Culture Emergence in International Cross-Cultural Management Contexts: The Different Roles of Values, Expectations, and Contingencies

A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

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July 2008
DECLARATION

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; and, any editorial work, paid or unpaid, carried out by a third party is acknowledged.

Xibao Zhang
ACKNOWLEDGEMENTS

Three years of hard work has culminated into this thesis. Even though I have been working in academia for over ten years, it still has been a major undertaking for me. However, this would not have been possible were it not for the guidance, support, help, understanding, and encouragement given me by so many people in this arduous and yet very rewarding process. Therefore my sincerest thanks are due to all these people who contributed in various ways to the completion of my PhD study.

I would first like to express my profound appreciation to my supervisors, Professor Bill Martin and Associate Professor Hepu Deng. They are the best supervisors that one can possibly have. I should thank them not only for their insightful guidance and unrelenting support, but also for their open-mindedness and encouragement. They let me “roam” in the “ocean of knowledge” and choose a topic that I am really interested in. They watched me from a distance and cheered me on, while at the same time they were always there when I needed guidance and support. At times, their supervision could also be very “hands-on”, finding precious time in their busy schedules to read and re-read the various drafts of my thesis, for example, and scrutinizing the minutest details in them. When I once summed up my courage to give them a “deadline”, they did not turn on their supervisor status and “talk down” to me; rather they tried very hard to accommodate my needs. In the terminology of this thesis, they are very “low-SD”. Thank you very much, my teachers!

I would also like to thank RMIT University for providing me with the Scholarship that made my PhD program financially possible. The people in RDU should be acknowledged as well. Every time I contacted them, they always went out of their way to help. I would especially like to thank Prue Lamont, who, as I recall, even responded to my email on a Sunday afternoon to reactivate my access card.

The Chinese and expatriate interviewees involved in this research project also deserve a special thank-you. They found time in their busy work schedules to be interviewed, often with urgent business waiting at their heels at the same time. And my appreciation should also go to my Chinese postgraduate students who did the transcription of the Chinese interviewees. They took some of the tedious work away and lightened up my work load.

Of course, I would also like to mention my fellow students in the research facility. Their
willingness to share knowledge and information, their eagerness to help, and their friendliness and emotional support, would leave an enduring impression deep in my heart. You made me feel that I was not alone, but part of a cohort in various stages of academic grooming.

Last but not least, I would like to express my appreciation to my family, especially my mother, my wife, and my son. I feel guilty to my mother for not being able to fulfill my filial obligations to her. But she always told me not to worry about her and encouraged me to strive for excellence in my life. My wife has a career of her own. But she took care of the family so that I could devote my full time to my studies and my other pursuits. Without her understanding and patience, I would not have been able to go through this process. My son is always a fountain of joy and inspiration for me. Every time I think of him, a sense of warmth comes to my heart, and I keep reminding myself that I must excel in my career, and in life in general, so as to be a good role model for him to look up to.

There are still people that I have not mentioned, both here in Australia and back in China, who have helped me in my PhD study in one way or another and made a difference. My heartfelt thanks go to all of you.
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LIST OF CHINESE TERMS

Ah: Chinese prefix denoting, in the ah-plus-first-name combination, a term of endearment.

Ganbei: Bottoms up (when drinking alcohol).

Guanxi: Friend or friendship in a business context.

Han: The Han Chinese, the majority ethnic group in China.

Lao: Chinese prefix denoting, in the lao-plus-sir-name combination, a term of endearment for addressing a person who is older than the speaker.

Meiwenti: No problem; fine.

Shifu: Master, or teacher, as in trade or martial arts.

Waidide: From out of town.

Xiao: Chinese prefix denoting, in the xiao-plus-sir-name combination, a term of endearment for addressing a person who is younger than the speaker.

Zhan Zhang: Station manager.
# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>CD</td>
<td>Cultural distance</td>
</tr>
<tr>
<td>CNC</td>
<td>Cross-national comparison</td>
</tr>
<tr>
<td>CSOE</td>
<td>Chinese state owned enterprise</td>
</tr>
<tr>
<td>DOC</td>
<td>Directness of Communication</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign direct investment</td>
</tr>
<tr>
<td>EU</td>
<td>The European Union</td>
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<tr>
<td>FIE</td>
<td>Foreign invested enterprise</td>
</tr>
<tr>
<td>FOA</td>
<td>Form of Address</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>GM</td>
<td>General manager</td>
</tr>
<tr>
<td>GT</td>
<td>Grounded theory</td>
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<tr>
<td>HR</td>
<td>Human resources</td>
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<tr>
<td>ICCM</td>
<td>International cross-cultural management</td>
</tr>
<tr>
<td>ICI</td>
<td>Intercultural Interaction</td>
</tr>
<tr>
<td>IJV</td>
<td>International joint venture</td>
</tr>
<tr>
<td>IT</td>
<td>Information technology</td>
</tr>
<tr>
<td>JV</td>
<td>Joint venture</td>
</tr>
<tr>
<td>KIS</td>
<td>Knowledge/information sharing</td>
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<tr>
<td>MC</td>
<td>Multiple cultures</td>
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<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
</tr>
<tr>
<td>PC</td>
<td>Pay confidentiality</td>
</tr>
<tr>
<td>PCE</td>
<td>Private Chinese enterprise</td>
</tr>
<tr>
<td>SD</td>
<td>Status differentiation</td>
</tr>
<tr>
<td>SW-ICCM</td>
<td>Sino-Western international cross-cultural management</td>
</tr>
<tr>
<td>WIE</td>
<td>Western invested enterprise</td>
</tr>
<tr>
<td>WOFE</td>
<td>Wholly-owned foreign enterprise</td>
</tr>
<tr>
<td>WTO</td>
<td>The World Trade Organization</td>
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ABSTRACT

Increasing globalization and economic integration have resulted in culturally diverse and dynamic workplace realities. The dominant perspective on culture in international cross-cultural management (ICCM), however, still views culture as fixed and immutable. Other perspectives that regard culture as variable and emergent have emerged in recent years to better accommodate the new workplace realities. The emerging perspectives, however, seem to have gone to the other extreme, conceptualizing it as emergent and “in the making”. Therefore, with regard to culture conceptualization, two opposing camps exist.

The aim of this study is to develop a perspective on culture which would integrate the views of both opposing camps. By applying the principles of ancient Chinese philosophy, especially the Yin-Yang principle, a balanced, holistic conceptualization was proposed which hold that culture is composed of both a stable and a changing dimension, which dialectically transform into each other to give culture a certain degree of stability and inheritability on the one hand, and a momentum for change and variability on the other, in an ongoing, spiraling process of cultural emergence.

Then this proposed conceptualization served as a conceptual scheme, and as a general perspective, from which grounded theory (GT) research was conducted. Adopting the interpretive paradigm, qualitative field data were collected by conducting semi-structured interviews of Chinese and Western expatriate informants working in Sino-Western ICCM (SW-ICCM) contexts in China, supplemented by non-participant observation and documentary data. Specifically, three cultural themes, pay confidentiality (PC), knowledge/information sharing (KIS), and status differentiation (SD), were developed for the semi-structured interview and non-participant observation.

Next, the data were analyzed in grounded fashion, with a substantive theory developed from data analysis in each of the three theme areas. Finally, the theme-grounded substantive theories were compared and integrated to generate a formal theory that would apply to SW-ICCM contexts in general.

One of the major findings is that the emerging culture in the SW-ICCM context takes on a hybrid form, which is distinct, and yet bears varying degrees of resemblance to its “parent” national cultures. Such a hybrid pattern exists within a continuum with the Chinese and
Western cultures at either end. It can vary either continuously or discretely. Relevant Chinese and Western cultural values and contextual factors contribute to such an emerging hybrid pattern.

The other major finding is the demarcation of Cognitive State into three interrelated variables, Values, Expectations, and Contingencies, each of which has a mutually conditioning relationship with behavior. As defined in this study, Values are concerned with fundamental rights-and-wrongs with regard to behavior, and are thus context-independent. Expectations refer to a set of cognitive rules regarding appropriate behavior that a person develops through interaction with other individuals in a particular context; as such it is context-dependent or context-specific. Contingencies refer to ad-hoc selection of behavior according to the behavior (and the values and expectations as reflected in behavior) of the cultural other. Therefore it is occasion-dependent or occasion-specific.

The three cognitive variables are different in terms of the scope and duration of their mutual shaping with behavior. Furthermore, they need not be consistent, and frequently are not, among themselves. In other words, they are loosely coupled or even decoupled. Metaphorically, they can be compared to a multi-carriage train, which allows for the relative lateral movements by individual carriages so as to cope with bumps and turns in the tracks. Similarly, the three cognitive variables provide a “shock-absorber mechanism”, so to speak, which enables individuals in SW-ICCM contexts to cope with conflicts in cultural practices and values, and to accommodate and adapt themselves to cultural contexts where people from different national cultural backgrounds work together over extended time. It also provides a powerful framework which explains how interactions by individuals in SW-ICCM contexts give rise to emerging hybrid cultural practices characterized by both stability and change. In addition, it can also help explain unexpected findings in previous culture studies.

One major theoretical contribution of this “multi-carriage train” perspective is its allowance for the existence of inconsistencies among the three cognitive variables in their mutual conditioning with behavior. Furthermore, inconsistencies may even exist within each of Values, Expectations, and Contingencies themselves. This internal inconsistency view contradicts the traditional internal consistency assumption explicitly or tacitly held by many culture scholars.

The other major theoretical contribution, which follows logically from the first one, is to view culture as an over-arching entity which is made of a multiplicity of Values, Expectations, and Contingencies. This notion of one (multiplicity) culture to an organization leads to the
classification of culture along its path of emergence into nascent, adolescent, and mature types, each of which is distinct in terms of the pattern of the cognitive variables and behavior.
CHAPTER 1
INTRODUCTION

The growing trend of globalization and economic integration has led to the emerging new workplace realities that are characterized by cultural diversity and dynamism. The dominant perspective on culture, on the contrary, still views it as stable and immutable. Out of this conflict between theory and practice there are emerging conceptualizations that focus on the dynamic dimension of culture. This study aims at developing a new conceptualization that dialectically integrates both the stable and the dynamic dimensions of culture so as to offer a balanced perspective.

In this chapter, the research questions will be put forth, and the background and rationale for selecting this topic discussed. Then the objectives and scope of this research will be elaborated. Presented next will be a summary of the research findings and their limitations and directions for future research. Finally, the organization of this thesis will be outlined.

1.1 BACKGROUND

The dominant perspective on culture in international cross-cultural management (ICCM) research is best exemplified by Geert Hofstede (1980a; 1991; 2001a), who defined national culture as the “the interactive aggregate of common characteristics that influence a group’s response to its environment” (1980b, p. 25). He maintained that his cultural dimensions broadly characterize national culture in terms of its “average pattern of beliefs and values” (1983, p. 78). Hofstede alternately defined culture as “the collective programming of the mind
that distinguishes the members of one human group from another” (1980b, p. 25), or “that distinguishes the members of one group or category of people from another” (2001b, p. 9).

Such a conceptualization regards culture as a relatively stable entity, and as a set of relatively stable values residing in people’s minds that guides their behavior. The rationale for this view is self-evident, because otherwise there would be no justification for using Hofstede’s dimensions to distinguish national cultures. Such a static view on culture, of course, is shared by many scholars. This functionalist paradigm views culture as stable, cognitive values and assumptions, and people act according to these stable cognitive rules of behavior.

In recent years, however, this static view of culture has been criticized for its failure to cope with the dynamism, diversity, richness, and intricacy of culture, i.e., its dynamic, action side (e.g., Lowe 2001; McSweeney 2002a, 2002b; Williamson 2002; Sackmann and Phillips 2004; Leung et al. 2005). These scholars and others (e.g., Fang 2003) called for new conceptualizations that focus on the dynamic, action side of culture.

Such a call for a new perspective on culture aligns with the developments in culture research in other disciplines. In anthropology, for example, it has long been advocated that culture be studied from the perspective of a native or insider (Rosaldo 1989). From this perspective, the researcher does not see culture as reduced to several abstract dimensions; rather he or she is involved in the variation, the rich dynamics within a culture, and views culture as internally fragmented, contentious, heterogeneous, and “in the making” (Prus 1997, p. 38). In criticizing and moving away from the dominant static perspective, however, it appears that the emerging perspectives have gone to the other extreme, conceptualizing culture as totally rooted in behavior.

It is proposed in this study that scholars need not go to extremes and polarize culture research into two mutually exclusive camps. (Of course such a dichotomous and confrontational division of conceptualization is the mainstream approach, since in this way assumptions of each camp can be easily clarified and unified vis-à-vis the other, thereby simplifying subsequent research.) On the other hand, ancient Chinese philosophy, especially the *Yin-Yang* principle, can offer a third perspective, one that integrates the views of both camps, to arrive at a more balanced conceptualization of culture.

The Chinese Taoist (or Daoist) *Yin-Yang* principle holds that reality is pervaded by *Yin* and *Yang* forces. *Yang* stands for “the creative, developing, dominating, and manifest force and has the male and heaven as its main images”, *Yin*, on the other hand, stands for “the receptive,
recessive, dominated, hidden, and background force and has the female and earth as its main images” (Cheng 1987, p. 34). These two opposing forces contradict and yet complement each other, and the whole integrates and synthesizes the two opposing and seemingly mutually exclusive forces.

It is proposed in this study that Yang stands for the dynamic, changing, and heterogeneous dimension of culture, while Yin represents its stable, cognitive, and homogeneous dimension. Therefore, viewed from the perspective of the Yin-Yang principle, culture can be conceptualized as having two dimensions, just as a coin has two sides—the abstract, cognitive, stable, and homogeneous, and the action, dynamic, variable, and heterogeneous. To effectively deal with intercultural issues, both of these two dimensions need to be taken into account. If there were only abstraction and cognition, people would not be able to adapt themselves to new or changing circumstances; on the other hand, if there were only action and dynamism, there would be no discernible differences in cultural inclinations among individuals, and as such there would be no grounds for the call of multiculturalism (e.g., Bissoondath 2002). Culture in reality is an organic, dialectic synthesis of both dimensions; it is a process of dialectic transformation between the Yin (stable) and the Yang (dynamic) dimensions, which gives it a certain degree of stability on the one hand, and momentum for change on the other.

Such a perspective on culture fits well with today’s increasingly globalized, culturally diverse workplaces. The sustained growth of foreign direct investment (FDI) worldwide and the growing ranks and sprawling scales of multinational corporations (MNCs), which are staffed with people from different countries who have different national and organizational cultural heritages, underlie the importance of culture emergence in ICCM contexts. These contexts provide an environment for the interplay of different cultural values and assumptions, where both the stable and the dynamic dimensions of culture come into contradiction and complementation in the emerging local culture. Therefore ICCM contexts constitute an ideal setting for empirically studying the pattern and process of culture emergence.

1.2 RESEARCH QUESTIONS

Can a new conceptualization of culture be developed that better fits the reality of today’s increasingly globalized, culturally diverse workplace? This is the fundamental research question for this research. It can be put forth in more concrete terms as the following:
(a) Is culture stable and immutable, or is it dynamic and changing? Or is it somewhere in between?

(b) How does culture emerge in today’s Sino-Western ICCM (SW-ICCM) settings?

Even though ICCM is the conceptual context for this study, the empirical research context is SW-ICCM so as to narrow down the research scope. The research questions are further broken into several subsidiary questions. The subsidiary questions of this research are directed at delineating the details of culture emergence in today’s SW-ICCM contexts so as to arrive at a fine-grained understanding of this process. They are:

- How do the dynamic and the stable elements of culture interact?
- How do individuals formulate their actions which lead to the emergence of cultural patterns?
- Do individuals consult with other organizational members in action formulation and/or interpretation? If so, who generally initiates such consultations?
- How do individuals interpret, or make sense of their interactions with others in the organization?
- Do the values of an organizational member actually change? Or is there only superficial change in cognition where the cultural other is seen as a “necessary evil”, so to speak, to be put up with?

A grounded theory (GT) approach was used to conduct empirical research in this study. GT emphasizes developing theory directly from data, i.e., the theory thus developed is directly grounded in data. Because of this, the research requires flexibility in both data collection and analysis (Glaser and Strauss 1967). Specifically, the semi-structured interview was employed in data collection. Therefore, the questions discussed above do not include all the questions in the interviews; relevant questions that arose in the recursive “data collection → coding → analysis” process were also posed to the interviewees. However, these questions do indicate the overall research focus of this study.
1.3 RESEARCH OBJECTIVES

This research attempts to address the afore-mentioned questions by developing theory in grounded fashion. Taking advantage of the rich detail of qualitative data, the first objective of this research is to depict culture emergence in the three theme areas—pay confidentiality (PC), knowledge/information sharing (KIS), and status differentiation (SD)—in a “thick description” fashion. This would afford a fine-grained appreciation and understanding of the process of culture emergence in the SW-ICCM context, revealing the dynamics, variations, and intricacies of culture emergence in such culturally diverse settings.

The second objective is, by abstracting from the data and drawing on the “thick description” part, to generate substantive theories that are grounded in each of the three themes. The substantive theories thus developed are restricted in generalizability to their respective themes only. As such, they fit very well with the realities in their respective theme (substantive) areas.

The third objective of this research is to develop a formal theory of culture emergence in SW-ICCM contexts by comparing and integrating the three theme-grounded substantive theories already generated. This formal theory aims primarily to delineate the process of mutual accommodation and adaptation by individuals in SW-ICCM contexts that is characterized by both stability and change.

1.4 SCOPE

This study aims to develop in grounded fashion a new dynamic, processual conceptualization of culture that encompasses both the stable, cognitive and the dynamic, action dimensions of culture. Such a conceptualization should be better at describing culture emergence in the increasingly globalized, culturally diverse workplace that is characteristic of the dynamic ICCM contexts.

In order to propose a conceptual framework, relevant theories and conceptualizations of culture were reviewed in both management and organization research and other disciplines, such as anthropology and sociology. The purpose of the literature review was to establish the research questions in the context of extant literature. Then classical Chinese philosophies, mainly the Taoist (Daoist) Yin-Yang principle, were drawn upon to propose a conceptual framework that is holistic by encompassing both a stable and a changing dimension.
Empirical research was then carried out with the proposed conceptual framework as a general perspective. On this front, the GT approach of Glaser and Strauss (1967) was employed to generate theory. Specifically, semi-structured interviews were carried out involving both Chinese and Western nationals working in SW-ICCM contexts in China. Therefore, the SW-ICCM settings in China are the target context for the empirical research in this study. As a result, this context is also what the formal theory thus generated is intended for, i.e., its generalizability is restricted to the SW-ICCM context.

1.5 RATIONALE

1.5.1 The Trend of Globalization

Traditionally, importing/exporting, or international trade, was the main mode of doing international business, where domestically manufactured goods and services are traded over national borders (Drucker 1995; Deresky 2003). Today, however, the trend of globalization has led to great changes in how international business is conducted. Globalization is a notion that refers to the “growing interdependence among countries, as reflected in the increased cross-border flow of three types of entities: goods and services, capital, and know-how” (Govindarajan and Gupta 2001, p. 4). Alternatively, the global economy is viewed as encompassing the worldwide flow of information, technology, money, and people (Drucker 1995).

This trend of globalization has been brought about by changes in several aspects of human society. Firstly, technological developments in information technology (IT) have transformed the workplace, work itself, and how work is done, and accelerated firms’ globalization processes. The World Wide Web, as a new medium of information exchange, not only enables users to access instant information from anywhere in the world, but also makes it possible for firms to carry out work 24 hours a day around the globe, with work team members located in different parts of the world (e.g., O'Hara-Devereaux and Johansen 1994; DiStefano and Maznevski 2000).

Secondly, the growing importance of the World Trade Organization (WTO) and regional trade arrangements has also stimulated economic integration and interdependence among countries. Since its establishment in 1995, the WTO has expanded the coverage of free trade from manufactured goods only (as covered by the General Agreement on Tariffs and Trade, or GATT), to including services and agricultural products. Its round after round of free trade
negotiations has led to growing liberalization of national economic policies toward foreign investment, and deregulation of international fiscal and monetary markets in its member economies. Regional free trade arrangements, such as the North American Free Trade Agreement (NAFTA) and the European Union (EU), have further liberalized their member economies, resulting in the emergence of nascent truly unified markets with their respective “spheres of influence”. In the EU, for example, free cross-border flow covers not only goods, services, and capital, but also people; people can freely move and work anywhere within its boundary.

Thirdly, the opening up of former command economies, especially China and the former Soviet Union, has greatly expanded the scope of global economic integration. In the case of China, since her WTO accession in 1999, foreign firms, especially MNCs from industrialized countries, have been steadily increasing their direct investment in this country. In 2003, China attracted a total of US$53 billion of inward FDI and overtook the United States to become the world’s largest FDI recipient (OECD 2004). Foreign firms have been attracted to China primarily by her large domestic market potential and low cost labor, which means that their subsidiaries in China not only enable them to better exploit China’s huge domestic market, but also serve as their manufacturing bases for worldwide distribution.

1.5.2 The Need for a New Conceptualization of Culture

Along with this trend of globalization, FDI has become most businesses’ key international business operating strategy (Deresky 2003), with the establishment of overseas manufacturing, services, and/or sales subsidiaries replacing the traditional international trade as their main thrust to internationalize their operations. In addition, international joint ventures (IJVs), international mergers and acquisitions, and international strategic alliances have also become increasingly popular with firms in pursuing their globalization strategy (Sackmann and Phillips 2004).

This trend of global economic integration has led to the emergence of workforces that are themselves increasingly globalized, and characterized by diversity both in cultural background and otherwise (such as education and training, experience, ethnicity, and nationality) (Sackmann and Phillips 2004). A direct result of this is the blurring of the traditional demarcation between “us” and “them”, as more and more people work in foreign countries where traditions and cultures are completely different from their own. These expatriates work side by side with people from the host country over long periods of time,
collaborating to accomplish their respective organizational goals. What this means is that in today’s world of sprawling multinational business operations the “meeting of cultures” (Hofstede 2001b, p. xvii) is a misstatement. Cultures do not meet; it is individuals from different cultures that meet and interact. In today’s multinational organizations individuals with drastically different cultural backgrounds work together day by day—they may agree or disagree with one another, but they have to get the job done—“live and let live”. This brings out the best in the dynamic aspect of culture. There may be different values, beliefs, and assumptions among employees of a firm, but they have to collaborate and engage in teamwork for their organization to properly function. Traditionally management researchers see these workplaces as hotbeds for cultural misunderstandings and conflicts. However, viewed from a more pragmatic perspective, these workplaces actually embody the dynamic process of culture emergence.

Contrary to this ever-increasing trend of global mingling and dynamic interchange among individuals from different cultures, however, the dominant perspective on culture in ICCM research is a static one that fails to account for such dynamism (Boyacigiller et al. 2003). This static perspective is best exemplified by Geert Hofstede (1980a; 1983; 2001). As one of the most widely cited authors in the Social Science Citation Index (SSCI) (Sondergaard 1994), Hofstede’s framework has been widely adopted by other scholars as a paradigm in their respective research. As a result, this static view of culture has come to dominate the field of ICCM research. Typical of this view are statements such as “(National) cultural values shape people’s beliefs and attitudes and guide their behavior” (Fan 2000, p. 4).

It is true that individuals with different cultural backgrounds have different values and beliefs, and will act differently in a given situation, but what happens when they become colleagues and work together day by day over extended periods of time?

Therefore it is obvious that the application of the static view to investigating culture in today’s ICCM contexts that characterized by dynamism, change, and cross-cultural interactions, may well be open to question, because it cannot answer the question above. The emergence of globalized and culturally diverse workforces seriously challenges the implicit assumptions of this static view. A new perspective that focuses more on the dynamic dimension of culture needs to be developed and utilized to better give us insight into the nature of the dynamic interactions among cultural agents. The call for process-oriented conceptualizations of culture has been voiced in recent years (e.g., Sackmann and Phillips 2004; Leung et al. 2005). However, so far there have been few theories that deal with this
aspect of culture (Leung et al. 2005). This research, then, represents an attempt in this direction to develop a theory of culture emergence that would better reflect the dynamic and processual nature of culture in ICCM contexts.

1.5.3 The Need for Conducting Culture Research in the Chinese Context

Owing to the fast pace of economic growth experienced by Asian countries, research that focuses on management issues related to this region has proliferated (Graen and Hui 1996). There has also been growing interest by international scholars in conducting management and organization research in the Chinese context (Li and Tsui 2002). Therefore it is of both theoretical and practical significance to study intercultural issues in China, especially between Chinese and Western nationals, who supposedly have drastically different cultural backgrounds.

Cultural distance (CD) refers to the degree to which different cultures are different or similar (Shenkar 2001). In empirical culture research, CD is widely used as a variable designed to measure the differences among cultures along selected dimensions (Hofstede 2001b; Shenkar 2001). In the international business literature, CD has been used as a key variable in explaining FDI decisions, headquarters-subsidiary relations, expatriate selection and adjustment (Shenkar 2001), and other issues such as valuation of MNCs (Antia, Lin and Pantzalis 2005), or the choice of governance mode for international strategic combinations (Moon and Shin 1999).

The general CD argument underlying culture-related research is that people will have more problems working together if they are from cultures that are very different than if they are from similar cultures (Leung et al. 2005), since individuals from more distant cultures are likely to have fewer culturally appropriate skills for negotiating everyday situations (Searle and Ward 1990). Or to put it in another way, the greater the CD among individuals, the more problematic their collaboration will be. This argument has been suggested by earlier literature, even though the term “cultural distance” was not used (e.g., Hofstede 1980a; Mendenhall and Oddou 1985).

Empirical results have been inconsistent, however, with some supporting this general argument, while others contradicting it (Shenkar 2001). In studying IJV hotels in China, for example, Leung and associates found that local Chinese employees reported more positive attitudes toward Western expatriate managers they worked with than toward Japanese expatriate and overseas Chinese managers (Leung et al. 1996; Leung, Wang and Smith 2001).
On the expatriate side, non-Asian expatriates were found to have higher intercultural sensitivity and to be less prone to culture shock than Asian expatriates (Kaye and Taylor 1997).

These contradictory empirical results notwithstanding, it is a well-known fact that the distance between the Chinese and Western cultures is great, either as measured or judged on the oft-cited cultural dimensions such as those of Hofstede (1980b; 2001b), high versus low context (Hall and Hall 1987), P-time versus M-time (Hall 1983), or by country groups (Lessem 1993, cited in Bendixen and Burger 1998).

Therefore the rationale for this study to focus on the SW-ICCM context in China is self-evident. Because the distance between Chinese and Western cultures is so great, when individuals from these cultures work together over extended periods of time, their original cultural dispositions must change to varying degrees so that a common framework of behavioral rules may emerge to enable their team to function properly. The great cultural contrasts between China and the West would make it relatively easy to observe how CD is closed or accommodated, thereby enabling the researcher to fully appreciate and study the dynamic functioning of culture. In addition, the great CD would also serve to maximize differences (variations) among comparison groups in this thesis. Maximizing differences among comparison groups is a key requirement in GT research, so that varied and different data can be collected, thus allowing the analyst to discover strategic similarities among the groups, to speedily and densely develop a category, and, in the end, to generate a theory with different levels of generality (Glaser and Strauss 1967).

Furthermore, the personal Sino-Western cross-cultural experience and knowledge of this researcher would enhance the quality of the results of this study. In GT research, the researcher’s personal experience and knowledge can enhance data collection, analysis, and theory formulation (Glaser and Strauss 1967). Of course, such personal experience and knowledge themselves do not constitute data. Rather, GT researchers can draw on their personal experience and knowledge to sensitize themselves to the properties and dimensions in data (Strauss and Corbin 1998).

Being a Han (the majority ethnic group in China) Chinese national, in his earlier life this researcher spent seven years in the United States as a student. After returning and working in China since 1990, he has been continually involved in many Sino-Western business situations and academic exchange programs. He has worked in a Chinese state-owned enterprise (CSOE), and later on, in a Sino-US JV, where the US partner is a Fortune 500 multinational.
In addition, he has done consulting work with several Sino-Western JVs. And in the past few years, he has been in Australia as a PhD student. This researcher’s extended exposure to, and contact and interaction with, English-speaking Western individuals, have enabled him to gain not only an in-depth understanding of the rich content, dynamics, and intricacies of Western cultures\(^1\), but also an extensive appreciation of the apparent and subtle differences between the Chinese and Western cultures. Many of these subtle differences generally go unnoticed by observers illiterate in either culture, and therefore have not been fully researched, as judged by extant literature on international business or ICCM.

To summarize, this researcher’s personal cross-cultural experience qualifies him as a quasi-insider of Western cultures. Therefore he possesses factual knowledge of all the national cultures involved in this study, which would certainly enhance the robustness and credibility of this study.

### 1.6 RESEARCH METHODOLOGY

Methodology provides a general strategy, or a sense of vision, for conducting research. The research methodology of this study can be characterized on the following dimensions.

Firstly, the purpose of research is descriptive. It aims to present the details of the dynamic process of culture emergence in SW-ICCM contexts, so as to arrive at a fine-grained understanding of this process. Furthermore, theme-grounded substantive theories and a formal theory were generated in grounded fashion to conceptually describe this process.

Secondly, this thesis takes an interpretive philosophical orientation. The interpretive paradigm holds that social reality is not “out there,” but rather it is subjective (Neuman 2003). The object of study is the emergence of cultural practices as experienced and interpreted by individuals in the SW-ICCM context. Therefore there is a good fit between the paradigm taken and the object of study.

Thirdly, an inductive approach is adopted for theory building in this thesis. Induction refers to the process of building theory directly from data or observation (Lancaster 2005). In this thesis, data were collected by semi-structured interviews supplemented by non-participant observations, and then theory was generated in grounded fashion.

\(^1\) Of course what constitutes Western cultures is open to debate. In this research this term refers to the Anglo-Saxon and Western European cultures.
Fourthly, the empirical data in this thesis is qualitative field data. By going to the field to interview Chinese and expatriate informants in the SW-ICCM context, the data collected are firsthand and represent social reality as experienced and interpreted by the informants, which is consistent with the interpretive paradigm taken. In addition, non-participant observation was also conducted to collect supplementary data.

Lastly, the use of theory is grounded. The theory generated in grounded fashion is the closest to reality and narrowest in scope (Grix 2004). The theory developed in this thesis is intended only for the SW-ICCM context. No attempt is made to generalize it outside this context. Therefore it should fit the reality of culture emergence in this context very well.

1.7 RESEARCH METHOD

Research method refers to the specific procedures and techniques for data collection and analysis. Grounded theory (GT) is the method employed in this study. The main characteristic of GT is the recursive “data collection → coding → analysis” loop, where these activities are carried out concurrently, so that data collection is driven by the needs of the emerging theory (Glaser and Strauss 1967).

Prior to data collection, three cultural themes were developed, each of which represents a substantive (i.e., practical) area. The themes were developed by open-ended interviews with Chinese and expatriate managers, reviewing relevant literature, and drawing on this researcher’s personal experience. The themes were then integrated with the research questions to arrive at the actual interview questions.

The interview questions were then posed to Chinese and expatriate informants in the semi-structured interviews. Data coding and analysis were initiated immediately after the first batch of interview data came in. Subsequent interviews were then driven primarily by the needs of the emergent theory. This recursive “data collection → coding → analysis” loop was repeated until theoretical saturation was achieved on the major categories (Glaser and Strauss 1967).

A substantive theory grounded in theme data was developed to describe culture emergence in the corresponding substantive area. Then the substantive theories were compared and integrated to arrive at a formal theory that applies to the SW-ICCM context.

In addition, appropriate measures were taken at each step of the research process to enhance the robustness and credibility of the research findings.
1.8 SUMMARY OF FINDINGS

Firstly, the results confirm the general perspective taken in this thesis toward culture, which is that there is both a stable and a change dimension in culture, the interplay of which gives rise to the hybrid pattern of cultural practices in the SW-ICCM context.

Secondly, there are three cognitive elements—Values, Expectations, and Contingencies—that help individuals in the SW-ICCM context cope with their cultural differences. Values are enduring beliefs regarding what is fundamentally right or wrong (Rokeach 1973), and are thus context-independent. Expectations are context-dependent or context-specific, because they represent cognitive behavioral rules that individuals learn through behavior and/or otherwise regarding appropriate behavior in a particular context. Contingencies are cognitive behavioral rules that individuals formulate contingent upon a particular behavior of the cultural other. As such they are occasion-dependent or occasion-specific.

Each of the three cognitive elements has a unique time-space characteristic. Together they function much like a “multi-carriage train”. A “multi-carriage train” allows for the lateral movement of the carriages relative to each other, so as to accommodate the bumps and turns in the tracks. Similarly, the three cognitive elements can be inconsistent with each other to enable individuals to cope with the diversity in behavior among organizational members. In other words, Expectations and Contingencies can act as “shock absorbers” between Values and behavior in the SW-ICCM context so as to mediate the potential conflict between them. The three cognitive elements afford culture both a dimension of stability and one of change.

Thirdly, culture is conceptualized to include inconsistent and even sometimes contradictory Values, Expectations, Contingencies, and behavior. This perspective moves beyond the implicit internal consistency assumption that underlies much of culture research, and is arguably better suited for studying culture emergence in the SW-ICCM context.

Lastly, culture is classified along its path of emergence into nascent, adolescent, and mature types. Such a classification helps to view culture from a processual perspective. It also enables the culture researcher to situate a particular culture in its historical context.
1.9 LIMITATIONS OF THE STUDY

As is characteristic of qualitative research, the research findings of this study are not intended for generalization to all contexts. Rather, they are limited only to the SW-ICCM context. They may also be generalizable to other ICCM contexts, but this needs to be further investigated.

Furthermore, grounded theory views theory as process, i.e., there is no perfect end-state theory. Rather, it should just be regarded as an emerging entity upon which further improvement can always be made (Glaser and Strauss 1967). Therefore, the theories generated in this research are not perfect; further improvement and refinement can and should be made. In fact, these theories raise many questions that need to be investigated in future studies.

1.10 ORGANIZATION OF THIS THESIS

This thesis consists of ten chapters.

Chapter 1 presents the research questions and research objectives, as well as the background and justification of studying culture emergence in the SW-ICCM context. It also outlines the research methodology, and the specific method employed. In addition, this chapter includes a summary of the major findings, their limitations, and future research directions.

In Chapter 2, an extensive review of relevant literature on culture conceptualization is presented. The conceptualization of culture is traced back to its first modern definition, and then the major definitions of culture in anthropology and management and organization studies are reviewed. In addition, the three emerging streams of culture research in ICCM are also discussed. This review establishes the research questions of this study in the relevant theoretical context.

In Chapter 3, a dialectic, processual conceptualization of culture is proposed by drawing on the Chinese Yin-Yang principle. Its main thrust is to offer a conceptual framework that includes both a stable and a dynamic dimension in culture emergence. This conceptual framework provides a general perspective for subsequent empirical research.

Chapter 4 outlines the methodological considerations of this research. By reviewing the relevant methodological literature, it characterizes this research on the relevant methodological dimensions.
Chapter 5 details the specific research method employed in this research. In accordance with the inherent requirements of GT, a detailed description of the research process is presented that includes sampling and data collection, data coding and analysis, theory generation and presentation, and credibility and ethics issues.

In Chapter 6, the results of data analysis on the first theme, PC, are presented. The results are first presented in a “thick description” style, so as to afford a fine-grained understanding of the phenomenon under study. Then a theme-grounded substantive theory is offered as a theoretical representation of culture emergence in this substantive area.

Chapter 7 presents the results of data analysis on the second theme, KIS. It follows the same presentation format as Chapter 6.

In Chapter 8, the results of data analysis on the third theme, SD, are discussed. Again it follows the same presentation format as Chapter 6.

Chapter 9 presents a formal theory generated by comparing and integrating the theme-grounded substantive theories developed in Chapters 6, 7, and 8. The characteristics and implications of the formal theory are also discussed.

Chapter 10 provides a discussion of the theoretical contributions and practical implications of the theories, especially the formal theory, generated in this research. Furthermore, the limitations of the findings and directions for future research are also presented.
CHAPTER 2
LITERATURE REVIEW: THE CONCEPTUALIZATION OF CULTURE

Culture has long been regarded as the foundation stone of the social sciences. It is comparable to gravity in physics and evolution in biology in terms of its explanatory importance and generality of application. Culture is complex and multidimensional. In the realm of academic research, it is also a multidisciplinary subject involving such disciplines as anthropology, sociology, psychology, communications, and management. Culture plays an increasingly important role in both theory and practice (Chase 1956).

Because of its interdisciplinary nature, the conceptualization of culture has evolved over time, resulting in a myriad of different definitions, which reflect different theories for understanding, or criteria for valuing, human activity. Kroeber and Kluckhohn (1963), for example, identified a total of 164 different definitions of culture. Therefore a review of the evolution of culture conceptualization is much warranted.

