge and Sokolik, (1975); W.L. French and C.H. Bell (1979), identifies a visible area (observed variables) consisting of ‘behavior, clothing, symbols and artifacts’ of some form and ‘a level of values’ as an invisible area (latent variable).

Trying to define as complex a phenomenon as culture, with just two layers proved quite a challenge and the Onion model arose. Geert Hofstede (1991) initially proposed a set of four layers, each of which includes the lower level or is a result of the lower level.
According to this view, culture is like an onion that can be peeled, layer-by-layer to reveal the content. Hofstede sees culture as the ‘collective programming of the mind’ which distinguishes the members of one group or category of people from another.

These models often plots dimensions such as orientation to time, space, communication, competitiveness, power etc., as complimentary pairs of attributes and different cultures are positioned in a continuum between the extremes associated with these pairs. Some of the most popular contemporary models of defining world cultures are discussed in following paragraphs

2.1.1: Hofstede’s cultural dimensions

In 1980, Geert Hofstede published, ‘Culture’s Consequences’, a monumental work that represented more than a decade of research. In this book, along with subsequent editions, Hofstede establishes that ‘people carry ‘mental programs’ that are developed in the family in early childhood and reinforced in school and organizations’, assuming that ‘these mental programs contain a component of national culture’ (Hofstede, 2001, p. xix). He categorizes the differences in mental programming by identifying four cultural dimensions. Hofstede and Bond (1984) later identified a fifth dimension after research on behaviors of Chinese professionals. These five cultural dimensions have contributed

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3 The work of Geert Hofstede on over 100,000 professionals which were covered from 50 countries in three regions between 1967 and 1973 propounded the theory of Cultural Dimensions to understand cross cultural issues.

4 The five dimensions Hofstede used to distinguish between national cultures are- 1) Power distance, which measures the extent to which members of society accept how power is distributed equally or unequally in that society. 2) Individualism, tells how people individually perceive themselves and their immediate family only in contrast with Collectivism, where people belong to in-groups (families, clans or organizations) who look after them in exchange for loyalty. The dominant values of 3) Masculinity, focusing on achievement and material success are contrasted with those of Femininity, which focuses on caring for others and a quality of life. 4) Uncertainty avoidance, measures the extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations. 5) Confucian dynamism - this Long-term versus Short-term orientation measured the fostering of virtues related to the past, i.e., respect for tradition, importance of keeping face and thrift.
enormously to a deeper understanding of the theories and dynamics of cross cultural management based on these categories of mental programming. The variables identified in these researches assumed that all reactions in working relationship or production of behavior, thereof, will be reflected at a workplace assimilating the social, organizational and personal ‘values and beliefs’.

The reason Hofstede focused on individual countries for his study was his belief that differences and similarities in cultural patterns were easily identifiable and meaningful at the nation-state level. He attributed the cultures measured in each nation-state to ‘historical roots’ and certain ‘mechanisms in societies that permit the maintenance of stability in cultural patterns across generations’ (Hofstede 2001, p. 11). Hofstede continues by declaring that institutions ‘reinforce the societal norms and the ecological conditions that led to their establishment’ (2001, p.11) (see figure 2.1).

**Figure 2.1:** Conceptual scheme of Hofstede’s model (Hofstede, 2001, p11)

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5 The same assumption hold true for the current research too
Hofstede argues that a change in one institution would not have a great impact on the national culture as the people, as the bearers of that culture, would ‘smooth’ the institution’s structures and its ways of functioning until they ‘are again adapted to the societal norms’ (Hofstede, 2001, p. 12).

2.1.1.1: Hofstede’s explanation of reaction of local cultures to foreign cultures

Hofstede offers his judgment on how host societies react to the arrival of foreigners (2001, p. 424). According to him, the reaction consists of three steps. Step (1): the locals are curious about how different the foreigners are (i.e., the ‘zoo’ effect). Step (2): Ethnocentrism, its occurrence leads to the locals perceiving their cultures as superior to those of the foreigners. And step (3), which takes the longer than the others to be reached – and which, in fact, may never be reached in some societies – is ‘polycentrism’, where locals evaluate the foreigner as having different standards because they are different. In the last step, there is no judgment on the part of the locals whether the foreigners’ standards are better or worse than their own; it is merely that they are different. In a market economy, businesses are expected to assume a polycentric view to best serve local and foreign customers, thus enabling them to adapt their products and services to the needs of cross cultural customers. This could allow them to gain a competitive advantage in saturated local markets. The above accounts of Hofstede give better view of the intercultural group process and help identify possible CFC variables to be used for devising a framework for quantitative investigation into the enquiry of this study.

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6 However, Hofstede does not fully consider the impact on local cultures by high levels of immigration over a long period of time.
2.1.2: Trompenaars dimensions

Trompenaars and Hampden-Turner (1997) adopt another kind of onion-like model of culture. However, their model expands the main level of the basic two-layered model, rather than the outer level. According to this model, culture is made up of basic assumptions at the core level. These 'basic assumptions' are somewhat similar to 'values' in the Hofstede model. Accordingly ‘culture’ is the way people solve their problem and reconcile their dilemmas.

Authors of this model use seven dimensions for their model of culture namely: Universalism vs. Particularism (what is more important - rules or relationships?), Individualism vs. Communitarianism (do we function in a group or as an individual?), Neutral vs. Emotional (do we display our emotions or keep them to ourselves?), Specific vs. Diffuse (how far do we get involved?), Achievement vs. Ascription (do we have to prove ourselves to gain status or is it given to us just because we are a part of a structure?), Attitude to Time, (past, present, future - orientation), Sequential time vs. Synchronic time (do we do things one at a time or several things at once?) and Internal vs. External Orientation (do we aim to control our environment or adjust with it?).

