

Culture in Business

Introduction to cross-cultural leadership and communication

References and comments, 3rd edition 2015

This document supplements my book “Culture in Business – Introduction to cross-cultural leadership and communication (3rd edition, 2016). The present document is structured in the same way as the book, according to chapters and sections. However, you’ll find that some section headings have been left out. That’s simply because I don’t, at present, have any supplementary comments or references for those sections.

I have chosen not to provide Internet links in this document, since links easily become inaccurate or obsolete. When referring to web resources, I’ll provide information of sufficient detail so that the reader can easily do a search and locate the material. Please note that references that appear in-line in the book are, in most cases, not included in the bibliography at the end of this document.

This is an evolving document and therefore proofreading isn’t high priority. In case you discover any grave and embarrassing errors, or have any questions regarding my book “Culture in Business” or this document, feel free to contact the author at rolf.lunheim@gmail.com. Contributions are most welcome, and with your kind permission, I’ll be happy to include any comments and criticism in future versions of this document.

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Business and culture

GLOBALISATION AND CULTURE

This introductory chapter starts out with a brief discussion of *globalisation*. There is a prolific academic and popular literature on globalisation, and lots of it amounts to little more than “global babble”. If you are in the mood for a scholarly text, I recommend Jan Aart Scholte’s critical introduction. It’s a bit dry, but provides a solid, multidisciplinary overview of a complex topic (Scholte, 2005). For an extensive but down-to-earth discussion of key economic and technological processes of globalisation, the British economic geographer Peter Dicken’s now classic “Global Shift” is highly recommended (Dicken, 2011). Readers with a business focus will probably appreciate the in-depth discussion of the role of transnational corporations provided in this excellent book. Anthony Giddens’ definition of globalisation is from book on the “Consequences of modernity”(Giddens, 1990). In this readable book by one of our most celebrated contemporary sociologists, Giddens maintains that contemporary society, whether it’s labelled as “postmodernity”, “information society”, “the age of globalisation” or something else, is basically an accelerated version of *modernity*, a mode of social life which emerged in Europe from about the 17th century onwards: “Plus ça change, plus c’est la même chose”. Furthermore, if you appreciate books that are about 100 pages only (like “Culture in Business”), I recommend Giddens’ “Runaway World” – How Globalisation is reshaping our Lives” (Giddens, 2000).

I have used Naomi Klein’s bestseller “No Logo” to exemplify “anti-globalisation” literature (Klein, 2000). Although it’s not my favourite book within this genre, it still ranks as a “manifesto” for the anti-globalisation community and therefore deserves to be mentioned. In my opinion Klein’s more recent book, “The Shock Doctrine”, which explores the link between neo-classic market liberalism and social shock and disaster, is a far more interesting read (Klein, 2007). Another recommendation is “When Corporations Rule the World” by David C. Korten (Korten, 1995). David Korten has an educational background from psychology, business- and organisational science and has worked on development projects in Asia and been a visiting professor at Harvard Graduate School of Business. Although he is basically in supportive of free markets and business, he is critical of the dominant role of transnational corporations and an economic system that generates increasing inequality. Readers who want to dig into fierce criticism of corporations should definitely read Joel Bakan’s

book “The Corporation – the Pathological Pursuit of Profits and Power” (Bakan, 2004). Joel Bakan is a Canadian professor of law and he explores the historical roots and legal framework of the corporate form and the consequences of corporate power for people and societies. This book is a favourite of mine, but I’m biased, since I helped publishing a Norwegian edition a few years. Furthermore, the book has been made into a documentary what is freely available on the Internet. A number of thought leaders from business and civil society are interviewed in that film, Naomi Klein included.

Please be aware that the term “anti-globalisation activist” might be rather misleading. Most supporters of the anti-globalisation movement aren’t opposed to globalisation as such, but to the alleged detrimental social and environmental effects of unhampered globalisation based on neoliberal policies. Maybe “global justice movement” would be a more appropriate term.

MARKETING AND CULTURE

If you want to explore more cases of cultural gaffes in international business, I recommend “Blunders in International Business” by David A. Ricks (Ricks, 2006). Ricks is affiliated with the college of business administration at University of Missouri St. Louis and has collected a rich variety of blunder stories, neatly presented and indexed.

Most modern textbooks on marketing cover the cultural dimension to some extent. For example, Philip Kotler’s renowned introduction to marketing management discusses cultural aspects and provides examples of a few marketing blunders in the chapter on global marketing (Kotler & Keller, 2009). If you are looking for a marketing textbook with a cultural approach, I recommend “Marketing Across Cultures” by Jean-Claude Usunier. This book also provides a more general introduction to cross-cultural communication (Usunier & Lee, 2013).

The challenges facing Facebook in Japan have been reported in international media, including some major English-language papers in Japan (Tabuchi, 2011). This is a rapidly evolving issue, so I suggest interested readers google “Facebook in Japan” or something along those lines.

I have put the term “business anthropology” as a margin label when discussing cultural market research and product adaption. This term denotes a variety of applications of anthropology to business, including organisational anthropology, market research, anthropological approaches to business ethics etc. (Guang Tian, 2012; Jordan, 2003; Tian, 2013). You might also come across the term “industrial anthropology” or even “corporate anthropology” (Baba, 1986). Actually, I used the title “corporate anthropologist” at one stage of my career – I’m rather proud of that! And of course, cross-cultural market research is not the exclusive domain of anthropologists, but is conducted by sociologists, psychologist and people with a more general marketing background as well.

I was a bit in doubt whether to include that story about the miscalculated painkiller campaign. It pops up in nearly ever cross-cultural training session, but I’ve never been able to identify the actual campaign. In another version it’s about a detergent ad that ended up conveying the message that clothes would end up dirty after using the product. These are hilarious, instructive stories, and as the saying goes: Never check a good story!

The box on “the bottom of the pyramid” (BoP) anticipates topics to be discussed in subsequent sections in this chapter (Prahalad, 2005). The basic idea behind BoP-thinking is that government, business and civil society should stop thinking of poor people as victims, but rather see them as potential creative entrepreneurs and demanding customers. The BoP-approach encompasses mechanisms like microcredit, product branding for the BoP segment, community-business partnerships etc.

The BoP-approach is alluring in theory, but the results so far have been rather disappointing. If there really is a fortune at the bottom of the pyramid, how come that those “greedy” corporations out there aren’t falling over each other to exploit the opportunities? More and more people (including your humble author) has come to believe that BoP is at best a partial solution to the poverty challenge and needs to be supplemented with comprehensive political and institutional reforms (Karnani, 2006).

Until his premature death, C. K. Prahalad collaborated extensively with another business professor, Stuart L. Hart, who is considered one of the founding fathers of “bottom of the pyramid economics”, together with Prahalad (and a few others, maybe). After attending a lecture by Stuart Hart at Harvard a few years ago, I was inspired and read and enjoyed his book “Capitalism at the Crossroads” (Hart, 2005). Recently Stuart Hart has co-authored a book exploring the complexities and challenges of the BoP-approach. I haven’t read it yet, but it looks promising (London & Hart, 2011). This book is dedicated to C. K. Prahalad – as expected!