The review in this chapter consists of three main parts: (a) a review of the early culture definitions, which to date have been frequently cited by researchers in various disciplines, including management and organization studies; (b) a review of pioneer culture conceptualizations in management and organization studies, which have roots in the frequently-cited culture definitions in part (a); and (c) a review of culture conceptualization in ICCM, which is the conceptual context of this research.
2.1 TRADITIONAL CONCEPTUALIZATIONS

2.1.1 The Concept of Culture

According to The Oxford English Dictionary, the word *Culture* is derived from the Old French *couture*, and the Latin *cultura*, from *cultus*, the past participle of *colere*, with the meaning of tending or cultivation, and in Christian authors, worship. The original meaning of culture primarily has to do with cultivation or nurture, as is still used today in such words as agriculture, horticulture, aquaculture, etc.

The use of culture to describe, and as a concept to study, human societies and history only emerged around the middle of the eighteenth century. The ethnographic and modern scientific sense of the word *culture* was first introduced in the German language. The German word, *Kultur* or *Cultur*, was first used by Gustav E. Klemm, 1802-67, to refer to the state or condition, sometimes described as either extraorganic or superorganic, in which all human societies share even though their particular cultures may show qualitative differences. Initially the word *culture* was closely related to *civilization*, both had the meaning of betterment, and of improvement toward perfection (Kroeber and Kluckhohn 1963).

In modern science, however, culture has been widely used to refer to patterns of human group behavior. Its intangible elements such as values and beliefs guide its tangible elements such as behavior and artifacts; its tangible elements, in turn, manifest and reinforce its intangible elements. Such a conception of culture sets it apart from civilization. In this chapter only the development of this scientific conceptualization will be reviewed.

2.1.2 Early Scientific Definitions

In 1871, the anthropologist Edward B. Tylor was the first to define culture in its modern technical or anthropological meaning. His definition is:

Culture, or civilization, … 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 (Tylor 1958, p. 1).

However, according to Kroeber and Kluckhohn (1963), only since as late as 1952 has culture acquired its new and specific scientific meaning, which is that of

a set of attributes and products of human societies, and therewith of mankind, which are extrasomatic and transmissible by mechanisms other than biological heredity, and are as
Values as a Central Element

A value is “an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence” (Rokeach 1973, p. 5). In contemporary research values are treated as a central feature of culture by most scholars. The widely accepted notion is that cultural values guide people’s behavior, and behavior in turn reinforces these values. For example, Hofstede’s (1980a; 1994; 2001) framework of national culture is based on this premise. Since values are stable, national cultures, each having evolved over hundreds or even thousands of years of history, are distinctive and stable, and therefore can be compared (Hofstede 2001).

In early definitions culture is viewed as extrasomatic behavioral codes, patterns, and products that characterize man as a member of society. The anthropological origin of culture definitions gives it a notion of stasis and immutability. Even though early definitions of culture generally do not explicitly include values as a conceptual element, this notion led to values (and equivalent terms) being included as the core element of subsequent definitions. In fact, the inclusion of values (and equivalent terms) in the conceptualization fits very well with this early notion of culture as being static and immutable. This is because values themselves do not change over time, thus resulting in behavior that does not change over time, either.

A Review of the Most Frequently Cited Early Definitions

Values first appeared as a conceptual element in Malinowski’s (1931) definition, who stated:

This social heritage is the key concept of cultural anthropology. It is usually called culture…

Culture comprises inherited artifacts, goods, technical processes, ideas, habits, and values (p. 621).

There were only two definitions that include values in the 1930s; in the 1940s and 1950s this number climbed to five and twelve, respectively (Kroeber and Kluckhohn 1963). Later on,

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2 Classic ethnographers, who were typically Caucasians, studied cultures of remote (and backward) peoples. With detachment and objectivism, they depicted their subjects as members of a harmonious, homogeneous, and unchanging culture. To them, traditional societies do not change, and as a result cultural forms are stable and constraining on group members’ behavior (Rosaldo, 1989). The contemporary multinational firm, with its sprawling worldwide operations locations and culturally diverse work teams, however, is at the opposite end of the spectrum. It is inconceivable that conceptualizations of culture that are based on studies of remote, primitive tribes should be applied to studying the contemporary multinational firm.
however, the inclusion of values as a conceptual element in the definition of culture gradually gained acceptance, which is reflected in the frequently cited definitions discussed next.

Kluckhohn (1951):

Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values (p. 86).

Kroeber and Parsons (1958):

Transmitted and created content and patterns of values, ideas, and other symbolic-meaningful systems as factors in the shaping of human behavior and the artifacts produced through behavior (p. 583).

Kluckhohn and Strodbeck (1961) used the term “value orientation” in their study of cultural relativity among five rural communities in New Mexico.

Value orientations are complex but definitely patterned (rank-ordered) principles, resulting from the transactional interplay of three analytically distinguishable elements of the evaluative process—the cognitive, the affective, and the directive elements—which give order and direction to the ever-flowing stream of human acts and thoughts as these relate to the solution of “common human problems” (p. 341).

It should be noted that cultural relativity, i.e., that there is a definite variability in human behavior across cultures, or that there is a systematic variation in cultural phenomena among whole societies, subgroups within societies, or even individual persons (Kluckhohn and Strodbeck 1961), forms the basis for the cultural typologies based on several generalized dimensions of the like of Hofstede (1980b; 1983).

Kroeber and Kluckhohn (1963):

… culture is a product; is historical; includes ideas, patterns, and values; is selective; is learned; is based upon symbols; and is an abstraction from behavior and the products of behavior (p. 308).

Downs (1971) defined culture as a mental map:

Many modern anthropologists, seeking a precise terminology more amenable to systematic and rigorous research, have developed a new definition of culture based on the premise that
our learned behavior is, in the final analysis, a product of how we think about things—our
cognition. They speak of culture as a cognitive model. In much simpler words, we can think
of culture as a mental map which guides us in our relations to our surroundings and to other
people… The map, to be useful, must be shared to a greater or lesser extent by a number of
interacting people—a whole society or a significant part of it… (p. 35).

Triandis (1972) distinguished “subjective” culture from its “objective” manifestations in
artifacts, and defined subjective culture as

a cultural group’s characteristic way of perceiving the man-made part of its environment.
The perception of rules and the group’s norms, roles, and values are aspects of subjective
culture (p. 4).

Hall (1983) stated that there are three different levels at which culture functions: (1) the
conscious, technical level, where words and specific symbols play a prominent part; (2) the
screened-off, private level, which is denied to outsiders and revealed only to a select few; and
(3) the implicit level of primary culture, which is

an underlying, hidden level of culture that is highly patterned—a set of unspoken, implicit
rules of behavior and thought that controls everything we do. This hidden cultural grammar
defines the way in which people view the world, determines their values, and establishes the
basic tempo and rhythms of life (p. 6).

In these definitions, even though the term used may be different, be it “values”, “mental
maps”, “cultural grammar”, “shared basic assumptions”, or “value orientation”, they all share
basically the same meaning—that there is a set of relatively stable “cultural rules of behavior”
that resides in the heads of all the members of a society, and that directs or guides its
members’ behavior and interaction. As a result human behavior can be explained and even
predicted by these rules.

2.2 VALUES-CENTERED DEFINITIONS OF CULTURE IN EARLY
MANAGEMENT LITERATURE

2.2.1 The Centrality of Values

In the realm of management research, pioneer scholars have adopted basically the same value-
centered conceptualizations of culture. Schein (1985; 1992), for example, defined culture as
a pattern of basic assumptions—invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration—that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (1985, p. 9).

a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and international integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (1992, p. 12).

Deal and Kennedy (1982) defined culture both based on its dictionary definition and on an informal one. According to them, culture is

the integrated pattern of human behavior that includes thought, speech, action, and artifacts and depends on man’s capacity for learning and transmitting knowledge to succeeding generations (p. 4);

the way we do things around here (p. 4).

However, they viewed values as the core of corporate culture, which powerfully influence what people actually do.

The crux of Hofstede’s definition of culture is “collective programming of the mind” (1980), or “software of the mind” (1991) that guides people’s behavior. According to Hofstede, culture is

the collective programming of the mind that distinguishes the members of one human group from another … the interactive aggregate of common characteristics that influence a group’s response to its environment (1980b, p. 25);

software of the mind (1991, p. 4);

the collective programming of the mind that distinguishes the members of one group or category of people from another (2001b, p. 9).

Again these conceptualizations view culture, be it at the corporate or the national level, as stable and constraining on individual behavior. Therefore the contradiction between static theorization and workplace diversity and dynamism is self-evident.
2.2.2 Other Elements of Culture

Of course values are not the only component of culture; there are other elements, too. However, in these conceptualizations values constitute the core of culture. The pioneer scholars’ views in the realm of management research on the composition of culture are discussed next.

Schein (1985) conceptualized culture as including three layers:

- Artifacts and creations. These are the visible organizational structures, processes, and behavior. This level of culture is easy to observe but difficult to decipher.

- Espoused values. These include strategies, goals, and philosophies, which explain and predict much of the behavior at the artifactual level.

- Basic underlying assumptions. Unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings constitute this third level of culture. Basic underlying assumptions are the ultimate source of values and action.

Deal and Kennedy (1982) described a five-element conceptualization of culture:

- Business environment. Each firm depends on the marketplace to survive and grow, which may vary widely in terms of products, customers, competitors, technologies, government influences, etc. This is the single greatest influence in the shaping of corporate culture.

- Values. Values are defined by Deal and Kennedy as “the basic concepts and beliefs of an organization; and as such they form the heart of the corporate culture” (p. 14).

- Heroes. Heroes are those people who personify the cultural values of a firm. They serve as role models for others in the organization to follow.

- Rites and rituals. These are the “systematic and programmed routines” (p. 14), i.e., daily processes within an organization that reflect the culturally correct behavior expected from members of the organization.

- Cultural network. This is the primary but informal means of communication with an organization that transmits and disseminates cultural values across the organization.

Trompenaars (1993) viewed culture as comprising three layers:
• The outer layer: explicit products. This layer constitutes the explicit, observable part of culture, and is similar to the artifacts level of culture in Schein’s (1992) conceptualization.

• The middle layer: norms and values. Norms and values are reflected in the outer layer of culture. Norms define what is right or wrong, while values determine the definition of good and bad, in an organization.

• The core: assumptions about existence. This is the logical, unconscious ways of an organization regarding how to deal with problems and challenges presented by the environment. This layer is unconscious because these assumptions have developed after many years of organizational existence.

It is obvious that these definitions focus more on the “structure” side of culture, i.e., the “cultural rules of behavior” of a group serve as a “structure” (in the sociological sense) that directs or guides its members’ behavior and interaction. From this perspective culture is viewed as fixed and immutable.

2.2.3 Level of Analysis

Traditionally the conceptualization of culture has been associated with national, or societal, culture, and the afore-discussed definitions are predominantly at this level. However, culture can be studied at other levels, as well. Trompenaars (1993) identified national, corporate, and professional cultures. Similarly, Fan (2000) distinguished four levels of culture: (a) the international level, (b) the national or societal level, (c) the regional level (i.e., subculture) and, (4) the organizational or corporate level.

At the international level, the world can be divided into several groups of countries, each with its distinctive cultural tendencies. For example, Lessem (1993; cited in Bendixen and Burger 1998) proposed that countries be clustered into four groups, namely, the competitive (the West), the coordinated (the North), the cooperative (the East), and the communal (the South) domains, each characterized by a generic philosophy of empiricism, rationalism, idealism, and humanism, respectively.

At the organizational level, Hofstede (1980), based on two dimensions of power distance and uncertainty avoidance, proposed a fourfold organizational typology to classify organizations across the world:
• The village market, characterized by a small power distance and weak uncertainty avoidance;

• The family, characterized by a large power distance and weak uncertainty avoidance;

• The pyramid of people, characterized by a large power distance and strong uncertainty avoidance; and

• The well-oiled machine, characterized by a small power distance and strong uncertainty avoidance.

Trompenaars and Hampden-Turner (1998) postulated four types of corporate culture in countries around the world according to two dimensions: equality-hierarchy and orientation to the person-orientation to the task.

• The family culture, where the relationship among organizational members is both personal, and at the same time hierarchical, with superiors acting as a fatherly figure and subordinates accepting the formers’ authority.

• The Eiffel Tower culture, characterized by hierarchy and task orientation, with specific relationships and ascribed status. This is a bureaucracy with a depersonalized, rational-legal system where status is ascribed to the role.

• The guided missile culture, characterized by task orientation and egalitarianism. The relationship among organizational members is not hierarchical, but is focused on getting things done.

• The incubator culture, which is fulfillment-oriented, is characterized by person-orientation and egalitarianism—that is, organizations are incubators for self-expression and self-fulfillment.

2.3 CULTURE IN INTERNATIONAL CROSS-CULTURAL MANAGEMENT RESEARCH

The call for systematic cross-cultural organizational research, with culture itself as an important construct, dates back as early as 1970, when Roberts (1970) proposed that scholars should first explicitly and systematically address some fundamental issues (including culture) before conducting cross-national, cross-cultural organizational analysis.
With the trend of ever-increasing globalization, academic research in ICCM, and especially on the effect of culture on other variables, has bourgeoned. Along with the proliferation of research in this field, much progress has been made in the conceptualization of culture and related issues such as cultural differences and subjective culture (Child 1981; Roberts and Boyacigiller 1984; Boyacigiller and Adler 1994; Redding 1994; Sullivan 1994; Earley and Singh 1995; Boyacigiller et al. 1996; Earley and Erez 1997; Gannon and Newman 2002; Bhagat et al. 2003; Boyacigiller et al. 2003; Shenkar 2003). In this section, the conceptualization of culture in ICCM research is reviewed.

According to Boyacigiller et al. (2003), over the years ICCM scholars have come to share a set of assumptions about culture, be they explicitly stated or implied in the text:

- The core of culture is composed of explicit and tacit assumptions or understandings commonly held by a group of people; a particular configuration of assumptions/understandings is distinctive to the group; these assumptions/understandings serve as guides to acceptable and unacceptable perceptions, thoughts, feelings and behaviors; they are learned and passed on to new members of the groups through social interaction; culture is dynamic—it changes over time (pp. 100-01).

These common assumptions notwithstanding, there is no commonly accepted conceptualization of culture among ICCM researchers. Coming from different social, economic, political, and cultural contexts, three streams of ICCM research, i.e., cross-national comparison (CNC), intercultural interaction (ICI), and multiple cultures (MC), have emerged, with the first dominating the field (Boyacigiller et al. 1996; Sackmann et al. 1997; Boyacigiller et al. 2003). As shown in Appendix A, each stream, with a relatively distinct conceptualization of culture, has grown out of different social, economic, political, and intellectual contexts. Their differences also lie in aspects that include underlying theories, assumptions, or theoretical frameworks, research focus and goals, research methodologies, and contributions to knowledge.

### 2.3.1 The Cross-National Comparison Stream

This stream characterizes two fundamental assumptions about culture: (a) the nation-state is assumed to be and used as the surrogate of culture, and (b) national culture is a given, single, and immutable characteristic of an individual, and cultural values are carried in the head of the individual and guide his or her behavior. This school has been dominant in part because pioneer management scholars on culture adopted this view (Boyacigiller et al. 2003).
Of course this comes as no surprise since most of the widely cited definitions of culture, such as those discussed before of Kluckhohn (1951), Kroeber and Parsons (1958), Kroeber and Kluckhohn (1963), Downs (1971), etc., conceptualize culture as values, or other terms equivalent in meaning, that are immutable and guide people’s behavior. Pioneer management scholars cited and used these definitions in their respective research. Another reason is because of the parsimony and clarity in the type of framework and research design such as that of Hofstede (Fang 2003), i.e., questionnaires can be relatively easily designed and data collected, quantitatively analyzed, and differences in attitudes and behaviors explained and even predicted in terms of cultural values (Boyacigiller et al. 2003).

Hofstede’s Works

In the realm of ICCM research, the conceptualization of culture as a relatively stable entity, as perhaps best exemplified by Hofstede’s works, has been the mainstream view on culture. Hofstede’s (1980b; 2001b) works, because of their enormous influence on other researchers in the field, warrant an in-depth discussion, which to a large extent represents the mindset of scholars in the static school.

Hofstede’s empirical work, however, is not the first in the ICCM field. The first large-scale empirical study is that of Haire et al. (1966), who, in an effort to investigate the relationship between cultural values and managerial attitudes and behaviors, asked 3641 managers across 14 nations to complete an attitude questionnaire. However, it is Hofstede’s work that has caught on and been widely cited, and his framework adopted, by a large number of researchers in this field. A vast body of research subsequent to Haire et al.’s (1966), including that of Hofstede, has expanded on their notion of a stable, carried-in-peoples’ head national culture by characterizing and comparing cultures on a set of standardized, universally applicable set of dimensions (Boyacigiller et al. 2003).

Hofstede’s works, *Culture’s Consequences: International Differences in Work-related Values* (1980b), and *Culture’s Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations* (2001b), view cultural differences at the national level in terms of four dimensions of national cultural variability, i.e., power distance, uncertainty avoidance, individualism and collectivism, and masculinity and femininity. In addition, a fifth dimension, long-term versus short-term orientation, or Confucian dynamism, was added later on (Hofstede 2001b). Based on his empirical studies of employees at IBM subsidiaries in 40 countries (and later increased to 53 countries and regions, with the fifth dimension being constructed by a survey of Chinese students in 22 countries around the world, but excluding
China), his works have been one of the most cited sources in the Social Science Citation Index (Sondergaard 1994), and thus remain one of the most influential forces in the study of cross-cultural management.

Hofstede (1980b) defined culture as the “the interactive aggregate of common characteristics that influence a group’s response to its environment” (p. 25). He later redefined it as “software of the mind” (Hofstede 1991, p. 4), which “manifests itself not only in values, but in more superficial ways: in symbols, heroes, and rituals” (Hofstede 2001b, p. 1), or “collective programming of the mind that distinguishes the members of one group or category of people from another” (Hofstede 2001b, p. 9). He maintained that his cultural dimensions broadly characterize national culture in terms of its “average pattern of beliefs and values” (Hofstede 1983, p. 78).

Hofstede (1980; 2001) viewed culture as a relatively stable entity because it has its own stabilizing mechanism. The rationale for this view is self-evident, because otherwise there would be no justification to use his dimensions to distinguish national cultures. This view of culture is shared by many other scholars. At the organizational culture level, culture has been defined as “the set of shared, taken-for-granted implicit assumptions that a group holds and that determines how it perceives, thinks about, and reacts to its various environments,” (Schein 1992, p. 12). Argyris and Schön (1974) discussed the use of mental maps among organizational actors that inform their actions. Furthermore, Hofstede justified his focus on comparing cultures across nations on the ground that societies (i.e., nation-states) are the most “complete” (quotation mark his) and most independent human groups that exist. He further discussed the idea of national character and cultural relativism as grounds for his framework (Hofstede 2001b).

According to Sondergaard (1994), Hofstede’s framework had been applied by other researchers in four ways: (a) nominal quotations; (b) reviews, including both positive reviews and criticisms; (c) replications; and (d) using his dimensions as a paradigm. Hofstede’s influence is especially reflected in the last application. In their use as a paradigm, his questions and dimensions are treated as taken-for-granted assumptions, and his dimensions are used as a conceptual framework outside their original setting, where scholars apply them to the study of the influence of culture on such topics as bicultural cooperation, culture assimilations, transfer of technology, transfer of know-how, and transfer of management ideas (e.g., Kaye and Taylor 1997; Liu and Vince 1999; Matveev and Nelson 2004; Moller and Svähn 2004; Williams, Han and Qualls 1998).
The GLOBE Project

In recent years another large-scale research project, the GLOBE (Global Leadership and Organizational Behavior Effectiveness) project has emerged (House, Javidan and Dorfman 2001). GLOBE is a research network of 170 social scientists and management scholars from 62 cultures across the world. Its aim is to understand the influence of culture on leadership and other variables related to organizational effectiveness. The central theoretical proposition underpinning the GLOBE project is that attributes and entities that distinguish a given culture from other cultures are predictive of the practices of organizations and leader attributes and behaviors that are most frequently enacted, acceptable, and effective in the cultures (House et al. 1999, p. 187).

It should be noted that GLOBE scholars explicitly stated the predictive power of culture. The researchers of GLOBE have developed nine dimensions of culture in their study of leadership and organizational behavior effectiveness (House et al. 1999; House, Javidan and Dorfman 2001):

- Uncertainty avoidance
- Power distance
- Collectivism I: social collectivism
- Collectivism II: in-group collectivism
- Gender egalitarianism
- Assertiveness
- Future orientation
- Performance orientation
- Human orientation

Based on these they have carried out research in 61 nations, and identified 10 cultural clusters: South Asia, Anglo, Arab, Germanic Europe, Latin Europe, Eastern Europe, Confucian Asia, Latin America, Sub-Sahara Africa, and Nordic Europe (Ashkanasy, Trevor-Roberts and Earnshaw 2002; Bakacsi et al. 2002; Gupta et al. 2002; Javidan and House 2002; Jesuino 2002; Kabasakal and Bodur 2002; Szabo et al. 2002).

Limitations of this Stream

The static view on culture, along with the widespread acceptance and use of Hofstede’s conceptual framework as a paradigm in studying the interaction of cultures, i.e., the “meeting
of cultures” (Hofstede 2001b, p. xvii), has come to dominate the field of ICCM research. However, the application of such a static framework to investigate the dynamic side of culture, which invariably occurs when people from two or more cultures meet and interact, obviously has its limitations. In fact, the assumption of culture as given and immutable invariably confines research to viewing cultures in parallel and studying cultures as an outsider, without a fine-grained understanding of how individuals behave in cross-cultural settings (Weisinger and Salipante, 2000).

Weisinger and Salipante (2000) further argued that the reliance on these broad characteristics of culture makes sense only when cross-cultural interactions are infrequent. They also asserted that this perspective has been common among academics and practitioners viewing other cultures from a distance. As such these broad dimensions are perhaps best suited only for a high level of analysis (e.g., country level) (Weisinger and Trauth 2003); at the level of prolonged interaction among individuals from different national cultures, their explanatory power apparently is rather weak. It is obvious that such a perspective on culture renders it difficult to study and explain culture-related behaviors and even other variables in ICCM settings.

Weisinger and Salipante’s (2000) criticism of this perspective stems from their unexpected research findings. They started out with the assumption that cross-cultural knowledge is stable and cognitive, and carried out a study of three technically-oriented Japanese-American JV companies, encountering and trying to explain cross-cultural collisions and conflicts. What struck them was that scenarios developed and validated from incidents at two JV companies elicited unexpected (i.e., culturally “incorrect”) responses from respondents at the third JV company. This means that cultural knowledge is not transportable, but context-specific. They coined the term “cultural knowing”, i.e., a social process which “stems from an interactive process of situated invention and mutual learning” (p. 387) rooted in everyday activities and practices, to reflect the action- and process-oriented nature of cultural understanding.

### 2.3.2 The Intercultural Interaction Stream

As discussed above, CNC scholars view culture as static and immutable. Moreover, from the perspective of an outside observer, they see culture in parallel, but to a large extent fail to address intercultural behavior (Adler 1984; Bond and Smith 1996; Godkin, Braye and Caunch 1989; McSweeney 2002b, 2002a; Peng, Peterson and Shyi 1991). As Weisinger and Salipante’s (2000) work shows, however, culture is in fact an endless process of interaction.
among individual members of a group. What the CNC scholars have been doing over the years is merely to capture a “snapshot” of the culture of a certain group of people at a certain time and in a certain context. While this is perfectly justifiable in and by itself, its limitations are self-evident when applied to explain and even predict behavior when individuals from different cultures work together over a prolonged period of time. As such its theoretical and especially practical relevance must be seriously challenged and questioned in ICCM contexts. The most serious challenge to the CNC perspective emerges from the likelihood that when interacting with members of foreign cultures, an individual’s behavior is different than with members of his or her own culture. As Adler et al. (1986) noted,

International managers need to know how to act when working in foreign cultures. Interaction, not merely comparison, is the essence of most managerial action… International managers’ jobs involve a high level of cross-cultural interaction, which has been largely overlooked by management researchers. Fewer than one fifth (18.6%) of all cross-cultural management research articles have focused on interaction (p. 303).

The issue of intercultural interaction becomes more and more important in the wake of ever-increasing levels of FDI as the world forges ahead in globalization and economic integration, resulting in more and more culturally diverse work teams.

In line with this trend of globalization and economic integration, a small group of ICCM scholars have directed their research efforts to cross-national, cross-cultural interactions among individuals, which led to an emerging ICI framework. Three concurrent and somewhat intersecting developments have contributed to this emerging framework. They are (a) a body of research work on organizational culture, (b) the use of the interpretive paradigm in ICCM research, and (c) the application of anthropological theory and methodology to organizational analysis. Furthermore, communication studies on intercultural interaction also have influenced the ICCM research (Boyacigiller et al. 2003).

**Research on Organizational Culture**

There is considerable variation in focus and methods among organizational culture researchers (Martin 1992; Hatch 1993; Martin and Frost 1996; Schultz and Hatch 1996; Peterson, Wilderom and Ashkanasy 2000; Cooper, Cartwright and Earley 2001; Martin 2002). And also there is a wide range of conceptualizations of culture, with one extreme seeing it as something an organization “has”, i.e., an independent variable which managers can influence and manipulate to achieve desired goals (Davis 1984), and the other viewing it as something an organization “is” (Smircich 1983). However, organizational culture researchers have gone
farthest in terms of clear definitions of culture, of viewing it as a social construct, and as a basis for investigating the implications of culture on organizations (Boyacigiller et al. 2003). Along with a developing view that there is a multiplicity of cultures in organizations (Sackmann 1991; Martin 1992), ICI research has emerged. However, the primary focus is on cultural interactions at the national culture level (Boyacigiller et al. 2003; Sackmann and Phillips 2004).

The Interpretive Paradigm

According to the interpretive paradigm, reality is socially constructed, and different groups of members in an organization may define reality differently. In addition, reality cannot be broken into independent variables and processes which enable direct cause-and-effect relationships to be posited. Rather, all entities in an organization are characterized by mutual, simultaneous shaping (Lincoln and Guba 1985). Therefore the research question for organizational scholars adopting the interpretive paradigm is how organizational members make sense of their social world (Putnam and Pacanowsky 1983; Jones 1988; Schultz and Hatch 1996).

The assumptions of the interpretive paradigm contrast sharply with those of the CNC stream—instead of the latter’s generalization and even prediction, interpretive research focuses on the transferability of research findings; specifically, similar outcomes can be expected under similar conditions (Boyacigiller et al. 2003; Sackmann and Phillips 2004). Interpretive researchers adopt the methods of anthropological ethnography, i.e., intensive, open-ended interviews and participant observation, and hence often describe their approach as “ethnographic” (Geertz 1973).

Application of Anthropological Theory and Methodology

Anthropologists strive to describe culture so as to sort out, represent, and contextually explain the meanings which human beings create for themselves through social interaction (Geertz 1973), and ethnography is “the science—and art—of cultural description” (Frake 1983, cited in Boyacigiller et al. 2003, p. 119). In addition, organizational researchers are divided on what culture is and how to represent it in written form (Smircich 1983; Fine 1984; Schultz and Hatch 1996).

One mode of cultural representation adopted by many organizational researchers is drawn from the conceptualization of culture in cognitive anthropology (Spradley 1980). Cognitive anthropology, alternatively known as ethnoscientific or componential analysis, holds that
culture comprises psychological structures, by means of which individuals or groups of individuals guide their behavior (Geertz 1973). Gregory (1983) first introduced “native-view paradigms” into organizational research. “Native-view” scholars study culture from the perspective of a native (i.e., an insider) (Rosaldo 1989). Their goal is to discover the shared cultural knowledge that is the essence of culture. Cultural knowledge may either by explicit or tacit, and it reflects the way organizational participants make sense of their social setting and helps them to guide the way they interpret experience and general “cultural behavior”. Tacit cultural knowledge is assumed to be more difficult to change (Boyacigiller et al. 2003).

Cultural knowledge, in the form of assumptions, understandings, or sense making, is inferred from the “doings and sayings” of organizational members (Frake 1983, cited in Boyacigiller et al. 2003, p. 120). The assumptions that are surfaced are sometimes represented as broad, encompassing categories of cultural knowledge—termed “cultural themes” by Spradley (1980). Cognitive anthropologists generally do not presume a priori dimensions of culture such as those proposed by Hofstede (1980b; 2001b). However, some organizational culture researchers have organized cultural knowledge revealed by their research around universal dimensions (Dyer 1985; Phillips 1994).

“Thick description” is an alternative view on culture (Geertz 1973). The ethnographer makes detailed, multilayered descriptions of people, events, and actions, in both present and historical time through “interviewing informants, observing rituals, eliciting kin terms, tracing property lines, censusing households … writing his journal” (Geertz 1973, p. 10), and then arrives at the interpretation of the meaning of culture, which are “interworked systems of construable signs … culture is not a power, something to which social events, behaviors, institutions, or processes can be causally attributed; it is a context, something within which they can be intelligibly—that is—thickly-described” (Geertz 1973, p. 14). The ethnographic studies of a Japanese bank (Rohlen 1974) and of leadership in large-scale Taiwanese enterprises (Silin 1976) are two examples of this line of research.

The thick description research, however, has been criticized on the ground that it is too local in its research focus and, as a result, presents too self-contained and unified a representation of culture (Roseberry 1989). Some scholars (Appadurai 1991; Clifford 1986; Roseberry 1989) put forth an alternative view that sees culture as a product of history that is connected to a larger set of economic, political, social and cultural processes, or transnational, deterritorialized “ethnoscapes” (Appadurai 1991, p. 205). In the context of this broad political economy framework, culture “shifts from being some sort of inert, local substance to being a
rather more volatile form of difference” (Appadurai 1991, p. 205). A further extension of this view is that culture itself is emergent and being actively negotiated on an ongoing basis (Giddens 1979, 1984). According to Clifford (1986),

If “culture” is not an object to be described, neither is it a unified corpus of symbols and meanings that can be definitively interpreted. Culture is contested, temporal, and emergent. Representation and explaining—both by insiders and outsiders—is implicated in this emergence (p. 19).

In the organizational culture literature, the cultural fragmentation perspective as described by Meyerson and Martin (1987) best exemplifies the view that in today’s complex organizations culture is ambiguous, incongruent, and actively negotiated.

**Intercultural Communication**

Culture can be regarded as a medium for communication (Hall 1959). A culture is “primarily a system for creating, sending, storing, and processing information” (Hall and Hall 1987, p. 3). An intercultural communication model by Samovar and Porter (1982) that is based on this conceptualization of culture is widely accepted in the realm of international and cross-cultural management (Adler 1986; Erez and Earley 1993), including cross-national, cross-cultural negotiations (e.g., Triandis et al. 2001). However, often this framework is not explicitly incorporated into research design (Boyacigiller et al. 2003). The idea is that individuals of a culture are regarded as bearers of a common culture that influences the behavior in and of organizations. As a result, people from different national backgrounds have different expectations with regard to the formal structures of organizations and the informal ways of how work is done. These expectations influence how people respond to unfamiliar or unexpected behaviors of others who are from other countries and whom they come into contact with in the course of international business, international management, or international negotiations. Too often such cross-cultural encounters lead to misperception, misinterpretation, and a negative evaluation of the cultural other’s intentions and abilities (Boyacigiller et al. 2003).

Alternatively, a cultural synergy model of interaction has emerged. This model builds on the intercultural communication model, and has been adopted by researchers dealing with domestic or international cultural diversity in organizations (Moran and Harris. 1982; Adler 2002). This model holds that conscious management of both cultural differences and similarities is key to the success of cross-cultural communication and hence task
accomplishment. Thus managers should focus on consciously constructing new (cultural) understandings at the work group or organization-wide level, and learn to “create new forms of management and organization that transcend the individual cultures of their members” (Adler 2002, p. 116).

**Major Characteristics of the Intercultural Interaction Stream**

The emerging framework for intercultural interactions in organizations is a loosely constructed one, because scholars in this school have drawn on various and sometimes even contradictory theories and perspectives. There are some common characteristics, however, that define extant research. First of all, there are several assumptions about culture and its consequences that underlie the ICI framework (Boyacigiller et al. 2003):

- Culture is generally considered as a group-level phenomenon, i.e., a social construct that encompasses shared understandings. Even though researchers recognize that an individual’s thinking and behavior may be temporally or enduringly altered due to his or her intercultural experiences, they consider that national culture is salient and critically important, and assume that national cultural identity remains separate and distinct.

- National culture is reflected in a work-related cultural subset, and individuals from different national cultural backgrounds bring their respective work-related (national) cultural subsets to the multinational work setting. In addition, the original organizational culture of a binational organization’s employees may also be relevant (Kleinberg 1994, 1998; Brannen and Salk 2000; Salk and Shenkar 2001; Weisinger and Trauth 2002).

- Cultural differences may affect the intercultural communication process in basically the same way as described in the intercultural communication model, and may lead to misperception, misinterpretation, and misunderstanding.

Secondly, scholars with roots in social or cultural anthropology further view the binational organization as a context for the construction of new understandings, where organizational members interactively make sense of an unfamiliar and extraordinary organizational terrain (e.g., Kleinberg 1994, 1998; Brannen and Salk 2000). An emergent new organizational culture (or cultures) is expected to result from the interactions among representatives of
different national cultures. Here attention is not only paid to the *content* and *form* of an emergent organizational culture, but also to the *process* of cultural formation.

Thirdly, the ICI framework holds that national cultural differences in expectations about work strongly influence the emergent cultural understandings, and shared understandings of each cultural grouping to a large extent reflect enhanced awareness of cultural differences. The framework also recognizes that interconnections can develop among the various cultures within the binational organization, and intercultural harmony and synergy can be spontaneously achieved. In her research, Kleinberg (1989) represented culture as cognitive structures or “sketch maps for navigation” (Frake 1977, cited in Boyacigiller et al. 2003, p. 121). Other scholars even put forth a negotiated culture framework as a further extension, which emphasizes more strongly the fact that it is through face-to-face interactions that cultural understandings are created, i.e., culture is actively contested and negotiated (e.g., Kleinberg 1998; Brannen and Kleinberg 2000; Brannen and Salk 2000). In the negotiated culture research group, cultural understandings are generally represented through thick description.

In terms of empirical research, ICI scholars so far have focused primarily on “binational” organizations, with Japanese-owned and -managed companies outside Japan as the most frequently studied subject (e.g., Kleinberg 1989, 1994; Lincoln, Kerbo and Wittenhagen 1995; Brannen 1996; Rao and Hashimoto 1996; Kleinberg 1998; Brannen and Salk 2000). However, there are other country foci also, such as the studies of a UK-Italian JV (Salk and Shenkar 2001), of Sino-Western JVs in China (Liu and Vince 1999), and of multinational IT subsidiaries in Ireland (Weisinger and Trauth 2002).

To sum up, the ICI perspective views culture as socially constructed, emergent, and actively negotiated among group members. This represents a departure from the dominant CNC perspective. Instead, the conceptualization of culture is process-oriented. Therefore this perspective can better accommodate dynamic, evolving cultures that are present in today’s organizations.

In addition, the ICI perspective, because of its focus on binational interactions, takes national culture as the main context within which intercultural interactions occur. Cultures at other levels, e.g., organizational and professional cultures, are not considered, even though recently some research efforts have also included culture at other levels (e.g., Weisinger and Trauth 2002).
2.3.3 The Multiple Cultures Stream

Pioneer scholars in organizational culture, such as Deal and Kennedy (1982), Peters and Waterman (1982), and Schein (1983), conceptualized culture with the assumption that there is only one single, unique, monolithic culture existing within an organization. However, a small group of organizational culture researchers began to challenge this view based on their research findings, which show that an organization is not a simple, primitive society, as was the typical traditional field research site for anthropologists (e.g., Gregory 1983; Martin and Siehl 1983). An organization, on the contrary, is a heterogeneous, pluralistic system whose members live within a larger complex society. They recognize that, on the one hand, organizational participants may develop shared sets of understandings and assumptions, i.e., a common culture, within the organizational setting; and on the other hand, these members also bring with them the various sets of understandings and assumptions that they have acquired outside of the organization (e.g., Gregory 1983; Martin and Siehl 1983). Therefore there may be a multiplicity of separate, overlapping, superimposed, or nested cultures within a single organization, and an organization participant can simultaneously belong to any number of these culture groups.