The work on above model is based on 1000 + corporate training programs done by the author and tries to understand whether the management concepts learnt in American B-Schools can be used to train people of different European countries. The author’s of above model indicate from their experience that the concepts vary from country to country. Therefore international managers need to work on several premises. These premises emanates from local sensitivities which vary from one country to another. The authors conclude there are visible and invisible ways in which local culture impacts the organization. When you compare same global organization within several countries you will visibly find
the organization across nations are not different and therefore ‘local culture’ free. But when you go deeper you find that is not true. There are invisible factors that differentiate same organization in one country to another due to the impact of local cultures. These suggestions by the authors hint at the enquiry of cross cultural group interaction process especially in terms of comfort of local cultures with foreign cultures. And therefore as authors conclude it does not matter if the hierarchies in international project teams are similar from country to country what these hierarchies mean to local cultures may be different and therefore may have an impact on the performance. These suggestions give certain basis to understand the intercultural comfort among international project teams as well as to devise observed and latent variables for the current enquiry.

2.1.3: GLOBE study

A different perspective has been taken by GLOBE (Global Leadership and Organizational Behavior Effectiveness) research project that focuses on the relationships between societal culture, organizational culture, and leadership. GLOBE built on Hofstede’s (1980) and others’ (Trompenaars & Hampden-Turner, 1997, Kluckhorn & Strodtbeck, 1961) work and through its research, surfaced 10 cultural clusters representing core dimensions from 62 cultures around the world. GLOBE used the term ‘societal culture’ instead of ‘national culture’ to ‘indicate the complexity of the culture concept and because in several instances it sampled two subcultures from a single nation’ (House, Javidan, Dorfman, & de Luque, 2006). A working assumption of the GLOBE project was that many countries have multiple, large subcultures within their borders (Chhokar, Brodbeck, & House, 2007), which many times expand beyond the borders. Efforts were directed toward drawing representative samples that were comparable regarding dominant forces that shape culture including ‘history, language, politics, and religion’ (Chhokar et al., 2007), and they sampled
from more than one subculture in large countries. Despite these efforts, due to the nature of the study, it had limited capacity to discern subgroups within societies (Brodbeck et al., 2007), (Hofstede, 2006), (Graen, 2006). However the study diverted the attention of social scientists from nation – state cultural approach to sub – culture or regional culture approach where geographical considerations were limited. Therefore cultural groups identified in GLOBE study comprised of sub cultures and regional cultures representing several geographically distant cultures classified in same cultural groupings. GLOBE studied the preferred leadership styles in different cultural clusters and concluded studies on six styles of leaders are the most preferred by each cluster group but the level of preference of the leader style vary from cluster to cluster. For example ‘performance oriented leader style’ is highly preferred in Anglo and Germanic cultures, while ‘self or group – protective leader style’ is least preferred in these cultures. These findings reinforce the saying that ‘leadership styles lies in the beholder’s eyes’. This, on the same note, should mean that intercultural comfort among cross cultural comfort dynamics should behave in somewhat similar manner. Therefore while GLOBE study is a significant step forward in better understanding of the cultural dimensions and cultural world groupings, it may serve as the basis to understand the cultural landscape of the societal comfort of local cultures with foreigners and foreign cultures.

2.1.4: Group - grid theory

Group - grid is a ‘cultural theory of risk perception’. It is a cultural model developed by anthropologists Mary Douglas (1978), Michael Thompson (1990), and Steve Rayner, with contributions by political scientists Aaron Wildavsky and Richard Ellis, and others. This cultural theory asserts that structures of social organizations endow individuals with perceptions that reinforce those structures in competition against alternative ones. It
becomes an important area of understanding in multinational firms operating globally and promoting cross cultural teams. Another reason this theory was designed was to show how native rituals and practices were relevant to modern society and therefore how they affect organizational cultures.

The model is a 2 X 2 dimensions model with group and grid dimensions (See figure 2.2). The group dimension indicates how strongly people are bonded together. At one end of ‘low group’ effect there are distinct and separated individuals, probably with common reasons to be together though with less of a sense of unity and connection. At the other end of ‘high group’ effect, people have a connected sense of identity, relating more deeply and personally to one another. They spend more time together and have stable relationships. When people group together, then laws are more easily defined and implemented. For society to survive when bonds are weaker and central control is less possible, individuals must necessarily display self-restraint. From management perspective, ‘low group’ is not understood to manage resources well, whilst high group does.

Figure 2.2: Group -grid theory
The grid dimension demonstrates how different people are positioned in the group and how they take on different roles and responsibilities. At one end of this spectrum i.e. ‘low grid’ effect people are relatively homogeneous in their work, activity and abilities. It is relatively easy for them to interchange roles. This makes them less dependent on one another. At the other end with ‘high grid’ effect, there are distinct roles and positions within the group with specialization and different accountability. There are also different degrees of entitlement, depending on position and there may well be a different balance of exchange between and across individuals. This makes it advantageous to share and organize together. From management perspective, ‘low grid’ does not manage needs, whilst ‘high grid’ does.

The above cultural theory has also tried to explain inter societal conflicts, in terms of 4 or 5 ways of life and how they interact with each other and therefore how they affect organizational cultures. Most of these research works are inconclusive though. There are a number of gaps and contradictions in those situations. Level of comfort with foreign cultures in multinational work places can however be somewhat understood in the context of group -grid theory however a deeper understanding of the theory through current study can certainly boost the cross cultural sensitivity of project managers.