MERGERS, ACQUISITIONS AND BEYOND

The significance of culture in mergers and acquisitions, like most other topics discussed in this brief, introductory chapter, calls for a book on its own to be analysed in a proper way. Hence, my discussion has to be irresponsibly cursory.

I intended to update the examples of mega-mergers and provide a few newer cases, but instead I chose to elaborate a bit on the acquisition of Time Warner by AOL, since this mega-deal fell apart in 2010 and has since then become the foremost business school case of a M&A failure.

The estimates of the M&A failure rate varies quite a lot, since there are lots of methodological issues involved. How do we define “failure”? What timeframe should we look at? Some analysts estimate the failure rate to be 80% or more (Grubb & Lamb, 2000) while others maintain that the majority of M&As do quite well, if we define “success” rather conservatively (Bruner, 2002). In the 2nd edition of my book, I wrote that “2/3 of all mergers and acquisitions fail to create shareholder value in the medium term”, but since this is controversial, I’ve chosen to just point out that many M&As fail, without stating a figure. If you are seriously interested in research methodology regarding M&A failure, I recommend studying the comprehensive framework described in Thomas Straub’s book (Straub, 2007).

How important is culture as a determinant of M&A success or failure? This is a complex and controversial topic, for several reasons. Key stakeholders in M&As can have highly disparate views on the importance of culture for outcome, as is evident from an interesting discussion between people involved on a high level in the failed AOL – Time Warner acquisition, as reported in the New York Times (Arango, 2010). In my personal experience, the attribution of causes for a M&A success or failure depends to a large extent on one’s educational background, profession and general awareness and appreciation of “soft” issues in business. Furthermore, culture in itself does not directly bring down a M&A. It’s the consequences of a dysfunctional culture, or a culture clash, that causes the damage, which ultimately manifests itself in reduced performance and financial loss. Hence, culture is most often a distal cause, not the proximal cause which is more easily accessible (and understandable) as the reason for success or failure. There is some interesting academic research on the significance of culture in M&As, but the conclusion are not clear (Cardel Gertsen, Sørderberg, & Torp, 1998).

COMMUNITIES AND OTHER STAKEHOLDERS

Since I’ve spent a considerable part of my career working with communities and stakeholders, in an academic and business setting, this section is primarily based on personal experience. The photo from Orissa in Eastern India was taken on a mission to explore community issues regarding large-scale mining projects.

Stakeholder dialogue is, to a large extent, more an art than a science and heavily dependent on the personal qualities of the professionals involved. Social impact assessment (SIA), on the other hand, is a more technical issue, and often subject to specific requirements defined by governments, financial institutions (like the World Bank) etc. In recent years SIA has become important as a metric in social entrepreneurship and “impact investment” and readers who want to know more about the philosophy and methodology behind SIA are referred to relevant textbooks and reference manuals (Barrow, 2000; Becker & Vanclay, 2003; Goldman, 2000).

ETHICS AND SOCIAL RESPONSIBILITY

Corporate social responsibility (CSR) is a very wide-ranging and controversial topic. The purpose of this brief overview is to remind the reader that the cultural dimension is essential to several of the business challenges addressed as a part of the CSR agenda.

Since I’ve worked extensively on CSR in business and academia, I’m considering writing a book on CSR in a format similar to “Culture in business”. For now, I will leave the curious reader to search the Internet for books on CSR. In the wake of recent corporate scandals, there is increased focus on business ethics and CSR in higher education and a number of reasonable good introductory textbooks are available. If you are interested in an overview of the issues, organisations (and buzzwords) associated with CSR, I recommend “The A to Z of Corporate Social Responsibility – a complete reference guide to concepts, codes and organisations” (Visser, 2007).

In my opinion, CSR becomes meaningless (and partly dangerous) if you approach it without a critical mind-set. CSR is too a large extent about finding solutions to shortcomings of capitalism and the existing institutional framework for business. Critical thinking regarding capitalism and its institutions is therefore essential to an in-depth understanding of CSR issues. My favourite book in this regard is “The Market for Virtue” by David Vogel

(Vogel, 2005). David Vogel is a senior professor at Haas School of Business, Berkeley, and has the unique ability to see CSR in a “birds-eye” perspective, combining management science, political science and a historical outlook. Sometimes, after reading a book, I think like “wow – I wish I had written that book; what more is there to say?” “The Market for Virtue” is that kind of book.

If you have guts to digest more fiercely critical stuff on CSR and capitalism, I recommend Joel Bakan’s book “The Corporation” (Bakan, 2004). This book more or less concludes that corporate social responsibility is a contradiction in terms, since corporations are designed to be irresponsible, or even “institutional psychopaths”. That might be a disappointing conclusion, but interesting, for sure.

CULTURAL INTELLIGENCE IN A SEMIGLOBALISED WORLD

In this final section of the introductory chapter the concept of *cultural intelligence* is introduced. In recent years this concept has appeared in several book titles and has gained some ground as a catchphrase for cultural understanding and cross-cultural communication skills, particularly in a business context (Earley, Ang, & Tan, 2006; Peterson, 2004; Thomas & Inkson, 2004). The idea of multiple intelligences has its proponents in psychology. The Harvard psychologist Howard Gardner has suggested that humans possess as many as nine distinct varieties of adaptive abilities, including interpersonal intelligence (ability to relate to others), intrapersonal intelligence (ability to understand oneself) and even existential intelligence (ability to ponder the meaning of life and death etc.) (Gardner, 2011). Furthermore, the concept of “emotional intelligence”, originating in psychological research (Mayer, Salovey, & Caruso, 2004), has caught on in management literature, partly due to Daniel Goleman’s popular book on the subject (Goleman, 1996).

Although I’m rather ambivalent about introducing yet another intelligence, the concept of cultural intelligence might serve to direct attention towards the fact that cultural understanding and skills constitutes a cluster of mental abilities that needs to be exercised on par with other human abilities, e.g. logical-mathematical intelligence. We should however bear in mind that cultural intelligence overlaps with other abilities to a large extent, e.g. linguistic, interpersonal, intrapersonal and emotional intelligence. There have also been attempts to launch the idea of a “cultural intelligence quotient”, CQ. That sounds fancy (and I mention it briefly before concluding this section) but as long as we do not have any tests measuring CQ in a valid and reliable way, I think it’s better be cautious with promoting this acronym.

This section starts out with Marshall McLuhan’s idea of the “global village”, initially described in his book “The Gutenberg Galaxy: The Making of Typographic Man” (McLuhan, 1962). In popular usage, the term “global village” alludes to the observation that rapid transportation and information technology, particularly the Internet, has made the world smaller in a virtual sense and that the world therefore increasingly resembles one, large village. Unfortunately the concept of a global village has connotations of homogeneity, something that McLuhan never intended to convey. Actually, McLuhan maintained that the Global Village creates more discontinuity, division and diversity under the increase of the village conditions, not less.