These cultural groups exist at many different levels, ranging from the micro to the macro. For example, suborganizational cultures may form based on function or functional domains (Sackmann 1991, 1992), tenure and hierarchy (Martin, Sitkin and Boehm 1985), ethnicity (Gregory 1983), nationality (Kleinberg 1994), gender (Eberle 1997), plant site (Bushe 1988), work group (Kleinberg 1994), etc. Organizational culture may exist within a single business (Schein 1985), a conglomerate (Sackmann 1991), and a family firm (Dyer 1986). Transorganizational culture exists among individuals belonging to the same profession or guild (Gregory 1983), or project-focused groups. At the supraorganizational level, culture can be demarcated around nation (Kleinberg 1989; Hofstede et al. 1990), or nationally influenced practices (Globokar 1997; Jang and Chung 1997), geographical region within a country (Weiss and Delbecq 1987), economic region (Hickson 1993), industry (Grinyer and Spender 1979; Phillips 1994), etc.

The MC perspective is especially relevant to contemporary organizations in the context of today’s complex and dynamic world, where politically there is a growing awareness of ethnic and regional identities and multiculturalism, with national boundaries being challenged or redrawn in some cases; while economically, regional economic integration, as exemplified by NAFTA and the EU, expands and integrates markets above and beyond traditional national
boundaries. These developments, together with the ever increasing global movement of people and the rapid diffusion of the Internet worldwide, which makes distant work and virtual work teams possible, have important implications for organizations. Employees are no longer divided into expatriates and locals; rather, most of them are “transpatriates” (Boyacigiller et al. 2003, p. 128), each coming from different national backgrounds and having served several different employers in several different locations around the world.

Viewed from this MC perspective, organizations and their individual participants are not carriers of one single, monolithic culture, but rather are embedded in a pluralistic cultural context, i.e., all the different types of cultures may exist and coexist within an organizational setting (Louis 1983). However, whether or not a particular culture exists within, or is coincidental with, crosscutting, or overlaid upon the organization is not an a priori assumption, which is contrary to traditional anthropological studies where groups with minority representation are selected and determined a priori to represent certain subcultures, but rather an empirical one. The implication of this is that, as demonstrated in studies by the like of Eberle (1997) and Sackmann (1992), the aim of culture research is to “identify culture(s) that impact on the organization at any given time, around any specific issue, in any particular circumstance, and to any certain degree” (Boyacigiller et al. 2003, p. 131).

Therefore the MC perspective precludes the dominant view on culture as one of permanent identity for the individual, as is assumed in CNC research, or as the single cultural grouping of certain relevance to the organization, as is assumed in earlier cross-national intercultural interaction research.

At the individual level, organizational members may most likely simultaneously belong to several culture groups from which they derive social identity (Ashforth and Mael 1989; Pratt 1998). Or alternatively, this means that in a complex organizational setting, an organizational participant’s identity may be constituted by multiple cultural identities (Sackman 1997; Goodman, Phillips and Sackmann 1999).

The conceptualization of culture to account for cultural diversity and to be sensitive to emerging cultural groupings in this MC framework of cultural groupings in organizations is similar to the ICI perspective, and contrasts sharply with that of the CNC perspective. This conceptualization of culture has several implications for theory, research, and organizations and individuals which act as carriers of culture.
The most important implication is in the definition of culture itself, which is viewed to be a group, or a collective social, phenomenon that is *created*, rather than only *inherited*, by group members. These basic cultural assumptions, once in existence, implicitly influence the way group members perceive, think, act, and feel, which is consistent with the group’s actual cultural settings. In other words, they serve as guidelines for “map making and navigation” (Frake 1977, cited in Boyacigiller et al. 2003, p. 132), guide information selection, interpretation, and communication, and help members make choices that are considered acceptable by others in the group. Furthermore, this conceptualization implies that the essence of culture is cognitive rather than factual or symbolic in nature. Values, norms, rites, rituals, ceremonies, and artifacts are a more visible and more accessible layer of culture (Schein 1983). The deeper layer, the basic assumptions, however, is needed to infer meanings of the former in a given cultural context, since different meanings may be deciphered from the same symbols or artifacts in different cultural contexts (e.g., Sackmann 1992; Bjerke 1999).

This conceptualization also implies that a culture may exist or develop whenever and wherever there is a common set of basic assumptions held by a group of individuals (Caulkins 2004). Therefore researchers can identify cultural groupings in organizations by drawing cultural boundaries according to commonalities in basic assumptions among individuals. One approach is to draw tentative boundaries around anticipated or hypothesized groups, and then identify cultural commonalities to support or reconfigure the a priori groupings (e.g., Grinyer and Spender 1979; Gregory 1983; Martin, Sitkin and Boehm 1985; Eberle 1997). Even unanticipated cultural groupings can be identified in this way. In addition, the cultural dynamics at different levels of analysis in organizational settings can be studied (e.g., Sackmann 1991, 1992).

It also has implications for an individual’s cultural nature. According to the MC perspective, a person can simultaneously hold membership in several cultural groups, which means that, depending on the nature of the issue at hand, a different cultural identity may become salient at a given time (Pratt 1998). Therefore the saliency of any particular cultural identity in a given setting is not an a priori question, but rather needs to be empirically investigated. Furthermore, the emergence, existence, and interplay of individuals’ multiple cultural identities within organizational settings can also be investigated. Empirical results strongly question both monolithic identities and the equation of culture with nation (Dahler-Larsen 1997; Hernes 1997; Pratt and Rafaeli 1997; Salk and Brannen 2000).
2.4 THE EVOLUTION OF MODERN CONCEPTUALIZATIONS OF CULTURE

As discussed in the previous section, the shift in culture conceptualization from one of stasis and immutability to one of dynamism and change is not an isolated development. Culture scholars in other disciplines have also advocated moving away from traditional static conceptualizations so as to better accommodate contemporary societal realities which are characterized by rapid change and uncertainty. In fact, in disciplines where culture plays a key role in both theory and practice, this shift took place earlier than in management and organization studies. As the discussion in the previous section shows, this shift toward a dynamic- and change-based conceptualization in management and organization studies is only now beginning to gather momentum. In this section, this shift is briefly reviewed in the context of the two disciplines, anthropology and sociology, where it first took place, and from where many of the new views on culture conceptualization and related research methods have begun filtering into culture research in management and organization studies.

2.4.1 Anthropology

Anthropology is intimately involved with the study of culture. Since the 1970s anthropology has moved beyond the functionalism and grand synthesism\(^3\) of sociologist Talcott Parsons, and has been paying more attention to differences and the issue of “play and contradiction” (Wagner 1975, p. 156). It is argued that traditional studies of cultures made the mistake of researching culture from the perspective of an observer (outsider) rather than a native (insider). Outsiders are concerned with completed acts and reified representations of knowledge; therefore they see culture as being stable and as being reduced to several abstract dimensions. Such a view is suited for distant relationships. A native or insider, on the other hand, is involved in a stream of events and cannot predict what will happen next (Rosaldo 1989).

This view, based on rich, close-up observations by the native or insider, undoubtedly focuses on the dynamic side of culture. Culture is seen as internally fragmented and variable, varied, contentious, historically situated, and “in the making” (Prus 1997, p. 38). Such a dynamic view is especially relevant in today’s world vis-à-vis the trend of globalization, where people are socially saturated, i.e., because of the advances in communication and transportation, a

\(^3\) In Rosaldo’s (1989) terms, anthropologists holding this perspective on culture are “classic ethnographers”. Roughly the time span 1921-1971 is the classic period in anthropology. Classic ethnographers also used “thick description” to research culture. However, their description is based on the assumption that cultural forms are immutable and constraining on individual behavior, i.e., individual behavior conforms to cultural forms and only serves to further reinforce these cultural norms. Individual behavior either does not deviate from cultural forms, or, even if it occasionally does, the deviant individual(s) is/are pressured by others in the group to conform in the future. In other words, individual behavior does not provide any impetus for change in cultural forms.
person becomes part of a variety of global communities, communicating with others from
distant places, either directly in person, or through electronic communication facilities
(Gergen 1991). When this happens, behavior is likely to vary with context, thereby
contradicting the notions of a static self, and of home culture as a determinant of behavior.

Furthermore, when people from all over the globe come into contact and interact, cultures
through human interaction confront and influence each other to produce a set of behaviors and
practices that are suited for the specific local conditions. This means that culture can neither
be stable over time or place, nor can it be transported from one context to another.

This view also questions the traditional homogeneity and coherence assumptions of culture.
Internal diversities, discontinuities, and ambiguities are viewed as more relevant in studying
cultural phenomena, whereas explaining behavior on the basis of just a few dimensions seems
to be rather simplistic or infeasible.

To summarize, the dynamic view of culture envisions it as internally heterogeneous, contested,
and ambiguous; as overlapping and intermixing, and as “in the making” (Prus 1997, p. 38).
One implication of this view is that within a culture there are many possible explanations for a
given practice, and even within a subculture, there are more than one plausible explanation for
daily, complex encounters.

### 2.4.2 Sociology

In sociology there is also a confrontation of views on the relationship between context and
human action. Context is the structure or environment within which social interactions occur
(Giddens 1984). Culture is concerned with meanings ascribed to the context (Weisinger and
Trauth 2002). One school of thought, as represented by Parsons’ (1996) theory of structure,
views structure as socially shared values and cognitive assumptions that bind together and
mold human action, which is highly consistent with the dominant view in management and
organization research regarding the conceptualization of culture.

Giddens (1979; 1984), on the other hands, focused more on the recursive nature of structure
and action, and regarded humans as agents that act out and at the same time define structure.
According to this view, the structural properties of social systems, such as those conceived of
as cultural, do not exist separately from human action. Rather, structures are better thought of
as recurring patterns of action. “In and through their activities agents reproduce the conditions
that make these activities possible” (Giddens 1984, p. 2).
Giddens (1979; 1984) further discussed the importance of knowing how to go on with activities, and the tacit nature of such knowledgeability, i.e., it is tacit knowledge (Polanyi 1958). Therefore cultural knowing implies that it lies in knowing the right practice for the right time; it is a continuation of an established sequence. This notion also suggests that cultural knowing centers on social rules and is not primarily abstract but practical, lying in the following of repeated practices that often seem trivial but have great cumulative impact on human action (Giddens 1984). Culture as such is a local, endogenously produced, ongoing practical achievement (Garfinkel 1991).

The theory of structuration presumes that members of a social system do not share meanings or similar cognitions (emphasis added), hidden or conscious (Boland 1996). Rather the key is knowledgeability of social integration, of how to get on through practice and procedure, and as such individual cognitive knowledge is joined inextricably with practice. Therefore there is no longer a dichotomy between knowledge and action. Cultural knowing is reflected in the way in which people integrate themselves into the local context and how they carry on routine practices.

2.5 CONCLUSION

As discussed in previous sections, the dominance of the static paradigm on culture in management and organization studies, especially in international business and international cross cultural management, is beginning to give way to more pragmatic, more dynamism-oriented conceptualizations. The ICI and the MC streams represent such moves. Both streams take a processual approach, where culture is seen as being actively created by the actions of cultural agents.

The processual approach, together with “thick description”, native view, ethnosipes, or other similar culture representation techniques, is better at depicting an emergent, dynamic culture. What is lacking, however, is a theoretical framework of culture emergence that transcends different cultural contexts. In the next chapter, such a framework incorporating some of the ancient Chinese philosophical principles will be proposed.
CHAPTER 3
TOWARD A DIALECTIC CONCEPTUALIZATION OF CULTURE

As the review of literature in the previous chapter shows, even though many scholars have criticized the dominant static view of culture, and/or have touched on the dynamic nature of culture, there have been few theories pertaining to the dynamics of culture in ICCM (Leung et al. 2005). Culture conceptualization(s) that pertains to its dynamic aspect is much needed. Such conceptualization(s) would present a framework that transcends different contexts, and yet can describe how culture changes and evolves over time, thereby being well suited for ICCM settings. Of course, there have been attempts to fill this gap in recent years. In this chapter, three such interdisciplinary attempts will be discussed. The main thrust of this chapter, however, is the presentation of a dialectic conceptual framework of culture that is based on the Chinese Yin-Yang principle, which represents an attempt in this direction, and will serve as a general perspective from which to launch the subsequent empirical research.

3.1 RECENT DYNAMICS- AND PROCESS-ORIENTED CONCEPTUALIZATIONS

3.1.1 The Ecocultural Framework

One such effort is Berry et al.’s ecocultural framework (2002). As shown in Appendix B, this framework encompasses both population-level and individual-level variables, regards culture as evolving adaptations to socio-political and ecological influences, and further views individual psychological characteristics in a population as adaptive to their cultural context, as well as to the broader ecological and socio-political influences. The ecological context refers
to the environment in which human beings and the physical environment interact, and can be understood as a set of relationships that provide a range of possibilities for a population.

Specifically, culture functions in an “ecology → culture → behavior → ecology” loop pattern. In this process the behavior → ecology feedback link builds on the notion that human beings are active participants in their cultural and physical contexts, i.e., they are not mere pawns in this framework—rather, their relationships with the physical and cultural contexts are interactive and dialectic in nature, so that individuals can filter and alter the very nature of these contexts (Boesch 1991, cited in Berry et al. 2002; Eckensberger 1996). It should especially be noted that this framework is intended as a conceptual scheme, rather than a theoretical model from which testable hypotheses can be derived.

3.1.2 The Cultural Evolution Theory of the Firm

Weeks and Galunic (2003), by applying cultural and evolutionary thinking to theories of the firm, proposed a “meme’s-eye view” theory of the firm. In this theory firms are viewed as cultures, i.e., as social distributions of “memes” (modes of thoughts—ideas, beliefs, assumptions, values, interactive schema, know-how, etc.) and forms of externalization. Here culture is regarded as a social phenomenon in which group members acquire memes as part of the culture, and at the same time enact them to produce patterns of social communication and behavior. Among group members, memes are enacted, the resulting behavioral patterns observed, and interpreted, thus leading to the spread of memes from mind to mind. As a descriptive (as opposed to normative) theory of the firm, it holds that firms evolve as a process of the selection, variation, and retention of memes.

Selection occurs when an organizational member enacts a meme from among those previously internalized. Internalization refers to a member of the firm observing and interpreting the cultural expression corresponding to a meme. At any point in time, the ecology of memes in the firm is defined by the pattern of selection events acting on a given variation of memes across the firm.

Memes are like genes. Within a particular firm, memes can “immigrate” from other firms, and existing memes can “mutate”, i.e., variation of memes occurs due to uncertain reinterpretation and contextualization, and recombination of existing memes. Therefore both “immigration” and “mutation” of memes can produce variation and change in culture.
Memes retention, on the other hand, refers to the fact that existing memes survive and are diffused more or less unchanged over time. This is accomplished through longevity, fidelity, and fecundity. Longevity refers to reproduction of memes in the sense meant by the structuration theory of Giddens (1984), i.e., a firm constantly reproduces itself, or fails to do so, through the actions of organizational members as they carry on recurring social practices, and as a result incorporate and reproduce the constituent rules and ideas of the firm. Fidelity is about the degree to which memes are accurately copied in their continual reproduction. Fecundity refers to how diffused a meme is in a firm. Together these three elements ensure high retention of existing memes in a firm.

3.1.3 The Dynamic Multi-level Model of Culture

As shown in Appendix C, the dynamic multi-level model of culture proposed by Erez and Gati (2004) represents another attempt in this direction. They applied the general model of multi-level analysis (Klein and Kozlowski 2000) to conceptualizing the dynamics of culture. This culture dynamics model comprises structural and dynamic dimensions which explain the interplay between different levels of culture. The structural dimension of culture is characterized by a nested structure with a global culture at the most macro level, individual self-representations of culture at the most micro level, and national, organizational, and team cultures in between. On the dynamic dimension, there are both top-down and bottom-up processes that result in cultural change. At the most macro level, globalization leads to, through top-down processes, behavioral changes of members at other levels. Similarly, through bottom-up processes, behavioral changes at the individual level can modify culture at more macro levels.

3.2 ANCIENT CHINESE PHILOSOPHY

3.2.1 Overview of Ancient Chinese Philosophy

Ancient Chinese philosophy, which to various degrees still influences the Chinese society at both the individual and collective levels, is a rather broad collection of various schools of thoughts that emerged and subsequently developed over long periods of time in Chinese history. These schools are somewhat distinct from each other, while at the same time they have a lot in common in their basic assumptions toward man-nature and man-man relationships. The major schools of ancient Chinese thoughts include Confucianism, Daoism (Taoism), and Buddhism.
Confucianism

Confucianism, with the *Analects* (*Lunyu*) and the *Doctrine of the Mean* (*Zhongyong*) as its major works in terms of elaborating its philosophy, stresses hierarchy and order on the one hand, and *zhongyong* (the middle way) and harmony on the other. Adopted as official doctrine by the various dynasties ever since the Song Dynasty (960-1279 AD), its emphasis on hierarchy and order helped emperors of the Chinese kingdom rule or govern the people, while the *zhangyong* principle offered officials and average persons alike a middle-of-the-road approach in dealing with nature and with each other. Confucianism helped provide relative stability in ancient Chinese dynasties while at the same time promoted societal development.

Daoism

Daoism, or alternatively spelled Taosim, emphasizes harmony and unity of man and nature, and the dynamic transformation between relative polarities, with the *Book of Changes* (*Yijing* or *Iching*) as its major work. The influence of Daoism in the contemporary Chinese society is also very strong, although in subtle ways most of the time.

Buddhism

Buddhism originated in ancient India during the sixth and fifth centuries BC. Via the Silk Road, Buddhism was introduced to China during the Han Dynasty (206 BC-220 AD). By assimilating certain indigenous Chinese philosophies, the original Indian Buddhism gradually developed into Chinese Buddhism. Buddhism reached its peak during the Dynasties of Sui (581-618 AD) and Tang (618-907 AD) (Anonymous 2005). The thoughts of Buddhism are found in various Buddhist bibles. Today Buddhist philosophical principles also subtly influence the behavior and attitude of the Chinese people, although to varying degrees.

3.2.2 Key Principles of Ancient Chinese Philosophy

In many aspects Chinese and Western worldviews are philosophically opposed. The single most important aspect of ancient Chinese philosophy that distinguishes it from Western philosophy, according to Cheng (2004), the internationally renowned scholar on Chinese philosophy, lies in its fundamental view of the world. Chinese philosophy views the world as a unity, as in the unity between man and nature, while Western philosophy sees the world in dichotomized configurations, as in the dichotomy between man and God, and between form and substance. Viewed from a slightly different angle, ancient Chinese philosophy is holistic in describing and understanding the world or other subjects of study, which can be best
exemplified by traditional Chinese medicine, where an illness residing in one part of the body is sometimes treated by tending to another part. This philosophical holism, however, is dynamic in nature. A unity is generally viewed as comprising of two opposing elements, principles, or viewpoints, as between form and substance, *Yin* and *Yang*, and part and whole. Even though each pair of polarities may oppose and contradict each other, they also complement each other, and in the case of *Yin* and *Yang*, dialectically transform into each other in the dynamic completion of the whole.

While the characteristics of ancient Chinese philosophy are many, as revealed by extensive research findings mainly by scholars of philosophy (e.g., Cheng 1974, 1977; Benfey 1982; Cheng 1982; Rubin 1982; Ch’ien 1984; Schwartz 1985; Cheng 1987; Setton 2000; Tian 2000; Xie 2000; Benesch and Wilner 2002; Bunnin 2003; Gu 2003; Hacker and Moore 2003; Hon 2003; Neville 2003), what follows is a brief discussion of the main ideas of ancient Chinese philosophy that are, to varying degrees, salient to the new conceptualization of culture proposed in this chapter. It should be noted that these characteristics are all based on the unitary, holistic worldview of ancient Chinese philosophical thinking.

**The Embodiment of Reason in Experience**

The ontological view of ancient Chinese philosophy is that form cannot be separated from matter/substance. In other words, form or matter/substance cannot be independently studied without being informed by the other. The implications of this inseparability of form and matter/substance is manifold (Cheng 1987). First of all, forms are patterns embodied in things and unify things in terms of uniform principles. Forms represent the structural patterns of individual things, and can be seen as the principles informing a variety of things. Forms (or patterns) are creative agents that relate various things in a hierarchy of generality, and function as a structure of coordination. In other words, forms should not be viewed as forms of individual things alone, but rather they are patterns of relations and relations of relations.

Secondly, the Chinese ontology of the unity of form and matter implies that the unity of the two, of which one mutually determines the other, serves as the basis for creativity in and among things. An individual thing does not change and interact with others solely for its own benefit, nor does it completely determine its own being and relation. Each individual thing, on the contrary, takes part in the change and interaction of all individual things, thus advances the potentiality of itself as well as the totality of all individual things. The simultaneity of the advancement of both the individual thing and the totality enables form and substance to
condition each other, thus accomplishing its creative function in the formation and transformation of things.

The counterpart to this ontological unity of form and substance is the Chinese epistemological unity of knowledge and experience. Knowledge, according to Chinese epistemology, results from the individual mind’s interaction and interrelation with the world. Man can both experience and reason. Reason and experience are a unity because man is one. Chinese philosophy does not discriminate experience and sensation at the expense of reason, nor vice versa; no reason or logic can be disassociated from the concrete perception and understanding of affairs, and no experience of concrete affairs can be devoid of rational understanding.

According to Chinese epistemology, experience includes not only sensation, but more importantly also the feelings and needs of the total person; reason is not only logic, but also involves respecting norms and conventions accepted in the community which also have a practical and aesthetic value. Therefore the harmony between man and nature, and between man and other men in a society can be achieved from this unity of reason and experience. In this sense, knowledge involves man’s construction of a reality (both the natural world and the social community) to live in. Thus knowledge becomes “the conspicuous experiences of life endowed consciously and enriched continuously by an individual person’s understanding of its importance and meaning” (Cheng 1987, p. 29). Knowledge also involves the development of values that fulfill the humanity of both an individual and all men in society.

**Epistemological-Pragmatic Unity**

Ancient Chinese philosophy also considers action/practice and theory to be not only closely, causally related, but also two aspects of the same thing. Knowledge is not a stand-alone entity that exists independently of individual life, society, political programs, and their interactions; it is not a construction related only to the basic functioning of the mind, either. Action, on the other hand, is always of epistemological significance because it is both a precondition and a consequent effect of theory. In other words, there exists a mutual cause-and-effect relationship between action and theory; they form a unity and mutually support and determine each other.

**Part-Whole Interdetermination**

In ancient Chinese philosophy there is ontologically a mutually conditioning and mutually constituting relationship between part and whole. Alternatively known as relational logic, this view holds that each individual thing belongs to a whole, and each individual thing must be
studied, analyzed, and understood by reference to the whole to which it belongs. Furthermore, each individual thing is organically related to everything else within the system or whole to which it belongs. The whole, therefore, comprises of all individual things and, equally importantly, the network of relations that organically connects the individual things. What this implies is that the identity and quality of an individual thing can only be determined relative to a network of relations; the unique quality or character of an individual thing is endowed by the uniqueness of a network of relations in which it is an organic part. The whole or system could be an open system in that the network of relations within it need not be completely and definitely determined; rather it is always open to change, interaction, and thus modification. The individual thing is also open to change because it is both an agent and a recipient of change and development of the whole (Needham 1956; Cheng 1987).

The relations among individuals of a group are dynamic in nature—they do not exist in abstraction. Rather it is in the social actions, or interactions, of individuals in the group that these relations emerge and form into collective patterns. One implication of this organic-holistic perspective is that neither the individual thing nor the network of relations can be fully understood without the other being fully understood.

The implication of this principle for culture research is that interaction should be the focal point of all research. Culture is a collective phenomenon, and as such it would be wrong to study culture at the individual level. However, studying culture at the group level cannot ignore the behavior of the individual, because the group is not a singularity; it is a dynamic whole composed of interrelated individuals. Therefore cultural patterns emerge from the interactions of an individual with others in his or her group, and as such interactions should be studied to make meaningful statements about culture.

**Yin-Yang Dialectic Transformation**

According to Chinese metaphysicists, reality is composed of two opposite and yet complementary principles, or forces—*Yin* and *Yang*. *Yin* stands for “the receptive, recessive, dominated, hidden, informed, and background force and has the female and earth as its main images” (Cheng 1987, p. 34), while *Yang*, on the other hand, stands for “the creative, forwarding-pushing, dominating and manifest, systematic force and has the male and heaven as its main images” (Cheng 1987, p. 34). These two forces pervade reality at all levels. The interactions between the two opposing and yet complementary forces not only generate everything, but everything per se comprises of the *Yin* and *Yang* forces. In other words, everything is a dialectic unity of *Yin* and *Yang* at different stages of their functioning. This
holistic principle makes it clear that an individual thing partakes of other things in the totality, and as such its description and understanding are not absolute; they are relative to different aspects, viewpoints, and standards. Therefore change in reality should be understood in terms of the dialectic transformation of Yin into Yang and Yang into Yin. Yin and Yang transform into each other in a cyclical pattern—when the Yin reaches its climax, it retreats in favor of the Yang; when the Yang reaches its climax, it retreats in favor of the Yin. Thus the whole dynamically comes into being in the spiraling oscillation between the Yin and the Yang, as shown in Appendix D. This dialectic change also warrants a change in the evaluation standards, so that things can be seen in their own contexts.

With regard to culture, it is proposed in this research that Yang is behavior. It stands for the dynamic, heterogeneous, variable dimension of culture, and provides impetus for change; Yin, on the other hand, is cognition. It represents the static, homogeneous, immutable dimension of culture, and adds an element of stability to culture. Therefore the Yin-Yang principle holds that culture has two dimensions, just as a coin has two sides—the abstract, cognitive, stable, and homogeneous, and the action, dynamic, variable, and heterogeneous. To effectively deal with intercultural issues, both of these two dimensions need to be taken into account. If there were only abstraction and stability, individuals would not be able to adapt themselves to new or changing circumstances; on the other hand, if there were only action and dynamism, there would be no discernible differences in cultural inclinations among individuals, and as such there would be no ground for the call of multiculturalism. Culture in reality is an organic, dialectic synthesis of both dimensions.

3.2.3 Applications of Chinese Philosophy to Management Research

The application of ancient Chinese philosophy to research in management and related fields is rare. However, there have been a few scholars who have applied it to their respective theory development or research. Yuan (1997), for example, applied the Taoist Yin-Yang principle to intercultural communication. Specifically, the Yin-Yang principle was used to develop a cultural perspective to elaborate how an externalist approach to intercultural communication, which grounds communication in individual interaction and provides an ethics for handling cross-cultural conflicts and collaboration, can better help researchers deal with the radical changes taking place in the nature of intercultural relations and communications. The Yin-Yang logic was also applied, together with the Chinese idealistic value of familism, to describe and explain network as a unique organizational form from a holistic, dynamic, and paradoxical perspective, and to offer a geocentric framework of organizational form in
prescribing the ideal-typical network form, which is neither culture-blind nor culture-bounded (Li 1998). In total quality management, Pina E Cunha et al. (2002) took a dialectical view based on the Yin-Yang principle to prescribe new paradoxical approaches to quality control, namely, less inspection to promote product quality, control to promote autonomy, authoritative leadership to promote participation, doubt to promote trust, and routine planning to promote creativity. Fang (2003; 2006) applied the Yin-Yang principle to discuss culture as “both-and”, rather than “either-or”. In addition, Chen (2002) developed a “middle-way” perspective of paradoxical integration of interdependent opposites in a both/and framework, based on Chinese philosophy, to bridge Eastern and Western paradigms on management issues, and to reconcile such apparent opposites as competition and cooperation.

3.3 TOWARD A DIALECTIC CONCEPTUALIZATION OF CULTURE

3.3.1 Three Fundamental Premises

Premise I: Culture is collective in nature.

Culture by definition is always a collective entity. It is the pattern of behavior of a group of individuals, be it an organization, a society, or the human race. In other words, culture is an abstraction of human behavior at the group level.

Human groups can be viewed as systems. Ancient Greeks defined the term system as “a whole composed of related parts” (Vickers 1983, p. 1). This systems thinking is similar to the Chinese holistic approach to perceiving and solving problems. The basic property of a system is that the output of the system does not equal the sum of the outputs of its parts. This is because the parts in a system are interdependent on and interrelated to one another. In the case of culture, human interaction is the confounding factor from which this non-additivity property originates. An individual’s behavior can not be inferred from what he or she thinks and/or says he or she will do in a certain setting without knowledge of that individual’s actual interaction with others therein.

The implication of this is that the validity of the questionnaire-type survey of national cultural values, and the use of these values to explain and even predict behavior in a given situation, must be seriously challenged. This point will be further discussed in Section 3.3.3.
Premise II: Culture is inseparability from behavior.

Culture is the abstraction of human behavior at the collective level. Whether or not to include behavior in the definition of culture is a matter of dispute. According to Kroeber and Kluckhohn (1963), concrete human behavior (i.e., the behavior of individual human beings) should be excluded from culture. This is because, first, some human behavior is not only determined by culture, but also by individual personalities, and therefore cannot be used as a differentiating criterion of culture; and second, culture, being a pattern or form of a group, is an abstraction of human behavior, but not itself behavior—behavior is only a precondition of culture, for without human behavior there would be no culture.

In management research, even though behavior is generally not explicitly excluded from culture, it only serves a marginal role in that behavior can be explained and even predicted by cultural values, norms, and patterns, and in turn only reinforces them.

These arguments in fact reflect typical Western reductionist thinking. Kroeber and Kluckhohn’s (1963) arguments presuppose the existence of concrete human behavior, which simply does not exist in any human collectivity. Viewed from the perspective of Chinese philosophy’s part-whole interdetermination principle, the individual is organically related to others in the group to which he or she belongs; the individual is characterized by a network of relations, which emerges dynamically from his or her interactions with others in his or her group. Because the individual is a member of a group and organically related to others in it, there is no such thing as absolute individual behavior, i.e., actions of an individual human being completely independent of others; any of his or her actions are in fact interactions with others in the group. It is proposed in this research, therefore, that behavior must be included in culture—culture comes into being from the interactions of members of a human group, be it an organization, a profession, or a society. It is in these interactions that cultural values form and/or are modified constantly, and find their expression—or in Geertz’s words, find their “articulation” (1973, p. 17). Cultural values and human behavior are inseparable; cultural values make sense only in the context of human interaction; there is no such thing as a set of cultural values independent of human interaction.

Therefore the correct term to describe human behavior in the context of culture is interaction. An individual does not act alone; he or she constantly interacts with others in the group to which he or she belongs. As such culture must be conceptualized as a process of interaction. Here the term interaction is used in its wider sense. It not only includes situations where one person does something (acts) and another does something else in response (reacts), but also
those where an individual may act in apparent isolation, but in fact fashions his or her behavior according not only to his or her own expectations but also to those of others in his or her group. In the latter case, even though the individual may act completely alone and in isolation, his or her behavior nonetheless is collective in nature.

This also points to the peculiarity of human interaction that sets us apart from non-human beings, which is the presence of the human mind and its product, cognition, which in fact are the fundamental causes of human culture in the first place. According to Vickers (1983), the activities of the human mind originate with some concern, or need, in response to which the mind builds an “inner representation” (p. 54) of the situation pertinent to that concern. The “appreciative system” (p. 55) of the mind, which includes both the pattern of concerns and their relevant inner representations of situations, is continuously revised or confirmed by three needs: (a) it should sufficiently match reality so as to guide action; (b) it should be shared by others to an acceptable extent so as to enable communication; and (c) it should also be sufficiently acceptable to oneself to make life bearable. From this “appreciative system” possible actions or solutions to a problem are devised. These possible actions are then evaluated according to certain standards, or ethic, so that the appropriate action can be chosen. These standards in fact are the sense of obligation based on mutual expectations and self-expectations among members of a group. Shared expectations about each other and about the world they share are the basic force which binds human beings to a common group. The human mind is also capable of reasoning, which includes three activities—logical deduction, contextual understanding, and the ability to represent to oneself the subjective states of other people. Reason forms the basis of the appreciative system and ethic of the human mind.

**Premise III: Culture has its own momentum to “drift”**.

Culture has an inherent quality of momentum: cultural values and norms change over time, and along with it, the behavior of its members. Culturally patterned activities appear to carry implications for their own change, and this change is not completely random. Part of this cultural “drift” may even be “cultural orthogenesis”, i.e., “the direction of some culture change is more predetermined by earlier forms of the culture than caused by environmental press and individual variability” (Kroeber and Kluckhohn 1963, p. 374). Again the reason for this momentum quality lies in the fact that culture is a system in which the variables are interdependent. “All systems appear to acquire certain properties that characterize the system qua system rather than the sum of isolable elements” (Kroeber and Kluckhohn 1963, p. 374). One of these systems properties is that of directionality of “drift”, as occurs in a live language.
What all this points to is that there is a stable dimension in culture which has implications for its direction of change in adapting to the ever-changing environment. Because of this stable dimension, which is reflected in the earlier forms of culture, cultural “drift” is not random, but has its own momentum, or directionality. Therefore cultural change can be viewed as the product of the interplay between the stable and the variable dimensions of culture, which fits nicely with the Chinese philosophical principle of Yin-Yang.

3.3.2 Culture as a Dialectic Process of Interaction and Mutual Transformation

A new definition of culture is proposed in this research as follows:

Culture is a dialectic, continuously evolving, never-ending process in which members of a human collectivity interact to form and reform shared rules of acceptable behavior. In these interactions the Yin/cognition and the Yang/behavior elements of culture contradict, complement, and transform into each other in spiraling cycles to give culture a certain degree of stability, inheritability, and transportability on the one hand, and a momentum for change and variability on the other.

Culture as a Process of Human Interaction

Culture should not be regarded as a product of human interaction. On the contrary, culture is human interaction. As discussed before, culture by definition is a group-level entity. The crux of traditional conceptualizations views culture as values, norms, or patterns that are shared by a group of individuals, and that guide their behavior. These conceptualizations, however, do not address the question of how these values, norms, and patterns come into being. This comes as no surprise, of course, since most of the traditional conceptualizations of culture can be attributed to anthropologists, whose typical field research sites are remote, primitive, homogeneous communities which have existed for long periods of time, and whose cultural patterns, as a result, are well-established (e.g., Gregory 1983). Classical ethnographers, in fact, assume that traditional societies do not change, and that social life is fixed and constraining (Rosaldo 1989). Therefore their primary interests lie in describing what these cultural patterns are, and how they are reflected in behavior. The idea of “thick description”, which is regarded as the trade-mark research methodology of ethnographers (Geertz 1973), in fact, assumes that consensus about cultural understandings is so pervasive that it creates redundancy across informants. As a result, the description of only a few individuals’ behavior in a group can sufficiently reveal the overall group-level cultural patterns (LeVine 1984). Therefore, it is
only natural for anthropologists to conveniently overlook the question of how culture comes into being.

When the concept of culture was introduced into other disciplines, this bias had also been carried over. In management and organization studies, not only had the idea of “one culture to a society” (Phillips 1990, cited in Boyacigiller et al. 2003, p. 129), but also the bias toward taking culture as given, had strongly influenced pioneer management scholars’ thinking, as is reflected in the dominant perspective on culture in this discipline, where researchers use cultural values to explain and even predict individual behavior.

Where do these shared values, norms, or patterns of a group of individuals come from? This question is especially pertinent and urgent in today’s world where, first, individuals from different national and/or cultural backgrounds work together over extended periods of time in the same organization, and second, even within one country or culture, today’s organizations are transient compared to traditional, primitive communities not only because their history of existence is much shorter, but also because they are in a constant state of flux in terms of employee turnover—the existence of intra-cultural fragmentation and heterogeneity means that in an organization even individuals from the same national culture may have widely different cultural values and assumptions. One can, however, logically infer from the commonly accepted notion of culture as a group-level phenomenon that any group of individuals, no matter how transient it may be, insofar as they come together to pursue a common goal, must have a culture. This is so because human systems are united by cultural bounds (Vickers 1983); without a set of commonly accepted rules of behavior these individuals would not be able to pursue their common organizational goals in a cohesive, efficient, and effective manner.

Therefore today’s organizations exist in a state where, on the one hand, their diverse, heterogeneous cultural makeup means that, according to the “values-determine-behavior” perspective (e.g., Hofstede 1980; Deal and Kennedy 1982, 1991; Trompenaars 1993; Hofstede 2001b; Schein 2004), no consensus about appropriate and functional behavior would be able to be achieved; on the other hand, the very reason for the existence of an organization mandates the creation and existence of a set of commonly accepted cultural rules of behavior so that organizational members may act in a cohesive and functional way in pursuing their common organizational goals.

How, then, does such a set of commonly accepted cultural rules of behavior develop? They can only be developed from the daily interactions among organizational members. It is
through these endless interactions that different expectations about appropriate behavior are acted out, communicated, analyzed, understood, and made sense of. It is through these endless interactions that mutual understandings of, and mutual respect for, each other’s expectations are achieved, and a common set of cultural rules of behavior gradually develop that will to some extent accommodate and integrate the different expectations of organizational members, while at the same time each individual member’s expectations also change to varying degrees to accommodate the emerging common set of cultural rules of behavior. The common set of cultural rules of behavior and individual member’s expectations gradually approximate each other in an ongoing process of dynamic convergence.