2.1.5: Theory of cultural distance

Irrespective of the way culture is defined, differences in various elements of culture, e.g., language, social structure, religions, ways and standards of living, values, etc., result in cultural distance (CD) and this distance is greater when two cultures are very different (Triandis 1994). An important manifestation of this cultural distance is how one culture perceives behavior of other cultures. If cultural distance is large, possibly people from one country, while visiting another country or settling for job, may find it uncomfortable to
interact with people of the host country or vice versa (Hall 1976). Triandis (1994) suggests that most of us are having ethnocentric approach. We therefore tend to view our own behavioral norms as correct and those of others as not so correct. This suggests that when people from different cultural backgrounds meet each other, it may create a sense of discomfort among the participants due to perceived differences in behavioral norms. This level of comfort during inter-personal communication with people of the host country is likely to be even lesser in an environment that is not too familiar to the visitor or an immigrant more so for the immigrants or visitors from low context cultures. It has even been suggested that in certain cases of extreme discomfort of this type, even global conflicts can occur (Triandis 2000). This view has been supported by the discussions and research involving the high-low context dichotomy (Hall 1976). Literature dealing with immigration and expatriate managers, and acculturation (De Cieri, Dowling, and Taylor 1991; Manev and Stevenson 2001; Oh, Koeske and Sales 2002; Valentine 2001), also discusses similar phenomenon. It is suggested that if the cultural distance is less, then the visitor is likely to feel more comfortable with the host culture. This discomfort may increase due to differences in languages, beliefs, attitudes etc.

2.1.5.1: Origins of the theory of cultural distance

Concept of CD was first found in FDI (foreign direct investment) literature, most often in the form of an index compiled by Kogut and Singh (1988) and Hofstede’s (1980) Cultural Dimensions. In FDI literature, CD has been explained to have three applications. First relate to explanation of location of market investment by multinational firms. Second explanation of CD has been the choice of the mode of entry and third application relate to variable success, failure and overall performance of MNE affiliates in the international market place and success or failure of cross cultural teams in international projects (Shenkar,
2001). In the third application, CD has been explained to be an obstacle to the overall success of cross cultural teams in international projects. For example CD limits the ability of multinational firms to generate profits from new domain entries in the global markets (Chang, 1995). Other empirical works have been a mixed bag. For example it is found that US affiliates whose foreign partners came from culturally distance cultures were more likely to fail (Li and Guisinger, 1991). In other studies it is found that CD decreased international joint ventures (IJV) longevity (Barkema et al, 1997). On the different side there are studies which found no direct effect of CD on multinational firm’s performance. For example, Johnson, Cullen and Sakano (1991) reported that ‘cultural congruence’ among IJV partners has no effect on the Japanese partner’s perception of success or failure. Similarly Park and Ungson (1997) found that a larger CD was associated with lower rate of IJV failure. However, Shenker (2001) suggests that these mixed results of CD effect may be the result of weakness of conceptual and methodological properties of the CD construct which are neither supported by logic nor by empirical results.

Above accounts of concept of CD reflect the relative importance of it in explaining ‘level of comfort’. However this has not been able to explain the concept of ‘level of comfort’ completely.

2.2: Criticism of existing cultural models

One of the weaknesses of cross-cultural analysis has been the inability to transcend the tendency to equalize culture with the concept of the nation state. A nation state is a political unit consisting of an autonomous state inhabited predominantly by people sharing common culture, history, and language or languages. In real life, cultures do not have strict physical boundaries and borders like nation states. Its expression and even inherent beliefs
can be a product of many permutations and combinations as we move across geographical distances.

There is another criticism in the field that such approaches are out of phase with global business realities of today, with transnational companies facing the challenges of the management of global knowledge networks and multicultural project teams, interacting and collaborating across boundaries using new communication technologies. Nigel Holden (2001) suggest an alternative approach, which acknowledges the growing complexity of inter- and intra-organizational connections and identities, and proposes theoretical concepts to think about organizations and multiple cultures in global business context.

In spite of several shortcomings and criticisms faced by the Hofstede’s model and similar other models, some of these models specially that of Hofstede’s are very much favored by trainers and researchers. Therefore most of these studies support the idea of making a deeper study of the nature of interaction among local cultures and foreign cultures at multinational workplaces especially in the context of cultural comfort.

2.3: Impact of societal cultures on organizations

Who are we here? Well, how about there? What about elsewhere? Today’s global organizations are facing these questions as they try to determine their organizational identity (Albert & Whetten, 1985) across many different locations in which they operate. Understanding diverse cultural perspectives has become critical (House, Javidan, & Dorfman,

7 There are two reasons for this. Firstly, these models offer wonderful and easy to use tools to quantify cultural differences so that they can be discussed. Discussing and debating differences is after all the main method of training and learning in cross cultural management. Secondly, particularly Hofstede's research at IBM was conducted in the workplace, so Hofstede tools brings cross-cultural analysis closer to the business side of the workplace, away from anthropology. Moreover Hofstede’s model and some other similar models have gone through the tests of times
not only for recruitment and retention, but also for maximizing employees’ contributions to and identification with the organization they work for. Researches to explore the phenomenon of how societal culture influences organizational identity in a global organization, has been done in the past (Ekmekci, Ozgur, 2009). These researches predominantly concluded that besides the dynamics of an integrated and global economy, there are other factors that add to the complexities of hiring and retaining diverse workforce across the globe. For example, a significant factor is ‘widespread immigration’, which has increased dramatically in the past, especially during past century. Brodbeck, Chhokar, & House (2007) predicted that instead of converging into an ‘amalgam of global cultural standards,’ societal cultural differences may become more distinct as people strive ‘to preserve their local cultural heritage and social identity’. It appears that the global locations of organizations, coupled with the growing cultural diversity of the workforce, have created significant challenges for organizations. A better understanding is needed of how employees from multi societal cultures with different values and cultural practices perceive the identity of the organization, they work for, as well as how understanding those perceptions can foster more effective identification with the organization. Therefore current literature is worth looking at to understand further this perspective.

