Chapter 1
The Theory of Cultural Dimensions

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ABSTRACT
The theory of cultural dimensions constitutes the foundation of a significant portion of comparative cross-cultural business research. From Kluckhohn and Strodtbeck (1961) to the GLOBE study (2004), researchers have refined its conceptualization and empirical methods. Even though the theory of cultural dimensions can be criticized from several points of view, it has shown its usefulness for both research and as a teaching tool. Opportunities exist both in a more rigorous application and in the further development of cultural dimensions.

INTRODUCTION
In the increasingly globalized business world, being exposed to cultures different from one’s own is a common experience. Sometimes, foreign people who behave in strange ways are perceived as charming or at least as interesting, but often, cultural differences lead to frictions. Consequently, it has become widely accepted that management practices should be adapted to national cultures (e.g., Newman & Nollen, 1996). Any businessperson who deals with foreigners individually or in an organizational context, therefore, has an interest in knowing about other cultures in order to anticipate possible miscommunications and different appreciations. Those who work in a strictly bicultural environment (such as a sales engineer permanently stationed in a specific foreign country) can frame all relevant knowledge about culturally acceptable and functional norms and behaviors in terms of a direct comparison between two cultures. However, in the context of changing business partners and multicultural work groups, such information becomes overwhelming. This requires guide posts as to where and how cultures might differ significantly. This systematic approach to intercultural differences is the topic of the present chapter.

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Culture is a concept that includes many different elements; due to its inherently fuzzy boundaries, there is no consensus on a shared definition. As an example, Spradley defines culture as “the acquired knowledge that people use to interpret experience and to generate social behavior. Culture is shared by members of a group, organization or society. Through culture, we form values and attitudes that shape our individual and group behavior. Culture is learned through both education and experience” (1980, p.6). Within this very broad description, the theory of cultural dimension focuses on values and attitudes and offers a tool for thinking about cultures and conceptualizing the similarities and differences between them, as a way of overcoming the dependence on common stereotypes and personal anecdotes.

Theories of culture (notably Schein, 1992) hold that observable behaviors and artifacts are the exterior manifestations of underlying values. In turn, these rely on mostly tacit assumptions and beliefs. These levels of culture are usually hidden from the observer, such as the inner layers of an onion (Hofstede, 1980) or the submerged parts of an iceberg (Berthoin, Antal, & Friedman, 2005). However, values are key elements for comparing cultures, as “the values and beliefs by members of cultures influence the degree to which the behaviors of individuals, groups, and institutions within cultures are enacted, and the degree to which they are viewed as legitimate, acceptable, and effective” (House & Javidan, 2004, p. 17). Values are conceptual in nature and in the absence of a priori definitions at the intercultural level, comparative researchers need to work with constructs, which need to be checked for their usefulness and refined, when found lacking.

In the field of management and organizations, the term culture has been applied to both organizations and nations, where distinct dimensions should be applied for measuring the two types of cultures (Hofstede, Neuijen, Ohayv, & Sanders, 1990). Denison and Mishra (1995), for example, have presented a model relating organizational effectiveness to the four dimensions of involvement, consistency, adaptability, and mission. However, researchers concentrating on national cultures have made efforts to show how national tendencies relate to organizational archetypes. For example, Stevens (quoted from Hofstede & Hofstede, 2005) relates preferred models of organizational cultures (market, family, machine, and pyramid) to specific combinations of the national-culture dimensions of power distance and uncertainty avoidance.

This chapter, however, concentrates on the studies of national cultures, to which there are two basic approaches: One consists of looking at each culture as a unique phenomenon, which can only be understood from the inside (the emic perspective). Each culture should be understood in its own terms, such as guanxi in the Chinese context or machismo in Latin America. A variation of the emic approach is the characterization through metaphors (cf. Gannon, 2001, 2009; Nielsen & Mariotto, 2005) or myths (cf. Kessler & Wong-Mingli, 2009) that allow for a singular conceptualization of each culture.

The other approach (the etic perspective) employs universal categories or dimensions along which different cultures can be classified or measured. Both the emic and the etic approach have their merits and their limitations. This chapter presents an overview of the theory of cultural dimensions with a mostly quantitative etic approach to compare national cultures that has become a mainstay of the international business literature. The chapter commences with a description of the evolution of the theory of cultural dimensions by comparing the methods and dimensions used in its major contributions. The following section presents a critique of the cultural-dimensions approach, from where future research directions are inferred. The chapter concludes with a discussion of the usefulness of the theory of cultural dimensions.