Weisinger and Salipante’s (2000) empirical research on Japanese-American JVs lends support to this line of reasoning. In order to achieve mutual understandings and continue with their work, Americans at one of the JVs did not stop to “cognitively figure out unexpected behavior by a Japanese counterpart”; rather, they would “engage in collective behavior with those counterparts (p. 381)”. From this collective behavior, i.e., interaction, mutual understandings of, and mutual respect for, each other’s expectations could be achieved, and commonly accepted cultural practices devised, thus resulting in efficient and effective organizational performance.

Culture is inseparable from behavior. Viewed from the perspective of Chinese philosophical inseparability of form and substance, cultural values, norms, and patterns cannot be separated from individual behavior; they all belong to the same totality which is what we call culture, because it is only in individual behavior that these values, norms, and patterns find their expression or “articulation” (Geertz 1973, p. 17). In other words, they are rooted in behavior. Individual behavior, on the other hand, can only make sense and be understood by reference to the overall cultural patterns and to the interrelationships between an individual and others in the same collectivity. Furthermore, cultural patterns cannot be analyzed and understood without referring to individual behavior, either. The fact that psychological concepts fail to explain cultural patterns (Kroeber and Kluckhohn 1963) can be attributed to reductionism, i.e., the individual is studied not as a member of a group, but in isolation.

Perhaps it could be argued that culture is concerned with collective behavior, not individual behavior. Again this is a result of the Western philosophical tendency to view a totality in dichotomized configurations—in this case human behavior is dichotomized into individual behavior and collective behavioral patterns—when they are in fact organically interrelated and belong to the same totality (Cheng 2004). As far as human beings are concerned, one can
assert with virtually absolute confidence that there is no such thing as absolute individual behavior. Any behavior by an individual is collective in nature, because human beings are social creatures; no human being lives and works in absolute solitude. Therefore any individual behavior not only reflects the expectations of that particular individual, but also those of others in the collectivity. This is even more the case with modern organizations, where individuals work together to pursue common organizational goals, and the division-of-labor principle in fact dictates that an individual’s behavior be closely interlocked with that of others in a given organization.

To those who are accustomed to dichotomization and reduction, the question of how to reconcile individual behavior with collective cultural patterns is probably still not fully resolved. The key here, then, lies in the Chinese philosophical principle of part-whole interdetermination. Because of interaction, individual behavior cannot be studied in isolation; there is no individual behavior in the first place, as discussed before. It must be analyzed and understood by referring to the whole, to the interrelations a given individual has with others in the group to which he or she belongs. In other words, the study of individual behavior is in fact the study of an individual’s interactions with others in his or her group. From the perspective of the mutually conditioning and mutually constituting relationship between part and whole in ancient Chinese philosophy, the study of culture should be a recursive process of alternating between analyzing and understanding an individual’s interactions with others in the group to which he or she belongs on the one hand, and studying and grasping the group’s overall pattern of behavior, which is in fact the pattern of interaction among all members of the same group, on the other (Needham 1956; Cheng 1987). In this sense, qualitative methodologies such as ethnography and GT, are better suited for culture research than questionnaire surveys, because they take contexts into consideration and focus on detailed examinations of events in the natural flow of social life, thereby resulting in a fine-grained understanding of social phenomena and processes (Sarantakos 1998; Strauss and Corbin 1998; Neuman 2003; Babbie 2004). This point will be taken up in detail in Section 3.3.3.

**Culture as a Dialectic Process of Mutual Transformation**

The philosophical difference between Western dichotomization and Chinese unitarization can be stated as that between “either-or” and “both-and” (Chen 2002; Fang 2003). This is because seeing something as unitary does not mean taking it as a static, homogeneous entity; rather, dynamism, differentiation, heterogeneity, and polarization are not only allowed, but also are a key feature of ancient Chinese philosophy, i.e., seeing an entity as a dynamic whole. The Yin-
Yang dialectic transformation principle is a good example of this dynamic unitarism, and will be used to reconcile the difference between the static view of culture as being stable and immutable on the one hand, and the dynamic view of culture on the other as fragmented, variable, historically situated (Brightman 1995), varied, contentious and “in the making” (Wagner 1975; Prus 1997, p. 38), or locally situated, predominantly behavioral, embedded in everyday and evolving practices, jointly negotiated (Weisinger and Salipante 2000), and to arrive at a perspective on culture that encompasses both a fixed and immutable dimension and a variable and emergent dimension.

As discussed in the previous section, in Chinese philosophical terms, Yin/cognition and Yang/behavior stand for the static and the dynamic dimensions of culture, respectively. According to the ancient Chinese philosophy, the Yin/cognition and Yang/behavior elements of culture define and contradict each other, and yet at the same time dialectically transform into each other. Thus one can say that culture is a dialectic unity of both the static and the dynamic dimensions; or in less philosophical terms, culture is both static and dynamic, not either static or dynamic.

The Yin/cognition element is a set of rules of behavior, or “software of the mind” (Hofstede 1991, p. 4), which is carried in people’s minds and guides behavior. The Yang/behavior element is “something in the making” (Prus 1997, p. 38) that shapes cultural understanding—as in “cultural knowing” (Weisinger and Salipante 2000, p. 376). In other words, Yin/cognition embodies cultural rules of behavior that are induced by the human mind from behavior. Once formed, these rules in turn guide human behavior; Yang/behavior is devised and selected according to existing cultural rules of behavior and the situation at hand. It also changes and/or reinforces the cognitive rules of behavior.

In essence, the Yin-Yang opposites of culture are not cognition versus behavior, but rather cognition-determination versus behavior-determination, i.e., a cognition-, “software”-deterministic notion versus a behavior-, “in-the-making”-deterministic notion of culture.

Yin/cognition gives culture an element of stability and inheritability. Yang/behavior, on the other hand, provides dynamism and impetus for change. They are mutually contradicting because they represent opposite dimensions of culture. Yin/cognition can only be fully defined against Yang/behavior, and vice versa, simply because they are opposites. Yet they also mutually constitute and dialectically transform into each other. As discussed before, the Yin having reached its climax retreats in favor of the Yang, i.e., transforms into the Yang; the Yang having reached its climax retreats in favor of the Yin, i.e., transforms into the Yin.
Therefore culture is a continuous, spiraling, dialectic process where its Yin/cognition and Yang/behavior elements contradict, complement, and transform into each other; culture is a dialectic integration of these two polarities.

Figure 3-1 shows the process of dialectic transformation between the Yin/cognition and the Yang/behavior dimensions of culture. The choice of appropriate behavior or action is a product of the human mind, which is capable of reason or logic (Vickers 1983). The appreciative system, which includes concerns or needs and an inner representation of the situation an individual faces, devises possible actions or solutions to problems; these possible actions are then evaluated against a set of cultural rules of behavior (i.e., ethic) by means of reasoning. It should especially be noted that these rules of behavior reflect mutual expectations among members of a group. The choice of action can be accomplished either by an individual alone, but most likely in consultation with others in the group to which he or she belongs. Then action is carried out, and other members respond with reactions. The individual, either alone but most likely in consultation with others, then interprets other member’s reactions to arrive at a better understanding of their expectations, which changes and/or reinforces the human mind’s appreciative system and ethic or rules of behavior. It should be noted that both the choice of action and the interpretation/sense-making stages are overlapping activities that reflect the closely intertwined nature of Yin/cognition and Yang/behavior, as they involve both the individual and others in his or her group. Also, this is a never-ending, spiraling process where, on the one hand, an individual’s cognition (appreciative system and ethic) is constantly refined to stay aligned with the expectations of others in his or her group, and on the other, this individual’s cognition also influences other members’ behavior and cognition, since to them this individual is also part of the cultural context.

3.3.3 Theoretical and Methodological Implications

Theoretical Implications

Fundamentally, this conceptualization takes a dialectic processual view toward culture. This processual view is similar to Rosaldo’s “processual analysis” (1989, p. 92), which goes against theories of cultural interpretation that over-emphasize explicit norms and static structures, and stresses the importance of improvisation, learning by doing, and spontaneity in cultural emergence. In this ongoing, spiraling process of interaction and dialectic transformation, culture emerges, changes, and evolves over time. In addition, a “snapshot” of
culture at a particular point in time and in a particular context also bears varying degrees of resemblance to its earlier “snapshots”, and to the previous cultural dispositions of group members.

**FIGURE 3-1 The Yin-Yang Dialectic Transformation in Culture Emergence**

Thus this conceptualization accommodates both of the opposing views on culture as stable and inheritable on the one hand, and as emerging and created on the other. Fundamentally, culture changes over time. However, the direction of its change is not totally random; this change is brought about by behavior or interaction, but the path of this change is also influenced by its previous states of being. Arguably this interaction-based, dialectic conceptualization of culture is better than either of the opposing views at describing and
understanding culture in today’s organizations, which operate in an increasingly globalized and dynamic environment.

As such, this conceptualization of culture represents a “middle-of-the-road” or “middle-way” perspective on culture. However, it should not be regarded as being linearly located halfway between the two opposing views; rather, it is an organic, dialectic integration of the two. In fact, a linear halfway position is untenable. This is why linear-thinking-based conceptualizations of culture have fallen into the “either-or” trap. For example, Hatch (1993) tried to add dynamism to Shein’s (1985) static framework by combining his culture theory with ideas drawn from symbolic-interpretive perspectives. However, Hatch’s (1993) cultural dynamics model only serves to reinforce existing cultural values, but does not bring out any change in them. Therefore in the final analysis her cultural dynamics framework is static in nature because it does not offer any mechanism for change.

It should also be pointed out that in this conceptualization, the term “rules of behavior” is used instead of “values”, “assumptions”, etc., because the latter two terms have come to be used to refer to enduring beliefs and fundamental rights-and-wrongs (e.g., Rokeach 1973). For example, values have been defined as enduring beliefs that pertain to desirable end states or modes of conduct, transcend specific situations, and guide the selection or evaluation of behavior (Rokeach 1972; Schwartz 1994). In the conceptualization of culture proposed in this research, the term “rules of behavior” is used to encompass a wider spectrum of cognitive states of abstraction than “values” or its equivalents, so as to accommodate situations where an individual, through interaction with others in his or her group, induces a new cognitive set of rules for selecting appropriate behavior in the group, while his or her values may not necessarily change. In situations commonly encountered in ICCM, this is very likely to be the case. Therefore this term includes not only desirable and desired values (Hofstede 1980b; 2001b), but also behavioral guidelines which do not involve changes in values.

**Methodological Implications**

Viewed from this perspective, the questionnaire-survey-based culture research has two apparent weaknesses. Firstly, it can be characterized as a “snapshot” approach. The questionnaire surveys employed in such research only capture the cultural values of respondents at a particular point in time, and in a particular context in the interaction-based, dialectic process of cultural emergence. It is obvious that a single “snap-shot” is not sufficient for revealing the dynamic patterns of cultural emergence in ICCM settings. This is only a minor weakness, however, since it can be relatively easily remedied by taking multiple
surveys of the same respondents at certain time intervals, possibly further complemented by interviews and on-site observations. This way the intricate patterns of cultural emergence can be better revealed than in a single “snapshot” survey.

Secondly, a major flaw in this methodology is that respondents answer the survey questions without the benefit of interaction with others in their groups in a particular context, therefore the cultural values thus determined may not reflect the actual cultural patterns in action in that context. In the interaction-based, dialectic conceptualization of culture proposed in this research, interaction is the focal point of cultural emergence; it is the key link between the individual and the context (other members of the group). Simply asking an individual to indicate what he or she will do, or what choice he or she will prefer, can not be used to predict what this individual will actually do, or what choice he or she will actually prefer, in a given context after rounds and rounds of interaction with others in this context. In essence this line of reasoning is similar to discovering the interaction effects in statistical experimental design—the interaction effects between two factors can only be observed by simultaneously varying both of them in the same sample; they cannot be observed or inferred by varying one factor or variable at a time.

In other words, Hofstede’s cultural dimensions should be used with caution, to say the least, in ICCM settings. Of course this runs the risk of over-criticizing him. To be fair, Hofstede’s methodology does take interaction into account. However, what is captured in his surveys are the effects of interaction among members of the same national cultures. National cultures are those that one comes into contact with since birth and grows up with. The imprinting of national cultural values repeats so many times in one’s early life that they become his or her “default” set of rules of behavior, so to speak. One’s own national culture, in this sense, becomes his or her “default” context. In other words, for a grown-up person, interaction with his or her fellow nationals has been repeated so many times while growing up that he or she can intuitively predict his or her own behavior in intra-national-cultural settings (i.e., “default” settings) without any further interaction with them being required.

ICCM contexts, obviously, are not “default” settings. In ICCM settings, therefore, the relevant issue can be metaphorically stated as: how do I know what I will do until I find out what I did (in the same context)? Hofstede, on the contrary, advocated the use of his “default” values to explain and even predict cultural behavior in ICCM (i.e., “non-default”) contexts (Hofstede 2001a), and many other scholars, in fact, have followed suit.
To correct this methodological flaw, survey questions should be designed such that the effects of interaction can at least be partially captured. Thus respondents should not be asked about what their values are, or what they would do in a particular hypothesized situation. Rather, they should be asked to respond to questions regarding what they have recently done in a real-life situation. Of course a practical problem arises in this approach, which is to define a “standard” situation that transcends different organizations, so that respondents’ scores can be analyzed and compared against this common situation.

However, due to its inherent “snapshot” nature, even a modified survey methodology as discussed in the previous section can not fully capture the intricate dynamics inherent in cultural emergence.

On the other hand, qualitative methodologies can be used, with this interaction-based, dialectic conceptualization of culture as a conceptual scheme, to arrive at a better, fine-grained understanding of cultural emergence in today’s organizations. Qualitative data give researchers detailed information about the social process in specific contexts, which quantitative data generally cannot match (Neuman 2003; Babbie 2004). Therefore, qualitative research can be used to gain a fine-grained understanding of phenomena such as feelings, thought processes, emotions, etc., which can not be satisfactorily extracted or understood through the more conventional quantitative methods (Strauss and Corbin 1998). Qualitative researchers generally adopt the inductive approach by studying reality first, and then develop appropriate theories. In the process, concepts are not clearly defined at the beginning, but their definitions are progressively refined (Sarantakos 1998; Neuman 2003; Babbie 2004).

The interpretive “thick description” methodology, for example, can be used to empirically study the dynamic process of cultural emergence. The ethnographer’s main task is to inscribe, or write down, what he or she observes. Ethnographic description is interpretive. It is interpretative of the flow of social discourse, and attempts to “rescue the ‘said’ of such discourse from its perishing occasions and fix it in perusable terms” (Geertz 1973, p. 20). Therefore it can be argued that ethnography is more oriented toward the description of process, i.e., process is “intelligibly—that is, thickly—described” (Geertz 1973, p. 14). Another methodology is GT, which is the research method adopted by this research. GT is concerned with generating and verifying theory directly from data (Glaser and Strauss 1967; Strauss and Corbin 1998). Therefore it is more theory-oriented.

With the conceptual scheme proposed here as a general perspective, in empirical research choice of action and interpretation/sense-making are probably the key links that warrant
detailed examination so as to reveal how individuals collaborate to accomplish them. Questions such as how an organizational member consults with others in action selection and interpretation/sense-making—who generally initiates the consultation? How is it initiated? How do they overcome potential misunderstandings? etc.—are worth investigating. Other questions include: To what extent does the Yang/behavior element of culture influence the Yin/cognition element, and vice versa? Do the values of an organizational member actually change? Or is there only superficial change in cognition where the cultural other is only seen as a “necessary evil”, so to speak, to be put up with?

It has been argued that culture researchers need to take the view of a native or insider (Rosaldo 1989), because this way they are involved in the rich dynamics within a culture, and can better reveal the patterns of cultural emergence. A native or insider view also fits well with the Chinese philosophical principle of the inseparability of form from substance. Without factual knowledge of the subject culture(s), a culture researcher cannot possibly achieve meaningful findings in his or her research.

The chief limitation of this “insider-view” position, however, lies in what can be called the “third-person insider-view” approach in actual practice, because many culture researchers generally are not a true native or insider in the culture under study, but merely attempt to study it from a native or insider’s perspective. Certainly this approach is better at catching the dynamism and richness of culture than the outsider-view approach typical of the CNC researchers. However, because the researcher’s factual knowledge of the culture(s) under study is still limited compared to true natives or insiders, even though the researcher may be a participant observer, the research results to some extent may still lack the necessary depth of understanding in elucidating the dynamics and intricacies of the process of culture emergence.

To overcome this, a “first-person insider-view” approach should be adopted in culture research. Ideally, the researcher should be a true insider or native, so that the researcher perceives, thinks, and interprets culture on an active first-person basis—sitting in the driver’s seat, so to speak—rather than sitting in the passenger seat and theorizing on a passive third-person basis. This way, culture can be studied from the first-person perspective regarding how an individual perceives, thinks, and interacts with others in performing his or her role in the group to which he or she belongs. At the national level, therefore, the researcher should be a native to, or have extensive factual knowledge of, the national culture(s) involved; at the professional, organizational, or sub-organizational levels, due to the existence of academia as a separate profession, the culture researcher is almost always a third person. In either case, the
researcher should be a true cultural native or insider, or at least be a quasi-native or quasi-insider. This will ensure that, when the researcher attempts to interpret the interactions and cultural patterns he or she observes, he or she can draw on his or her extensive factual knowledge of the intricacies of subject culture to describe, interpret, and theorize on the dynamics of cultural emergence from the “driver’s seat” or “quasi-driver’s seat” perspective. In other words, research on culture should focus on what a first-person actor actually experiences, perceives, thinks, and how he or she interacts, i.e., on the cognitive process that shapes and at the same times is affected by his or her interaction.

Furthermore, from the perspective of the mutually conditioning and mutually constituting relationship between part and whole in ancient Chinese philosophy discussed earlier, the study of culture must not totally focus on the first-person actor. Rather, it should be a recursive process of alternating between analyzing and understanding an individual’s interactions with others in the group to which he or she belongs on the one hand, and studying and grasping the overall patterns of interaction among members of the same group, on the other.

3.4 CONCLUSION

This conceptualization of culture as a dialectic process of emergence represents one of the few attempts to apply some of the ancient Chinese philosophical principles to management research, with an aim at constructing a new, balanced conceptualization of culture, which may possibly provide a better theoretical scheme for guiding empirical ICCM research in the future.

It is obvious that this conceptual scheme has a strong bearing on the research methodology and methods subsequently adopted for this project. In the previous section, the research implications of this conceptual scheme have been discussed on general terms. In the next two chapters, specific methodological choices will be made and justified according to such implications.

It should also be pointed out that the conceptualization of culture as a dynamic, dialectic process proposed here is only intended as a conceptual scheme, which provides a general perspective on culture from which GT research can be carried out. It is not intended as a theoretical model from which concrete hypotheses can be derived and empirically tested.
CHAPTER 4
RESEARCH METHODOLOGY

For contemporary social scientists, there is a wide range of research varieties to choose from. The term *varieties* is used here, because social science research can be classified according to different criteria, thereby resulting in different typologies, and there is no one single overarching typological scheme for grouping these varieties. For example, classified by philosophical, or paradigmatic, orientations, social science research can be divided into positivism, interpretivism, postmodernism, critical rationalism, etc. If the nature of data collected and how they are analyzed are used as a classification criterion, social science research can be divided into qualitative research and quantitative research. In addition, social science research can also be classified into exploratory, descriptive, and explanatory research (Babbie 1990; Blaikie 1993; Newman 2003).

In this chapter, the main research varieties will be reviewed. Specifically, the typologies to be discussed include those based on purpose of research, methodology of theory building, philosophical orientation, nature of data, and use of theory. In addition, a methodological approach that is appropriate for this research will be discussed.
4.1 AN OVERVIEW OF AVAILABLE RESEARCH VARIETIES

4.1.1 Purpose of Research

The purpose of research must be considered before an appropriate research methodology can be selected. Appendix E shows the three most common and useful types of research that can be distinguished along this dimension: exploratory, descriptive, and explanatory (Patton and Johnstone 2002; Neuman 2003; Babbie 2004), although, of course, any given study can have multiple purposes.

Exploration

Exploratory studies are used in new areas of research where there is a need to explore a topic, and to familiarize the researcher with the basic facts, setting, and concerns related to the topic. Exploratory research attempts to answer the “what” question (as in “what really is this all about?”). Exploratory research usually occurs when a researcher studies a new interest or the subject of inquiry is relatively new (Neuman 2003; Babbie 2004). The goal here is to “formulate more precise questions that future research can answer” (Neuman 2003, p. 29). According to Babbie (2004), exploratory research can be employed to: (a) satisfy the researcher’s curiosity and help him or her achieve a better understanding of the topic or subject of study, (b) determine whether or not a more extensive study is feasible, and (c) develop appropriate research methods to be used in subsequent studies, if there are any.

Exploratory research usually employs qualitative techniques in data collection because qualitative research is more open to using a variety of evidence and uncovering new issues (Neuman 2003). However, quantitative methods such as surveys and experiments can also be used (Babbie 1990; Yin 2002; Neuman 2003; Yin and Lewis 2003). A weakness of exploratory studies is that they often end up unpublished, because they can rarely provide satisfactory answers to research questions. Rather, their results are usually incorporated into subsequent studies (Neuman 2003; Babbie 2004).

Description

The goal of descriptive research is to achieve a detailed description of situations, events, phenomena, or relationships. Anthropological ethnography, or “thick description”, is a good example of this. Exploratory and descriptive research share common characteristics, and in practice they often overlap. A distinct characteristic of descriptive research, however, is that, of course, it has a clearly defined subject or question (Neuman 2003).
Descriptive studies can be both qualitative and quantitative since descriptive researchers use a wide range of data collection methods, such as surveys, field research, content analysis, historical analysis, etc. (Neuman 2003). Population census is a good example of quantitative descriptive research. Qualitative methods include such approaches as case studies (Yin and Lewis 2003), ethnographical studies (Geertz 1973; Rosaldo 1989), etc.

Descriptive studies, however, are not necessarily limited to mere descriptions. Sometimes descriptive researchers also attempt to examine why the observed patterns exist and what their implications are (Babbie 2004).

Explanation

Starting out with clearly defined questions and subjects, and detailed descriptions, explanatory research attempts to answer the “why” question, i.e., why things are the way they are. It builds on exploratory and descriptive research and goes on to determine the causes or reasons of why something occurs. Both qualitative and quantitative data collection methods are employed in explanatory studies (Neuman 2003; Babbie 2004).

4.1.2 Deductive versus Inductive Research

Deduction and induction are two opposite approaches to scientific research in terms of the methodology of theory and knowledge building. Deductive research is the traditional model of scientific inquiry (Babbie 2004). Deductive research is basically a set of techniques for applying theories in the real world, so that their validity can be tested and assessed (Lancaster 2005). According to Babbie (2004), deductive research comprises three main elements: theory, operationalization, and observation, as shown in Appendix F. Deductive research begins with a theory, which is taken as a given4, about a particular topic or subject matter. In the next step, theory is then operationalized into testable hypotheses by operationally defining variables so that they can be precisely measured. The scientist then proceeds to the final step, observation, where the variables are measured in the real world. This final step is, in fact, hypothesis testing, where empirical data collected are analyzed to determine the validity of theory.

Inductive research reverses the process found in deductive research. Inductive researchers develop hypotheses and theories with a view to explaining empirical observations of the real world (Lancaster 2005). To be more precise, inductive researchers begin their studies by

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4 Deductive research treats the generation of theory itself as a psychological (or historical, sociological, etc.), i.e., non-rational, event, while science as a rational enterprise is concerned with theory testing, since empirical testing is thought to be logical (Haig 1995).
observing the real world; this observation can take on many different forms—field trips, interviewing, etc. It can even include personal experience. From empirical observations, the inductive researcher then develops a theory that can explain observed reality (Babbie 2004; Lancaster 2005).

While deduction and induction are complete opposites in theory development, a third approach, *abductive inference*, takes somewhat of a middle road. The abductive inference process is as follows:

Some observations (phenomena) are encountered which are surprising because they do not follow from any accepted hypothesis; we come to notice that those observations (phenomena) would follow as a matter of course from the truth of a new hypothesis in conjunction with accepted auxiliary claims; we therefore conclude that the new hypothesis is plausible and thus deserves to be seriously entertained and further investigated (Haig 1995, p. 4).

### 4.1.3 Quantitative versus Qualitative Methodologies

Social research can also be classified, according to the nature of data collected, into quantitative and qualitative types. However, the difference between quantitative and qualitative research lies not only in the nature of data. There are other differences as well, as shown in Appendix G.

Quantitative research uses quantitative data. Quantitative data are numerical data, and sometimes are called “hard data” (Neuman 2003, p.139). Almost all quantitative researchers are positivists in their philosophical orientation. And they use the deductive approach, where concepts and variables are clearly defined and measured, and data collected are analyzed with quantitative techniques, such as statistics (Sarantakos 1998; Neuman 2003; Babbie 2004).

Qualitative researchers, of course, use qualitative data, such as interviews, documents, and participant observations, to understand and explain social phenomena. Qualitative data, or “soft data” (Neuman 2003, p.139), are those that are non-numerical. Qualitative data give researchers detailed information about the social process in specific contexts, which quantitative data generally cannot match (Neuman 2003; Babbie 2004). Qualitative researchers mainly rely on the interpretive and critical paradigms. And they adopt the inductive approach by studying reality first, and then develop appropriate theories. In the process, concepts are not clearly defined at the beginning, but their definitions are progressively refined (Sarantakos 1998; Neuman 2003; Babbie 2004).
A typical use of qualitative methods is to explore substantive areas which have not been studied much, or about which much is known, so that novel understandings can be achieved (Stern 1980, cited in Strauss and Corbin 1998). Furthermore, qualitative research can be used to gain a fine-grained understanding of phenomena such as feelings, thought processes, emotions, etc., which can not be satisfactorily extracted or understood through the more conventional quantitative methods (Strauss and Corbin 1998).

4.1.4 Philosophical Orientation

Three Related Concepts

Philosophical orientations of research refer to the basic framework, and the basic set of assumptions for observing and analyzing reality. There are three related terms for this dimension of research: paradigms, methodologies, and methods.

Paradigm

The original definition of paradigm is that it is a set of beliefs, values, and techniques that are shared by a group of scientists, and that act as a guide or map, dictating the types of problems scientists should address, and the kinds of explanations which are acceptable to them. In other words, it is an institutionalization of intellectual activity (Kuhn 1962).

By choosing it (the term paradigm), I mean to suggest that some accepted examples of actual scientific practice—examples which include law, theory, application, and instrumentation together—provide models from which spring particular coherent traditions of scientific research… The study of paradigms … is what mainly prepares the student for membership in the particular scientific community with which he will later practice. Because he there joins men who learned the bases of their field from the same concrete models, his subsequent practice will seldom evoke overt disagreement over fundamentals. Men whose research is based on shared paradigms are committed to the same rules and standards for scientific practice (Kuhn 1996, pp. 10-11).

Alternatively, a paradigm is defined as a fundamental model or a frame of reference that scientists use in organizing their observations and analysis. It influences what researchers see and how they understand it. Paradigms are implicit, taken-for-granted, and difficult to recognize, because they reflect the fundamental views that a group of scientists hold about what to research on, and how research should be conducted (Babbie 2004).
**Methodology**

Some scholars further distinguish between paradigms and methodologies. Sarantakos (1998), for example, defined a methodology as a set of principles that are closely linked to a distinct paradigm “translated clearly and accurately, down to guidelines on acceptable research practices” (p. 33-4). It is determined by the research principles specified by a given paradigm. Or it can be defined as “a way of thinking about and studying social reality” (Strauss and Corbin 1998, p. 3). In this sense, methodology provides a sense of vision, which guides the scientist as to how research should be done and where it should go. Blaikie (1993) viewed methodology as the “analysis of how research should or does proceed” (p. 7). It is concerned with the way theories are generated and tested, i.e., the type of logic used, the kind of criteria they need to satisfy, what theories look like, and how given theoretical perspectives are linked to particular research problems.

**Method**

A research method, on the other hand, is “a set of procedures and techniques for gathering and analyzing data” (Strauss and Corbin 1998, p. 3). It is a tool of data collection and analysis, i.e., it is concerned with the actual techniques and procedures that are employed for collecting and analyzing data. Therefore method can be regarded as a-theoretical and a-methodological (Blaikie 1993; Sarantakos 1998). In other words, methods furnish the means for bringing into reality the vision that is specified in methodology (Strauss and Corbin 1998).

**Philosophical Orientations**

As the discussion above shows, moving from paradigms, to methodologies, and then to methods, one moves progressively from the general to the specific (Newman 2003; Babbie 2004). A paradigm specifies the fundamental orientations toward and the basic beliefs about what reality is, and how it should be looked upon. A methodology, on the other hand, is concerned with the general research approach employed by researchers that is consistent with the corresponding paradigm. A method is, within the framework entailed by the corresponding paradigm and methodology, the specific tools or procedures for how to actually conduct scientific research. It can be seen that philosophical orientations are concerned with paradigms and methodologies. As shown in Appendix H, in this section four main...

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5 Of course, as with other frequently used concepts in science, this term has been given other meanings, too. For example, some researchers view it as identical to a research model that a researcher uses in a particular project (Sarantakos 1998). Viewed this way, each project, or each researcher, should have a distinctive methodology.
philosophical orientations are discussed, namely, positivism, interpretivism, critical rationalism, and postmodernism\(^6\).

*The positivist paradigm*

The positivist paradigm includes positivism, neopositivism, methodological positivism, and logical positivism (Sarantakos 1998). The central thesis of positivism is naturalism, i.e., the philosophy of social sciences should be the same as that of natural sciences (Blaikie 1993). In other words, positivist social science adopts the same approach as natural sciences (Neuman 2003). The premise of positivist studies is that there exist a priori fixed relationships within phenomena. Typically these phenomena are studied with structured instrumentation (Orlikowski and Baroudi 1991).

As such, positivism regards reality as “out there”, as everything that can be perceived through senses. Reality is objective; it exists independent of human consciences, and is governed by strict, unchangeable, natural laws. Specifically, all members of a society share the same meanings about reality, and as such there is only one single, objective “version” of reality (Sarantakos 1998). Therefore, for social science positivism is an organized method for combining deductive logic with precise empirical observations of individual behavior in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity (Neuman 2003, p. 71).

Positivist scholars are primarily concerned with theory testing so as to increase predictive understandings of reality (Orlikowski and Baroudi 1991). They strive to seek precise measures and objective methodology, so as to rigorously test hypotheses. As such, they usually gather quantitative data, and employ quantitative techniques such as experiments, surveys, and statistics in their research (Neuman 2003).

*The interpretive paradigm*

The interpretive paradigm is an agglomeration of perspectives that includes symbolic interaction, phenomenology, ethnomethodology, hermeneutics, psychoanalysis, ethnology, classical hermeneutics, etc. (see Blaikie 1993). It should also be noted that different scholars group these paradigms in different ways. Feminism, for example, is classified as belonging to the critical paradigm by Sarantakos (1998), whereas it is treated as a separate paradigm by Neuman (2003). In this research, feminism is not discussed as a separate paradigm, while a fifth, the postmodern paradigm in Neuman’s (2003) typology, is discussed as a separate one. Both feminism and postmodernism are related, to varying degrees, to the critical paradigm, hence the disagreement.

\(^6\) This is by no means an exhaustive list. Other philosophical orientations include negativism, historicism, classical hermeneutics, etc. (see Blaikie 1993). It should also be noted that different scholars group these paradigms in different ways. Feminism, for example, is classified as belonging to the critical paradigm by Sarantakos (1998), whereas it is treated as a separate paradigm by Neuman (2003). In this research, feminism is not discussed as a separate paradigm, while a fifth, the postmodern paradigm in Neuman’s (2003) typology, is discussed as a separate one. Both feminism and postmodernism are related, to varying degrees, to the critical paradigm, hence the disagreement.
ethnography, and sociolinguistics (Sarantakos 1998). According to Neuman (2003), interpretive social science is

the systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds (p. 76).

The central tenet of interpretivism is that there are fundamental differences between the subject matters of natural and social sciences (Blaikie 1993). The key difference lies in meaningful social action, or social action with a purpose (Neuman 2003). According to Giddens (1974),

The difference between the social and natural world is that the latter does not constitute itself as ‘meaningful’: the meanings it has are produced by men in the course of their practical life, and as a consequence of their endeavors to understand or explain it for themselves. Social life—of which these endeavors are a part—on the other hand, is produced by its component actors precisely in terms of their active constitution and reconstitution of frames of meaning whereby they organize their experiences (p. 79).

In other words, reality is not objective but subjective; reality is what people see it to be (Hughes and Sharrock 1997). Reality is not “out there”; rather, it exists in people’s minds. Reality is socially constructed and internally experienced. As a consequence human beings occupy a central position (Sarantakos 1998).

Whereas positivism is instrumentation-oriented, the orientation of interpretivism is practical. It is concerned with how people interact with each other in their daily lives. Organization scholars interested in interpretive research basically ask how organizational participants make sense of their social world (Putnam and Pacanowsky 1983; Jones 1988; Schultz and Hatch 1996). In other words, interpretive research aims to interpret and understand actors’ reasons for social actions, how they construct their lives and the meanings attached to them, and to comprehend the social context of social action. The key here is that the subjective meanings of social actions, not social actions themselves, are the focal point of interpretive research (Sarantakos 1998).

Interpretive researchers typically employ qualitative techniques such as participant observation, field study, interviewing, etc. In contrast to positivist researchers’ quest for large sample size, interpretive researchers typically study a small sample, a dozen, for example (Neuman 2003).
In contrast to the positivist emphasis on generalizability of findings, interpretive research seeks a relativistic understanding of phenomena. Generalization from the context to a population is not sought. The focus is on achieving a deeper understanding of the phenomena (Geertz 1973; Orlikowski and Baroudi 1991).

*The critical paradigm*

Critical social science, or critical theory, includes such perspectives as critical sociology, the conflict school of thought, Marxism, and feminism (Sarantakos 1998). The critical paradigm defines social science as

> a critical process of inquiry that goes beyond surface illusions to uncover the real structures in the material world in order to help people change conditions and build a better world for themselves (Neuman 2003, p. 81).

Critical theorists regard reality as created by people; it is created by powerful people manipulating, conditioning, and brainwashing other people to perceive and interpret reality in their way. In other words, reality is constructed by the powerful in society to serve their own needs (Sarantakos 1998). The goal of critical studies is to critique the status quo by going below the surface and exposing deep-seated, structural contradictions within social systems, to show people how the world should be, and how to achieve social goals, and in general, how to change the world (Orlikowski and Baroudi 1991; Sarantakos 1998).

Critical and interpretive social science share the same criticism for positivism, which is that positivist social science does not deal with people’s subjective construction of reality. However, this is where their similarity ends. While interpretive researchers merely aim to achieve an in-depth understanding of how people make sense of reality, critical theorists criticize them for being passive, for not taking a strong value position. Critical theorists propose what reality should be. And this ideal proposition is not context-specific, it should be generalized to other settings (Neuman 2003).

*The postmodern paradigm*

Postmodernism rejects all ideologies and organized belief systems. Rather, postmodern researchers rely on intuition, imagination, experience, and emotion. Postmodern research, in fact, began in the humanities, and is part of the larger postmodern movement in art, music, literature, and cultural criticism. Modernism is a concept that refers to the values, beliefs, and basic assumptions of the enlightenment era; it is based on logical reasoning, and holds that
there are standards of beauty, truth, and morality which most people can agree on (Neuman 2003). Postmodernism, on the other hand, seeks to reject such modernist notions. Postmodernists do not think that grand theories have any relevance in the real world today (Grix 2004). According to Denzin and Lincoln (1994),

The core of postmodernism is to doubt that any method or theory, discourse or genre, tradition or novelty, has a universal and general claim as the “right” or the privileged form of authoritative knowledge. Postmodernism suspects all truth claims of masking and serving particular interests in local, cultural and political struggles… The postmodernist context of doubt distrusts all methods equally. No method has a privileged status. The superiority of “science” over “literature”—or, from another vantage point, “literature” over “science”—is challenged. But a postmodernist position does allow us to know “something” without claiming to know everything. Having a partial, local, historical knowledge is still knowing… (pp. 517-18).

For postmodernists there is no separation between arts or humanities and social sciences. Therefore postmodern research approaches are equally applicable to social sciences (Neuman 2003). As a consequence postmodernism has gained considerable interest in the social sciences since the 1980s (Alvesson 2002).

4.1.5 Use of Theory

Theories also differ, as shown in Appendix I, in their degree of abstraction, their scope, and the level of social reality they deal with. They can be classified into metatheories, grand/formal theories, middle-range theories, and grounded theories (Grix 2004).

Metatheory refers to the “fundamental assumptions and philosophical underpinnings of all research” (Grix 2004, p. 109). The different paradigms in social science research discussed above fall in this category. Blaikie (2000) argued that metatheory “should be settled before theorizing begins” (p. 154). Of course this should be the case in social science. The metatheory or paradigm the social scientist assumes significantly influences theory development and empirical research.