Most readers will probably be familiar with some of the metaphors used to describe globalisation: “Flattening of the Earth” was popularised by Thomas L. Friedman in his bestseller “The World is Flat – A Brief History of the Twenty-First Century” (Friedman, 2005). Friedman has called himself a passionate “free-trader” and “flatist” (sic!), and flattening refers to the idea that the world is increasingly becoming a level playing field where goods and services flow freely over national borders. This idea is, however, hugely controversial and some critics have claimed that Friedman’s claims are oversimplified and that the world is still a very round and bumpy place to operate. Pankaj Ghemawat, who is mentioned in the box attached to this section, is one of Friedman’s critics (Ghemawat, 2007).

“The end of history” alludes to a 1998 essay and a 1992 book by the American political scientist Francis Fukuyama, both with those words in the title (Fukuyama, 1992; Fukuyama & Bloom, 1989). Fukuyama argues that the end of the Cold War represents the end point of mankind’s ideological and sociocultural evolution with universalization of Western, liberal democracy and the triumph of capitalism – hence the “end of history”. This does of course not imply that nothing will happen in the future – but that the basic political and economical framework has been firmly established and will not develop any further.

What is culture?

Culture is a key concept in anthropology, and anthropologists can go on, ad nauseam, debating the finer points and relative virtue of various definitions of culture. Such debates often refer to a book entitled “Culture: A Critical Review of Concepts and Definitions” by the American anthropologists Clyde Kluckhohn and Alfred Kroeber, enumerating and discussing a wide variety of culture definitions (Kroeber & Kluckhohn, 1952).

Since readers of this book are unlikely to embark on a career as academic anthropologist, our approach to the concept of culture will be rather pragmatic. We'll focus on ways of viewing the idea of culture and key features of culture that are important for the endeavour ahead of us.

CULTURE AND HUMAN NATURE

In seminars, I sometimes start out with a slide featuring two photos: One of ants at work, and another from a business meeting. The question I pose to the participant is: What's the similarities and differences between these two species?

Although we human are inherently social beings, that's not what makes us unique in the animal kingdom. One could very well argue that ants are more social, and better at cooperating, than people. What really sets us apart from other species, is our ability to conjure up abstract ideas (like gods and money), and organise ourselves around those ideas, by means of complex language-based communication. In other words, the ability to create and pass on cultural constructs is what makes us unique.

Although we shouldn't side-track ourselves into myrmecology (the scientific study of ants), I often have a hard time moving ahead after that initial slide, because some students are keenly interested in the life of ants. That's understandable, because ants are intriguing and impressive creatures. If you have a passion for ants, I suggest you consult Harvard biologist Edward O. Wilson's treatise on the subject (Hölldobler & Wilson, 1990). Edward O. Wilson is known as the father of sociobiology and will be discussed later in this chapter.

Communication is not unique to humans; all animals communicate in various ways. For example, ants make extensive use of pheromones, and sometimes also touch and sound, for communication purposes. As mentioned in the text, researchers have made many attempts to teach language skills to primates. It has been possible to train chimpanzees to toddler-level language proficiency, using sign language, but not much beyond that (Linden, 1986; Segerdahl, Fields, & Savage-Rumbaugh, 2005). Did you ever encounter a talking chimp?

Although all animals communicate, and some have rudimentary language, only homo sapiens possess the cognitive capabilities required to generate cultures. Have you ever heard about band of chimps waging wars or forming alliances because they hold different ideas about proper sexual moral, food taboos or imaginary entities like gods? Humans do, again and again, because we are capable of generating and communicating culture.

We should remind ourselves that culture is a rather recent phenomenon in an evolutionary perspective. If we could travel 200.000 years back in history and meet some of our ancestors, they would be anatomically very similar to us. But if we could talk to them, we would soon realise that they were rather simple-minded compared to present day homo sapiens. “Behavioural modernity”, characterised by abstract thinking, planning depth and symbolic behaviours (like visual art and music) emerged approximately 50.000 years ago, for reasons that are not very clear. Some researchers claim this development came about rather suddenly, as a “cognitive revolutions, while others think behavioural modernity emerged gradually. (Hill, Barton, & Hurtado, 2009).

Prior to the cognitive revolution, there were several human species on earth, but they were all rather unremarkable. Humans were physically weaker than many other animals and not particularly smart either. We were just another animal. That all changed in the wake of the cognitive revolution. Those novel mental abilities enabled our ancestors to outsmart other human species (like the Neanderthals, although they were significantly stronger than us). We gained the capacity to developed cultures and complex societies and came to dominate all other species and the entire globe. It's quite an amazing story! If you are interested in this topic, I suggest you read Yuval Noah Harari's inspiring account of the history of humankind (Harari, 2015). That excellent book is, by the way, presented in a box in a subsequent chapter (Psychology and culture).

In social anthropology, the classical culture definition coined by the British anthropologist Sir Edward Burnett Tylor has an iconic status, so I think it deserves to be mentioned in the margin. The definition appears on the first page in the first chapter of his treatise "Primitive Culture. This is the definition in its proper context:

"CULTURE or Civilization, taken in its wide ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other (capabilities and habits! acquired by man as a member of society. The condition of culture among the various societies of mankind, in so far as it is capable of being investigated on general principles, is a subject apt for the study of laws of human thought and action. On the one hand, the uniformity which so largely pervades civilization may be ascribed, in great measure, to the uniform action of uniform causes: while on the other hand its various grades may be regarded as stages of development or evolution, each the outcome of previous history, and about to do its proper part in shaping the history of the future. To the investigation of these two great principles in several departments of ethnography, with especial consideration of the civilization of the lower tribes as related to the civilization of the higher nations, the present volumes are devoted" (Tylor, 1871).

LEVELS OF MENTAL PROGRAMMING

In this section I present a systems perspective on culture, comparing the human mind with a computer. That might sound a bit impertinent, but there have been numerous attempts at modelling the brain using concepts from systems engineering. Although we can't, at present, construct an artificial brain, cognitive psychologists have been able to simulate some aspect of human mental operations by using models and methods from computer science. Recently some ambitious brain-simulation research projects, taking advantage of the power of modern super-computers, have been launched, e.g. the "Blue Brain" project (Markram, 2006) . Who knows – maybe we will some day be able to experiment with cultures using interconnected computer simulations of human brains.

The simple model presented in this chapter is mainly inspired by Geert Hofstede, who has an educational background similar to my own. He is a mechanical engineer and a social psychologist (G. H. Hofstede, Hofstede, & Minkov, 2010). Hofstede is a prominent figure in the field of cross-cultural communication, and we will talk more about him in the next chapter, on measuring culture. The slightly nerdy analogy between culture and an operating system is my own idea. If you are a bit technically minded, you might find that way of viewing culture helpful to your understanding.