For example, focus of one of these researches had been on “how the local societal cultures, in which regional offices of multinational enterprises are located – as defined by the relative strengths and priorities of the nine cultural dimensions for the GLOBE (Global Leadership and Organizational Behavior Effectiveness) study (House, Javidan, Dorfman, & de Luque, 2006) – may influence the way the employees of a global organization perceive their organizational identity?”
2.3.1: Societal cultures, commemoration and identity

The influence of societal cultures on the process and outcomes of commemoration and their link to identity has been studied extensively in sociology too (Hodgkin & Radstone, 2003; Schwartz & Kim, 2002). Factors that influence commemoration include shared values, emotions, language (Pennebaker & Banasik, 1997), and generations (Schuman, Belli, & Bischoping, 1997; Schuman & Scott, 1989). Commemoration is consistently connected with identity at both the individual and collective levels in that the ‘construction of a person’s identity as a member of a group not only implies coherence with the past but also with the other individuals sharing that past’ (Frijda, 1997). As Frijda (1997) noted, the shared identity may extend to a small group such as a family or larger groups such as societies or nations. Researchers who focus on national cultures suggest that cultural memories affirm a nation’s identity (Carr, 2003). Hodgkin and Radstone (2003) proposed that ‘nationalist memory describes geography of belonging; an identity forged in a specified landscape inseparable from it’.

Schwartz and Kim (2002) found that recollection of critical events is patterned in accordance with the specific cultural themes that comprise a national identity scheme. Other researchers took a broader perspective and suggested that the commemoration process is linked primarily to shared values and interaction that may extend beyond national boundaries in that the ‘past constitutes a resource for creating community among those with shared values and common interests who are embedded in networks of interaction’ (Fine, 2007).

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9 In their study, for example, the U.S. identity scheme emphasized independence, quality, individualism, populism, feelings of triumph, and dominance as compared to the Korean identity schema, which emphasized interdependence, hierarchy, and honor.
2.3.2: Cultural identity, cultural diversity and group dynamics in multinational firms

*Cultural Identity* may have a major impact on group dynamics in international project teams for their success. Understanding certain elements of a culture which represent a true measure of cultural identity and its impact on group dynamics may be a difficult task. However there are several aspects of cultural identity which may be analyzed with common knowledge.\(^\text{10}\)

An understanding of cultural identity coupled with management styles and leadership styles which work in diverse cultures can improve a large proportion of cross cultural awareness which is urgently required in international project teams. In its normal course such understanding may take a long time to trickle into the real life work places.\(^\text{11}\) Therefore an understanding of cultural identity and its impact on group dynamics is important.

However more important is the debate whether national cultures may have an impact on individual behavior in group dynamics or is it that individual personalities, likes and dislikes irrespective of their national origin, defines the so called cultural diversity in cross cultural teams working on international projects. Classic authors on cross-cultural aspects of leadership, such as Hall (1966), Hofstede (1980) and Trompenaars (1997) have

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\(^{10}\) A quote from 'The Art of Travel' by Bottom, A.D. (2004) illustrates well the complexity of cultural identity: “Ever since he was a boy Flaubert had the habit of denying he was a Frenchman. He deeply detested his home country and fellow countrymen, and had a lifelong yearning for Egypt. He proposed a new way of determining a person’s nationality: not based on the place you are born or the family you come from, but on one’s longing for particular places. It was only logical for Flaubert to stretch this theory of development of identity to ‘gender’ and ‘Species’, so that at one time he declared that in essence he was a camel, a bear and a woman. ‘I feel like buying a painting of a bear, having it framed, hanging it in my bedroom and calling it ‘Portrait of Gustave Flaubert’ in order to represent my moral condition and behavior patterns’.”

\(^{11}\) As CEO of Unilever, Antony Burgmans, states in an interview with the Dutch newspaper NRC Handelsblad: “it took us most of the last century to create the cross-cultural awareness that we now have in the management structure.”
emphasized the importance of understanding cross-cultural differences within international teams. There are others who emphasize that many of the differences that team members bring to a team are rooted in their personality structure or professional identity and not in their cultural background. Others like Miller (1993), Katzenbach (1994) emphasize that a team is a group of individuals working on a common purpose. And that research has shown us that the secret to a strong team is a clear common purpose and the identification by each member with that group task. On the other hand as Schneider and Barsoux (2002) say “there is strong impact of national culture on effective management and of utilizing differences to create competitive advantage for multinational firms”.

Cultural identities themselves may be the combination of core identity and certain partial identities. These partial identities may include professional identity, gender, sexual orientation, social class and educational background. Cultural core identities may be a web of complex combination of individual personalities which may differ based on their origin and family background as also several environmental factors of the societies they live in or belong to. These aspects may also include certain types of stereotypes, biases, religious beliefs, ease of understanding others, views about the world around them, historical factors and several other stimuli. This perspective takes us to an interesting set of comfort variables for enquiry into the composition and structure of CFC.

2.3.3: Impact on organizations

The theory and research on the intersection of societal cultures, national cultures and organizational cultures have been drawn primarily from Hofstede’s (1980, 1992) work.

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12 Laurent, A. (1997) provides an example of professional identity overriding the impact of national culture by his research into French and German multinational corporations. He looked at finance professionals from France and Germany, working for the same corporation, and found them to be more similar in their ways than a sample of French finance and French marketing professionals.
that asserts that cultural differences between nations can be described and measured in a set of dimensions that reflect answers to ‘universal problems of human societies’ (Hofstede, 2006, p. 883). More recently, others have suggested a homogenization (Howes, 1996) or convergence view (Dorfman, Hanges, & Brodbeck, 2004) of globalization, where national cultural differences are ‘being replaced by global corporate cultures and universal organizational identification’ (Jack & Lorbiecki, 2007). And yet a third perspective would agree that countries and societies play a major role in the construction of social reality in global organizations, yet within a national culture (Ailon-Souday & Kunda, 2003) multiple social identities exist, and the researches have investigated differentiation and plurality among employees as well as the consumers in a specific country or society (Jack & Lorbiecki, 2007). McSweeney (2002) and others have challenged the homogeneity assumption in Hofstede’s work, suggesting that it does not take into account the agency of individuals in defining and shaping this identity (Ailon-Souday & Kunda, 2003), and related research has focused on the complexity of these relationships. Jack and Lorbiecki’s (2007) study has surfaced the role of national identity in organizational identification and at the same time has also contradicted the received wisdom in the cross-cultural management literature which attributes a certain fixity and homogeneity to the concept of national identity and introduces further complexity to this relationship by asserting that organizational identity should be thought of as differentially constructed according to the complex interdependencies of the level of identity in question, the nature of dominant discourses with an organization and the social and cultural position of the individual (Jack & Lorbiecki, 2007).
2.4: Researches closely related to level of comfort

In the following paragraphs certain studies involving cross cultural comparison are discussed which are more closely relate to the study of intercultural comfort.