Grand, or formal, theories are “intended to represent the important features of a total society” (Blaikie 2000, p. 144). They are usually developed for a broad conceptual area in general theory (Neuman 2003), and are typically rather abstract and speculative (Danermark et al. 2002). A good example of this is functionalism, which is one of the key perspectives in
sociology. Grand theories attempt to encapsulate a whole society, and they are usually not limited to space or time (Grix 2004).

Probably the most commonly used in social science research, middle-range, or substantive, theories are developed for a specific area of concern (Neuman 2003). Such theories should be broad enough to cover a wide range of phenomena, and yet specific enough to be used to guide empirical work (Giddens and Birdsall 2001)

Grounded theory (GT) was first elaborated by Glaser and Strauss (1967). They defined GT as discovering theory “from data systematically obtained from social research” (p. 2). The key notion is that theory is grounded in empirical data (Glaser and Strauss 1967) or phenomena (Haig 1995). Therefore GT attempts to close the gap between theory and research, and is generally associated with inductive research approaches. The original conception of GT is to approach data without any preconceived categories or codes, i.e., theory is generated from analyzing empirical data (Glaser and Strauss 1967). However, its use has been extended to elaborating, enriching, validating, and extending existing theories (Strauss 1987; Haig 1995; Strauss and Corbin 1998).

GT is known more for its methodological deliberateness (Crotty 1998) than for actual applicable theories themselves (Bryman 2001). Therefore it can be thought of as “a general methodology for developing theory that is grounded in data systematically gathered and analyzed” (Strauss and Corbin 1998, p. 158).

Viewed from another perspective, these different types of theories also represent different levels of generalizability. Metatheory is the most general, and as one moves down to grand/formal theory, middle-range theory, and finally to GT, theory becomes less and less generalizable and more and more specific.

4.2 CROSS CULTURAL RESEARCH ISSUES

4.2.1 Early Discussions

As discussed in Chapter 2, because of the expansion of US firms into international markets and the US dominance in management research, early cross cultural management studies generally focused on cross cultural comparison and the universal application of relevant theories across cultural boundaries. Sekaran (1983), for example, discussed methodological and theoretical issues in cross cultural research. The implicit assumption of the positivist
paradigm is self-evident—the five methodological concerns discussed include ensuring functional equivalence, instrumentation problems, data-collection methods, sampling design issues, and data analysis. These issues were discussed in the context of comparing cross-cultural behavior. While acknowledging the lack of a clear conceptualization of culture, Sekaran (1983) saw organizational researchers’ main task as studying the differences and similarities in the common societal traits (i.e., dimensions) that would influence people’s workplace behavior.

Negandhi (1983) grouped cross-cultural management research into three categories: the economic development orientation, the environmental approach, and the behavioral approach. In the economic development orientation, cross-cultural studies are linked, theoretically and empirically, to economic development theorists. The environmental approach views the external environmental factors, such as socio-economic, political, and cultural factors, as impacting on managerial practices and effectiveness. Studies of the behavioral approach aim to explain behavior patterns (such as national character profiles, attitudes and perceptions of managers relating to some key management concepts and practices, and dominant values), belief systems, and need hierarchies in a particular society.

While again acknowledging the lack of a good conceptualization of culture, Negandhi (1983) adopted the concept of value orientation by Kluckhohn and Strodtbeck (1961), and proposed five universal value dimensions on which there are variations between cultures, and which influence workplace behavior. In addition, Negandhi reiterated the hypotheses which were put forth by Evan (1974, cited in Negandhi 1983) based on the five dimensions.

4.2.2 Contemporary Thoughts

In contemporary culture and culture-related research, there is a clear shift by some scholars away from survey-based quantitative methodologies widely used by CNC researchers, toward methodologies that are better at addressing the dynamic nature of culture. Such a shift obviously is in line with the emerging paradigm shift toward a dynamic, processual perspective on culture, as is the perspective of this research.

The ethnoconsumerist methodology proposed by Meamber and Venkatesh (2001) is a good example. The central idea of this methodology is to study consumer behavior, which is influenced by cultural practices, based on theoretical categories generated within a given culture. This methodological framework contrasts sharply with conventional cultural and cross-cultural research, where a single theoretical framework is used to study multiple
cultures. In addition, they argued for not only an emic research approach, i.e., taking the subject’s point of view (or the ‘insider view’, Rosaldo 1989), but also developing knowledge from the culture’s point of view. To do this, the researcher needs to study

the cultural system (symbolic systems, belief systems, norms and ritualistic practices), the social system (such as social organizations and institutions), and the individual/subject orientations, which are considered to be the product of the cultural environment in which the individual subject is raised or has grown accustomed to (Meamber and Venkatesh 2001, p. 97).

Therefore culture research

becomes more than rather superficial emic or ethic interpretations (subjects’ point of view or researcher’s point of view) of the culture; it becomes a view of the culture informed by the culture itself… (Meamber and Venkatesh 2001, p. 97).

Meamber and Venkatesh’s (2001) ethnoconsumerist methodology assumes that, firstly, the behavior of consumers is culturally grounded, secondly, both current cultural practices as well as historical and social forces influence cultural categories, thirdly, culture is always changing, and finally, the understanding of consumer behavior is based on visual and textual narratives and symbolic forms.

Operationally, this ethnoconsumerist methodology starts by combining the text view (archival information and cultural background data, etc.) and the field view (primary data collected by the researcher, including visual, oral, and written forms). Appropriate analysis such as visual ethnography and GT is applied to the data to identify the relevant cultural objects/things, cultural practices/experiences, conceptual schemes/structures, and social histories and memories. From these the cultural categories of consumption can be derived, and the relationship between these categories established. Next, consumption-oriented meaning is generated, which leads to a cultural understanding of consumption. Finally, a theory of consumption grounded in the subject culture is formulated.

Tayeb (2001) criticized some researchers’ reliance on the same old research tools and approaches by taking “the lazy way out” (p. 102), minimalist approach to defining the parameters of their studies that is based on old studies for characterizing a given nation’s culture—such an approach, while parsimonious in conducting research, inevitably failed to capture the dynamism and vitality of culture.
While acknowledging that there is no best paradigm for data collection in cross-cultural research, Tayeb (2001) briefly reviewed research methodologies in management as well as other disciplines—field studies in anthropology, controlled small group experiments in psychology, and quantitative versus qualitative approaches in management research, etc. Tayeb (2001) called for moving away from relying on old research methodologies to either multi-paradigm approaches (e.g., combining positivism with interpretivism), or experimenting with innovative tools (e.g., visual card sorting, VCS). These suggested approaches can help the cross-cultural management researcher better capture and understand the dynamism and intricacies of culture.

According to Triandis (2001), there are three methodological perspectives in culture research—the anthropological perspective, the indigenous perspective, and the cross-cultural perspective. The anthropological perspective is best characterized by “thick description” (Geertz 1973, p. 6), i.e., the researcher employs qualitative methods such as field studies and interviews to carry out an in-depth study of a single culture. By thickly describing how people behave, the research can achieve a fine-grained understanding of that particular culture. From the cross-cultural perspective, the researcher examines phenomena across many cultures. The first two perspectives are generally characterized by qualitative methods, while traditionally the third perspective by quantitative methods.

In addition, Triandis (2001) also discussed the issue that, while much of culture is implicit (non-conscious) in nature, many of the traditional methods (e.g., Likert type items) are transparent and suffer from shortcomings such as social desirability, acquiescence, and extremity responses. Therefore there is a need to draw out the implicit in culture research.

Smith (2001) discussed four issues in culture research. In addition to the theoretical issue, three methodological issues were raised. The first issue is level of analysis. Smith (2001) argued that Hofstede’s (1980, 2001) cultural dimensions provide a framework to characterize a nation as a whole; they are of little use in predicting individual or even organizational level behavior. The reasons are that, first, there is intra-cultural variability, and second, his samples only represent a “snapshot” back in history, and as such his dimensions cannot be used to predict behavior or other variables today, because culture changes over time (e.g., Rosaldo 1989; Prus 1997).

The second issue concerns the differences in response styles to questionnaire surveys. For example, Japanese respondents tend to choose middle values in a rating scale, while Western respondents are more inclined to choosing values across the full range. Such differences in
response style undermine measurement comparability. To correct this, within-subject standardization or collecting independent measure of bias should be used (Smith 2001).

The third issue has to do with the focus of management research on culture—it should not merely compare different national cultures and identify cultural differences. But rather, the focus should be on studying and comparing effective practices in organizations within a single nation, or across nations. The objective here is to find out how a given practice works out in a particular context. Studies in this vein have tended to be more micro than macro, but macro-level research can also be carried out with this focus on effective management practices (Smith 2001).

To summarize, early discussions on culture research methodology in management are concerned with comparing national cultures on universal dimensions, or using national cultural differences along these dimensions as an explanatory variable to explain or even predict differences in business or economic performance between countries or organizations. As such, a positivist paradigm and a quantitative approach are implicitly assumed. An example of this type of research methodology, of course, is the works of Hofstede (1980b; 1983; 2001b).

In recent years, however, there has been growing criticism of such a positivist paradigm and methodology. The criticism of Hofstede’s (1980b; 2001b) cultural dimensions framework and his quantitative survey research methodology is a good case in point (Lowe 2001; McSweeney 2002b, 2002a). Scholars in the ICI and MC streams, questioning the efficacy of national cultural differences in explaining performance variables, have shifted away from such a positivist paradigm toward viewing culture as fragmented, emerging, and dynamic (e.g., Rosaldo 1989; Prus 1997). This shift has been accompanied by a corresponding shift in methodology toward an interpretive paradigm and qualitative approaches. These methodological approaches are considered better at studying the intricacies and dynamism of culture (Boyacigiller et al 2003).

4.3 THE METHODOLOGICAL APPROACH OF THIS STUDY

4.3.1 The Dialectic Processual Perspective on Culture and its Methodological Implications

As discussed in Chapter 3, the dialectic processual framework on culture proposed in this research takes a processual view of culture. In addition, this perspective stresses the
importance of interaction in the process of cultural emergence. Through an endless, spiraling process of interaction among individuals in an organization, shared rules of behavior are formed and reformed, and culture emerges and changes in this process.

Viewed from this processual perspective, the quantitative questionnaire survey methodology used by Hofstede (1980b; 2001b) and other CNC researchers is not sufficient for investigating culture, because it suffers from two major flaws: (a) it is ‘snapshot’ in nature, i.e., a questionnaire survey only captures cultural values of respondents at a particular time and in a particular context; and (b) it captures values held by an individual in his or her ‘default context’, which most likely is his or her national culture context. As such these “default context” values cannot be used to predict behavior in cross-cultural settings, because to individuals in these settings they are not “default contexts”.

A paradigm shift from a static, value-based conceptualization to a processual perspective naturally dictates a corresponding shift in methodology from deductivism to inductivism. It goes without saying that in conducting research the researcher must strive to achieve a question-method fit (Grix 2004). The researcher must keep in mind that methods ought to follow from questions (Punch 2000). In fact, the notion of fit is central to the validity and credibility of qualitative research. Methodological fit is achieved when there is congruence among underlying assumptions of the phenomena under study, the research questions, the methodology and methods chosen, and the analytical procedures employed (Morse and Singleton 2001).

Therefore, the dialectic processual framework proposed in the previous chapter calls for a methodology that is compatible with its emphasis on process and interaction in culture emergence. As such, the positivist, survey-based quantitative methodological approach is not suited for such a methodological emphasis on process and interaction, as discussed above. A process-oriented methodological approach, on the other hand, should match well with the dialectic processual framework. In addition, this process-oriented research approach aligns well with calls by international scholars for taking alternative research approaches to Hofstede’s (e.g., Lowe 2001).

Specifically, a qualitative field research strategy will be adopted for this research. Considering the theoretical requirements and practical constraints in time and resources, a GT approach will be employed. GT is the “discovery of theory from data systematically obtained from social research” (Glaser and Strauss 1967, p. 2). In addition, its use has also been extended to elaborating, enriching, validating, and extending existing theories (Strauss 1987; Haig 1995;
Strauss and Corbin 1998). The dialectic processual framework proposed in the previous chapter will serve as a general perspective for carrying out the GT research.

Furthermore, an “insider-view” will be taken in the research. An “insider view” means that the culture researcher takes the perspective of a culture native, so as to better deal with the rich process dynamics of culture (Rosaldo 1989). However, if the culture researcher is not a true native, but rather only takes a native view, research results may still lack the necessary depth of understanding because of his or her lack of the factual knowledge of the culture under study. A “first-person insider view”, as discussed in Chapter 3, means that the culture researcher should be a true native, with extensive factual knowledge of the subject culture(s). This way, the rich process dynamics of culture emergence can be satisfactorily captured and described. This research can be regarded as studying culture with a “first-person insider view”, because this researcher is an insider or quasi-insider in the subject cultures under study. A detailed discussion on this point is in Chapter 5.

In summary, the appropriate methodology for this research should be processual in nature. Specifically, a “first-person-insider-view” GT approach is employed in this study.

4.3.2 Characterizing the Proposed Research Methodology

Purpose of Research—Descriptive

It is evident that, judged from both the dialectic processual framework proposed in the previous chapter and the corresponding “first-person-insider-view” GT methodology discussed in the previous section, the purpose of this study is descriptive. The research purpose here is to describe in detail the dynamic, dialectic process of culture emergence, especially how the stable and the dynamic elements of culture interact to give it both stability and momentum for change. This research has a clearly defined question, which serves as a starting point from which GT research will be initiated: How does culture emerge in ICCM contexts? As discussed earlier in this chapter, a clearly defined research question is what distinguishes descriptive research from exploratory research.

Such a focus on description moves away from the traditional, “lazy way out”, minimalist approach to culture research (Tayeb 2001, p. 102), which is primarily explanatory in nature (i.e., using national cultural traits to explain other variables) and is characteristic of the positivist CNC stream in ICCM, to one that attempts to capture the dynamism and intricacies
of culture emergence by taking the anthropological and indigenous perspectives as put forth by Triandis (2001).

**Philosophical Orientation—Interpretive**

Since this study deals with human subjects in cultural settings, the interpretive paradigm is taken—reality is not “out there”, but rather subjective; it is how individuals interpret reality, in this case cultural norms and practices, that should be captured and studied. In other words, the subject meanings of social action are the focal point of research (Sarantakos 1998).

An interpretive paradigm is consistent with the descriptive purpose discussed above, which takes the anthropological and indigenous perspectives (Triandis 2001). In addition, such a philosophical orientation is also congruent with the inductive theory building methodology, the qualitative field data collection method, and the GT approach adopted by this research (see discussions next).

**Methodology of Theory Building—Inductive**

This research is inductive. Inductive researchers begin their studies by observing the real world; from empirical observations, he or she then develops a theory that explains observed reality (Babbie 2004; Lancaster 2005). In Chapter 3 a conceptual framework of culture emergence in ICCM settings was proposed. This provides a general conceptual scheme—a paradigm, in fact—to guide subsequent GT empirical research. Data will be collected primarily through interviews, supplemented by documentary sources. Based on the concurrent collection and analysis of these data, which is characteristic of GT research, a theory of culture emergence in SW-ICCM settings within the general conceptual scheme proposed in the previous chapter will be developed (Glaser and Strauss 1967; Strauss and Corbin 1998). Therefore the inductive theory building methodology is consistent with the GT approach adopted by this research.

**Nature of Data and Data Collection—Qualitative and Field**

As discussed earlier, the dialectic processual perspective on culture proposed in the previous chapter dictates the use of qualitative data, because survey-type quantitative data are “snapshots” in nature, and are not adequate to be used to investigate the descriptive purpose of this research. Qualitative data, on the other hand, can serve this purpose well, because they can provide rich, in-depth information about the phenomenon under study. In addition, qualitative data such as those collected by interviewing are also better at drawing out the
implicit part of culture, which the traditional positivist-quantitative methods fail (Triandis 2001).

In addition, as will be discussed in the next chapter, data for this research will be collected by going to the field to interview informants and to collect documentary data. Therefore this research is also a qualitative field research project (Babbie 2004).

**Use of Theory—Grounded**

The purpose of this research is to develop a conceptualization of culture that better explains culture emergence in SW-ICCM settings. As such, a GT approach is adopted, because it fits the relatively narrow scope (i.e., SW-ICCM settings) of this research and the fine-grained understanding of culture dynamics as called for by the dialectic conceptual scheme proposed in the previous chapter. In GT research theory directly emerges from analyzing empirical data (Glaser and Strauss 1967). Or in other words, theory is grounded in data (Strauss and Corbin 1998) or phenomena (Haig 1995). As such, GT attempts to close the gap between theory and research (Grix 2004). Therefore GT is the least in abstraction, narrowest in scope, and closest to reality, which fits well with the purpose and perspective of this research.

It should be noted that GT is also regarded as a methodology for theory development grounded in data that are systematically collected and analyzed (Haig 1995). Therefore data collection and analysis in this research will also be conducted in a grounded fashion.

**4.4 CONCLUSION**

The major methodological classifications of social science research have been discussed in this chapter. Because of the myriad classification schemes put forth by social scientists, this discussion is by no means an exhaustive one. However, what have been reviewed are those that are relevant to this particular research.

In addition, this research has been characterized according to the major methodological classification schemes reviewed. It can be seen that the overall methodological approach of this study fits quite well with the research topic of, and the general dynamic processual perspective on culture in, this study.
CHAPTER 5
RESEARCH METHOD

Once a general methodological approach of research is chosen, the next logical step is to implement such a strategy by the choice of appropriate method(s) to carry out the actual step-by-step empirical research.

As discussed in Chapter 4, there is a distinction between methodology and method. Methodology is “a way of thinking about and studying social reality” (Strauss and Corbin 1998, p. 3). It provides a sense of vision, i.e., a general strategy, for conducting research. This has been dealt with in the previous chapter. A method, on the other hand, is “a set of procedures and techniques for gathering and analyzing data” (Strauss and Corbin 1998, p. 3). Methods provide the specific means for bringing the methodological vision into actual step-by-step research work. Methods essentially describe the specific procedures and techniques for collecting and analyzing data. This chapter is concerned with this issue.

5.1 THE RESEARCH QUESTIONS

The conceptual scheme proposed in Chapter 3 not only provides a processual perspective which dictates a process-oriented methodological strategy to be taken, but also specifies the questions to be asked in the subsequent empirical research. In this section these questions are discussed.

The adoption of a conceptual scheme prior to initiating empirical research does not contradict the basic premise of GT research. Those unfamiliar with GT may have the impression that GT
researchers do not have preexisting perspectives or assumptions so as to ensure that theory emerges from data or phenomena completely unhindered. On the contrary, the GT researcher “must have a perspective” in order to “see the relevant data and abstract significant categories from his scrutiny of the data” (Glaser and Strauss 1967, p. 3). The emergent theory grounded in data actually comes at a different level of abstraction (Haig 1995). Therefore the conceptual scheme proposed in Chapter 3 provides a general orientation that affords direction and guidance to the subsequent empirical research efforts, and the questions that it specifies serve as starting points for the field work. In addition, it also sensitizes the subsequent data analysis and theory formulation.

5.1.1 The Main Questions

The main research questions for this study are:

(a) Is culture stable and immutable, or is it dynamic and changing? Or is it somewhere in between?

(b) How does culture emerge in today’s SW-ICCM settings?

Given the conceptual framework discussed in Chapter 3, the first question may seem to be rhetorical. However, it is a necessary precursor to the second and subsidiary questions. In addition, the GT approach taken by this research requires that in order to develop theories that are grounded in data, the researcher, in collecting and analyzing data, should hold in the background all potentially relevant facts and theories (Haig 1995). It can also be argued that this question is used to verify, enrich, and extend the basic premise of the proposed dialectic processual conceptual scheme, which is that culture evolves (changes) in a dialectic process of mutual transformation between its stable and dynamic elements.

The second question aims at uncovering the actual process of culture emergence in today’s SW-ICCM settings. The subsidiary questions discussed next all come from this main question.

5.1.2 The Subsidiary Questions

The subsidiary questions of this research are directed at delineating the details of culture emergence in today’s SW-ICCM contexts so as to arrive at a fine-grained understanding of this process. Based on the conceptual scheme proposed in Chapter 3, they are:

- How do the dynamic and the stable elements of culture interact?
• How do individuals formulate their actions which lead to the emergence of cultural patterns?

• Do individuals consult with other organization members in action formulation and/or interpretation? If so, who generally initiates such consultations?

• How do individuals interpret, or make sense of, their interactions with others in the organization?

• Do the values of an organizational member actually change? Or is there only superficial change in cognition where the cultural other is seen as a “necessary evil”, so to speak, to be put up with?

It should be pointed out that these questions only serve as guidelines and as a starting point in field interviews. As will be discussed later in this chapter, in accordance with the inherent requirements of GT, a semi-structured interview format was followed, so that other relevant questions that arose during the interview could also be raised and discussed, and pertinent questions that arose during the recursive “data collection → coding → analysis” process could be pursued in subsequent interviews.

5.2 THE CHOICE OF GROUNDED THEORY

5.2.1 The Fit of Grounded Theory as a Research Method for This Study

Management scholars generally use GT as a research method when, in their respective research areas, there are no previous theories or an established body of literature is lacking (e.g., Carter et al. 2004; Xiao, Hahya and Lin 2004), or there is an embryonic model to build on (Holland 2005). According to Glasser and Strauss (1967), however, the GT approach should be used regardless of whether or not there is a previous speculative or logico-deductive theory in a research area.

As far as culture research in management and organization studies is concerned, as argued in Chapters 2 and 3, the established body of literature has been primarily based on, extended, and enriched the value-centered static conceptualizations of culture. The recent calls for moving away from such a static perspective have led to lively discussions and research efforts. However, as the discussion in Chapter 3 reveals, the extant theories that take a dynamic, process-oriented perspective on culture are few and far from making up an established body
of literature. Therefore a GT approach fits quite well with the status quo of culture research that takes a dynamic, process-oriented perspective against an increasingly globalized context of cultural mingling (Haig 1995).

5.2.2 An Overview of Grounded Theory

GT was first discussed by Glasser and Strauss (1967) in their seminal work, *The Discovery of Grounded Theory*. It is a formal, systematic presentation of their method of handling and analyzing qualitative data gathered from their participant observation of hospital staff’s care and management of dying patients. Since then it has spread from sociology to other disciplines, including management (Locke 2001). Recently Thomson (2004) did a keyword search, with “grounded theory” as search parameter, on Proquest ABInform multiple databases. This search resulted in fifty research articles that used GT as their sole or primary research method, which testifies to the popularity of GT with qualitative management researchers.

One of the distinguishing characteristics of GT is its inductive generation of theory from the systematic collection and analysis of (qualitative) data. In fact, this is why it is called “grounded theory” because theory thus developed is grounded in data (Glaser and Strauss 1967) or phenomena (Haig 1995). This inductive approach is in stark contrast to the traditional logico-deductive approach to scientific research, where, as discussed in Chapter 4, theory is first proposed in non-rational ways, and then it is rationally and logically tested, typically by statistical analysis of quantitative data (Haig 1995).

Another distinguishing feature of GT is the joint data collection, coding, and analysis throughout the whole research process. Based on the way in which subjects are sampled and data analyzed, GT research can be divided into two broad stages. The first stage can be called the *open stage*, because in this stage data are collected through open sampling, and are analyzed through open coding. In GT research, the analyst starts out from “scratch”, so to speak, with no pre-existing theory in mind. As a result, he or she only has a general idea of what to investigate, and where to sample. Therefore sampling in this stage is called open sampling because the choice of interviewees or observational sites is relatively open (Strauss and Corbin 1998). However, it is also regarded as purposeful or selective sampling by some other scholars (e.g., Sandelowski, Holditch-Davis and Harris 1992) because sampling is not totally random. The data thus collected are analyzed through open coding, whereby theory in its most rudimentary form emerges (Glaser and Strauss 1967; Strauss and Corbin 1998).
Data collection from this point on is driven by the needs of the emergent rudimentary theory, which signals the beginning of the second stage that can also be called the *theoretical stage*. This stage is characterized by recursive, spiraling loops of “emergent theory → data collection → data coding → data analysis → emergent theory”. This loop continues until at least the major categories are theoretically saturated, and a relatively refined theory emerges. Therefore sampling is more selective. Furthermore, open coding is replaced by axial coding and selective coding. The end of this stage is signaled by theory integration and the development of formal theory from the substantive theory generated (Glaser and Strauss 1967; Strauss and Corbin 1998).

In terms of theory development, GT follows a general pattern of “data → phenomena → concepts → categories→ substantive theory → formal theory”. Data coding and analysis first reveal phenomena, which are then labeled as concepts. The concepts are further grouped into categories, whose dimensions and properties are saturated by theoretical sampling and corresponding coding and analysis. Integration of the categories and their relationships results in a substantive theory, because it is grounded in data collected from a substantive area. Finally formal theory can be developed by generalizing the resultant substantive theories across substantive areas (Glaser and Strauss 1967; Strauss and Corbin 1998).

Formal theory can be developed from one or more substantive areas. To develop formal theory from substantive theory grounded in one substantive area, the analyst “omits the substantive words, phrases, or adjectives,” or “rewrites a substantive theory up a notch” directly to a formal theory (Glaser and Strauss 1967, p. 80). A formal theory developed in this way, however, generally ranks low on generalizability, because it does not allow for all the contingencies and qualifications which will be encountered across the range of substantive areas to which it is to be applied. To overcome this shortcoming, formal theory should be developed from more than one substantive theory, each of which is grounded in a different substantive area. Such a multi-area formal theory works better for obvious reasons. In addition, the analyst’s life experience can also contribute to the successful formulation of formal theory (Glaser and Strauss 1967).

Another characteristic of GT is its process orientation. As originally conceived, GT is heavily oriented toward micro-level processes where individuals act and interact continually. Therefore, the researcher can focus on investigating patterns of behavior and their associated meanings, and then arrives at a conceptual explanation of the underlying processes (Locke 2001). This is because data collected and the way in which they are coded and analyzed allow
for the rich details of social action to be revealed, which quantitative data generally fail to do. The process orientation of GT research fits very well with the general processual perspective taken by this research.

5.2.3 The Roles of Literature and Personal Experience

Literature

GT is concerned with generating theory directly from data. However, this does mean literature plays no role in the research process. What GT researchers do not do is to apply existing theories from literature to data; but rather, literature is used to enhance and sensitize data collection, coding, and analysis (Glaser and Strauss 1967; Strauss and Corbin 1998). In addition, literature can also contribute to the early stages of a research project by drawing on previous knowledge to establish a theoretical framework, thereby creating a sensible theoretical basis from which to start the research project, i.e., to establish the problem area to be studied, and to guide the initial sampling efforts (Walsham 1995; Locke 2001).

In this research, the role of literature is five fold. Firstly, the comprehensive literature review in Chapter 2 revealed the evolution of culture conceptualization in the relevant disciplines, and its inadequacy in fitting the ICCM contexts in an era of ever-increasing globalization. Secondly, it aided in the development of a conceptual scheme of culture that is process-oriented (Chapter 3), which served as a general perspective for the subsequent empirical GT research. Thirdly, it also played a role, albeit a minor one, in starting the empirical part of this research, i.e., interview theme formulation, choice of the research context, the initial selection of interviewees, etc. Fourthly, in data analysis, the emergent categories and dimensions were discussed vis-à-vis the relevant literature. Lastly, the overall theoretical model was also discussed with the relevant literature.

Researcher’s Personal Experience

In contrast to the positivist position that the researcher’s personal experience should be segregated from the research process, GT actually allows personal experience to play a role. Specifically, personal experience can enhance and sensitize data collection and analysis, theory formulation, and even research credibility (Glaser and Strauss 1967). It should be pointed out that personal experience, of course, cannot, and should not, be used directly as data (Strauss and Corbin 1998).
Personal experience can be divided into two types: practical experience and research experience, both of which this researcher possesses. This researcher worked in a Chinese state-owned enterprise (CSOE), and subsequently in a Sino-US JV, both of which enriched him with the practical experience relevant to the subject matter of this research. Later on when working in academia, he has gained extensive research experience from conducting research in international business, and his consulting work further contributed to his practical experience.

Therefore in this study, this researcher’s experience has contributed in several ways to the whole research process. First of all, the selection of the research topic itself, the related research paradigm, and the corresponding GT research method, were heavily influenced by his personal experience, especially his practical work experience. While the dominant literature still views culture as stable and immutable, his practical work experience indicates otherwise. Therefore a decision was made to study the dynamic and processual aspect of culture in SW-ICCM settings with increasing globalization as the general background. The conceptual scheme proposed in Chapter 3 has naturally benefited from this researcher’s personal experience as well. This experience has also led him to take an interpretive, qualitative methodological approach, and to select GT as the research method.

Secondly, this researcher’s personal experience also enhanced and sensitized data collection, coding, and analysis in this study, which are the key elements of GT research. In terms of sampling, this experience helped in identifying potential informants and successfully convincing them to participate. This is especially important in recruiting Chinese interview prospects, but its role with expatriates is almost as equally important in that it provided practical guidance as to where to go to find potential expatriate informants, and, by having a “common language” when discussing relevant issues with them, increased the likelihood of their cooperation. In addition, during the semi-structured interviews, this researcher, sensitized by his personal experience, was able to pose pointed questions on the spot to the interviewee based on what he or she was saying at the moment, which increased the selectivity of data collection, especially in theoretical sampling, thereby enhancing theoretical saturation of key categories and dimensions.

Thirdly, theory formulation also benefited from this researcher’s personal experience. This experience helped him in identifying categories, their dimensions and properties, and relationships among them, particularly in the process part of theory.
Lastly, this researcher’s personal experience also contributed to enhancing credibility of the findings of this research. Throughout the research process this experience contributed in various ways to the appropriate selection of the research topic and the corresponding research paradigm and method, the purposeful selection of potential interviewees and successfully convincing them to agree to be interviewed, and the robustness of interview theme development, of data collection, coding, and analysis, and of theory formulation.

5.3 DATA COLLECTION

As discussed in the previous chapter, taking the interpretive paradigm and employing qualitative data collection and analysis techniques, this research attempts to arrive at an in-depth understanding of culture emergence in the SW-ICCM context.

Ideally, an ethnographic approach should be taken for such a purpose. Ethnography is concerned with describing the routine, daily lives of members of a group of culture, thereby revealing its inherent patterns of human thought and behavior (Fetterman 1998). An ethnographic study requires the researcher to live, or “submerge” him- or herself in the culture or context under study for a prolonged period of time (e.g., several years), and to directly observe and even participate in the social activities of his or her subjects. This way, the researcher strives to become an “insider”, so that he or she can take an “insider” view in finding patterns and describing cultural processes (Neuman 2003; Babbie 2004; Grix 2004). However, such a full-blown ethnographic approach is not plausible for this research because of the time and resource constraints of this research and the dynamic and sensitive nature of business organizations in SW-ICCM settings.

On the other hand, the GT researcher is not an ethnographer who attempts to collect the most complete data possible on a group, but rather an active sampler of theoretically relevant data (Glaser and Strauss 1967). Therefore GT can accommodate the constraints just discussed. There are a wide range of the types of data that can be used for GT research, including observations, interviews, documents, biographies, audiotapes, videotapes, or combinations of these (Strauss and Corbin 1998). Glasser and Strauss (1967), on the other hand, divided empirical data for GT into two types, field and documentary. Field data are first-hand in nature, since the researcher directly collects them in the field. Documentary data, on the other hand, are secondary in nature, because they have already been collected, compiled, or written by someone else.
The primary data collection method for this study is the semi-structured interview, supplemented by non-participant observation. In addition, documentary data have also been collected, so as to further supplement the field data, and to provide background, contextual information for field data collection, coding, analysis, and theory formulation.

5.3.1 Semi-Structured Interviews of Chinese and Expatriates

The data collected by the interview method represent the interpretations by the informants of their actions and events that have occurred or are occurring in the SW-ICCM context. Other data sources such as documents, archival records, direct observation, participant observation, and physical artifacts prescribed by positivist theorists (e.g., Yin 1994), can also be used, but such sources do not provide participants’ interpretations as required by the interpretive paradigm (Walsham 1995). Therefore, other data sources were also tapped in this study, but data from such sources only played a secondary, supplementary role in the ensuing analysis.

The Semi-Structured Interview

Interviewing is a very popular data collection method for qualitative researchers in a number of social science disciplines. It can be divided into structured, semi-structured, unstructured, and group interviews (Neuman 2003; Babbie 2004; Grix 2004).

Structured interviews require that the questions and the order they are in are determined beforehand. These questions are put to interviewees in their pre-determined form and order. No variation in either the questions themselves or their order is allowed. This type of interview is sometimes used for quantitative analysis because the data collected are highly standardized, thereby allowing for a high degree of comparability. On the other hand, it is rather rigid. It does not allow for on-the-spot questions which the researcher may, based on the response given by the respondent, decide to ask ad hoc to pursue a particular point of interest (Babbie 2004; Grix 2004).

With unstructured interviews, the researcher generally does not have any specific questions designed beforehand, but rather only suggests the subject for discussion; or he or she may only have some loose concepts or questions, and during the actual interview spontaneous questions are posed to the interviewee. The advantage of unstructured interviews is their flexibility and spontaneity. They are generally used at the beginning of a project, where the researcher needs to find and/or refine ideas or avenues for future research. However, data gathered through unstructured interviews are not comparable, since each interview session is
very likely to produce very different data (Rubin and Rubin 1995; Arksey and Knight 1999; Grix 2004).

Semi-structured interviews lie between the two extreme formats just discussed. In this format the researcher has a list of specific questions, and poses them, not necessarily in any predetermined order, to the informant during the interview. In addition, relevant questions that arise during the interviewing process may be spontaneously pursued. Thus, on the one hand, semi-structured interviews offer a certain degree of flexibility which allows the researcher to pursue themes or issues that emerge during the interview. On the other hand, they also have a certain level of structure so that data gathered can be compared and contrasted subsequently. This is probably why the semi-structured technique is the most popular interview method with social scientists (Rubin and Rubin 1995; Arksey and Knight 1999; Grix 2004).

Therefore the choice of the semi-structured interview as the primary data collection method matches well with the characteristics of this research, since the conceptual scheme proposed in Chapter 3 provided a list of questions, as discussed in Section 5.1. In addition, the three themes developed for the interviews also require a certain degree of structure. The structured part of this method allows the researcher to achieve internal validity because it ensures that the responses are comparably measured across informants (Weller and Romney 1998). The flexible part, on the other hand, provides the flexibility inherently required by GT research, especially during theoretical sampling. Therefore the semi-structured interview format was chosen as the main data collection method for gathering first-hand data in the field.

The Interview Questions

The research questions discussed in Section 5.1 are conceptual questions. To effectively elicit proper and meaningful responses from respondents, they need to be combined with practical cultural themes, or topics, to produce practical, theme-based questions. These theme-based questions are the actual questions posed to the informants in the interview process.

Three main themes were developed for conducting empirical research in this study, pay confidentiality (PC), knowledge/information sharing (KIS), and status differentiation (SD). They were developed based on inputs from four sources, as shown in Appendix J: (a) unstructured, open-ended interviews with two China-based managers, one Chinese and one expatriate, with extensive experience in SW-ICCM contexts, (b) relevant literature on management and business topics in SW-ICCM settings, (c) this researcher’s own practical
knowledge gained from relevant working and consulting experiences, and (d) the conceptual scheme proposed in Chapter 3.

The unstructured interviews of the two managers were conducted in mid-July 2005. They were prompted by the researcher to discuss their experiences of working in SW-ICCM settings, including interesting stories, issues and topics, and their reflections. In addition, the managers were asked to suggest themes or topics for the subsequent semi-structured interviews. No voice recording was done, but notes were taken.

An extensive literature review was conducted in an effort to identify key themes that involve culture in SW-ICCM contexts in China. Keyword searches were carried out on major data bases including ABI/Inform Global, Business Source Premier (EBSCO), Emerald Management Xtra (Emerald), Expanded Academic ASAP (Gale), Factiva, ProQuest, ScienceDirect, etc.

The personal experience of this researcher gained from both his JV and consulting work also directly contributed to theme development. For example, the private discussion of pay among Chinese employees was a serious problem in the JV that this researcher once worked for. This contributed significantly to the identification of the PC theme.

The unstructured interviews, literature review, and personal knowledge all contributed to the suggestion and evaluation of themes, whereas the conceptual scheme proposed in Chapter 3 only contributed to the latter. Therefore the first three sources served to triangulate the themes by ensuring a more complete, more robust list of themes. Altogether over ten themes were generated. They were then evaluated and the number of themes in the final list was reduced to three, so as to ensure that data collection and analysis would be kept to a manageable scale.

The criteria for theme evaluation and selection are relevancy, importance, and pervasiveness. First of all, a theme has to be relevant to the context, which in this research are SW-ICCM settings in China. Secondly, it has to be important to individual, team, and organizational performance in the target settings. The reason for this is self evident. Thirdly, it needs to be pervasive in the target contexts, so as to ensure comparability of data, and thereby contributing to internal validity.