I consider the conceptualisation of culture as the mid-level in a tripartite model of "mental programming" a sound and educationally effective way of viewing culture. However, be careful not to conclude that the brain is organised that way. The human brain is an awe-inspiringly impressive outcome of a long and messy evolutionary process, and it's not neatly organised in modules like a computer. But we are free to employ the computer analogy, as long as it is helpful in our endeavour.

LEVELS OF CULTURE

Although culture is, as Edward Tylor put it, "a complex whole", we need to subdivide and conceptualise that holistic entity into unites suitable for inquiry and debate. There are many ways to do this, and none of them are inherently "right" or "wrong".

One approach is to subdivide culture traits into layers, according to how wide-ranging and easily observable they are – e.g. in a tripartite model, as presented in this section. This way of viewing culture, as a multi-layered phenomenon, is common in anthropology, cross-cultural research and training. For example, the renowned Dutch interculturalist Fons Trompenaars uses this model in his book "Riding the Waves of Culture" (Trompenaars & Hampden-Turner, 2012).

By the way, the section heading uses the term "levels of culture", but it might be better to talk about "layers of culture" (as I do in the text), since cultural traits can't be ordered hierarchically according to some scale. I'll consider changing that in the next edition.

Personally, I find the notion of "basic assumptions" a fascinating topic. Although almost everyone is familiar with the graphic representation of Yin and Yang, it turns out that few people have insight into the deeper significance of this ancient symbol and how it may throw light on important challenges in cross-cultural communication between East Asia and the Western world. The psychological modus inherent in the basic assumption associated with the Yin and Yang symbol is described as "complementary duality" in the text, but you academic papers the terms "holistic duality" and "dynamic duality" are also used (Fang, 2012; Peng & Nisbett, 1999).

CULTURE AS AUTOPILOT

In the text, I confess that I'm particularly fond of the autopilot metaphor, because I love flying aeroplanes. I think it is an excellent metaphor for educational purposes, but it's not commonly used in scientific discourse.

Cultural autopilot structures are closely related to the idea of schema and script in psychology and cognitive science. A "schema" denotes a mental structure of preconceived ideas and a framework representing some aspect of the world, or a system of organizing and perceiving new information. A "script", on the other hand, is a mental framework for a sequence of events that usually unfolds in a regular, almost standardized order. For example, all cultures have easily identifiable scripts for greeting people (Passer & Smith, 2009).

In clinical psychology there are therapy frameworks focusing on correcting dysfunctional schemas in people with mental disorders, e.g. personality disorders (Young, 1999). Maybe, somewhat wryly, we could consider cross-cultural training as a kind of "therapy" for a potential cultural adjustment disorder?

ETHNOCENTRISM AND CULTURAL RELATIVISM

Methodical cultural relativism is a key altitudinal skill in cultural learning; without we are stuck within our own framework. Unfortunately (but partly for good reasons) cultural relativism has got a bad name in some political and ideological communities, and that's why I emphasise that it is a heuristic device, a tool for understanding, not moral nihilism. Still, cultural relativism remains controversial, even within social anthropology, although that discipline kind of invented and promoted it as a key methodological device (Herskovits, 1958; Wm & Boas, 1887).

Some claim cultural relativism is a threat to the legitimacy of universal human rights. That debate was particularly lively in the 1990s, when some Asian political leaders promoted "Asian values" as an alternative to the allegedly European ideals of the universal rights of man. The concept of Asian values was advocated by Mahathir Mohamad (Prime Minister of Malaysia during 1981–2003) and by Lee Kuan Yew (Prime Minister of Singapore, 1959–1990), but more or less faded out after the Asian financial crisis in 1997 (Langguth).

CULTURE SHOCK

As mentioned, the term "culture shock" was coined by the anthropologist Kalervo Oberg in a speech he delivered the early 1950s. (His first name is misspelled in the text. Sorry! Oberg's parents came from Finland, that's why his name is a bit unusual). After presenting the definition, Oberg goes on to elaborate on the symptoms of culture shock:

"Some of the symptoms of culture shock are: excessive washing of the hands; excessive concern over drinking water, food, dishes, and bedding; fear of physical contact with attendants or servants; the absentminded, far-away stare (sometimes called the tropical stare); a feeling of helplessness and a desire for dependence on long-term residents of one's own nationality; fits of anger over delays and other minor frustrations; delay and outright refusal to learn the language of the host country; excessive fear of being cheated, robbed, or injured; great concern over minor pains and eruptions of the skin; and finally, that terrible longing to be back home, to be able to have a good cup of coffee and a piece of apple pie, to walk into that corner drugstore, to visit one's relatives, and, in general, to talk to people who really make sense." (Oberg, 1954)

There are several stage theories on culture shock. Oberg suggested seven stages. I think that's too many for educational purposes (Pedersen, 1994). Furthermore, if you are interested in the mechanisms of culture shock, I suggest you explore some academic articles on the topic (Adler, 1975; Furnham & Bochner, 1986).

My experience doing fieldwork in an Indian village, and the severe culture shock it entailed, is described in my book "Desert People – Cast and community, a Rajasthani village". Believe it or not – it's actually a rather readable account, in spite of being a doctoral thesis. The book is still available from amazon.com US, although I must admit it isn't much of a bestseller (Lunheim, 1993).

BELL CURVE CULTURE

This section is basically a caveat: Culture is not carved in stone, it's a fuzzy, stochastic entity that should be approached, analysed and debated with care. On the other hand, we can't let ourselves be overwhelmed by complexity and refrain from exploring such an interesting and consequential topic.

Since culture describes predominant traits within a specified group, the theory and methodology of studying psychological traits (personality traits) is highly relevant (G. Hofstede & McCrae, 2004; Larsen & Buss, 2010). We will revert to this topic in the chapter on psychology and culture.

CULTURAL CHANGE

Although inertia is a defining property of culture, cultures evolve and change. Sometimes they even seem to disappear. Exactly how cultures change, by what mechanisms, is a prominent topic in social sciences and beyond the scope of "Culture in Business". If you are interested in more details, I suggest you start by browsing a few introductory texts to sociology and anthropology (Nolan & Lenski, 2011; Welsch & Vivanco, 2016).

The expression "the original affluent society" is actually an implicit reference to an essay by the University of Chicago anthropologist Marshall Sahlins, appearing in his book "Stone Age Economics" (Sahlins, 1972). I think it is fascinating to contemplate that most people might have been happier (and maybe even felt more prosperous) in the Stone Age than in contemporary society. So maybe the philosopher Thomas Hobbes was wrong when he maintained that the life of men before complex societies with centralized government was "solitary, poor, nasty, brutish, and short" (Hobbes, 1651)?

It's of course perfectly possible to study culture, and understand culture, without even attempting to measure cultural phenomena. Most social anthropologists think that is what we should do, claiming that any attempt to measure culture amounts to "reductionism" and can't capture the real depth and flavour of social phenomena. That's a valid point of view, but in my opinion, quantitative approaches to culture can be instructive, as long as we are aware of their limitations and don't get religious about the numbers.