2.4.1: Global view of generation Y

A worldview refers to the possessing of an attitude that positively embraces sensitivity to and acceptance of cultural differences. Lassk (2004) compared the worldview of a sample of members from ‘Generation Y’ (born between 1975 and 1995) from five nations and analyzed them in relation to what would be expected as a result of their ‘world view’ by applying Hofstede’s typology of cultural orientations. While ‘Generation Y’ often is used to describe a U.S. demographic phenomenon, many of the basic characteristics of this group go beyond national borders. In particular, this group has been heavily influenced by the availability of information and learning from a wide variety of modern and traditional media. This group has also grown up with things like ‘computers’, ‘fast food culture’, ‘pop music’, ‘Tianamen square’ and the ‘Internet’ among others. They are more independent, cynical and demanding than previous generations. The worldview concept implies an inclusive approach to cultural appreciation; one that neutralizes the tendency to embrace and uphold one’s native culture at the expense of others. Four factors were studied to understand this world view –

1. Willingness to live abroad

2. Foreign Language,

3. Travel/Meeting with Foreigners and

Findings indicated that ‘USA sample’ is more willing than other countries to live abroad. ‘Mexico sample’ was the least willing to live abroad. Other hypothesis suggested that China should also be more willing to live abroad; however, this was not supported. A hypothesis also proposed that ‘USA and China samples’ (among weak uncertainty cultures) were more likely to be interested in meeting others persons from foreign countries. However empirical results showed that opposite is true for ‘Chinese sample’. It was also proposed that national cultures that are weak in uncertainty avoidance are more comfortable with foreigners and more interested in learning a foreign language then samples that are strong on uncertainty avoidance. No support is found for either of these hypotheses. Two of the three Collectivist country samples (China and Mexico samples), but not the Egypt sample, believed more strongly than the Individualistic countries — USA and Belgium samples — that most cultures have things in common.

In short, this empirical test of Hofstede's typology, results suggest that three dimensions - ‘uncertainty avoidance’, ‘individualism’, and ‘power distance’; and the managerial implications associated with each of these dimensions, do not hold very well for Generation Y’s Worldview. In other words, Hofstede's typology is not a strong predictor of Generation Y’s Worldview in this study. Therefore, existing knowledge of the world cultures and its cultural dimensions may not explain the pattern of the world view of the future managers or do not explain the important cultural aspect which deals with the comfort level of different cultures with foreigners.
2.4.2: Cross cultural ‘interaction comfort’

Another notable research related to cross cultural comfort is ‘cross-cultural interaction comfort and service evaluation’ (Paswan, AK et al, 2005). This study empirically investigates the notion of being comfortable with social interaction in a foreign country (interaction comfort) and its impact on how service quality is evaluated. The results indicate that the ‘home country social class’ of the respondents is positively associated with ‘interaction comfort’. In addition, similarities or differences between one’s home and one’s host country environment during travel also influences this cross cultural interaction comfort. The results also indicate that visitors high on interaction comfort are more satisfied with the service offered in the host country and are willing to advocate it to others back home. The study has some interesting research implications and gives useful directions to current study.

2.5: Defining cultural variables and their impact on cross cultural comfort

Past studies as discussed suggest a possible conceptual model describing the phenomenon which results into certain observed and latent behavior at multicultural workplaces and which can potentially create conflict, discrimination, prejudices and even non cooperation among team members of cross cultural teams.

Therefore as past studies suggested, level of comfort with foreign cultures can possibly be explained in terms of observed variables like cultural stereotypes, biases and discrimination (Fiske et al., 2008), patriotic feelings (world value survey), values, ethics and beliefs (Marquardt et al., 1999) (Kohls, 1981) (Norris et al., 2004), preferred leadership styles in different cultures (House et al, 2004) and demographic factors. These variables have
interaction with other inherent variables (uncontrollable variables) coming from outside influences (natural or man-made) and from the origins of the specific cultures.

In simple terms, this comfort dynamics seems to be the result of a complex mix of several cultural elements like - cultural stereotypes, biases, extent of regional feelings, values and ethics, religious factors, personal comfort with alien regional, national and international cultures and a host of other cultural elements. These elements may differ substantially among distant cultures. Some of these variables are discussed in following paragraphs.

2.5.1: Stereotypes, prejudice and discrimination

Stereotypes, prejudice and discrimination are understood to be related to each other but are different concepts (Fiske, Susan T., 1998). Stereotypes are regarded as the most cognitive component, prejudice as the affective and discrimination as the behavioral component of prejudicial reactions (Denmark, Florence L. 2010). In this triangular view of intergroup behavior, stereotypes reflect expectations and beliefs about the characteristics of members of groups perceived as ‘culturally different’ from one's own, prejudice represents the emotional response to certain cues and triggers initiated by ‘culturally different’ persons in the cross cultural teams, and discrimination refers to the actions by the local members of the group (Denmark, Florence L., 2010).