In addition, two secondary themes, directness of communication (DOC) and form of address (FOA), were developed from the initial semi-structured interviews. The first secondary theme was subordinated to the KIS theme, and the second to the SD theme. These two secondary themes served to further crystallize their respective main themes in practical terms.
To ensure the face validity of the questions, two pilot interviews were carried out, one with a Chinese manager, and the other an expatriate manager, in December 2005. Wording changes were made based on the feedback from these pilots. Appendix K shows the interview schedule and interview questions revised after the pilot tests. The expatriate manager pilot-interviewed was not included in the subsequent sample of semi-structured interviewees. The Chinese manager, however, was interviewed subsequently, because he was judged to be a very good source of information-rich data—his willingness to share, his reflexiveness, and his over ten years of work experience in SW-ICCM organizations, during which he successfully moved, step-by-step, up the corporate ladder, to become a senior manager at a Sino-Western JV in China at the time of his interviews.

**Conducting the Interviews**

The interviews were conducted during the period December 2005 to May 2007. A total of 26 informants were interviewed, of whom 14 are expatriates and 12 Chinese. In addition, 4 respondents were interviewed for the second time. Due to their busy business travel schedules, two of the informants, both expatriates, were interviewed over the telephone. Therefore the total number of interviews is 30. Such a lengthy time span was due to two factors. The first is the difficulty of finding the right informants who were willing to be interviewed and audio-taped, which is in part caused by the inherent cultural characteristics of the Chinese society. Secondly, it was also dictated by the inherent continual nature of GT research, where data collection, coding, and analysis are carried out in recursive loops, so as to gradually saturate the categories and refine the emerging theory. It goes without saying that such a recursive process is more time-consuming than one of simple data collection.

In the initial interviews the structured questions were posed to the interviewees in order to develop the main categories. At the same time, the flexible part was also fully exploited in the initial interviews because this researcher, aided by his knowledge and previous work and consulting experience in SW-ICCM contexts, and sensitized by relevant literature and the proposed conceptual scheme, was oftentimes able to identify the key categories and dimensions on the spot, and pose to interviewees the questions that arose from the identification of these categories and dimensions, so that he could carry out the saturation process from the very beginning. Later on, during theoretical sampling, the structured part was still retained, and the questions in this part were also posed to interviewees. The purpose of this is two-fold. First of all, doing so would ensure the comparability of data across all interviewees so that they could be corroborated, thereby enhancing their completeness.
Secondly, it also provided the necessary data to verify and further enrich the key categories and dimensions that were identified at the beginning. Therefore it added to the robustness of the emergent theory.

The interviews were conducted in two languages, English and Chinese. Expatriates were interviewed in English, while Chinese was the language for interviewing Chinese informants. The interviews typically lasted between 50 minutes to one and a half hours. Occasionally the interviews were interrupted by urgent business phone calls on the part of the interviewees, both expatriate and Chinese. Otherwise they went smoothly. All interviewees except one agreed to be audio-taped. The one who declined to be audio-taped, an expatriate, cited as the reason sensitive business information that might be discussed during the interview. In this case, careful notes were taken. In all interviews, brief notes were taken regarding the background of the interviewees, this researcher’s impression and evaluation of the interviewees and the interviews, and any other information that the interviewees provided either before or after the formal interviews.

The recorded interviews were then transcribed into text form. Furthermore, in the case of interviews conducted in Chinese, they were first transcribed into Chinese texts, and then translated into English. The English interviews were all transcribed by this researcher. The Chinese interviews were transcribed by Chinese postgraduate students in China. The translation was also carried out by this researcher. Due to this researcher’s knowledge and understanding of business and management vocabulary in both English and Chinese, which has been acquired by the his prior educational training and practical and academic experience, the translated texts were not checked by a second person, as they were judged by this researcher to be sufficient facsimiles, in meaning, of the original Chinese texts.

5.3.2 Non-Participant Observation in the SW-ICCM Workplace

Ethnographers and anthropologists in general tend to employ participant observation in their field research. This method requires that the researcher become a participant in the subject culture, so that he or she observes social reality from the perspective of a participant or “insider”. This is called participant observation. In many other disciplines such as management and organization studies, however, a non-participant method is generally employed. In this method, the researcher does not need to become a participant, but rather takes a passive role, and directly observes his or her subjects in action in their workplace contexts. In either case, the researcher directly observes (and sometimes listens to) his or her
subjects in their natural contexts, and takes notes of what has been observed. The notes can take the form of word notes, diagrams, maps, etc. (Neuman 2003; Babbie 2004).

In this study, two Western wholly-owned foreign enterprises (WOFEs) were selected for non-participant observation. For each company, two non-participant observations were conducted on-site. Initially, this researcher wanted to carry out five participant observations over a one-year time span. However, due to the rather dynamic and sensitive nature of foreign invested enterprises (FIEs) in China, especially with regard to compensation and employee turnover, participant observations were turned down by both companies. Even though no reason was given, this researcher got the distinct impression that top management at these companies did not want a Chinese outsider who was perceived to be fluent in both English and Chinese, and rather knowledgeable of both Chinese and Western cultures, to “nose around” too much, so to speak. Therefore finally it was agreed that two non-participant observations would be carried out at each company.

Each observation lasted between one hour and one and a half hours. On those observations, this researcher focused his attention to observing (and listening to) how people behaved and interacted in their workplaces, and careful notes were taken. In addition, any characteristics of the workplace that this researcher deemed to be relevant were also noted.

5.3.3 Documentary Data Sources on SW-ICCM Contexts

Documents, reports, and statistics can also serve as data for analysis. Generally they come from archives, current documents, print media, etc. All these can provide relevant and even valuable data for the qualitative researcher (Arksey and Knight 1999; Grix 2004).

In this study, documentary data were collected from Chinese sources on the general situation of SW-ICCM contexts in China. Extensive searches were conducted from two types of Chinese sources. One type was academic. Online academic databases were searched at a Chinese university. The other type was free Internet data sources, which are generally news, government, and company Websites. The data collected from these sources served as background, as general contextual information, for SW-ICCM contexts in China.

5.4 SAMPLING

The discussion on sampling strategies and sample size in this section follows a format of moving from the general to the specific. Firstly, the issues of sampling and sample size in
qualitative research are discussed by reviewing relevant literature. Then they are discussed in the context of GT research. Lastly, the specific approaches taken in this research are discussed.

5.4.1 General Considerations of Sampling for Qualitative-Interpretivist Research

Sampling considerations for qualitative-interpretivist research are different from those of quantitative-positivist research. Arksey and Knight (1999) argued that for qualitative researchers in particular, sampling is an exercise of judgment which balances practical concerns (time, money, access) with the research foci, and with the degree to which the researcher wants to generalize from the data (p. 58).

Appendix L takes interview as an example, and shows the relationship between generalizability and sampling strategies. It can be seen that quantitative-positivist researchers, because of their attempt to make claims about generalizability, are concerned with the representativeness of the sample. Therefore they generally employ probability sampling procedures. On the other hand, qualitative-interpretivist researchers, because of their paradigmatic orientations toward subjective social reality and fine-grained understanding of phenomena in specific contexts (Rubin and Rubin 1995), do not attempt to make claims about generalizability of their findings; rather, readers of their findings make inferences about generalizability based on their own judgment (Arksey and Knight 1999). As a result, qualitative-interpretivist researchers generally take a small, selective sample (Neuman 2003). In addition, they typically employ purposeful sampling strategies (Sandelowski 1995).

Because the sampling procedures are not as rigidly prescribed for qualitative-interpretivist researchers as for their quantitative-positivist counterparts, the former enjoy more flexibility in sampling than the latter. They usually select samples on a non-random basis, and with a purpose in mind. In other words, all sampling in qualitative research can be encompassed under the umbrella term “purposeful sampling” because, generally speaking, qualitative sampling is always purposeful (Patton 1990; Sandelowski 1995). However, there is no consensus among social scientists on this issue. For example, other types of qualitative sampling were proposed in the literature (e.g., Morse 1991; Sandelowski 1995). In this section, all major types of qualitative sampling are briefly reviewed. Purposeful and theoretical sampling will be discussed in more detail in the next section.

Morse (1991) put forth four types of qualitative sampling: the purposeful sample, the nominated sample, the volunteer sample, and the sample that consists of the total population.
Sandelowski et al. (1992), on the other hand, suggested that there are two types of qualitative sampling, selective sampling and theoretical sampling.

Patton (1990) asserted that all sampling in qualitative research is purposeful. He further articulates fifteen strategies for the purposeful selection of information-rich cases (Appendix M), which also demonstrate the complexity of sampling in qualitative research. However, one should bear in mind that, this complexity notwithstanding, all these strategies share a common fundamental principle, which is the purposeful selection of cases that are information-rich so as to fit the requirements of the study (Coyne 1997).

Sandelowski (1995) also shared the view that all qualitative sampling is purposeful, and suggested three types of purposeful sampling: maximum variation, phenomenal variation, and theoretical variation. In maximum variation sampling, informants are selected so that differences along certain dimensions, e.g., race, gender, age, etc., are maximized. Phenomenal variation, on the other hand, refers to seeking variations of the target phenomena under study. Theoretical variation is concerned with searching for variation on a theoretical construct which is connected with theoretical sampling.

### 5.4.2 Purposeful Sampling and Theoretical Sampling

The notion of selective sampling was first put forth by Schatzman and Strauss (1973), who suggested that field researchers, after several visits to the research site, will come to know who (people), what (events), when (time), and where (location) to sample for the purpose of their research. In addition, categories such as age, gender, status, role or function in an organization, etc., may also serve as criteria in selecting people. The key to selective sampling is that subjects are selected according to the aims of research. This is very similar to purposeful sampling:

> qualitative inquiry typically focuses in depth on relatively small samples, even single cases, selected purposefully … Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the research, thus the term purposeful sampling (Patton 1990, p. 169).

Thus it can be seen that purposeful and selective sampling share essentially the same meaning in that subjects are sampled on a selective basis, and with the particular purpose of the underlying research in mind. Therefore, in this research they are used interchangeably.
Theoretical sampling has its origins in *The Discovery of Grounded Theory* (Glaser and Strauss 1967). In the initial stage of GT research, according to Glaser (1978), the researcher will go to the groups which they believe will maximize the possibilities of obtaining data and leads for more data on their question. They will also begin by talking to the most knowledgeable people to get a line on relevancies and leads to track down more data and where and how to locate oneself for a rich supply of data (p. 45).

Thus it can be interpreted that in GT research, the researcher begins his or her study with a sample in which the phenomenon of interest takes place, which is variously termed selective or purposeful sampling (Sandelowski, Holditch-Davis and Harris 1992) or open sampling (Glaser and Strauss 1967), and then comes the next stage of data collection, which is theoretical sampling (Coyne 1997). Theoretical sampling, as defined by Glaser (1978), is the process of data collection for generating theory whereby the analyst jointly collects, codes, and analyzes his data and decides which data to collect next and where to find them, in order to develop his theory as it emerges. This process of data collection is controlled by the emerging theory, whether substantive or formal (p. 36).

Theoretical sampling plays a key role in GT research because theory is developed through continual comparative analysis of data collected from theoretical sampling. Glaser (1978) distinguished between theoretical sampling and purposeful (selective) sampling. According to him, selective sampling refers to the calculated decision to sample a specific locale according to a preconceived but reasonable initial set of dimensions (such as time, space, identity or power) which are worked out in advance for a study. The analyst who uses theoretical sampling cannot know in advance precisely what to sample for and where it will lead him (p. 37).

Elaborations by others further stress the notion that in theoretical sampling, sample selection and data collection are controlled by the emerging theory (Chenitz and Swanson 1986; Becker 1993). It can be seen that the distinction between purposeful (selective) sampling and theoretical sampling lies in that, in the former, the researcher selects the subjects to sample according to the purpose of his or her research before data collection actually begins, while in the latter, sample selection, data collection, and data analysis are carried out jointly in an ongoing, emerging process of theory development (Glaser 1978). Therefore one can say that theoretical sampling always involves the purposeful selection of samples so as to inform on the emerging theory (Coyne 1997).
A distinctive feature of theoretical sampling is the flexibility it affords the researcher in the research process (Glaser 1978). GT involves sampling to test, elaborate, and refine a category, and further sampling is carried out to develop the categories and their relationships and interrelationships (Glaser and Strauss 1967). This could lead to changing the interview questions as the research process moves forward (Strauss and Corbin 1990). In addition, the emerging categories could also lead the researcher to samples in different locations (Glaser 1978).

In addition, the original authors of GT encouraged creativity on the part of the researcher, because “the discovery of grounded theory implicitly assumes that the analyst will be creative” (Glaser 1978, p. 20).

In summary, theoretical sampling, as an integral part of GT research, allows for considerable flexibility during the course of research because sampling is not pre-determined, but rather driven by the needs of the emergent theory.

5.4.3 Factors Affecting Sample Size in Qualitative-Interpretivist Research

For the quantitative-positivist researcher, sample size refers to the number of subjects—in social research these typically are individual persons—of whom he or she measures a certain set of variables. For qualitative-interpretivist researchers, however, sample size refers not only to the number of persons, but also the number of events sampled, and the number of interviews and observations carried out. This is because in qualitative-interpretivist research it is the experiences, events, incidents, etc., that are the subjects of study (Sandelowski 1995). What this implies is that, for multiple interviews of the same informant, for example, the sample size would equal the number of interviews conducted of that particular informant.

The issue of sample size in qualitative research is also not as rigid as in quantitative-positivist research. According to Sandelowski (1995),

Determining an adequate sample size in qualitative research is ultimately a matter of judgment and experience in evaluating the quality of the information collected against the uses to which it will be put, the particular research method and sampling strategy employed, and the research product intended… A good principle to follow is: An adequate sample size in qualitative research is one that permits—by virtue of not being too large—the deep, case-oriented analysis that is a hallmark of all qualitative inquiry, and that results in—by virtue of not being too small—a new and richly textured understanding of experience (p. 183).
There are a number of factors that influence sample size in qualitative-interpretivist research. Arksey and Knight (1999) suggested two principles that a researcher should follow in determining sample size. First, the sample should be able to allow the researcher to investigate the phenomena of interest from all relevant perspectives; and second, the sample size should be increased until no new points are heard (or observed). A sample of eight, for example, is enough for intensive interviews that are designed to explore a topic in-depth (McCracken 1988).

Sandelowski (1995) argued that appropriate sample size in qualitative research depends on the qualitative method chosen and the type of purposeful sampling used. It is suggested that about six participants are enough for phenomenologies aimed at discerning the essence of experiences; 30 to 50 interviews and/or observations are sufficient for ethnographies and GT studies; and about 100 to 200 units of observation are required for qualitative ethological studies (Morse 1994).

The underlying principle of determining the appropriate sample size in GT research is that of theoretical saturation. Theoretical saturation is reached when: (a) no new or relevant data seem to emerge regarding a category; (b) the category is well developed in terms of its properties and dimensions demonstrating variation; and (c) the relationships among categories are well established and validated (Strauss and Corbin 1998).

The implication of these conditions is that sample size is being increased until no new data is collected, i.e., the sample is theoretically saturated (Locke 2001; Goulding 2002; Douglas 2003). In the case of interviews as a means of collecting data for GT research, there is no fixed sample size where theoretical saturation can be reached (Glaser and Strauss 1967; Strauss and Corbin 1998). However, there are a number of factors to consider for determining the appropriate sample size.

Firstly, the research scope directly affects sample size. The broader the research scope is, the more data will be required, which means that a larger sample size is needed, or even alternative data sources should be employed (Morse 2000; Sobal 2001). As a result considerably more field work needs to be undertaken by the researcher, who usually is constrained by time and financial limitations. It is recommended that the focus of the research be narrow at the beginning or after three or four interviews (Strauss and Corbin 1998). Data collected from the first few interviews can shed light on the essence of the phenomena, and serve as a guide for the researcher to narrow the research focus, thereby reducing the sample size required (Strauss and Corbin 1998; Kwortnik 2003).
Secondly, the nature or sensitivity of the phenomena being studied affects the ability of research participants to open up and freely share their true thoughts with the researcher (Morse 2000; Sobal 2001), thereby impacting sample size. Values and beliefs are often deep-seated personal thoughts, and as a result informants may not be willing to fully share these thoughts with the researcher. This translates into a requirement for more interviewees, or for multiple interviews of every single interviewee.

Thirdly, the researcher’s interview skills and related knowledge are another factor affecting sample size. Apparently a smaller size is needed if the researcher is more experienced and has stronger interview skills, since his or her experience and skills enable him or her to put participants at ease and create a more trusting atmosphere so that the interviewee feels comfortable and thus is more willing to share his or her deeply held thoughts. In addition, the researcher’s knowledge of the target area is also important because it affords the researcher the insight and know-how which are critical to enabling him or her to bypass unnecessary data, and to formulate questions that will guide the interview more efficiently. This critical knowledge can come from a literature review of subject area, and/or from the researcher’s personal experience (Strauss and Corbin 1998; Morse 2000).

The discussion above covers the principles regarding what is an appropriate size for GT research. However, there still remains the question of how to determine the appropriate sample size for a given GT study. Thomson’s (2004) review of fifty GT-based research articles from various disciplines that were published in 2002-2004 may shed some light on the determination of appropriate sample size by GT researchers. This review is limited to GT research that used interviews as a primary or sole data source. As Appendix N shows, sample size varies from 5 to 350, with an average of 31. However, when the one study with a sample size of 350 is removed, the average of the remaining 49 studies drops to 24. The result of the review also confirms how the factors discussed above affect sample size. For example, as show in Article #6 in Appendix N, researchers with expertise in the research area need a smaller sample size to reach theoretical saturation.

5.4.4 Sampling in This Research

Selective and Theoretical Sampling Augmented by Snowball Sampling

This researcher takes the position of Sandelowski et al. (1992) and Becker (1993), which holds that theoretical sampling is typically preceded by purposeful sampling in GT research. Purposeful sampling occurred in the initial data collection of this study because at this stage
sampling was determined a priori, and not by the emergent theory. Sampling at this stage is called open sampling by Strauss and Corbin (1998). Once the first batch of data was collected and analyzed, research moved to the theoretical stage, where data collection was carried out through theoretical sampling, because at this stage data collection was driven by the needs of the emergent theory.

In this research, because a theoretical framework was proposed and defended, and because ethics approval was also required, an initial sampling frame was determined before the actual data collection started. Because it was specified a priori, the initial sampling is purposeful. Once data from the first interviews were coded and analyzed, further data collection was carried out through theoretical sampling, where interviewees were selected based on the need to saturate the emerging categories and their dimensions and properties. Specifically, relational and variational sampling were carried out at the axial coding step, where data were collected pertaining to the dimensional range or variation of a concept. Furthermore, discriminate sampling was conducted at the selective coding step, where data were gathered to maximize opportunities for comparative analysis (Strauss and Corbin 1998).

However, throughout the entire data collection and analysis process of this research, snowball sampling was also used to find prospective interviewees. Snowball sampling occurs when the researcher asks the current interviewee to recommend potential informants for subsequent interviews (Neuman 2003). Snowball sampling does not contradict the principles of either purposeful or theoretical sampling. In this research it was used as a practical sampling method to augment the two sampling approaches due to the cultural characteristics of prospective informants in China.

**The Five Elements of Sampling**

The fundamental principle of qualitative sampling is the purposeful selection of information-rich cases (Coyne 1997). In other words, the selected informants should either have experienced or be experiencing the phenomena under investigation so as to yield the required, in-depth data (Glaser and Strauss 1967; Strauss and Corbin 1998). Furthermore, they should also be articulate, reflective, and willing to share with the interviewer (Morse 1991).

Therefore this is the fundamental principle that has been followed in the sampling of informants in this research. Next, guided by this fundamental principle, this researcher proceeded to determine the five elements—who (people), what (events), when (time), and where (location) to sample (Schatzman and Strauss 1973).
The informants selected for interviewing were made of two dichotomized groups in terms of cultural differences: Chinese and Western expatriates working in SW-ICCM settings in China. The Western expatriates were further narrowed down to those from Australia, New Zealand, the United States, the United Kingdom, and Western European countries. When compared against the Chinese culture, these expatriates are from what can be aggregately regarded as Western cultures.

There are two considerations for selecting informants in this way—theoretical and practical. Theoretically, maximizing differences among informants or groups of informants along certain dimensions, which is called maximum variation (Sandelowski 1995) or maximizing differences among comparison groups (Glaser and Strauss 1967), ensures that different and varied data can be collected, while at the same time allowing for strategic similarities, or the most general uniformities to be identified (Glaser and Strauss 1967). Of course, variation should be maximized on dimensions that are analytically relevant (Cannon, Higginbotham and Leung 1988). It goes without saying that cultural differences are a critical dimension in, and are highly relevant to, this research. More fundamentally, this selection method also tightly fits the central theme of this research, which is how culture emerges from the actions and interactions of individuals working together in SW-ICCM contexts.

Group selection is an integral part of the GT research process. According to Glaser and Strauss (1967), in data analysis, comparison is made across groups, rather than across data. The benefits of minimizing and maximizing differences in comparison groups are shown in Appendix O. Therefore maximization and minimization of differences on relevant dimensions are important in GT research. On the cultural differences dimension, while the reason for achieving maximization is obvious because of the great CD between the Chinese and Western informants, minimization was also accomplished within each group. Furthermore, variations within each group were also sought on dimensions including work experience (length, previous CSOE work experience for Chinese informants, etc.), position, etc., as these dimensions were deemed important by this researcher in the research process. The GT researcher is not an ethnographer who attempts to collect the most complete data possible on a group, but rather an active sampler of theoretically relevant data (Glaser and Strauss 1967); this is the role this researcher took by continually analyzing data so as to determine where to sample to investigate the emerging theoretical questions.
At the practical level, these two groups were selected because of this researcher’s extensive factual knowledge of their cultures and the differences thereof, which contributed much to the whole research process. In addition, no in-between groups were selected because of the need to narrow down the research focus so as to keep the project to a manageable scale.

*The “what”*

This has been discussed in detail in Section 5.3.

*The “when”*

The interviews were conducted from December 2005 to May 2007. As already discussed, such a relatively lengthy data collection period was primarily due to the recursive loops of joint data collection, coding, and analysis. Another factor was the difficulty of getting potential informants to commit to a firm interviewing time. This was especially the case with expatriate informants, who have busy work schedules.

*The “where”*

As already discussed, SW-ICCM contexts are the target context for this study in order to narrow the scope of this project down to a manageable scale. Therefore informants should be selected from SW-ICCM contexts where Chinese and Western expatriates work side by side. Practically, the majority of the informants were selected from SW-ICCM contexts in and around the City of Qingdao, which is on the Eastern coast of China. This is because the researcher has lived and worked there for 17 years, and therefore has many friends and contacts, i.e., *guanxi*, in this city. Because of the way the Chinese society operates, friends and personal contacts were the primary means of recruiting informants in this research.

**Characteristics of the Informants**

Appendices P and Q show the profiles of the Chinese and expatriate interviewees, respectively. All the Chinese informants are white-collar workers, either staff or managers at various levels, with CFO being the highest position held among them. All have attained college education of various levels. Their work experience is rather diverse; there is good variation in terms of total length of employment, which ranges from less than two years to over ten years. The Chinese informants also vary in terms of the type of employer they have worked for. Two of them have private Chinese enterprises (PCEs) as their first employers; CSOEs are the first employers for another four of them; and one had worked for a Chinese
university before joining a Western invested enterprise (WIE). Their other employers are all FIEs, the majority of which are WOFEs, while a small number JVs. There is also one informant who once worked for a Japanese WOFE. Overall there is good variation on the overall length of work experience, type of employer, and length of employment with each employer. The variation on this work-related dimension is evidently important in the subsequent analysis.

The expatriate informants are skewed toward higher managerial positions. Four of them are general managers or managing directors; two are staff; the rest are middle-level managers. This has to do with the pattern of expatriate employment in China. Generally they are assigned to China by FIEs’ foreign parents to hold key managerial or technical positions. There are some expatriates who directly find employment with FIEs in China. In this case, their starting positions depend on their qualifications. In terms of work experience, all except two had worked outside China before they took up their China assignments. Three of them had either traveled to China many times on business, or had lived in China before their employment in China. Overall, there is good variation among the expatriate informants on their overall length of work experience, type of employer, and length of employment with each employer.

5.4.5 Sample Size Considerations in This Study

Because there is no fixed appropriate sample size for GT studies (Glaser and Strauss 1967; Strauss and Corbin 1998), its appropriateness is a matter of judgment. Appendix R details the evaluation of the appropriateness of sample size in this research from the perspectives of both general qualitative research and GT.

Overall, the sample size is judged to be appropriate for the purpose of this research. Altogether 26 informants were interviewed, with four repeat interviews. This, together with four non-participant observations, brings the sample size to 34 (30 interviews and 4 observations). Such a sample size is large enough to ensure that culture emergence was studied from different perspectives (Arksey and Knight 1999), and that a richly textured understanding of it was achieved (Sandelowski 1995). While at the same time, the data on each theme were analyzed and presented in separate chapters (Chapters 6, 7, and 8), which made it possible to make a fine-grained analysis. Of course the ultimate test of appropriate sample size is theoretical saturation (Glaser and Strauss 1967; Strauss and Corbin 1998; Locke 2001), which was achieved toward the end of data collection and analysis.
Numerically, the sample size of 34 of this research compares favorably with Morse’s (1994) suggestion of 30-50 interviews/observations for GT studies, and with Thomson’s (2004) average of 24.

5.5 DATA CODING, ANALYSIS, AND THEORY FORMULATION

5.5.1 Data Coding and Analysis

In this section the analytic techniques and the coding procedures that were employed in this research are discussed. While microanalysis, constant comparison, and theoretical comparison are the major analytical techniques of GT research, coding is its primary tool of analysis.

Basic Analytic Techniques

Microanalysis

Microanalysis is generally employed in the early part of a GT project. It can be used in both open coding and axial coding (Section 5.5.1). Microanalysis is characterized by detailed line-by-line analysis of data, where careful and often microscopic examination and interpretation of data are involved. Microanalysis is a very focused procedure, which forces the researcher to examine the details of data. This microscopic examination and interpretation, however, should be performed not only in the descriptive sense, but more importantly, in the analytic sense, so that categories and their properties, dimensions, and relationships can be developed, and an interpretive scheme constructed (Strauss and Corbin 1998). In this study, microanalysis yielded the initial categories and their rudimentary properties, dimensions, and relationships.

Constant comparison

While microanalysis yielded the initial categories and their rudimentary properties, dimensions, and relationships, subsequent incoming data were examined and analyzed by way of constant comparison, or constant comparative analysis, in this research. According to Glaser and Strauss (1967),

… while coding an incident for a category, compare it with the previous incidents in the same and different groups coded in the same category… This constant comparison of the incidents very soon starts to generate theoretical properties of the category. The analyst starts thinking in terms of the full range of types or continua of the category, its dimensions, the conditions
under which it is pronounced or minimized, its major consequences, its relation to other categories, and its other properties (p. 106).

In this study, as comparisons were made constantly, properties and dimensions started to emerge and accumulate. At this point, the unit of comparison shifted from comparing events with events to comparing events with properties of the relevant categories, i.e., the comparisons were made at the property level. As this progressed, the diverse properties themselves became more integrated (Glaser and Strauss 1967).

**Theoretical comparison**

According to Strauss and Corbin (1998), theoretical comparison should also be employed in GT analysis. In theoretical comparison the analyst resorts to drawing on experience or literature for suggestions in naming and classifying the incident. They argued for the case of theoretical comparison:

… People do not invent the world anew each day. Rather, they draw on what they know to try and understand what they do not know… If the properties are evident within the data, then we do not need to rely on these tools. However, because details are not always evident to the “naked” eye, and because we (as humans) are so fallible in our interpretations despite all attempts to “deconstruct” an event, incident, or interview, there are times when this is not so easy and we have to stand back and ask, “What is this?” In asking this question, we begin, even if unconsciously, to drawn on properties from what we do know to make comparisons (Strauss and Corbin 1998, p. 80-81).

In other words, the analyst uses properties and dimensions from the comparative incidents provided by experience or literature to examine the data. They are not applied to the data; rather, they serve as a means of examining data. Theoretical comparison not only enhances and enriches the analytic process, but also forces the analyst to move more quickly from describing the specifics of an incident to thinking in more conceptual terms (Strauss and Corbin 1998). In this research, both relevant experience and literature played a role in theoretical comparison.

**Coding**

The coding of data in this study involved three types, open coding, axial coding, and selective coding. Their corresponding sampling techniques are open sampling, relational and variational sampling, and discriminate sampling, which have been discussed in Section 5.4.
Open coding

Open coding is the analytic process where categories and their associated properties and dimensions are identified from data. It occurs at the beginning of a research project where open sampling is employed to collect data. Microanalysis is the primary analytic technique during open coding. At this step, data are taken apart, examined in detail, and compared for similarities and differences. It can be done either line-by-line, sentence-by-sentence, paragraph-by-paragraph, or by perusing the whole document to identify the phenomena of interest (Strauss and Corbin 1998).

Open coding proceeds in a “data → phenomena → concepts → categories” process. Data are examined to derive phenomena, which are further abstracted into concepts. Similar concepts are then classified into categories. Compared to concepts, categories are more abstract explanatory terms. In addition, categories are further developed in terms of their subcategories and properties and dimensions. Properties define a category in terms of its basic nature (i.e., the attributes). Dimensions, on the other hand, establish the range within which a particular property is located (Strauss and Corbin 1998).

Axial coding

In axial coding, categories are related to their subcategories at the property and dimension level. It is concerned with how categories crosscut and link (Strauss and Corbin 1998). The goal of axial coding is to determine the relationships among the categories developed in open coding, which are stated in terms of causal, intervening, or contextual conditions, action/interaction strategies, and consequences (Partington 2000). Glaser and Strauss (1967) used the term hypotheses to refer to the relationships among categories.

Specifically, axial coding involves (a) uncovering properties of a category along their dimensions, which begins in open coding; (b) determining the conditions, actions/interactions, and consequences related to a phenomenon; (c) making statements denoting how a category is related to its subcategories, and (d) discovering how major categories might be related to each other (Strauss 1987). In step (b), the conditions can be classified as causal, i.e., an event can cause another to change, intervening, where an event mitigates or otherwise alter the impact of causal conditions, or contextual, meaning that a specific set of conditions that constitute a particular context in which individuals act and interact (Strauss and Corbin 1998).
Selective coding

Selective coding is a process in which categories are integrated and refined to form theory. This is called integration by Glaser and Strauss (1967). The main purpose of selective coding is to combine categories together so that a GT can be formulated around a core or central category. Discriminate sampling is employed to serve the data needs of selective coding. The central category is one in which the main theme of the research is crystallized. In other words, it is the reduction and condensation of the whole research project at the highest abstract level possible into a single category. Once the central category is determined, the researcher then proceeds to link other categories to the central category, so that a theoretical framework of interrelated categories, with the central category as the core element, emerges. Finally, the theory thus generated is checked for internal consistency and logic (Glaser and Strauss 1967; Strauss and Corbin 1998).

Coding for process

Since studying the process of culture emergence is one of the major purposes of this study, coding for process is also a highly pertinent analytical tool. Of course, coding for process is not independent from coding for properties, dimensions, and the relationships among categories. Rather, they occur simultaneously during data analysis. Specifically, it is part of axial and selective coding, where the analyst examines action/interaction in data to identify movement, sequence, and change, and how it evolves over time and space in response to changes in context or conditions. In other words, process is related to structure, which also acts to connect categories, i.e., stating relationships among them (Strauss and Corbin 1998).

Coding results of this study

In this research, open coding resulted in a number of categories and subcategories, such as the Hybrid Pattern of cultural practices and its associated subcategories. And their properties and dimensions were tentatively established. Open coding was carried out first on a line-by-line basis. Then, as concepts and categories accumulated, sentence-by-sentence and paragraph-by-paragraph coding was performed. Finally, whole transcripts were perused. In all cases, open coding notes were written directly on the margins of the transcripts.

In axial coding, a number of causal, intervening, and contextual factors such as Power Position, Concern for Pay Equity, etc., were uncovered that influence the emerging pattern of

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7 It should be noted that both the categories and their interrelationships are constructed by abstracting data. Most often they are not exact words taken from data.
the “hybrid culture”. In addition, diagrams were drawn to show the relationships among the categories. In selective coding, the central category was established to be Hybrid Pattern, which was the first to emerge during open coding. Then a theoretical framework was built around this central category.

Coding for process resulted in the emergence of Cognitive State as the main category for the processual representation of culture emergence, even though it emerged more slowly than Hybrid Pattern. In addition, a number of dynamic relationships among the categories were also identified, thereby providing a “live” depiction of how individuals act and interact with one another to give rise to a hybrid cultural pattern in SW-ICCM settings.

5.5.2 Theory Formulation and Presentation

Substantive and Formal Theory

As discussed in Section 5.2, GT research generates two types of theory, substantive and formal. Substantive theory is developed for a substantive area of scientific inquiry, while formal theory is one that is formulated for a formal, or conceptual, area.

In this research, the three interview themes—PC, KIS, and SD—can be considered as substantive areas, while culture emergence in SW-ICCM contexts may be regarded as a formal or conceptual area. Therefore, substantive theories were developed for each of the three themes. Then the theme-grounded substantive theories were compared and integrated into a formal theory. The resulting formal theory applies to culture emergence in SW-ICCM contexts.

Theory Presentation

The general “summarize–discuss–summarize” format

It was suggested by both Glaser and Strauss (1967) and Locke (2001) that the general format of presenting grounded theories is to present the theoretical framework both at the beginning and at the end of a publication, and sometimes even in segments in between. In the rest of it, the theoretical elements are discussed by showing data that support the relevant theoretical formulations.

The related second sub-problem is how to describe the data of the social world studied so vividly that the reader, like the researchers, can almost literally see and hear its people—but always in relation to the theory… Since qualitative data do not lend themselves to ready
summary, however, the analyst usually presents characteristic illustrations and… He can quote directly from interviews or conversations that he has overheard. He can include dramatic segments of his on-the-spot field notes. He can quote telling phrases dropped by informants. He can summarize events or persons by constructing readable case studies. He can try his hand at describing events and acts; and often he will give at least background descriptions of places and spaces. Sometimes he will even offer accounts of personal experience to show how events impinged upon himself. Sometimes he will unroll a narrative… (Glaser and Strauss, p. 228-29).

In management and organization studies, the presentation of grounded theories similarly follows a format that involves the telling of theoretical elements and the showing of data fragments that instance them… This format can be outlined as: summarize the theoretical frame—serially present each theoretical element well illustrated with data instances—summarize the theoretical frame (Locke 2001, p. 118).

The presentation style of this research

The results of data coding and analysis on the three themes will be presented in Chapters 6, 7, and 8, with the results of each theme comprising one chapter. The presentation style is slightly different from the general format just discussed. There is no summary of the theoretical framework at the beginning. Rather, for each theme, the presentation begins with a discussion of Sino-Western differences as reflected upon by informants. Then it proceeds to the discussion of the emerging Hybrid Pattern and its process of emergence. Next, a substantive theory grounded in data on this theme is introduced. The reason for the adoption of such a presentation style is that the emergence of hybrid cultural practices can only be fully appreciated by first gaining a good understanding of the differences in the relevant cultural practices between Chinese and Western expatriates.

Throughout the discussion, conceptual statements are presented by summarizing relevant points from data, including interview transcripts, observation notes, and documents. Direct quotes from interviews were used to instance them.

In Chapter 9, a formal theory is presented by comparing and integrating the three theme-grounded substantive theories elaborated in the previous three chapters. During the integration process, key theme-based substantive data and corresponding substantive theories were also reexamined and compared across the groups, so as to gain a fuller range of variability for the categories and their associated properties and dimensions, thereby enhancing the robustness of the formal theory.
5.6 CREDIBILITY AND RELATED ISSUES

The issues of validity, reliability, and triangulation are based on the positivist assumption that social reality is objective and “out there”, and therefore can be objectively measured and studied. As a result, quantitative-positivist researchers vigorously attend to these issues in their research. However, the interpretivist paradigm, which this study takes, does not accept the assumption of an objective, “out-there” social reality (Arksey and Knight 1999). Because of the differences in the fundamental assumptions about social reality between positivists and interpretivists, the concepts of validity, reliability, and triangulation cannot, and should not, be directly imported to qualitative-interpretivist research (Rubin and Rubin 1995).

Specifically, the notion of reliability implicitly assumes that social phenomena do not change; they occur on a regular basis. Obviously such an assumption runs contrary to the interpretivist epistemology that views change and complexity as normal and pervasive features of social reality, and that social reality is subject to interpretation (Arksey and Knight 1999). The same argument also applies to the original notion of triangulation—for interpretivists there is no single, objective social reality to triangulate upon in the first place. This does not mean, however, that qualitative-interpretivist researchers should go to the other extreme, and take a position of relativism:

The ethnographer is not committed to “any old story”, but wants to provide an account that communicates with the reader the truth about the setting and the situation, as the ethnographer has come to understand it (Altheide and Johnson 1994, p. 496).