THE HOFSTEDÉ DIMENSIONS

The major chunk of this chapter is devoted to discussing the Hofstede dimensions of culture. Although some might consider the Hofstede approach a bit "old and worn", I think this priority is warranted. The Hofstede dimensions constitute a well-established paradigm in cross-cultural research and have been used as a conceptual framework for numerous scientific studies in the intercultural field. Anyone who is dedicated to studying cross-cultural communication should know this framework, and evaluate its virtues and limitations.

In the book I mention briefly that the Hofstede dimensions have been derived using a statistical technique called "factor analysis", but that we don't need to understand this technical aspect. That is by and large true, but nevertheless, it is helpful to understand the basic principles of factor analysis and why it is a useful technique for deriving dimensions for measuring culture.

Why do we need factor analysis? The problem we face is that the underlying, structuring properties of culture aren't entities we can observe directly. We are dealing with so called "latent variables" – hidden dimensions that can only be measured indirectly through their effect on observable, measurable variables.

Let's assume that we are ambitious and want to develop our own set of culture dimensions, as a possible alternative to the Hofstede dimensions. First of all we'll have to decide on what to measure and how to do it. A computer with statistical software won't be of much use at this initial stage. We need to build on available research, insight and intuition and develop a questionnaire or some other instrument of measurement.

After lots of work, we will end up with a database of measurements. It could be responses to a questionnaire, some coding of interviews or observations or something else. The sky is the limit! Let's say we asked 100 hopefully relevant questions to a sufficiently large sample of people in different cultures. We could of course stop at this point, report our findings and declare those responses as a "model of culture", to be applied to other samples and tested. The only problem is that most other researchers (and students) would shake their heads and say "sorry, this is too messy, too complicated – it's not very helpful neither as a research tool nor as a conceptual window for insight into the workings of culture". In science, parsimony – to explain as much as possible with as little as possible – is a virtue, and our marvellous 100 dimensions model is definitely not very parsimonious.

This is where factor analysis comes in handy. Let SPSS, or some other statistical software, do some mathematical chewing on our wonderful data, and it will come up with the following suggestion: If we combine, let's say 5 variables in our survey into one combined variable (factor), it will explain quite a lot of the variance in the data. SPSS will go on suggesting clusters of correlated variables that will explain even more variance. With a well-designed study, and a bit of luck, you might be able to explain most of the variance with just a few factors. Maybe we have found some culture dimensions with much greater explanatory power than the Hofstede model?

That would be great, but we haven't quite arrived at that point yet. The important point is that SPSS won't tell us what those suggested factors measure. And since it is just a stupid statistical package, it won't come up with any intelligent suggestions on what to call those dimensions and how they might be interpreted. So here we are again – back to using whatever experience and knowledge we have, and probably do some hopefully intelligent guesswork. Finally, we can publish our brand new culture model and see if it catches on among those who are interested in cross-cultural communication and research. Do you feel inspired? Want to try? It is not that complicated, really, but it entails a lot of hard work.

You could perfectly well do an exercise like this (a scaled down version) as a term paper or master thesis. What about developing a specialised model for student culture? Or music culture, or fitness related culture? If you want to try your hand at it, I suggest you start by reading up on scale development (DeVellis, 2012) and then acquire some basic skills in statistical analysis. I highly recommend "Discovering statistics using SPSS" by Andy Field. It is something as unique as a fun, prize-winning practical introduction to statistics. Although it was written with psychology students as the primary intended audience, it will be equally valuable for someone interested in cross-cultural research (DeVellis, 2012).

POWER DISTANCE

In terms of cultural impact on business practices, I consider this the most interesting of the Hofstede dimensions. So far every person I have encountered with extensive international business experience acknowledge that cultural differences regarding conceptions, expectations and acceptance of authority and power have important impact on business practice.

Are humans inherently egalitarian and is hierarchy a corruption of our true nature brought about by complex civilisation? This is a hugely controversial issue in anthropology, obviously because it is closely related to political ideologies. For obvious reasons, there were little institutionalised hierarchy in small bands of hunters-gatherers, and probably also generally less gender differences than in most modern societies. But was Stone Age society a paradise of mutual cooperation, kindness and equality? I doubt it! (Boehm, 1999).

The story about the tram-travelling king refers to the previous king of Norway, Olav V (Olav the 5th). That story is very much cherished in Norway, but actually, he only travelled by tram once, during the energy crisis in 1973. It was probably a well planned and publicised media gimmick – he usually travelled in style, like any other king. But societies tend to pick and promote stories that reinforce how they want to see them selves – and Scandinavian countries are generally considered paragons of egalitarian welfare states. But to be fair, King Olav was a down to earth person. Once, while skiing in the Oslo forest, a dog run into me, so I shouted at the owner: “Get that damned dog out of the track!” The dog’s owner smiled at me and said “sorry”. Then I recognized him. It was the King of Norway, skiing deep in the forest, with only one accompanying person. The power distance was there, but not very evident, and very manageable, indeed.

To be fair to India, caste is gradually getting less important in business and social life, particularly in modern sectors, like the high-tech industry. But in terms of ownerships and control, and politics as well as private relationships, caste continues to be at the centre stage of Indian society (Economist, 2014). If you are curious about the social and cultural dynamics of caste, I’ll be immodest and recommend my own book, based on field-work in India (Lunheim, 1993).

INDIVIDUALISM

The dimension of individualism versus collectivism is very prominent in cross-cultural research, and is certainly not unique to the Hofstede model. Some students seem to think that Geert Hofstede “discovered” the dimensions of his culture model, but that’s not the case. He drew heavily on concepts and discourse within philosophy and social science and developed a framework integrating ideas from various disciplines. That’s how science works; it’s “creative theft, and that is perfectly ok, as long as one is transparent about it.

Individualism versus collectivism is probably the most widely analysed and debated dimension in cross-cultural research, including cross-cultural psychology. Introductory textbooks to psychology usually don’t dwell much on cross-cultural perspectives, unfortunately, but you can be almost sure to find something about collectivism and individualism (Passer & Smith, 2011). And if you use an academic search engine, like Google Scholar, you will easily discover lots of articles about this dimension, mostly from researchers within the field of social psychology and anthropology (Fiske, 2002; Oyserman, Coon, & Kemmelmeier, 2002; Rhee, Uleman, & Lee, 1996; Triandis, 1995). Recently, some researchers within the field of neuroscience have started to investigate the neurological underpinning of individualism versus collectivism. We will revert to that in the chapter on psychology and culture.

If you plan to visit Thoreau’s cabin at Walden Pond (it’s not very far from Boston), be warned that it’s not actually in the wilderness. But although the replica cabin is located next to a big parking lot, it will still convey an impression of the young Thoreau’s two years long experiment in simple living, as reported in his well known book “Walden”, first published in 1854 (Thoreau & Cramer, 2004). “I had three chairs in my house; one for solitude, two for friendship, three for society” – that’s my favourite quote from Walden.