Although related to each other, this tri polar view can co-exist independent of each other (Tajfel, Henri, 1981). According to Katz, D. and Braly K. (1935), stereotyping leads to racial prejudice when people emotionally react to the name of a group, ascribe characteristics to members of that group, and then evaluate those characteristics. Possible prejudicial effects of stereotypes are (Cox, William T. L. et al, 2012) – 1) Justification of ill-
founded prejudices or ignorance or views; 2) Not giving a chance to rethink one's attitudes and behavior towards group, which is victim of such stereotypes; 3) Preventing some people of stereotyped groups from acting or succeeding in activities or different fields (Tilcsik, András, 2011)

2.5.1.1: Self-stereotyping

Stereotypes can impact self-evaluations and lead to something called - self-stereotyping. (Sinclair, Stacey et al, 2006) (Cox, William T. L. et al, 2012). For instance, Correll (2001, 2004) found that common stereotypes (e.g., the stereotype that women have weaker mathematical ability) affect women's and men's correct evaluations of their abilities (e.g., in math and science), such that men think of their own ability to do a task higher than that of women, performing at the same level. Similarly, a study by Sinclair et al. (2006) has shown that when their stereotype that ‘Asian Americans excel in math’ was highlighted, Asian American women rated their math ability more favorably. In contrast, they rated their math ability less favorably when their gender and the corresponding stereotype of women's inferior math skills were highlighted. Sinclair et al. (2006) found, a relationship with the endorsement of the stereotypes by close people in someone's life. Therefore people's self-stereotyping can increase or decrease depending on whether close others endorse or oppose those stereotypes.

2.5.2: Ethnocentrism and prejudice regarding use of culturally different products and services

Although still the world is not yet a ‘global village’ that Ted Levitt (1985) predicted, an increasing number of consumer markets in different parts of the world are characterized by global competition. A growing number of companies in many industries now operate on a
global level. However most of the regionally focused companies selling regional culture specific products are not operating globally due to lack of consumers of culturally different products in many parts of the world\textsuperscript{13}.

The trend towards globalization of markets of culturally different and foreign products can be fueled by changes in consumer knowledge and behavior. Satellite television and frequent travel overseas have made consumers more aware of other cultures' life-styles and products, and increased the possibility of international brands to become national.

While some consumers may prefer culturally different products and view them as symbols of uniqueness, others exhibit strong preferences for locally-made culturally adapted products and may have negative attitudes towards culturally different or foreign products and services. Such negative attitudes towards culturally different and foreign products can arise from a number of sources. Consumers may think products from certain countries are of inferior quality, hold feelings of prejudice toward a particular region (Klein et al 1998), or consider it wrong, almost immoral, to buy culturally different and foreign products (Shimp and Sharma 1987).

Previous research on consumer attitudes towards culturally different or foreign goods and services has typically focused on the impact of a single factor such as consumer ethnocentric attitudes. However other research (Klein et al 1998) suggests that the influences describing tendency to buy culturally different and foreign product may be considerably more complex, resulting from the interaction of various different factors. These factors may include prejudice, ethnocentrism, superstitions, lack of awareness etc. In all,

\textsuperscript{13} This is also true on national level. For example companies operating in Indian southern states focusing on traditional south India clothing may not be operating from north or with the same set of products. It shows that consumer behavior for culturally different products may be still averse. This behavior may be the result of several factors.
tendency to buy culturally different or foreign products should indicate level of comfort of local cultures with culturally different and foreign cultures.

2.5.3: Willingness to explore distant or foreign cultures

Why do people want to explore the unknown? Why people get curious to know the unknown? Are curiosity and exploration motivations or drives? Can curiosity and exploration be operationally defined independent of one another? Do different cultures have different propensity to explore the unknown or distant cultures? Researched in these areas are still not conclusive.

Motivation is defined as the arousal, direction and persistence of behavior (Franken, 1994); an internal condition that activates behavior and gives it direction to carry out an activity. Drive is defined as a basic or instinctive need to accomplish a task. On the other hand curiosity is defined as a need, thirst or desire for knowledge. However the concept of curiosity is prime to motivation. Berlyne (1960) believes that curiosity is a motivational prerequisite for exploratory tendencies in humans. Exploration refers to all activities concerned with gathering information about the environment or unknown. Langevin (1971) has conducted research in the area of curiosity and classifies measures of curiosity into two categories. First, curiosity is viewed as a motivational state and measured with behavioral indices. Second, he conceptualizes curiosity as a personality trait that is assessed by personality measures. For Fowler (1965), boredom is one prerequisite or motivation for curiosity (exploration).

There is evidence for cross-cultural similarities in exploratory behavior (Dragun, 1981). However, cultures generally vary both in attitudes towards exploration and information seeking. This is especially true for the sensation-seeking motive. Zuckerman
(1994) defines sensation seeking as ‘the seeking of varied, novel, complex and intense sensations and experiences, and the willingness to take physical, social, legal, and financial risks for the sake of such experiences.’ Berlyne (1960) also conducted research on cross cultural comparisons in the area of curiosity (exploration). His findings conclude that there is a high similarity of demand characteristics of stimuli in two cultures of widely differing historical antecedents and technological development. Also, different cultures from various geographical regions show evidence for cross-cultural similarities in exploratory behavior. However these researches are all inconclusive. It has been reported that more research is needed to study curiosity behavior in its own cultural context to gain a better understanding of the functional relationships between various environmental and social facilitators and inhibitors of curiosity in a given society.

2.5.4: Views about cultural homogenization and globalization

Cultural homogenization is an aspect of cultural globalization (Ervin, J. and Smith ZA, 2008) listed as one of its main characteristics (Jennings, J., 2010), and may even refer to the reduction in cultural diversity (Barker, C. 2008) through the popularization and diffusion of a wide array of cultural cues both physical objects and non physical ones as customs, ideas and values (Jennings, J., 2010). O'Connor (2006) defines it as ‘the process by which local cultures are transformed or absorbed by a dominant outside culture.’ Cultural homogenization has been called ‘perhaps the most widely discussed hallmark of global culture’ (Jennings, J., 2010). Cultural homogenization in theory could lead to the development of a single global culture and elimination of all other, local cultures (Jennings, J., 2010).