Therefore, qualitative-interpretivist researchers should take a middle-of-the-road approach to these issues. While realizing that the concepts of validity, reliability, and triangulation cannot be directly borrowed from quantitative-positivist research wholesale because of the fundamental differences in their assumptions about social reality, they should nonetheless take measures to ensure the robustness their research by adapting these notions to their paradigm.

The overall credibility assurance efforts of this study are summarized in Table 5-1. Relevant measures for qualitative research, and especially those for GT research, have been taken at every step of the research process in this research. The credibility and robustness of the findings of this study are thus enhanced.
5.6.1 Credibility Issues in Qualitative-Interpretivist Research

Reliability

In terms of reliability, qualitative-interpretivist researchers collect data from different sources and may also use multiple measures. However, they do not think that the quantitative-positivist notions of replication, equivalence, and subpopulation reliability are relevant, and accept the notion that research results can be different across different researchers, or even across different measures employed by a single researcher. This is because, while quantitative-positivist researchers view reliability as a fixed and stable mechanical instrument that one can repeatedly use in different time-space settings and obtain the same results, the phenomena studied by qualitative-interpretivist researchers continually change, and as a result their emphasis is on an evolving and interactive data collection process, which implies that the mix of measures used are unique as dictated by the unique contexts in which data are collected. Therefore they accept that the unique measures used by a researcher as dictated by the unique time-space settings cannot be repeated (Rubin and Rubin 1995; Neuman 2003).

Qualitative-interpretivist researchers, on the other hand, strive for consistency. According to Neuman (2003), consistency is similar to the quantitative-positivist notion of stability and reliability. In qualitative-interpretivist research, different methods are employed so that data are recorded consistently. They strive to be consistent in the sense that, given the changing and complex nature of social reality and the evolving, interactive process of the data collection process, observations should be made with consistency over time, i.e., vacillating and erratic observations should be avoided. Neuman (2003) defined internal consistency as being concerned with the plausibility of data collected from a person or event, i.e., effects of human deception should be eliminated, and the data recorded reflect what a person consistently does over time and across contexts. External consistency, on the other hand, refers to verifying and cross-checking observations with data collected from other sources (Neuman 2003). It should be noted that the use of multiple methods for consistency is, in fact, what the completeness function of triangulation calls for, as shown in Appendix S. This requirement for data to accurately reflect what respondents have said or done is alternatively known as descriptive validity (Maxwell 1992) or credibility (Glaser and Strauss 1967; Walsh 2003).

Another meaning of consistency was advanced by Arksey and Knight (1999), Auberbach and Silverstein (2003), and Rubin and Rubin (1995), which is essentially “thick description” of the whole research process, including data collection, analysis, findings, etc. Rubin and Rubin
(1995) and Auerbach and Silverstein (2003), in fact, used the terms *transparency and consistency*, and *transparency*, respectively, to describe this notion. The purpose is to show in detail how one’s research has been carried out, so that other scholars can carry out an audit of the research process to determine the robustness of the research findings as reflected in the thoughts and actions of the researcher throughout the research process.

**Validity**

The qualitative-interpretivist conception of validity is also different from that of quantitative-positivists as the correspondence between concepts/constructs and their measures. For qualitative-interpretivists, the concern here is *authenticity* (Neuman 2003) or *truth value* (Arksey and Knight 1999), i.e., the researcher should be truthful, and give a fair representation of the phenomenon under study. A fair representation obviously covers both data collection and data analysis. Field researchers typically accomplish this by triangulation of methods and triangulation by examining different perspectives on the topic of research. It also involves checking with respondents to make sure what has been transcribed is what they meant (Arksey and Knight 1999). Similarly, Maxwell (1992), Walsh (2003), and Auerbach and Silverstein (2003) used the terms *interpretive validity, conformability, and justifiability*, respectively, to stress the notion that the researcher’s interpretations of data are based on the perspective of the respondent and not that of the researcher, i.e., an “insider’s view” (Neuman 2003, Rosaldo 1989).

For data analysis, validity for qualitative-interpretivist researchers has three considerations. Firstly, the truth claims by a researcher should be *plausible*, i.e., they should be “powerful, persuasive descriptions of a researcher’s genuine experiences with the empirical data” (Neuman 2003, p. 185). On the other hand, there need not to be an exclusive relationship between statements and data—they do not need to be the only possible claims; nor be the exact accounts of the one truth about social reality. Secondly, validity is enhanced when many pieces of diverse empirical data support a researcher’s empirical claims. In other words, the weight of evidence is proportional to the cumulative effect of numerous details as revealed by empirical data. Any single detail by itself should not be taken as evidence to support a claim. Thirdly, a researcher can also improve validity by continuously searching in empirical data and considering the connections among the diverse data. This is because raw data contain disparate elements, and on surface they do not constitute neat scientific concepts. Therefore the researcher’s task is to go beneath the surface, and to find dynamic connections among the
seemingly disparate elements, thereby being able to make meaningful statements (Neuman 2003).

In addition, the issue of theoretical validity (Maxwell 1992), fitting concepts (Morse and Singleton 2001), or coherence (Auerbach and Silverstein 2003) should be addressed to deal with the theoretical constructions of the researcher. This entails evaluating the validity of both the concepts and their relationships as theorized by the researcher, i.e., does the explanation given by the researcher accurately describe the phenomena (Maxwell 1992)? Morse and Singleton (2001) and Auerbach and Silverstain (2003) stressed the notion of fit—the concepts, patterns, categories, etc., should all fit together to create a coherent theoretical picture of the phenomena under study.

Finally, evaluative validity should also be addressed so as to assess the evaluations drawn by the researcher in the case of an evaluative framework. Even thought many researchers do not explicitly apply evaluation to their research, e.g., making a conclusive statement at the end of a paper or research report (Maxwell 1992), evaluation is often an inevitable, unconscious consequence of the research process. The recognition of the existence of such unconscious evaluation prompts the researcher to control it, thereby providing a measurement of overall “validity” of the research (Winter 2000).

**Neutrality**

Neutrality has to do with the role of the researcher in scientific research. In the positivist paradigm, researchers are objective agents in scientific enquiry. Therefore they can be “standardized”, i.e., the influence of a researcher’s personal factors can be eliminated. Qualitative-interpretivist researchers, however, recognize that the personal factors, such as the personality, mindset, background, actions, etc., of a researcher do influence data collection and analysis. In this sense, qualitative-interpretivist researchers should reflect on how such factors would influence the research process and outcome, and strive to check such influences (Arksey and Knight 1999).

It can be seen that there is some overlap between the issues of evaluative validity and neutrality. While the former is concerned with controlling the implicit evaluations made by the researcher throughout the research process, the latter is somewhat wider in scope in that it deals with checking the influence of the researcher’s personal factors throughout the research process, from the choice of paradigms to the selection of methodologies/methods, data collection, and data analysis. Of course one can argue that any action taken in the research...
process has to be preceded by evaluation on the part of the researcher, thereby filtering in the influence of personal factors.

**Generalizability**

Many qualitative-interpretivist researchers argue that, in stark contrast to the quantitative-positivists’ obsession with this issue, generalizability is of little relevance to them (e.g., Maxwell 1992; Strauss and Corbin 1998; Winter 2000). Qualitative-interpretivist research is concerned with the “meanings and experiences of the ‘whole’ person, or localized culture” (Winter 2000, p6), or with the “concepts and idiosyncratic characteristics of a select group” (Thomson 2004, p. 6). Therefore theories generated by qualitative-interpretivists are specific to the situation, and can only be applicable to similar groups, persons, or cultures. This is alternatively called **internal generalizability** (Maxwell 1992).

### 5.6.2 Credibility Issues in Grounded Theory Research

Glaser and Strauss (1967), in their seminal work, *The Discovery of Grounded Theory*, addressed the issue of credibility. The also argued that the notions of validity, reliability, etc., cannot be directly imported from quantitative research to judge the credibility of GT research. According to them, the issues of credibility, plausibility, and trustworthiness are addressed by the inherent characteristics of every step of the whole GT research process.

**Accuracy of Data**

The issue of data accuracy should be considered in the context of the less stringent requirements of GT research—the primary goal of GT research is theory generation, which may actually be hindered by an overemphasis on data accuracy. For GT research, data collection from “non-comparable” groups, i.e., those that do not have “enough features in common” (Glaser and Strauss 1967, p. 50), is acceptable because it enhances theory development. In addition, indicators are interchangeable so that, in the ongoing process of data collection, coding, and analysis, the most appropriate indicator(s) can be used. Another point is that data accuracy is enhanced by comparative analysis and collecting different “slices of data” (Glaser and Strauss 1967, p. 65), which tend to correct inaccuracies in them. This notion of different “slices of data” is similar to triangulation for completeness, in that they all refer to using different data collection techniques so that a more complete picture can be achieved on a category.
Accuracy of Hypothetical Inference from Data

Drawing hypotheses (i.e., making statements about relationships among categories) from data in GT research only requires sufficient evidence to establish a suggestion, which may lead to inaccuracies. However, these inaccuracies can be corrected by integration of a theory by letting the integration emerge by itself, and by not forcing data (Glaser and Strauss 1967).

Accuracy of Formal Theory

The accuracy of a formal theory is ensured by developing it from multiple substantive theories that have been generated from different substantive areas, while checking for inconsistencies in the process (Glaser and Strauss 1967).

Closure of the Research Process

The GT researcher “knows” when his or her research project reaches its end. This is because the theory generated from his or her collection, coding, and analysis of data represents what the researcher systematically knows about the data (Glaser and Strauss 1967). The researcher knows what he or she knows about what he or she has experienced and studied. The perceptions, experiences, and analysis all contributed to the researcher knowing “in his bones” that his or her research has reached its end (Glaser and Strauss 1967, p. 225).

Conveying Credibility

The GT researcher also needs to convey credibility in presenting his or her analytical process and theory in publication. As discussed in Section 5.5.2, this includes presenting the theoretical framework at the beginning, the end, and even in in-between segments of the publication. In addition, the researcher needs to present data in a number of ways—direct quotes of informants, including section of field notes, constructing case studies, using narratives, etc.—so as to offer evidence for his or her conclusions (Glaser and Strauss 1967). Conveying credibility also entails the “thick description” of the whole research process (Rubin and Rubin 1995; Arksey and Knight 1999; Auerbach and Silverstein 2003).

Generalizability

Auerbach and Silverstein (2003) argued that there are two levels of theory generated from GT research—the abstract level and the specific-to-the-situation level. The specific-to-the-situation level is in fact what internal generalizability (Maxwell 1992) is concerned with. Theory at this level can be generated by analyzing the repetitive patterns and themes specific
to the context(s) under study, and can be applied to similar contexts. Theory at the abstract level, on the other hand, addresses the issue of external generalizability (Maxwell 1992). At the abstract level, theory should be stripped of characteristics unique to the person(s), group(s), or culture(s) that have been studied, so that a more holistic theory can be generated. Such a theory, it is argued, will be applicable to other situations, and thus having external generalizability (Maxwell 1992). It should be noted, however, that not every scholar agrees that this notion of external generalizability is applicable to qualitative-interpretivist research. Winter (2000), for example, argued that quantitative-positivists achieve generalizability by attempting to decompose phenomena into measurable, common categories, which can be applied to subjects in the wider population. However, such an attempt to focus on measuring the common categories destroys holism that is at the center of qualitative-interpretivist research. In fact, quantitative-positivist theories thus generated may not be applicable to any specific situation at all.

5.7 ETHICS CONSIDERATIONS

Since human subjects were involved in this study, the issue of ethics naturally arose. Before data collection started, an Application for Ethics Approval of Research Involving Human Participants—Risk Level 2 was submitted to RMIT Human Research Ethics Committee, and was subsequently approved.

The whole data collection process was subject to, and strictly followed, the Ethics Policy and Procedures of RMIT University. Prior to conducting the interviews, informants were sent a copy each of the Plain Language Statement, the interview schedule, and the Prescribed Consent Form for Persons Participating in Research Projects Involving Interviews, Questionnaires, Focus Groups or Disclosure of Personal Information. For each informant, the Consent Form was signed before interview started. Their privacy, confidentiality, and anonymity were strictly maintained. The informant had the choice of requesting not to be recorded, or that the recording device be turned off at any time, if voice recording was used. Furthermore, participants had the freedom to withdraw their respective un-processed raw data from the research project.

5.8 CONCLUSION

In this chapter, attempts have been made to describe in detail the various aspects of research implementation, including research method selection, data collection, sampling, data coding
and analysis, credibility issues, and ethics. In each section, particularly sampling and validity, issues relevant to interpretive-qualitative research have been first discussed by reviewing the major views in the field. Then, these issues have been discussed as they apply to GT research. Finally, the actual steps and actions taken in this study regarding these issues have been laid out and discussed in detail.

This is a relatively lengthy chapter. There are two reasons for the relative lengthiness of this chapter. Firstly, compared to positivist-quantitative research, there is a proliferation of (sometimes even contradictory) terms, concepts, etc., in interpretive-qualitative research, especially regarding sampling and credibility. Therefore there is a need to comprehensively review these myriad views, and to sort out their similarities and differences, thereby providing a sound basis for formulating the actual implementation actions taken in this research. Secondly, through the “thick description” of every step and every aspect of the research process, this researcher attempts to convey credibility by making it transparent, so that the reader can come to an informed judgment of the credibility and trustworthiness of the findings of this research.
## Table 5-1  Credibility Assurance Measures Taken in This Research

<table>
<thead>
<tr>
<th>Concept</th>
<th>Terms</th>
<th>Measures Taken in this Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research methodology is appropriate for the paradigm taken.</td>
<td>Question-method fit (Grix 2004); methods should follow from questions (Punch 2000);</td>
<td>Qualitative methodology to match the interpretive paradigm taken. GT to fit the research question.</td>
</tr>
<tr>
<td></td>
<td>methodological fit (Morse &amp; Singleton 2001).</td>
<td></td>
</tr>
<tr>
<td>Sample size considerations</td>
<td>Internal consistency (Neuman 2003); descriptive validity (Maxwell 1992); credibility</td>
<td>Semi-structured, sometimes repeat interviews; discussing an issue from different angles;</td>
</tr>
<tr>
<td></td>
<td>(Glaser &amp; Strauss 1967; Walsh 2003).</td>
<td>sending transcripts back to the interviewee for verification.</td>
</tr>
<tr>
<td>Data/observations accurately reflect what the respondent consistently</td>
<td>External consistency (Neuman 2003).</td>
<td>Verification by collecting data from different sources so as to cross-check observations with data from other sources.</td>
</tr>
<tr>
<td>does over time and across contexts, and what the respondent has said</td>
<td></td>
<td></td>
</tr>
<tr>
<td>or done.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data are collected, and observations are made, consistently across</td>
<td>Triangulation for completeness (Jick 1983).</td>
<td>Interview supplemented by direct observation and documentary data.</td>
</tr>
<tr>
<td>subjects.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Researcher strives to make data more complete by collecting them with</td>
<td>Consistency (Arksey &amp; Knight 1999); transparency and consistency (Rubin &amp; Rubin 1995);</td>
<td>“Thick description” of the whole research process, as evidenced by the length of this chapter.</td>
</tr>
<tr>
<td>different techniques/methods.</td>
<td>transparency (Auerbach &amp; Silverstein 2003)</td>
<td></td>
</tr>
<tr>
<td>Researcher offers detailed description (“thick description”) of the</td>
<td>Authenticity (Neuman 2003); truth value (Arksey &amp; Knight 1999); interpretive validity</td>
<td>Triangulation of methods; triangulation by examining different perspectives; interpreting data based on the respondent's perspective.</td>
</tr>
<tr>
<td>research process.</td>
<td>(Maxwell 1992); conformability (Walsh 2003); justifiability (Auerbach &amp; Silverstein 2003)</td>
<td></td>
</tr>
<tr>
<td>Researcher gives a fair representation of phenomenon.</td>
<td>Theoretical validity (Maxwell 1992); fitting concepts (Morse &amp; Singleton 2001); coherence</td>
<td>Ensuring plausibility; making claims based on cumulative weight (many pieces) of evidence; iterating between searching data and considering connections among elements.</td>
</tr>
<tr>
<td></td>
<td>(Auerbach &amp; Silverstein 2003).</td>
<td></td>
</tr>
<tr>
<td>Concepts and their relationships are robust to accurately describe the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>phenomena; concepts, patterns, etc., fit together to create a coherent</td>
<td></td>
<td></td>
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<tr>
<td>picture of the phenomena.</td>
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</tr>
</tbody>
</table>

(Continued on next page)
<table>
<thead>
<tr>
<th>Concept</th>
<th>Terms</th>
<th>Measures Taken in this Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Researcher recognizes and attempts to control the unconscious evaluations made by him or herself; researcher acknowledges and checks personal influences on what he or she chooses to do in the research process.</td>
<td>Evaluative validity (Maxwell 1992); neutrality (Arksey &amp; Knight 1999).</td>
<td>Checking and controlling the influences of this researcher’s personal factors on the evaluations and actions taken by this researcher throughout the research process. Not attempting to make explicit evaluative statements.</td>
</tr>
<tr>
<td>Theories generated are applicable to similar groups, persons, or cultures.</td>
<td>Internal generalizability (Maxwell 1992)</td>
<td>Attempting to generate a grounded theory, i.e., a theory that is rooted in data from SW-ICCM settings.</td>
</tr>
<tr>
<td>Theories generated are stripped off context-specific characteristics, and are thus applicable to other contexts.</td>
<td>External generalizability (Maxwell 1992)</td>
<td>No attempt made to explicitly generate such a theory. Attempts made to tentatively discuss the theory’s application to other ICCM contexts.</td>
</tr>
<tr>
<td>Data accurately reflect phenomena studied.</td>
<td>Accuracy of data (Glaser &amp; Strauss 1967).</td>
<td>Using different slices of data—interview supplemented by direct observation and documentary data.</td>
</tr>
<tr>
<td>Hypotheses are drawn accurately from data.</td>
<td>Accuracy of hypothetical inference from data (Glaser &amp; Strauss 1967).</td>
<td>Letting integration emerge by itself; no forcing of data.</td>
</tr>
<tr>
<td>Formal theory is accurately developed from substantive theories.</td>
<td>Accuracy of formal theory (Glaser &amp; Strauss 1967).</td>
<td>Developing multi-area formal theory, correcting internal inconsistencies.</td>
</tr>
<tr>
<td>GT researcher “knows” his or her project reaches its end.</td>
<td>Bringing research to a close (Glaser &amp; Strauss 1967)</td>
<td>Closing research when researcher judged from his experience, perceptions, and analysis, and knew “in his bones” that project reached its end.</td>
</tr>
<tr>
<td>GT researcher conveys credibility to the reader.</td>
<td>Conveying credibility (Glaser &amp; Strauss 1967).</td>
<td>Presenting results in “discuss differences—discuss patterns—discuss emergence—summarize” format; thickly describing the research process.</td>
</tr>
<tr>
<td>Human research subjects should be dealt with in an ethical manner.</td>
<td>Ethics.</td>
<td>Strictly following RMIT ethics rules and procedures.</td>
</tr>
</tbody>
</table>
CHAPTER 6
THEME I: PAY CONFIDENTIALITY

In this chapter, the data collected on the first theme, pay confidentiality (PC), will be analyzed. In the first section, the cultural differences between China and the West will first be discussed, so that a context can be laid out within which discussion in other sections can be carried out in a meaningful way. In the second and third sections, the hybrid cultural pattern and its emergence in SW-ICCM contexts will be discussed, respectively. In the fourth section, a theme-grounded substantive theory will be proposed, based on the analysis in the preceding sections. Finally, a conclusion will be presented in the last section.

6.1 DIFFERENCES IN PAY CONFIDENTIALITY BETWEEN CHINA AND THE WEST

6.1.1 The Chinese Perspective

Chinese like to discuss each other’s income. This is primarily due to two reasons. Firstly, traditionally Chinese are quite open about what are considered to be private matters in the West. They are very frank in discussing matters such as age, income, marital status, etc., that a Westerner would rather not share with others. Secondly, the traditional egalitarian pay system in CSOE s was administered in a rather open manner, where employees knew each other’s income. Informant C5, who has extensive corporate finance work experience in both a CSOE and WIEs in China, put it succinctly:
Informant C5: In fact, according to the Chinese … the traditional Chinese pay system … we want to make others see, if somebody is paid more … Why is he paid more? Because he did his job better. We want others to see, to understand, that he is paid more because he did better. That is why payroll is traditionally not kept secret in Chinese companies, because we want everyone to oversee (administration of the pay system). So the traditional Chinese pay system has its reasons. In other countries such as the US, they keep their payrolls confidential. Maybe this has to do with … culture. Why? Because in these countries people will not ask you how much you make, how much you made in a month, etc.

We Chinese are more open with this, and will ask you: How much do you make? What is your monthly pay? How much does he make? This is a way to compare (pay)… In Western counties they will not ask you this. So I think there are cultural differences in this.

Open performance appraisal (in CSOEs) is better. Why? Because this way, you cannot get paid more simply because your boss likes you.

The last point made by informant C5 suggests that the traditional open pay system in CSOEs also served to prevent favoritism based on guanxi, which will be discussed in Chapter 7.

6.1.2 The Expatriate Perspective

Expatriates, especially those with extensive work experience in China, generally are aware of, and understand these differences. Informant E1, who is a general manager of a Western WOFE, and has been working in China for seven and a half years, described his reading of the situation:

Informant E1: …Western people, you don’t compare your salary with others, or you don’t reveal that you know somebody else’ situation, just like that...

Informant E4 is the managing director of another Western WOFE, with two years of experience working in China. He became aware of this difference because people kept asking him such questions in China:

Informant E4: From what I understand, the Chinese culture is very open. People speak openly, you know, I’ve been asked many times myself, how much did you pay for your house? How much have you paid for your watch? Unlike in Europe, where it is very rude to ask someone how much they earn, what something cost (them), or what their salary is. In China it seems to be very acceptable. I’m assuming that applies to (our) employees.

Informant E14 has been working in China for fourteen years:
Informant E14: Well, if I ask Mrs. Wu how much she gets paid, she usually tells you. And I ask Mr. Zhang, and then he tells me. Then I know everyone’s (pay)…

… It’s a cultural thing. It’s down to our culture… But certainly British people, um, are very restrained in most things. So they will not tell you if they don’t have to…

The discussions in this section shows that both expatriates and Chinese who work in SW-ICCM contexts are aware of, and to some extent appreciate the difference in behavior toward PC between Chinese people and Westerners. Their knowledge of this not only comes from the workplace, but also from contacts with each other outside of work.

6.2 THE PATTERN OF PAY CONFIDENTIALITY IN SW-ICCM CONTEXTS IN CHINA

6.2.1 A Hybrid, Split Pattern

WIEs in China follow the Western practice of keeping employee pay confidential; nobody is supposed to know anybody else’s pay, nor are employees permitted to discuss it. In fact, employee PC is an explicit policy in all the WIEs represented by the informants. Employees who violate this rule can be punished or even fired. In many cases, this policy is stipulated in employees’ contracts. In addition, new employees are given rulebooks that explicitly state this policy, and they are frequently warned upfront, and/or verbally reminded of it later on. In addition, there are procedures in place that ensure PC. For example, pay slips are directly given to each employee in sealed envelopes, sometimes with the words “keep confidential” marked on them.

However, these explicit policy and procedures notwithstanding, Chinese employees generally know about each other’s pay, even though this information is often not very accurate. The discussion below, taken from an interview with Informant C5, represents a typical situation in WIEs in China.

Informant C5: Now, for people such as factory workers, because they are hourly people, their pay is not kept secret; staff pay, however, is kept confidential by company policy. But in practice, because Chinese like to talk about things in private—

Interviewer: They ask each other—

Informant C5: Ask each other, how much do you make? So in practice even though this is kept secret, as required by company policy, because of culture, people try to guess, and their
guessing is not much off the mark. However, for senior staff like myself, people can only guess, but they do not know—

**Interviewer:** They do not know the exact figures?

**Informant C5:** Right. Also, we take measures. For example, I am not on the JV’s payroll. I am paid—

**Interviewer:** By headquarters.

**Informant C5:** Yes, I am paid directly by headquarters. They will try to guess how much I get paid, but they do not know the exact figure. So for senior staff, especially senior managers, others do not know how much they are paid, they can only guess; for people such as supervisors, others generally know their pay. This is why when there is a pay raise, people will say … so and so has got such a pay hike … everybody basically knows.

Therefore Chinese employees’ behavior can be regarded as having a *Split Pattern*—they formally abide by the PC policy on the one hand, and may have some knowledge of their co-workers’ pay on the other. This knowledge ranges from exact figures, to rough estimates, and to not knowing at all. As shown above, factory workers generally are more likely to know each other’s exact pay figures, while staff are less likely. Staff and managers generally only have a general idea of each other’s pay, but not exact figures. In C5’s case, no efforts are made to keep workers’ pay confidential. In Informant C7’s company, however, even though this policy is in place, workers just choose to ignore it. Informant C7 is a finance manager in a Sino-European JV. In her company, there is also variation in how much employees know about one another’s pay:

**Informant C7:** This (discussion about one another’s pay) is prohibited in our company. I mean, it is our policy. Even though non-managerial employees talk about it in private, this is not permitted. We do not permit employees to openly discuss and compare one another’s pay.

**Interviewer:** But at least some employees know one another’s pay.

**Informant C7:** Right.

**Interviewer:** If your company policy is against it, then why do they still know?

**Informant C7:** Generally managers are less likely to discuss this, i.e., they do not compare each other’s income. Of course they can learn, or guess how much others make; maybe just a rough figure, but they do not know the exact numbers. For example, they may have some idea of who makes more, unless they are willing to tell others their own income in exact numbers. But workers are an exception. Because workers are lower-level employees, they sometimes just choose to ignore policies and rules, and share their pay information with others.
Of course even expatriate managers know of this split pattern concerning PC in SW-ICCM contexts in China. And to varying degrees, they are aware of the underlying causes of such a pattern. Informant E1, an expatriate general manager who has been working in China for seven and a half years, gave his assessment of the situation:

**Informant E1**: They shouldn’t. As a rule, it should be confidential between the employee and employer, and the employer and me, and probably my finance manager. I know, in the Chinese culture, people do like looking sideways, and talking to each other about what earnings should be, or are… It is a bit of a problem, actually, because as a foreign company, we rely more on paying a market gross salary…

Informant E5 has nine and a half years experience of working in China, and is one of the few expatriate informants in this study who speak fluent Chinese, commented:

**Informant E5**: I think that, if someone was blatantly going around, saying, “I get so much a month,” you know, in a very overt way, they may take some action. It doesn’t happen like that. It’s all very, um, in fact, I only know it happens, because I speak Chinese. So, I know what people are talking about. The workers, you know, the people I work with, in a team, everything is open. As a foreigner, as you can imagine, the first thing everybody asks you is, how much do you earn? And I always say, “You don’t want to know, because it would only upset you.” So everybody accepts that I am not going to discuss my salary with them. But I think they all know, you know… That’s how it works.

Informant E5’s comments also reflect the general expatriate behavior when they are asked about their pay. They generally do not tell anyone about their pay. The most they would do is to give their Chinese colleagues a rough idea by telling them in a “round-about way” (Informant E13), but never giving exact figures.

### 6.2.2 The Influence of Chinese Culture

The influence of one’s own national cultural values can operate at the subconscious level. What follows are comments made by Informant C5, who has over ten years of work experience in SW-ICCM contexts in China:

**Informant C5**: I think there are differences in the aspect. Maybe we tend to … but we are learning Western thinking and interpersonal ways, the stuff they pay attention to. But we Chinese … sometimes can subconsciously act in traditional Chinese ways, for example —

**Interviewer**: For example, the payroll issue we just discussed.
Informant C5: Yeah. The last time when I was in the US (for professional training), my boss drove me around in his car, and I asked: “How much did you pay for this car?” Then I immediately realized that this was not a good question to ask (an American).

Interviewer: You should not have asked.

Informant C5: No. I immediately realized the inappropriateness of this question. In China questions such as “this car is pretty good, how much did you pay for it?” are (very common). We are trying to adapt to each other through communication.

Interviewer: Adapt to each other through communication?

Informant C5: Gradually we will—

Interviewer: We will—

Informant C5: We will understand each other.

Interviewer: In other words, if you ask your boss this question in China, he will not think it is inappropriate.

Informant C5: Right. He will feel that it is a rather natural question…

This also shows that people’s behavior changes with context.

6.2.3 Concern with Internal and External Equity

The concern for pay equity is also a factor in explaining why Chinese employees in SW-ICCM contexts share pay information with one another. It is common knowledge in China that expatriates and Chinese are paid differently in WIEs, with the former getting much higher salaries. However, it is less well known that even expatriates are paid differently according to where they are hired from. Those hired from outside China are generally paid more than those hired from within China. On the other hand, concerns with both internal pay equity and external pay equity can cause employees to discuss pay information in private. The concern for internal pay equity still has an egalitarian undertone to it, because the Chinese employees’ primary concern is whether or not people who are “comparable” in work are paid the same. This “comparability” can be based on seniority:

Informant C3: … If someone wants to discuss pay information with me, and I feel that we are on the same level (in terms of rank or position) and want to find out his or her pay, then I will discuss it with him or her. If this person joined the company two or three years after I did, and therefore his or her salary would not be comparable to mine, then there is no need for me to know his or her pay, and it does not mean much for him or her to know mine, either…
It can also be based on job type:

**Informant C7:** It is hard to say… After some time he or she just wants to know how much others make. A worker generally would not ask how much a manager makes; he or she would more likely want to know how much another worker makes. The reason is that, since that worker holds the same job as me, I would like to know his pay, so that I would be able to determine whether or not I am paid equitably.

**Interviewer:** In other words, I want to be paid as much as you, so everyone is happy.

**Informant C7:** Yes, many people have this mentality.

**Interviewer:** So they do it.

**Informant C7:** Right.

External pay equity concerns one’s pay compared to the market level. Informant E14’s comments in Section 6.2.4 reflect the expatriate manager’s dilemma in coping with this situation—they are faced with the pressure of paying the market rate to attract qualified Chinese employees on the one hand, and meeting their budget constraints on the other. Informant C8, an HR manager in a Sino-Western JV with over ten years of operating history in China, told of how the concern for external pay equity has affected her organization:

**Informant C8:** Well, in the beginning, when our JV was first established…our pay was pretty high (compared to the market). So employees were satisfied with their income… virtually nobody talked about it… In the last couple of years, however, there have been more companies established, and they are booming. The wage level at these companies, including WOFEs, has kept on growing… This is a nationwide trend… Especially some companies, in order to attract good people, they no longer “play cards” in a predictable way. So especially when it comes to attracting key personnel—key managers, key technical people—they will offer them much higher pay (than what we pay them). This will send shockwaves throughout our organization … and people start to pay attention to their pay. Because they feel that their pay is low (compared to the market), people who are on good terms with each other—because we Chinese have this habit—people who are on good terms will discuss things, including pay. Therefore there is private sharing of pay information (among our employees).

### 6.2.4 Awareness, Understanding, and Acceptance

As discussed in the previous section, all Chinese employees working in SW-ICCM contexts, with the exception of factory workers in some cases, are aware of the Western practice concerning PC. In addition, some Chinese employees understand the necessity for PC—a
particular employee’s pay is strongly influenced by market factors, and thus may vary greatly from person to person. This contrasts sharply with the traditional fixed pay scale in CSOE.

**Informant C3:** I understand this. Um, pay is kept confidential because a particular person’s salary is very high. Especially in FIEs, where employees are frequently hired off the market, a manager or somebody may have been hired and worked for several years, and his or her pay may well be lower than that of a new employee who has just been hired off the market. This situation commonly exists… If the payroll is openly discussed, this way (inaudible), open discussion may lead some people to talk to their superiors, (and ask) why so and so makes more than I do, and I want my salary to be such and such… This (PC policy) prevents open discussion from happening…

**Informant C7:** Chinese companies do not have this payroll secrecy policy. If you work in a Chinese firm, on pay day your pay slip is there for everyone else to see. So everybody knows how much you make, how much you should make according to your rank and seniority. It is very transparent. But in FIEs, this is not the case, because each employee’s pay is different, your boss determines your pay according to many factors. He or she does not want others to know this. Differences in pay not only reflect differences in ability. There are other factors involved. So they do not want it to be transparent.

In the case where Chinese employees do not know each other’s pay, the reason is either that their values regarding PC have changed, or that pay equity is perceived to exist.

**Informant C2:** … I, on the other hand, agree with this practice (PC) very much. This is because, on the one hand, it is company policy; on the other hand, management may be faced with a lot of trouble if salary information is public knowledge…

**Informant C4:** … Because we are paid more or less the same. For example, if I am a logistics operator, and guess that other logistics operators make pretty much the same, I will not discuss this with them.

Expatriates, on the other hand, are aware of, and may even understand the Chinese practice and its underlying causes. But their values regarding this appear not to have changed, as evidenced, in the preceding section, by the fact that, when asked they never tell others their pay.

**Informant E14:** … Senior expatriates and managers, they are having a very, very hard time with their budgets, because their budgets of, say, a salary of twenty thousand, or sixteen thousand, or eight thousand a month, and actually the people they are looking to acquire turn down those figures. The people they want, having to double or triple the amount to get their actual sales managers, and the R&D guys in. And things like this, they find it very, very
difficult. So what we got here is, people are a lot more aware of what they can make from those companies, especially large multinationals, um, because the profits in China are generally a lot larger than where they are, especially back in America, and Europe, and the Western world in general… In China people jump ship all the time. I mean, the record is, they say that 40% of the people will move the next month, or this month, March (when the Chinese New Year is celebrated). So it’s quite normal… In our organization we’ve already had two leave. It is very normal for people to leave for a different job after the Chinese New Year.

6.3 EMERGENCE OF THE PATTERN OF PAY CONFIDENTIALITY IN SW-ICCM CONTEXTS IN CHINA

6.3.1 The Chinese Perspective

How does such a hybrid, split pattern emerge? First of all, Chinese employees become aware of the difference in expectations about PC between Chinese and Western practices (a) before they start working in WIEs, when they generally learn from friends, the media, etc., (b) when they join WIEs, where this practice is explicitly stated in their employment contracts, in training sessions, and in rulebooks distributed to new employees, and (c) after they join, where they are reminded verbally and/or behaviorally by their superiors or others. The awareness of the difference in expectations initially leads them to change their behavior, and conform to this Western practice. As time passes, however, when a Chinese employee has made friends at work, he or she starts to share pay information with them. (The tendency of Chinese people to exchange information in private is discussed in Chapter 7.) The situation is rather dynamic in that, as discussed before; Chinese employees’ knowledge of each other’s pay varies greatly, from knowing exact figures, to knowing rough figures, to knowing nothing at all.

**Interviewer:** Please recall, when you first started working in WIEs, what was your reaction to this situation (PC)?

**Informant C3:** … I was not surprised because I had known that pay is kept confidential in many WIEs.

**Interviewer:** You had heard about it?

**Informant C3:** Right, heard about it. My understanding of this is that, first, our interest in each other’s pay has it roots (in our culture); second, if our jobs are the same, we want to know whether or not we are paid more or less the same. It is hard, I mean, unavoidable in
Private information exchange and discussion, yes, they exist. Therefore PC exists in principle, in policy, but whether or not strict confidentiality can be kept, even top management knows total confidentiality is not possible, they simply cannot achieve this. Let me tell you (inaudible), yes, there is exchange (of pay information).

Interviewer: Please recall when you first started working in WIEs, they told you to keep your pay secret, right?

Informant C3: Right.

Interviewer: Later on, somebody talked to you about others’ pay, or you asked them?

Informant C3: Right. At the beginning, nobody would talk to you about this for sure. However, after you gradually get to know your colleagues, and you start talking about things, they will generally ask you how much you are paid, and then… Of course you would also ask them how much others make. Generally this is how you start to share information about pay.

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Informant C6: First, we are a multinational, and we follow US procedures. After every annual performance review, your boss tells you not to let others know about your income. But we discuss it in private anyway.

Interviewer: Private discussion?

Informant C6: I discuss it with colleagues whom I am on good terms with... And you generally do not have exact figures, just estimates.

Interviewer: But according to the rulebook it should be kept secret.

Informant C6: Of course. But … people do not openly discuss it.

Interviewer: No open discussion.

Informant C6: Generally colleagues with whom you have good guanxi will ask you, how much did you make this year? How much is your year-end bonus?

Interviewer: When you first started working there, did you ask other people about their pay?

Informant C6: I had heard about the payroll secrecy stuff. So if nobody asked me about it, I would not ask them. Later on, when I gradually made friends with some colleagues, then I talked about it with them.