If you ever attend a workshop on how to do business in China, you’re likely to hear a lot about “guanxi” (K. R. Xin & J. L. Pearce, 1996). There are some good reasons for using the transliteration of the Chinese word when discussing this phenomenon, because translations, like “connection” or “relationship” won’t fully capture the characteristics and significance of guanxi in Chinese society. But on the other hand, we shouldn’t let ourselves be duped by an exotic word: There are many similarities between guanxi and Western style networking and business relationships.

The Chinese characters in the box are the spelling of guanxi in modern Chinese. The first character, 关 (guan) means “to close”, while the second one, 系 (xi) means “department” or “relationship”. So in the literal sense, guanxi means “closed relationship”, which actually says a bit about the phenomenon: Guanxi are rather closed connections, and not easy to establish, especially not for foreigners who do not know the cultural code. And you shouldn’t think that qunxi is the same as friendship in the Western sense of the term. A guanxi

relationship can be quite formal and unequal, and it exists primarily to achieve some rather concrete goal – not just for psychological wellbeing. Furthermore, guanxi as a social phenomenon is imbued with Confucian ethics, which is discussed in the section about “long-term orientation”. Ok – let’s leave it there. There are lots of popular and academic articles to be found about guanxi, so there is no shortage of information and opinions about this topic (K. K. Xin & J. L. Pearce, 1996; Yeung & Tung, 1996).

FONS TROMPENAARS

Fons Trompenaars’ 7D model is a well known “competitor model” to the Hofstede dimensions. During a conference I attended in the 90s, the rivalry between Hofstede and Trompenaars, both Dutch citizens, was so intense that they refused to be present in the same room and spent considerable time debunking each other’s models. Sometimes intellectuals behave like children. If anyone is interested in the subject matter of this “culture model war”, you are welcome to observe the battlefield in the *International Journal of Intercultural Relations*, where Hofstede launched an attack on Trompenaars with an article entitled “Riding the Waves of Commerce”, a pun on the title of Trompenaars’ successful book “Riding the Wave of Culture” (Hampden-Turner & Trompenaars, 1997; G. Hofstede, 1996; Trompenaars & Hampden-Turner, 2012).

My discussion of the 7D model is somewhat cursory, compared to the presentation of Hofstede’s model. I think that is fair, given that the Trompenaars model is more speculative than the Hofstede model, not so widely used in cross-cultural research and, in my opinion, a bit too complex for educational purposes. But a few of the seven dimensions are quite useful as a supplement to the Hofstede perspective and are therefore discussed in some detail.

RECONCILING DILEMMAS

This small section of my book contains an important message; please pay attention!

For understandable reasons, cross-cultural research and training tends to focus on cultural contrasts, often captured conceptually in dimensions with polar points given easily identifiable labels, like individualism versus collectivism, universalism versus particularism etc. As a starting point, this is perfectly ok, because we need some “mental pegs” to get our minds ticking in a cross-cultural mode.

If our understanding gets stuck on those pegs, however, it might defeat the purpose. To live is a never-ending struggle to cope with conflicting demands, and culture is supposed to make life a bit easier to manoeuvre by providing some readymade, simplifying frameworks. Nevertheless, we are still stuck in dilemmas and contradictions. Some perspectives and solutions might be delegated, by culture, to the darker realms of the subconscious, but they are still present, as a potential source of cultural anxiety, cultural change – and what is important for us – as a treasure trove for enhancing cross-cultural capabilities.

Did this sound nebulous? Yes, probably. Since we are all prisoners of the simplifying frameworks provided by our cultural programming, the inner dynamics and complementary duality of all cultural phenomena is hard to fathom. But it is the secret to developing cultural intelligence and adaptability.

Charles Hampden-Turner, a British management philosopher who collaborates closely with Fons Trompenaars, has written extensively on this subject, e.g. in “Building cross-cultural competence: how to create wealth from conflicting values”, one of several books he has co-authored with Trompenaars (Hampden-Turner & Trompenaars, 2000)

After a long chapter on measuring culture, I assume readers will appreciate a chapter exploring some “softer” approaches to understanding culture.

PARTICIPANT OBSERVATION

Even though readers of “Culture in Business” are unlikely to set off for New Guinea to live with some isolated tribe (well, maybe one day?), I think we can all learn from the way social anthropologists enmesh themselves in host cultures to gather information and achieve understanding.

I’ll stick to my advice on writing a diary as a tool for reflection and insight. But if you have any plans of becoming famous, it might be advisable to burn your diaries before you die. Bronislaw Malinowski didn’t do that, and his diaries got published posthumously, providing revealing insight into the all too human sides of a revered intellectual (Malinowski, Bick, & Guterman, 1967).

For inspiration, you might consider reading an anthropological monograph. I would recommend “The Fierce People”, by Napoleon Chagnon. It’s a prize-winning account of fieldwork among the Yanomamö tribe of the Amazon and reads like a novel. Among other things, this little book provides a lively account of the dramatic culture shock Chagnon experienced in his encounter with the Yanomamö (Chagnon, 1983).

COMMUNICATION

The Shannon-Weaver model of communication is sometimes called “the mother of all models”. If you have a background in computer science or engineering, you are likely to have come across this model in a textbook. The model was initially described in a 1948 scientific paper by the American mathematician and electrical engineer Claude Shannon, and popularised in a less mathematical form in a book co-authored with Warren Weaver (C. Shannon, 1948; C. E. Shannon & Weaver, 1949).

Some social scientists dislike this model because it doesn’t take communicative context into consideration (Chandler, 1994). That is a valid point, but I still think it is a good starting point for discussing general features and possible problems in communication. Context is of course of great importance in cross-cultural communication, and is discussed later in this chapter.

LANGUAGE

Language is at the core of communication and key to cross-cultural communication. But silence – the absence of language (and maybe any significant sound) is in many ways even more interesting and often underestimated. Some cultures are characterised by a fear of silence – a socio-linguistic equivalent of “horror vacui”, while others assign positive qualities to silence in a wide variety of situation.

We should definitely not remain silent about silence. If I had the time and resources, I would wish to do research on practices and perceptions of silence in a cross-cultural perspective (Lebra, 1987).

This chapter was initially entitled “cross-cultural psychology”, then “cultural psychology”. In many ways I prefer both those titles to the somewhat dull “Psychology and culture”, but I chose the latter to avoid plunging into academic controversy at the very outset of my discussion of this important topic. In academic discourse, “cultural psychology” designates a school of thought claiming that culture and mind are inseparable entities and that intercultural comparison therefore has very limited scope. “Cross-cultural psychology”, on the other hand, is more concerned with testing the validity of (purportedly universal) psychological theories across cultures (Berry, 1992).