Cultural homogenization or globalization can impact national or regional identities and culture, which would be ‘eroded by the impact of global or national cultural industries
and multinational or national media (Kirby, M., 2000). However, while some scholars are critical of this process, others note that the process of cultural homogenization is not one-way, and in fact involves a number of cultures exchanging various elements (Jennings, J., 2010) (Barker, C. 2008). Critics of cultural homogenization theory point out that as different cultures mix, homogenization is less about the spread of a single culture as about the mixture of different cultures, as people become aware of other cultures and adopt their elements (Jennings, J., 2010) (Barker, C. 2008) (Willis, K., 2013) (Kramarae, C and Spender, D., 2000). Examples of non-Western culture affecting the West include world music and the popularization of non-Western television (Latin American telenovelas, Japanese anime, Indian Bollywood), religion (Islam, Buddhism), food, and clothing in the West (Barker, C. 2008) (Kramarae, C and Spender, D. 2000) (Hiramoto, M., 2012).

Different cultures may have different views about cultural homogenization. There are certain cultures which see advantages in cultural homogenization viewing the process as intermixing of more than one culture and no domination of single culture. There are others which are more critical of the process. Such views may indicate the level of comfort of one culture with culturally different.

The above researches form the basis of current research into the enquiry of understanding of intercultural comfort dynamics of ‘multi cultural international project teams’.

2.5.5: Values and beliefs

Although there do not seem to be a direct impact of values differences on level of comfort, there is definitely an impact of value differences on the team results (Marquardt, Kearsley, 1999); (Kohls, 1981). (See table 2.1)
**Table 2.1:** Differences of values between western cultures and non-western cultures

<table>
<thead>
<tr>
<th>Western Cultural Values</th>
<th>Non-Western Cultural Values</th>
<th>Impact Teams Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guilt (self-control)</td>
<td>Shame (ext. control)</td>
<td>None</td>
</tr>
<tr>
<td>Achievement</td>
<td>Modesty</td>
<td>None</td>
</tr>
<tr>
<td>Equality or Egalitarianism</td>
<td>Hierarchy (several cases)</td>
<td>–ive</td>
</tr>
<tr>
<td>Winning</td>
<td>Collaboration/Harmony</td>
<td>+ive</td>
</tr>
<tr>
<td>Time is money</td>
<td>Time equivalent to life</td>
<td>–ive</td>
</tr>
<tr>
<td>Self Pride</td>
<td>Saving of face</td>
<td>None</td>
</tr>
<tr>
<td>Respect for competence</td>
<td>Respect for elders</td>
<td>–ive</td>
</tr>
<tr>
<td>Tasks</td>
<td>Relationship/Loyalty</td>
<td>–ive</td>
</tr>
<tr>
<td>Action/Doing</td>
<td>Being/Acceptance</td>
<td>–ive</td>
</tr>
<tr>
<td>Control</td>
<td>Fate</td>
<td>–ive</td>
</tr>
<tr>
<td>Informal Behavior</td>
<td>Formal Behavior</td>
<td>–ive</td>
</tr>
<tr>
<td>Directness/Assertiveness</td>
<td>Indirectness</td>
<td>–ive</td>
</tr>
<tr>
<td>Future</td>
<td>Past</td>
<td>–ive</td>
</tr>
<tr>
<td>Ready for change</td>
<td>Stick to traditions</td>
<td>–ive</td>
</tr>
<tr>
<td>Respect for results</td>
<td>Respect for status/Ascription</td>
<td>+ive</td>
</tr>
<tr>
<td>Individualism</td>
<td>Collectivism/Group</td>
<td>+ive</td>
</tr>
<tr>
<td>Specific/Linear</td>
<td>Holistic</td>
<td>+ive</td>
</tr>
<tr>
<td>Verbal Communication</td>
<td>Non-verbal communication</td>
<td>+ive</td>
</tr>
</tbody>
</table>

*Source: Marquardt and Kearsley (1999); Kohls (1981)*

Table 2.1 above lists ‘values differences’ between western and non-western cultures and how these differences may have an impact on international projects and working of the ‘cross cultural teams’. In this table, (+ive) indicates positive impact of combining both values
on outcomes, while (-ive) indicate negative impact of combining both values on outcomes (culture clash). On the same note (None) indicate no direct impact on outcomes.

### 2.6: Impact of cultural factors on level of comfort

Taking cue from above discussions, author of this study proposed a similar theoretical scheme to understand the basis which explains the observed controllable and uncontrollable factors which lead to level of comfort of local cultures with foreign cultures (See figure 2.3).

![Figure 2.3: Observed variables for level of comfort with foreign cultures. (Source: Based on Hofstede, 2001, p12)](image)

As per the proposition, intercultural comfort at cross cultural workplaces is the result of, 1) outside influences; 2) origin and 3) societal environmental factors like - cultural stereotypes, biases and discrimination (Fiske et al., 2008), patriotic feelings (world value survey), values, ethics and beliefs (Marquardt et al., 1999) (Kohls, 1981) (Norris et al., 2004), preferred leadership styles in different cultures (House et al, 2004) and demographic factors.
These elements may differ substantially among distant cultures. As per this proposition, although we have an idea of possible latent variables which comprise of the consequent level of comfort, we still need to test the model to identify exact latent variables (or CFC variables) which explains the concept of CFC. Among the main objectives of this study is to find these latent variables which form the actual composition of level of comfort. These variables can provide useful information into the nature of latent behavior of local cultures vis a vis foreign cultures to provide framework for the comfort dynamics at multicultural workplaces.