In the initial discussion, I address the vicissitudes of culture in psychology. It’s a quite interesting story, how culture nearly disappeared from psychological research, to be rediscovered in recent decades. The historical overview, including the box on Wilhelm Wundt, the founding father of scientific psychology, is based on portrayals in my favourite history of psychology book, written by the husband-wife team Duane P. Schultz and Sydney Ellen Schulz (Schultz & Schultz, 2012). This comprehensive overview of the history of psychology is exceptionally well written, with colourful mini-biographies of key contributors to the development of modern psychology. Highly recommended!

The story about how attention to culture was almost completely muted during the twentieth century is a very interesting one and quite instructive about shortcomings and challenges in contemporary psychological research. The details of this story is far beyond the scope of the present book, but I strongly agree with this statement by Michael Cole in his book on “Cultural Psychology”:

On the one hand, it is generally agreed that the need and ability to live in the human medium of culture is one of the central characteristics of human beings. On the other hand, it is difficult for many academic psychologists to assign culture more than a secondary, often superficial role in the constitution of mental life (Cole, 1996, p. 1).

The problem of WEIRD-bias in psychological research has been documented in detail in a comprehensive meta-study conducted by researchers at the University of British Columbia (Henrich, Heine, & Norenzayan, 2010), discussed in a more accessible format in a brief article in *Scientific American* (Nicholson, 2010). For a broader discussion of Western bias in psychology (including racial bias), I recommend the book with the telling title “Even the rat was white: A historical view of psychology (Guthrie, 1976).

PERSONALITY AND CULTURE

The general background for this section has been drawn from the textbook “Personality psychology” by Randy Larsen and David Buss (Larsen & Buss, 2010). Furthermore, any introductory textbook to general psychology will have a chapter on personality, although the cultural dimension might not be covered in much detail.

The box about the Myers-Briggs Type Indicator (MBTI) might seem a bit off topic, but I chose to include it because this is the most likely encounter readers might have had with personality testing, if any at all. I didn’t mention it in the box, but I really wonder how this test performs in a cross-cultural perspective. Maybe some of my readers have experience with that. If so, please tell me. The box was partly inspired by a recent critical *Fortune* article, and you’ll find lots about the MBTI on the Internet (Krznicaric, 2013).

In the brief discussion of Sigmund Freud’s theory of psychosexual stages and the Oedipus complex, I’ve deliberately chosen not to dive into any juicy details. I suppose most readers are acquainted with concepts such as castration anxiety and penis envy, and there are plenty of books available on psychoanalytic theory, for those readers who contemplate leaving business behind and train as psychoanalysts. And if your German is up to standards, you might consider reading a bit of Freud’s original work on sexuality (Freud, 1905).

Bronislaw Malinowski’s critique of psychoanalysis can be found in “Sex and repression in Savage Society”, although the by far most widely read book by the father of anthropological fieldwork is “The Sexual Life of Savages in North-Western Melanesia” (Malinowski, 1927, 1929). The American cultural anthropologist and psychoanalysis Melford Spiro has argued that Malinowski was wrong, and that the Oedipus syndrome is indeed universal (Spiro, 1982).

Several scholars have argued that personality is constituted in a different way in East Asian cultures, being a more fluid construct emanation from changing relationships and situations (H.R. Markus & Kitayama, 1998). I observed this fluidity of personality during my PhD fieldwork in India, and the distinction between the “gyroscopic” (personality) mind and the “radar” (social screening) mind is discussed in my thesis (Lunheim, 1993).

The debate on adolescence on Samoa and Margaret Mead versus Derek Freeman is still alive among anthropologists. I have simplified the story somewhat in the box and the jury is still out on whether Mead was fooled and arrived at the wrong conclusion regarding Samoan culture or not (Freeman, 1983; Mead, 1928).

UNIVERSAL EMOTIONS

For a more in-depth discussion of emotions, please consult a good introductory textbook of psychology (Passer & Smith, 2011).

In contemporary society we emphasize happiness and “positive thinking”, and tend to overlook the value of sadness and mild (and even moderate) depression. If depression didn’t serve some adaptive purpose, it would probably have been rooted out by evolution (Allen & Badcock, 2006). In my opinion, this is a fascinating topic to explore. If you consider reading a well-written overview of various aspects of depression, I highly recommend Andrew Solomon’s “The Noonday Demon” (Solomon, 2001).

The American psychologist Paul Ekman was a pioneer in research on universal emotions and their relationship to facial expression. Ekman is a prolific writer and has written numerous scientific articles as well as several popular books on emotions and emotional expressions (Ekman, 1992, 2003; Ekman et al., 1987). Furthermore, Ekman is famous for his ideas about *micro-expressions* – the idea that it is possible to encode subtle emotional variations by measuring minor differences in facial expressions. Among other things, Ekman claims that this method can be used to detect lies. This is of course a very profitable concept (who doesn’t want to detect liars?), but I’m not convinced as to the scientific soundness of his methods (Ekman & O’Sullivan, 1991).

CULTURAL NEUROSCIENCE

The fact that the nervous system is made up of discrete, interconnected cells (later on known as “neurons”) was discovered by the Spanish pathologist Santiago Ramón y Cajal (1852 –1934) in 1888. The discovery was made possible by a novel staining technique for microscopic preparation (Golgi stain). In my teenage years I was a microscope geek and used this technique myself, so I can vividly appreciate Cajal’s excitement when he watched those neurons! The way neurons convey nerve signals (known as the “action potential”) was described by two Cambridge researchers, Alan Lloyd Hodgkin (1914-1998) and Andrew Huxley (1917-) in 1952, based on a study of giant squid neurons (they are easier to study, and work in the same way as human neurons). All of these three scientists were awarded a Nobel Prize. Well deserved!

In the brief discussion of tools and methods in brain research, I’ve chosen not to mention EEG (electroencephalography) and MEG (magnetoencephalography) – two other functional neuroimaging techniques that predates fMRI, although both with very limited spatial accuracy. Another tool of the trade that was available before fMRI (and which is still in use) is *positron emission tomography* (PET). PET-scan requires injection of a radioactive compound into the bloodstream, so it’s a more invasive procedure than fMRI. Ok, let’s leave it at that, since I assume only a few among my readers are aspiring brain researchers. If you are hungry for more details, feel free to do some Wikipedia browsing.

The fascinating study of the impact of price information on experienced pleasantness of wine, is entitled “Marketing actions can modulate neural representations of experienced pleasantness” (Plassmann, O’Doherty, Shiv, & Rangel, 2008). All the finer nuances of taste are actually retronasal smell, i.e. olfactory stimulation arising from odours inside the mouth. Retronasal olfaction relies on a different cerebral processing than orthonasal olfaction (the ordinary, smelling through the nose). That’s why some items that have a disgusting smell (e.g. the durian fruit) can taste quite good, when “smelt” by the retronasal system. I would have loved to do a fMRI study of perfumes: I’m sure the findings would be quite similar to the wine tasting experiment – but probably even more pronounced. Who wants to use a cheap perfume? A cheap perfume would smell cheap for sure (if you know it’s cheap) – thanks to the trickery of our marvellous brains.

“Neuromarketing” is a concept that turned up in the early 1990s, mainly promoted by consulting firms trying to convince corporations that this was the big, new thing that could do wonders to their marketing, sales and profits. Although most of it is hype and neuro-babble, there is some serious research in this field. I think the above-mentioned study is a good example, but I don’t think those researcher would consider themselves involved in neuromarketing. If you have an urge to do some in-depth reading on neuromarketing, I suggest a book by Leon Zurawicki, professor of marketing at the University of Massachusetts in Boston (Zurawicki, 2010).

SCANNING CULTURE

Discussions on cultural contrasts between the West and East Asia are so widespread in cross-cultural research and training that I found it worthwhile to devote a paragraph to summarizing some key ideas. Of course, another reason why research tends to focus on these cultural regions is that there are many competent academic institutions in East Asia (mainly China and Japan) with resources and motivation to take part in complex cross-cultural research projects. And of course, the importance of East Asia in business and global politics contributes to research priorities.

The idea of analytic versus holistic thinking as characteristic of Western and Asian cognitive styles, has been promoted by University of Michigan social psychologist Richard E. Nisbett (Nisbett, Peng, Choi, & Norenzayan, 2001). Nisbett writes extensively on cultural variations in cognitive style, e.g. “The geography of thought: how Asians and Westerners think differently—and why” (Nisbett, 2003).

The cultural differences in the role of the medial prefrontal cortex in self-representation was reported in an article by Ying Zhu and Shihui Han, both affiliates of Peking University (Zhu & Han, 2008). The distinction between *independent and dependent self* is presented by Shinobu Kitayama and the Stanford social psychologist Hazel Rose Markus in a frequently cited article (Hazel R. Markus & Kitayama, 1991).

Neuroplasticity is an interesting field of study, and essential to cultural neuroscience. In this brief discussion of a complex topic, I've chosen not to mention *neurogenesis* (the formation of new neurons), to avoid side-tracking the chapter. It turns out that the brain is far less static than once thought, and that new neurons are formed in the brain throughout life, although only in certain parts of the brain.

The cultural differences in arithmetic processing is discussed in a paper entitled “Arithmetic processing in the brain shaped by culture” (Tang et al., 2006).

In this final chapter we'll apply the concept of culture to organisational settings. Although we'll focus primarily on companies (business enterprises), the ideas apply to all kinds of organisations, including governmental institutions and NGOs. A nation state is also an organisation, so we could possibly speak of the "organisational culture of Germany" – but we don't usually use the term "organisational" when speaking of countries, regions and civilizations.

Considering that companies, particularly in the form of corporations, are tremendously important institutions in modern society, it might come as a surprise that most people have very limited insight into their historical origin and unique features as organisations. A discussion of the fascinating history of companies and corporations is beyond the scope of this book, but I encourage the curious reader to explore this fascinating topic (Micklethwait & Wooldridge, 2003).

IN SEARCH OF EXCELLENCE

Einar Thorsrud (1923-1985) was a Norwegian social psychologist and a pioneer of Scandinavian style "Industrial democracy" thinking, e.g. worker representation on corporate board and collaborative relationships between unions and employer associations (Emery & Thorsrud, 1976; Thorsrud, 1978).

Although I doubt "In Search of Excellence" would loom high on the curriculum in present day business school, it still counts as one of the most successful and influential business books of all times (T. J. Peters & Waterman, 1982). In a 2001 interview with Fast Company magazine, Tom Peters provides interesting insight into how this influential book came about, and states the following:

You could boil all of Search down to three words: People. Customers. Action. That was about as far as you could get from the prevailing wisdom of the time, which you could also boil down to three words: Numbers. Bureaucracy. Control. And you could boil all of Search down to one idea: Soft is hard. Up until then, everybody assumed that hard was hard. "Hard" numbers told you everything that you needed to know about dealing with hard assets, such as factories, machinery, and buildings. But Search said that everything soft is hard. People, customers, and relationships — they make up all of the soft stuff that determines what really gets accomplished and how well it gets done. It turned out to be a revolutionary message.

How did we get away with it? We got away with it because Bob Waterman and I wore dark McKinsey suits with skinny McKinsey ties and spoke proper McKinsey consulting business-speak. Search is a McKinsey-looking book. It has a black cover with a conservative white typeface. Our message was revolutionary, but our credentials and our look were traditional (T. Peters, 2001).

In the years following its publication, In Search of Excellence got criticised because many of those "excellent" companies turned out to produce anything but excellent results. There was even a book entitled "In Search of Stupidity", as a pun on Peters and Waterman's bestseller (Chapman, 2006).

CORPORATE CULTURE

Since the 1980s, a small "industry" has developed around corporate (organisation) culture and a considerable number of books and articles are published on this topic every year (Edmonds & Blanchard, 2014; Flamholtz & Randle, 2011). However, I have chosen to focus on the "classics", because in my opinion, more recent publications haven't really brought any significantly new ideas to the table.

In recent years there has been a renewed interest in corporate culture issues due to focus on ethics and corporate responsibility. We will revert to that in the section on visions and values. And please remember that a strong culture isn't necessarily a good thing: An organisational culture can be dysfunctional, poisonous to the health of organisational members, and even criminally inclined (Sims & Brinkmann, 2003).

WHAT KIND OF COMPANY CULTURE?

In this section we encounter two different, but still very similar, ways of describing the basic flavour of an organisational culture. Fons Trompenaars' model is described in a chapter of "Riding the Waves of Culture", while Charles Handy presents his model in "Understanding Organizations" (Handy, 1993; Trompenaars & Hampden-Turner, 2012). Remember that such models divide organisational cultures into very rough

categories, and they should only be used as a starting point for exploring the characteristics and dynamics of organisational cultures.

Although Max Weber wasn't necessarily an admirer of bureaucracy, he described this organisational form as key to the rationalization of the Western society. "Bureaucratic administration means fundamentally domination through knowledge," he asserts in his masterpiece "Economy and Society" (Weber, 1922). Although bureaucracies, when going awry, can be a stifling nuisance, we should remind ourselves that many societies mired in corruption suffer from a dearth of well-functioning bureaucratic institutions rather than an excessive bureaucratic culture.

VALUES AND VISIONS

This final section is partly inspired by my personal experience with the vision-and-values craze that hit large organisations in the 90s. The key message is that the process of working with values and visions is often far more useful than the products, which are often glossed up statements, polished by a public relations department.

There are consultants who specialise in helping organisations figure out their visions and values. At one stage in my career, I worked with Laurence Ackerman, who runs a consultancy focusing on helping organisations discover their true identity. Ackerman has written two books on this subject (Ackerman, 2000, 2005). A few years ago, I wrote a critical article on the visions and values paradigm. Unfortunately it's only available in Norwegian language (Lunheim, 2005).



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