2.7: Level of comfort with culturally different in the national context

In the national context, taking example of cultural diversity of a large country like India, workplace diversity in large national and international companies can be very stark especially in large Indian cities like Mumbai, Delhi, Bangalore and others. India, for example, is religiously most diverse nation in the world. According to a 2002 census of India, the religion of 80% of the people is Hinduism. Islam is practiced by around 13% of all Indians. The country had over 23 million Christians, over 19 million Sikhs, about 8 million Buddhists and about 4 million Jains. Apart from the persons of foreign origins working with the local people, people from far flung Indian provinces, with diverse cultural backgrounds are part of the workforce. Culturally they may be quite different from the local or regional cultures they work. For example consider a KPO workplace in Bangalore, where persons of overseas origin are working with natives, people from north of India, from West Bengal, Oddisa, Maharashtra, Kerala, Jammu and Kashmir etc. This may make managing such diverse workforce a daunting task for team managers. However it is also a fact that at least persons of Indian origin carry with them a common Indian culture which is result of an ancient common history, similarities of religion, food habits, consuming of common types of goods
and services, *Bollywood*, common style of politics, common problems, common education system etc. Nevertheless they represent different religions, different superstitions, different styles of lifestyles and different weather conditions they have lived in for large part of their life. It would be interesting to study how these differences and similarities operate in multi-cultural workplaces in large corporations in major Indian cities. For the purpose of this study, culturally different persons include all those culturally different persons belong to far flung cultures and even those with foreign origins. The same is true for similarly large countries like Italy, Portugal, US, China and others.

Taking India’s example further, India’s diversity has inspired many Indian and foreign writers to publish their perceptions of the country's culture. These writings paint a complicated and often conflicting picture of the culture of India. According to industry consultant Eugene M. Makar, for example, traditional Indian culture is defined by a relatively strict social hierarchy. He also mentions that from an early age, children are reminded of their roles and places in society (Makar, E.M., 2008). What many believe about gods and spirits, have an integral and functional role in determining their life. Several differences such as religion and rituals divide the culture. Strict social taboos have governed Hindu religion’s bifurcation of menial and non menial jobs in society, for thousands of years. However in recent years, particularly in large Indian cities, some of these lines of work divisions, have blurred and sometimes even disappeared. Makar writes important family relations extend as far as *gotra*, the mainly patrilinear lineage or clan assigned to a Hindu at birth. In rural areas & sometimes in urban areas as well, it is common that three or four generations of the family live under the same roof. The patriarch often resolves family issues. These manifestations of culture spills over to the workplaces in Indian Businesses to some extent and plays in important role in shaping the HR practices at work places even in big organizations operating from larger cities.
There are other perceptions of Indian culture as well. According to an interview with C.K. Prahalad by Des Dearlove (2009), author of many best selling business books, modern India is a country of diverse cultures with different languages, religions and traditions. Children begin their educational life, by coping and learning to accept and assimilate in this diversity of cultures. Prahalad - who was born in India and grew up there - claimed, in the interview, that Indians, like everyone else in the world, want to be treated as unique, as individuals, want to express them and seek innovation (Dearlove, D., 2009).

In another report, Nancy Lockwood (2009) writes that in the past two decades or so, there has been a dramatic change social structure in India in direct contrast to the expectations from traditional Indian culture. These changes have resulted into Indian families giving education opportunities to girls, accepting women working outside home, pursuing a career, and opening the possibility for women to attain managerial roles in corporate India. Lockwood claims that while change is slow, the scale of cultural change can be sensed from the fact that of India’s 397 million workers, 124 million are now women. The issues in India with women empowerment are similar to that elsewhere in the world. (Lockwood, N., 2009).

According to Sen, A (2005), the culture of modern India is a complex blend of its historical traditions, influences from the effects of colonialism over centuries and current Western culture - both collaterally and dialectically. (Sen, A., 2005)

2.8: Conclusions of literature review

In the last few decades global project management and more specifically cross cultural management has developed considerably with a much greater understanding of the key variables that lead to project success and more integrated and aligned cross cultural
teams. At the same time, project performance through excellent handling of ‘people’s issues,’ has been widely researched by a number of researchers. Most of these studies suggest a need to fully and further understand the phenomenon of level of comfort of the local cultures with foreign cultures especially in multicultural workplaces of multinational firms. In other words, level of comfort with foreign cultures (CFC) can be fully understood through a deeper study (of the type of the current study) taking cues from the contemporary societal and organizational culture theories. Further studies also suggest that a new level of cultural sensitivities, abilities and competencies can be developed through correct understanding of cross cultural comfort dynamics in multicultural teams. This should go a long way in deriving maximum benefits of having multicultural work teams in multinational enterprises. As far as the explanation of level of comfort with foreign cultures is concerned, above theories forms a strong basis to build concept and construct to define observed variables of cross cultural comfort. These variables can be tested for their goodness of fit to the explanation of dependant exogenous variable i.e. factors of level of comfort with foreign cultures (CFC). The same process has been used in building comfort with foreign cultures (CFC) models in the later sections of this study. These studies also provide specific latent variables which give concepts to certain important directly observable variables which can form a basis for survey instrument required for any quantitative investigation for the above understanding. Some of these variables relate to societal stereotypes, patriotism, religion effect, personal ease of working with foreigners, societal attitudes towards foreigners etc. At the same time, the current chapter throws important light on the approach to such investigation especially in the context of Hofstede’s approach to such investigation and understanding of how society behaves in the presence of internal and external factors effecting society’s attitude. The same societal behavior model has been used in this study to come out with the survey instrument, overall categorization of effective variables, control
variables and latent variables, with the use of qualitative and quantitative approach to empirical investigation.

Apart from a discussion on several cross cultural variables identified through literature review, a healthy discussion on differences in value systems of different region of the world also provide an insight on the structure and process of ‘level of comfort’ which is the focus these of this study. Hofstede’s account of reaction of the local culture to foreign cultures, also provide a good starting point for this study, which has been widely used by the research volunteers specially during the brain storming sessions on the practical structure of survey instrument. During the preliminary study stage also many of the existing literature as discussed in this chapter came very handy in forming a perception on national cultures and societal behavior.