Interviewer: So you had known—

Informant C6: Yes, I had known—

Interviewer: That the payroll is supposed to be secret in WIEs.

Informant C6: Right.
Informant C7: It is like this. In the beginning people pretty much obey the rules. But gradually they learn about each other’s pay through other channels. They may not know exact figures, but may get a feeling of who makes more than me, and who makes less. In the beginning people stick to the rules, and do not share information on pay.

Interviewer: Then gradually—

Informant C7: Gradually people start to share more and more information with each other. It is more likely that they discuss payroll information in private, and as a result their sense of discipline starts thinning out.

Therefore the necessary condition for Chinese employees sharing information about each other’s pay is workplace friendship, because knowledge of each other’s pay is acquired by discussions with one’s friends at work—“colleagues who know each other well” (Informant C1), “co-workers who know each other well” (Informant C3), “co-workers on good terms” (Informant C6), etc.

6.3.2 The Expatriate Perspective

Expatriate managers generally initially become aware of the difference in behavior regarding PC when their Chinese colleagues come to them and ask for a raise. Then they seek to understand this difference by consulting with someone who is knowledgeable. Furthermore, they also attempt to formulate strategies to cope with this problem.

Informant E2: Actually, because, we’ve got a… I am the quality assurance manager at the plant; I’ve got a colleague who is the plant manager. He is Chinese, but he got his MBA in the US, and then he worked in the US for about ten years before coming to China. So, he coached me a lot on Chinese culture. He was the one that first told about it… When I first came over here, I had to use an interpreter for everything I did. At that time, things like salary complaints got filtered, OK, through my interpreter. So he knew my attitude, so he never told me directly about their complaints; he would kind of (inaudible). After a little while, I found out that’s what they complained about.

Informant E1: Yeah. I’ve learned the same way as anyone would, through mistakes, through experiences, through good advice, through bad advice, probably, as well. Um, yes, when you’ve been here for a while you start to realize that you don’t know everything. And I’ve got a lot of good Chinese mates, and some Western friends who have been here ten, twelve, fifteen years, that I often confide in about problems. And I can get some good advice, or some bad advice, and I’ve just got to try to figure out which is the best way. And now I’ve got
some good senior staff, too, in the last year, so I’ve got a good management team. And I’m trying to find some good successor to me, because one day I’ll move on, whether within the same company or something else, and I hope that within the current management team here, there is a future GM. So I am trying to build, bring four or five people up, as well. So there is a couple of my staff that now I can confide in on certain issues, and they also have some good advice. So, I’m quite open that way.

Expatriates generally agree that complete PC cannot be maintained in WIEs in China. The split pattern persists. However, they take several approaches to deal with this situation. One such approach is to maintain perceived internal pay equity. For example, in a commission-based business, everybody is paid the same base salary, and the commission levels are openly communicated to employees, so that any pay differentials are attributable to differences in performance. Or a simple pay scale can be established in small organizations where there is not much job variety, so that every employee can see his or her pay as compared against that of others.

Secondly, careful attention is paid to reducing pay differentials between employees holding the same or similar jobs. Especially when hiring new employees, the expatriate manager has to maintain a balance between paying the market salary on the one hand, and maintaining perceived pay equity on the other.

**Informant E1:** I try to find a balance now, because, if you are interviewing or negotiating with a new staff member, who is going to fill a position that is similar to a position you already have, let’s say, logistics department, you’ve already had a person in that department for some time, and you now hire another person to join them because the workload is higher, quite often the new person would say, when I talk to them about salary, and I say, “What’s your expectations?” and they would say, “I am just happy to be (paid) the same as the other person.” And I might think the new person is better, more experienced, or more senior, or the other way, so I am thinking in my Western mind frame that “You deserve more,” or “You deserve less.” But now I’ve learned that I’ve got to consider the point that if I do pay them less, they are going to find out probably in some way, OK, whatever way, it doesn’t matter. They are going to find out in some way what the other person is earning. If it’s’ higher, they’re going to be upset; if it’s lower, the other person will get upset. So I think I am trying to find a balance. But at the end of the day, I can look my staff in the eye and say, “Hey, this is your own personal, um, business. It’s between you and me, the only people that know are in the finance department, and let’s keep it that way. So I can try to impose some Western ideas, but I do have to be sensitive to the local culture. That’s fine, because we are a foreign-owned company, a WOFE … but we are in China. And I got 103 staff, one of them is Western, and
that’s me. So the balance is definitely towards China and Chinese. We are foreign owned, yes, but we’ve got to find a mixture, a combination of both cultures, and probably it’s more Chinese than Western.

A third approach, which is just the opposite to the second, is to actually stagger the pay between employees who originally are paid the same. This approach applies to Sino-Western JVs where most of the Chinese employees come from the Chinese partner, and are used to the traditional egalitarian pay mentality. The following describes Informant E2’s experience with his Chinese colleagues:

**Interviewer**: So, and you told people that it’s company policy not to talk about this (pay)?

**Informant E2**: Yeah.

**Interviewer**: And yet, this (private sharing of pay information) goes on, right?

**Informant E2**: Yeah.

**Interviewer**: Um, is it… I mean, is it different than in the beginning, after you had told them not to—

**Informant E2**: Yes. And I also staggered their salaries. Um, I don’t pay everyone the same, I rate their performance. The way it works, I get a lump sum from the plant manager, OK, every year, for bonuses, every year, for raises. And it’s up to me to decide who gets what. I base that on performance reviews, I base that on any disciplinary actions I have written out, it is our company policy to write these things up. So that’s how I determine that. Also I kind of purposely staggered their salaries, so some people make more than other people. So that’s how I have done it to get them to get used to the idea that, you know, not everybody is going to make the same amount of money.

**Interviewer**: So in the beginning, everybody knew everybody else’s salary. Now you think it has improved?

**Informant E2**: No, I don’t know whether it’s improving or not. All I know is that they don’t come to me to complain anymore.

**Interviewer**: So, they don’t complain, because they know that complaining to you is useless.

**Informant E2**: Right. I think that’s what it is. I don’t think they’ve changed their minds about discussing their salary.

Lastly, of course, some expatriates take every opportunity to tell their Chinese colleagues their Western values. This is especially effective when carried out in informal settings. Informant E5, who speaks fluent Chinese and supervises a team of skilled Chinese workers, related:
Informant E5: … Often when we are having a coffee break after lunch, and we start talking about things. And they ask about things in the West, you know. I am always expanding my philosophy, the merits and values of hard work. They know how I think.

Interviewer: So they gradually accept your philosophy.

Informant E5: Yeah.

Informant E11 asks his farm workers not to discuss pay. But, due to the lower level of education of his farm workers, he is not sure whether or not that would make any difference.

Informant E11: No, I don’t ask them… I tell some people it’s better not to talk about it. But if they do it, then we cannot avoid it. There is a difference between the more educated people and the (less educated) farmers.

6.4 A FRAMEWORK OF THE EMERGENCE OF THE PAY CONFIDENTIALITY PATTERN IN SW-ICCM CONTEXTS IN CHINA

6.4.1 Further Discussion of the Hybrid, Split Pattern

Figure 6-1 summarizes the emergence of the cultural pattern in a two-stage framework with regard to PC in SW-ICCM contexts in China. It is a Hybrid Pattern because it has both Western and Chinese cultural elements intermeshed to form a dynamic whole. However, it can best be conceptualized as a Split Pattern because the Western cultural values carried by WIE policy and the relevant Chinese cultural values regarding PC are completely opposed to each other; they are totally incompatible. And according to the CNC perspective in ICCM, they would lead to dysfunctional organizations because organizational members would act according to their respective, and yet conflicting values, which would result in incompatible behavior (Sackmann et al. 1997; Boyacigiller et al. 2003).

This Split Pattern is analogous to the culture-counter culture perspective in sociology, where, in a society, a mainstream culture coexists with a counter culture whose values run counter to the former (Roszak 1995). Of course there is a difference between them—in the Split Pattern discussed in this chapter, the Western practice can be regarded as the mainstream culture only because it is sanctioned by explicit WIE policy; the Western values implicit in this practice are shared only by a few organizational members (expatriates and the few Chinese who have accepted these Western values).
However, this culture-counter culture analogy does help to put this *Split Pattern* into the MC perspective in ICCM, which recognizes that, whereas organizational members may develop shared sets of understandings and assumptions, i.e., a common culture, within the organizational context, these members may simultaneously belong to a multiplicity of separate, overlapping, superimposed, or nested cultures and hence may also bring with them the various sets of understandings and assumptions they have acquired outside the organization (Sackmann et al. 1997; Boyacigiller et al. 2003). However, in view of the somewhat contentious nature of this split pattern, it would be unwise to assume that all organizational members have developed a shared set of understandings and assumptions. As discussed in the previous sections, some Chinese employees (the factory workers) are not even aware of this Western PC policy. Of course most Chinese employees are aware of it, but nothing more than that. There are only a small number of them who understand and/or accept these Western values. Expatriates are generally aware of the Chinese values regarding this issue, and some of them may even understand them. Therefore such a *Split Pattern* does not in itself lead to a shared set of understandings and assumptions.

This *Split Pattern* can best be viewed from the ICI perspective in ICCM, because this perspective regards culture as “contested, temporal, and emergent” (Clifford 1986, p. 19). Furthermore, organizations are seen as contexts in which their members interactively make sense of unfamiliar and extraordinary organizational terrains, so as to construct new understandings (Kleinberg 1994, 1998; Brannen and Salk 2000). And attention is focused on the process of cultural emergency, rather than on the content or form of culture (Sackmann et al. 1997; Boyacigiller et al. 2003). Therefore, this emergent culture is locally situated, and created through “cultural knowing” (Weisinger and Salipante 2000, p. 386).

It is the view of this researcher that it should be explicitly stated that there is a single, emergent culture in a WIE. The relevant national cultural values carried by Chinese and expatriate organizational members are not to be regarded as constituting multiple cultures; but rather, they should be viewed as *carried-over values*. An emergent, locally situated culture is *overarching* in the sense that it not only permits the existence of different, varying, and sometimes even conflicting behavior, but also allows for the existence of different, varying, and sometimes even conflicting cultural values and expectations, which have been carried over from the organizational members’ national, professional, and other relevant cultures. Such a view of an overarching culture can be compared to a hybrid organism. While it is correct to say that the genetic makeup a hybrid organism comprises of genes from its heterogeneous parents, they are *its* genes nonetheless.
Furthermore, this emergent, overarching culture also allows for the existence of different cognitive states of organizational members. In this research, *Cognitive State* is defined as an organizational member’s level of cognition regarding the differences in the relevant cultural values and expectations of members in his or her organization. As revealed in the preceding sections, in terms of the differences in the relevant cultural values and expectations carried by organizational members, cognitive state ranges from *unawareness*, to *awareness*, to *understanding*, and finally to *acceptance*.

Therefore, in the context of increasing globalization and cultural mingling, culture should be conceptualized as not only dynamic and process-oriented, but also as more inclusive and more tolerant of different and even conflicting values and behavior. *MC scholars, and it can be argued, even most culture researchers of other persuasions, implicitly hold the notion of mature culture in mind when they discuss and theorize about culture.* Gregory’s (1983) argument for the existence of multiple cultures in the modern, complex organization is a good example of this implicit assumption:

> Therefore, it might be more accurate to separate cultural integration from organizational integration, and to describe organizations, rather than cultures, as either “strong” or “weak” in terms of integration. Organizations that lack integration may be comprised of members acting from numerous internally consistent but externally conflicting cultures (p. 356).

*In terms of its formative stages, culture can be classified into nascent, adolescent, and mature types. In nascent and adolescent cultures, group members may not necessarily share a common set of values and expectations.* A more detailed discussion of this taxonomy of culture will be presented in Chapter 9.

### 6.4.2 A Proposed Processual Framework

The emergence of this *Split Pattern* can be conceptualized as a two-stage framework (Figure 6-1). Stage one exists either when a WIE has just started, or when a new Chinese employee has just joined an existing WIE. In the latter case, it applies to the behavior of the new employee in the context of the organization that he or she has just joined. At this stage, employees are generally aware of, and follow, the PC policy; they do not share their pay information with one another. In the few cases where employees know each other’s pay, it is because no measures are taken to apply this policy to them, as in the case of workers in informant C5’s JV. In this case, workers are not aware of the existence of such a policy within the JV.
There are two dimensions associated with the *Split Pattern: Behavior* and *Cognitive State*. The properties of the main category, the *Split Pattern*, along these dimensions exhibit their full range in stage two.

Stage two occurs when *Workplace Friendship* forms among employees. In other words, the formation of *Workplace Friendship* signals the beginning of stage two. In the case of a new employee joining an existing WIE, this can take as little as several months; whereas with a newly started WIE, this can take longer, maybe even one or two years. In this stage, the split behavior can be divided into two parts: the formal and the informal. The formal part refers to the behavior that is openly acted out, and is sanctioned by company policy. In most cases it is characterized by the absence of open sharing of pay information, because employees know this is company policy. Again the exception occurs when employees are not aware of this policy, as can occur in stage one.

The informal part of this *Split Pattern* is more complicated. *Chinese Cultural Values* and *Concern for Pay Equity* are the variables that cause private sharing of pay information among employees. Furthermore, there are two moderator variables at work in stage two: *Cognitive State* and *Workplace Friendship*. *Cognitive State* can be categorized as *unawareness*, *awareness*, *understanding*, and *acceptance*. *Workplace Friendship* can be either *yes* or *no*. The development of *Workplace Friendship* can encourage an employee to share pay information with others. If he or she does not make any friends at work, it may not be possible to find out about others’ pay, even if he or she wants to. As far as *Cognitive State* is concerned, when an employee is aware of (awareness), or understands (understanding) the necessity for PC in WIEs, this will lead to either accurate knowledge of the pay of others, as is the case with workers in informant C7’s JV, or only estimates, as is the case with managers and staff. When an employee’s *Cognitive State* is that of acceptance, i.e., he or she not only understands, but also accepts and agrees with this policy, thereby resulting in a value change. There will be no pay information sharing on the part of this person. In this situation, this person does not know about others’ pay either openly or privately.

It should be noted that this processual framework also implies the presence of a rather varied, fragmented pattern of behavior. For example, in an existing WIE where an employee has just started working, this new employee may be in stage one, while the rest of the Chinese employees are already in stage two. In addition, even when a “snapshot” is taken of the PC pattern at a particular time in a WIE, there is much variation in the formal and especially the informal part of it, which results from the interaction of the variables just discussed.
In addition, the process of the emergence of the *Split Pattern* is an open-ended process. With time, some of the factors will invariably change, and this will result in a change in behavior. For example, in terms of *Cognitive State*, a Chinese employee may start out at the *awareness* state, then moves on to the *understanding* state, and may even possibly change to the *acceptance* state in the end. In terms of *Workplace Friendship*, it is also a rather dynamic process. With time, an employee may make more friends, while at the same time he or she may lose some friends. This ever changing scope of friendship inevitably influences how much and how accurately he or she knows about others’ pay.

### 6.5 CONCLUSION

The main category that has emerged from data analysis is the *Split Pattern* of cultural practice with regard to pay confidentiality. While *WIE Policy* requires employees not to share pay information with each other, and Chinese employees openly abide by this policy, they generally discuss this topic in private among colleagues who are considered to be friends. In addition to the cultural values that influence employee behavior, other factors, namely *Cognitive State* and *Workplace Friendship*, moderate this relationship.

It is also worth noting that when viewed from the perspective of culture emergence, culture in SW-ICCM contexts may be regarded as *nascent or adolescent*, which is characterized by dynamism, change, fragmentation, and variation. What makes it different from a *mature* culture is that a shared set of values and expectations may not exist among organizational members. This contradicts the implicit assumption held by many culture scholars, which views culture as a shared set of (internally consistent) values or assumptions among group members (e.g., Gregory 1983). Such an assumption, in fact, only applies to *mature* cultures.
Figure 6-1  Emergence of the Hybrid Pay Confidentiality Pattern in SW-ICCM Contexts
CHAPTER 7
THEME II: KNOWLEDGE/INFORMATION SHARING

In this chapter, data on the second theme, knowledge/information sharing (KIS), and on the related sub-theme, directness of communication (DOC), will be analyzed. This chapter similarly follows the four-part presentation format of Chapter 6. In the first section, the cultural differences in KIS between China and the West will be discussed, so that a context can be laid out within which discussion in other sections can be carried out in a meaningful way. In the second and third sections, the hybrid cultural pattern and its emergence in SW-ICCM contexts will be discussed, respectively. In the fourth section, a theme-grounded substantive theory will be proposed, based on the analysis in the preceding sections. Finally, a conclusion will be presented in the last section.

7.1 DIFFERENCES IN KNOWLEDGE/INFORMATION SHARING BETWEEN CHINA AND THE WEST

7.1.1 In-Groups and Private Knowledge/Information Sharing

One difference between Chinese and Western organizations is that there is less formal KIS in the former. In Chinese organizations, people develop their own circle of friends, or in-groups. In-group members trust and depend on each other in their organizational and social activities (Hutchings and Michailova 2004). Information is exchanged within the group but is not shared with those outside it (Littrell 2002). Western organizations, on the other hand, are
typically more open with KIS. Chinese informants with work experience in both Chinese firms and WIEs have come to appreciate this difference:

**Informant C5:** I feel there is some difference here. According to my understanding, Westerners prefer to share information, especially within a work team, and this is especially important for a business… But there is less information sharing in Chinese businesses… But I feel, some business managers do not share information with you; he knows more, but he does not share it with you… Yes, he shares it with people within his own circle. But he does not share it with other people…

The formation of in-groups is based on friendship. In the Chinese view, friendship and business (work) are not separable; you do business with you friends, and you work with your friends. And if they are not your friends yet, then make friends with them. Friendship is an all-inclusive term. In business contexts a more relevant term is *guanxi*, or relationships. Even though it has been extensively studied and theorized upon by international scholars, and there have been multiple interpretations of what it is (Fan 2002), *guanxi*, in essence, refers to a friend or friendship in the business or work context, i.e., you use your friends to accomplish your own business or work objectives, and to improve your own well being in general. Of course, *guanxi* involves reciprocity. Members within a *guanxi* network help each other out, professionally and/or otherwise.

**Informant C5:** For example, if you have a good relationship (with your boss), even if you break some rules, your punishment will be light; if you are not on good terms (with your boss), then you will really be in trouble. The Chinese culture pays more attention to interpersonal relationships… More attention is paid to *guanxi*.

Expatriates’ perception of the difference between Chinese and Westerners on this theme varies. And this variation has to do with how much they understand the Chinese culture. First, there is the belief that there is no difference between China and the West:

**Informant E2:** I think it’s pretty much the same. In any environment you work, there is going to be people who trust you and come to you, and those who don’t… I don’t think it is any different from the United States. It is a little bit different because you are foreigner, you are kind of at a disadvantage, especially if you are in the countryside where they have never worked with foreigners before.

Or there is no substantive difference between China and the West, while surface differences exist:
**Informant E12:** I think it might be called something a little different in different markets, in different countries. To be quite honest, I see that everywhere. I see it here in the States, I see it in Europe, I see it here in Asia. And I think that, those concepts, relationships and trust, both positive and negative, are, um, there might be some subtle differences, but I think it’s pretty consistent in the business world… In China, more of the work gets done, maybe a little bit more social—breakfast meetings, dinner meetings, that type of thing, as opposed to in the office. So it’s a little bit more social…

Informant E12’s observation of Chinese people being more social when conducting business, in fact, touches on one of the key notions, namely, *guanxi*, which was alluded to by Informant C5 previously in this section, that differentiates Chinese business practices from those in the West. In China, harmony is emphasized in both working with one’s colleagues, including superiors and subordinates, and with external individuals such as suppliers, customers, and government officials. A good interpersonal relationship, or *guanxi*, is a pre-condition for this harmony. A manager, for example, should maintain a good *guanxi* with his or her subordinates, so that a personal touch is added to his or her leadership. Informant E1’s reflection is a good case in point:

**Interviewer:** Now, do you think interpersonal relationship in terms of you managing your employees, working with your employees, do you think that, um, is that important?

**Informant E1:** I understand from the Chinese point of view it’s very important. I’ve heard that Chinese employees (1) must be happy with the potential for development within the company, (2) must be, um, develop a relationship with the boss, in some way, and (3) money…

Expatriates with extensive working experience in China, especially those who speak Chinese, however, have a deeper, more complete understanding of the differences between China and the West on this issue. Informant E14 has been in China for 12 years, and speaks Chinese, while Informant E1 has been working in China for 10 years. Their appreciation of this difference goes below the surface:

**Informant E14:** … It’s in the West as well. In the West it’s kind of like, um, there is two ways to look at it. If I’ve done something for John, then one day I can go back to John, and say, “Hey John,” and call our favor in, “how can you help me in this situation?” because John is an expert in this situation, whatever it is. That’s one kind of *guanxi*. It’s like, he owes me one; he owes me a favor because I did this for him two years ago… And the other type of *guanxi* we have is, you kind of, um, if you are very, very matey with that person, that you’re good, strong friends, um, say, you go down to the pub together, and you buy each other a beer,
or you go playing golf together, and you go down to the 18th hole, and you then are going to have a drink together. It’s things like that. Or you go sailing together, or whatever. That’s the kind of relationship is, and of course, obviously you’ve got professional organizations as well in the West, that are not so prevalent in China, like the Masons; and you’ve got organizations that people have been part of before, such as the military, or maybe they are in the police clubs… or a union, a union has a club, a working men’s club, or something like that. So at that kind of level, people can call on each other, because, I am not a mason, but in the mason, they’ve got, you know, this guy is a policeman, this guy works as a lawyer, you are a financial controller in a company, (you) can help each other out, that sort of thing. And that’s how it works on that level. But on the working man’s level, who is not a mason, or is not part of a club, then it’s more like, you don’t go to someone and start offering him a cigarette, for example. That would never happen in the West. You wouldn’t go to someone and say, “Hey, would you like a cigarette?” just because you try to build guanxi. That doesn’t happen at all. And that would never happen in the West…

Informant E1: … I think there are a few cliques of people, um, it’s normally some of the younger girls who do lunch together quite a bit. They probably have more to share. I find new people take longer to get involved in those relationships, perhaps, than in a Western company. I’ve got a good example right now. A new girl started here now on Wednesday this week. No one talked to her in the first couple of days except her superior. But then she found someone in the office who used to work in the same company as she did four or five years ago. The situation totally changed in five minutes. So I understand what you mean, the relationship issue in China is extremely important. I’ve always been told, and I’ve seen and learned, that you should be friends first, and then business partners next; whereas in the West, you can do business with someone for twenty years and never be their friend. You can meet with them once a year, you can have no lunch, you can have no dinner, and you can still do good business. In Asia, it just doesn’t work like that. Guanxi is important. So, on a normal person-to-person guanxi, I am not talking about government guanxi, it’s definitely different. It’s a lot different than Western relationships between staff, and between customers and suppliers.

Informant E8, who speaks fluent Chinese, related his understanding, which has in part been gained by his ability to “eavesdrop” on his Chinese colleagues when they communicated in Chinese:

Informant E8: Definitely. The trust values are very, um, I think, the Chinese people are exceptionally hospitable to each other, but there are different levels of meanings.

Interviewer: About openness?

Informant E8: Yeah, definitely.
Interviewer: Since you overheard your Chinese colleagues talking to each other, now, what did they talk about with close friends?

Informant E8: Um, work issues, because they would never complain openly. Among each other, their closest colleagues and friends, they would. Other things are, maybe about somebody else. Maybe you like him because of this reason… um, more negative comments.

Interviewer: Among this small circle they are very open. Now with people who are less close though, what would they talk about?

Informant E8: I think just like in the West, in a way, you know, just small talk, like, “Did you bring your umbrella with you? I think it will rain today.”

...  

Informant E8: There are cliques. Definitely there are cliques. But the secrets are different. I think in China people have a lot more, um, they compartmentalize things, and work out which compartment will go to which person, whereas in Australia we have, maybe, two compartments, and that’s it.

Interviewer: Like what?

Informant E8: One is for stuff for everyone to know, and the other is for stuff between you and your wife, or you and your family, you and your most trusted people.

Interviewer: So these are private things, not necessarily work-related things?

Informant E8: Um, possibly as well. You know, when it comes to personal things in a workplace, you know, maybe your relationship with somebody is not good, or you are angry about something, then that will go into your private box.

Interviewer: So you don’t have as many different levels of trust--

Informant E8: Yeah, yeah. It seems that (Chinese) people have this amazing complexity and coping ability, and that they would cope with everything and keep as much in as they can, and they will decide, think very carefully about how they are going to do with the situation.

In addition, the basis for group formation is also different between China and the West. In China, the basis is trust, which can come from the perception that people have known each other for a long time—classmates, townmates, etc.

Informant E7: I mean, it happens in the US, but I think it’s more based on merit and experience, and very, very tough competition, in the US. But I think here it’s based on trust… In the US, you would give someone trust… You assume that person is trustworthy. Then when they break your trust, you don’t want to give them trust. In here, if you start a relationship, with, say, a factory owner, or anyone else, you start, and you give them that trust,
they will take advantage of you. They will think you are a fool, an idiot. And they will take advantage of you.

**Informant E5:** Certainly the basis for those groups is very different. I have so much experience in China, where the basis of being a member of a group is (that) we came from the same town. Or we went to the same school. In the West, one time, amongst the very elite educational establishments—I am talking about Eton, Harrow, the old schools—yes, there was the same thing. But that was of a class thing. It wasn’t anything else. And that’s pretty much been eroded now. And beside that there is nothing. It means nothing to me if someone comes to me and says, “Oh, I heard you came from the same town as me, can you get me a job?” “You what!” I’ll really laugh at you. But in China, um, we are all townmates, and you should try to get me a job. Or we went to the same school, or something like this, or we are from the same family.

### 7.1.2 Face-Saving and Private Knowledge/Information Sharing

Another reason for the Chinese preference of private KIS has to do with face saving. The concern with face arises from the fact that Chinese people, and Eastern Asians in general, do not separate business from people, as is the case with Westerners such as Americans and Germans (Graham 1996). In fact, in China, business and personality are closely intertwined. Any comments, especially negative ones, on a business matter are frequently taken personally by Chinese as signifying a loss of face. Again the Chinese respondents are fully aware of this difference:

**Informant C3:** … Expatriates are straightforward. They directly tell you what is on their minds. For them business is business; they separate people from business…

**Informant C5:** … But maybe due to this Asian face problem, some managers feel that they lost face, and may get emotional … because Chinese people are very concerned with face. There are cultural differences. In Western countries … people do not care that much about face; but in China, they cannot accept losing face…

There are two ways to cope with this concern with face. One way is not to discuss business in a direct and frank manner; the other is to discuss it in private. Informant C2, with both CSOE and WIE work experience, related her understanding of the difference in more detail. She first discussed how she communicated to avoid making others lose face when she was working in a CSOE:

**Informant C2:** If I had some ideas to put forth, I would not have talked about it in the meeting; rather, I would have talked to my manager in private.
Interviewer: Is it because this way your ideas are more likely to be accepted?

Informant C2: Not really. Because we Chinese are very concerned with face, if I speak my mind directly in the meeting, I may make my superior feel he or she has lost face. So private discussion is preferable... Furthermore, I would also think twice before speaking up in front of many people, so as not to cause any negative reactions from them.

Interviewer: What is it like in WIEs?

Informant C2: No such problem. They (expatriates) will react positively (if you speak up).

Expatriate appreciation of this difference varies. For Informant E7, it is conflict avoidance; for Informant E14, it’s the seemingly simple yes-no phenomenon:

Informant E7: ... I get a little bit paranoid about, you know, um, it seems, um, maybe it’s just in my mind, but there is something, you know, there is no face-to-face, but I just want to, um, you don’t really express yourself. People are trying to be part of, um, they avoid conflict. And that’s the absolute opposite in where I am from, where if you have something to say, you should say it right away, so that the issue can be resolved. And here it’s like, you should push it back, so that work can be done.

Interviewer: You mean suppressing your conflicts to get the work done?

Informant E7: Yes, to get the work done.

*****

Informant E14: ... Often it’s the yes-no thing here, you know what I mean. When a Westerner says, “Yes, I’ll do that.” That generally means they are going to do it. Or there is this altercation where someone won’t do it for a reason. But when a Chinese person, or even an Asian person, says, “Yes, I’ll do that.” um, when a Western person says, “Yes, I’ll do that.” it means they are going to do it, and they are capable of doing it. Whereas a Chinese person says, “Yes, I’ll do that.” it’s often not the case. They don’t have the experience, or they don’t have to do it. They’ll still say “yes” anyway. So they don’t lose face, or won’t get told to the big boss that they can’t do this job. And then they are going to talk to their friends, their colleagues, about how to do it.

The notions of face, guanxi, and in-groups, of course, are closely interrelated. For example, if a Chinese person speaks his or her mind in a meeting in a direct manner, he or she may well make their superiors and/or colleagues lose face. This in turn means that this person has lost friendship with their superiors and/or colleagues. No friendship means no guanxi; no guanxi means that he or she no longer belongs to an in-group, thereby becoming an outsider in their own organization.
7.2 THE PATTERN OF KNOWLEDGE/INFORMATION SHARING IN SW-ICCM CONTEXTS IN CHINA

In WIEs in China, the pattern of KIS varies greatly. At one end there is open sharing and no in-groups exist, while at the other end open sharing and in-groups co-exist. The extreme state does not exist in SW-ICCM contexts, where there is no open sharing at all, and information is only shared within in-groups. Even in Chinese organizations, there is some open sharing of information and knowledge. The difference is the degree to which private sharing dominates.

7.2.1 Open Sharing and No In-Groups

In the cases where no in-groups exist, the companies are all Western WOFEs. The situation is characterized by company-wide sharing through websites, employee meetings, internal bulletin boards, etc. In one company private discussion of pay exists, but there is no other type of private sharing. However, sometimes information is communicated in a pattern where Chinese members try to be direct, while expatriates try to be indirect.

Informant C1, who was hurt by private sharing while working for a PCE, related her experience and judgment:

**Informant C1:** At present, our company’s information is posted on our company website; also we have internal bulletin boards where information is posted, so that employees are kept abreast of our company’s current state of affairs. In addition, we also hold regular employee meetings, where the latest information is shared with employees.

…

**Interviewer:** How is this compared with your previous (Chinese) employer?

**Informant C1:** There are differences. I prefer the WIEs’ style of KIS. One of the reasons I left the Chinese company is because there was little open sharing, and I think in-groups were the way information was shared. In WIEs, I feel, their way of KIS is better, because your colleagues share their insights with you.

Informant C2 has worked in both a CSOE and WIEs:

**Informant C2:** … At our company, work related information is posted on our Intranet … information is openly shared among employees. For example, if one of us went to a training program and learned new skills or ideas, our superiors would arrange for this person to hold training sessions for other employees. If there are good management books, we would put them in the library so that everyone has access to them…
**Interviewer:** So you do not have a situation where you share more information with colleagues who are your friends, and you share less with those who are not.

**Informant C2:** … I have never seen anybody who holds information back and does not share it with others, unless it is not to be shared according to his or her job description…

…

**Informant C2:** They (expatriates) try not to be too direct when talking with us so as to avoid hurting our feelings, because their style is being straightforward, and they separate people from business. We, on the other hand, like to link business with people; and we may think that maybe they do not like me as a person (if they point out problems in my work). So they try to be indirect when discussing such matters with us.

Expatriates are fully aware of this difference. As Informant C2 indicated above, they try to accommodate this difference by saying things in a less direct manner, so as to save the other party’s face. Again, this behavior is rather dynamic; it varies with context, as Informant E1’s experience below shows. An expatriate can tactfully adhere to his or her Westerner identity, be assertive and frankly say “no”, when “push comes to shove”, and achieve positive results, whereas in similar situations a Chinese person would not be able to do so. The reason is different expectations—since Chinese people expect Westerners to behave differently because of their different cultural backgrounds, they can get away with strategically saying a blunt “no”.

**Interviewer:** So when managing your employees, or dealing with customers or your suppliers, your behavior would be different than you would be, say, in Australia or—

**Informant E1:** Yes, definitely different. However, I try to subtly impose my culture as well, within reason. At the end of the day, we are here in China, therefore their culture, their way, is probably more important than my way. But at the same time, I’m not Chinese, and I want any of my staff, and I want any of my suppliers with who I come into contact with to understand that. So I can’t say “yes” to everything, I can’t say “meiwenzi” to everything. I do have the right and the mind to say “no”, if I don’t agree. But I try to learn how to do that and give face, give face to the person, give face to myself. It is a balance. It is very interesting when I watch, um, see new people who come to China, who, you know, perhaps haven’t had the time that I’ve had, they just don’t understand that. It’s very interesting to watch, and quite often you’ll get a very confident Western person come over, and you can just see the meeting deteriorate. You know, he is not being rude, he is not being obnoxious; he’s being confident and strong and bullish; he is a buyer, he wants to buy, he wants to buy on his terms. But you can just see the Chinese people on the other side of the table just do not understand where he is coming from.
**Interviewer:** So you think your behavior is not totally Chinese, and yet is different than your, um, original behavior?

**Informant E1:** Yeah. Even people at home, when they call me, I speak simply, you know, the big words are not there any more. Sometimes I can’t even remember the big (words) … my English, you know.

**Interviewer:** More humble, you mean?

**Informant E1:** I am still … yes, exactly. But there are times where things are going wrong, you can definitely switch back to what you want to, and I … yeah, you’ve got to be careful. However, sometimes it is appropriate, if the meeting is going too badly, too (inaudible), you impose perhaps your Western ideals, because that’s your right. But my patience is a lot more than it was five or six years ago, and I can sit in a meeting for hours, hours, and hours, and going nowhere. And, you have to find a balance. If you talk to people who have been in China longer than I have, they’ve got more skills. You do learn. You are doing it everyday. I have the same thing with all my staff. They come to me with a problem, it could be a small problem, or a big problem, and we don’t get to the crux of the problem straight away. We go round and round and round a little bit, and then we get to it. But I know, that’s just their way. That’s fine, that’s culture.

**Interviewer:** Do you have good examples of that?

**Informant E1:** The best example is bad news. Bad news is, from my experience, is difficult to say. Bad news is bad luck, it’s negative. Someone loses face. You are better to ignore the problem until it really blows up to a serious problem, and then you say sorry, OK, through a face-to-face meeting, a big lunch, a few *ganbeis*, and what have you, as opposed to three weeks before, when you saw the problem coming, and you could’ve done something at that time—you could’ve called an earlier meeting, you could’ve gone to the supplier, um, to say, hey, it is raining, go out and drain that water away, instead of leaving the field in flood, and all the strawberries to rot. So it’s those preventative measures that I find in China are not, particularly in our industry, we are dealing with rural people, smart people, successful businessmen, huge factory owners, freeze-dry factory owners, multimillionaires, in their own right successful businessmen. However, if you avoid the problem now, it’s easier than if you just say sorry a month later, with a lot of face, (inaudible), that’s also easier than perhaps working hard three days before harvesting, and try to resolve the problem through either a big discussion or some actions. That’s probably the broadest example I’ve got, it’s facing bad news, facing problems early.

Informant E1’s behavior can be characterized as a hybrid pattern. It is not totally Western; yet it is not totally Chinese, either. It is a hybrid of both Chinese and Western ways. Again this
seems to be the general pattern of expatriate behavior when they work with their Chinese colleagues. Informant E14 is another case in point:

**Interviewer:** … Let’s say you work with this Chinese person, and that person asks you to do something, either professionally, or personally, would you just say, “Oh, yes I can do it.” And then you don’t want to do it, or you are not quite sure you can do it? Or would you behave more the Western way?

**Informant E14:** I’ve been here a lot time. I think I’ve softened a little bit. I would probably say, “Yes, I can do it.” maybe some time when I am not totally convinced (I can). But I will always, I am a questioner, I have a lot of questions, and so I would probably say, “Yes, I can do it, but I need this information, or that information.” So I would say “yes” when sometimes it’s challenging, but when I think I can do it. But I am very careful to say no as well, when I don’t think it’s my job, or when I don’t think it’s up to my experience level. So I can do both. I would err on the side of caution. So it would probably be more of me (saying) “no”, but 20% of me might say “yes”.

**Interviewer:** So you are basically saying that actually your way is sort of between the Chinese way and the Western way?

**Informant E14:** Yeah, I would say that; I would say about half and half.

### 7.2.2 Open Sharing and In-Groups Coexisting

At the other end of the continuum, open and private KIS coexist. Sino-Western JVs, Chinese- or Asian-owned businesses, and some Western WOFEs are generally the context for such a pattern. Informant C7, whose current employer is a Sino-European JV, pointed out that private sharing and in-groups exist, but that they are not as common as in Chinese companies, and that the in-groups are generally less deep-seated. In addition, the pattern is not static; it is rather dynamic and contested. It is a “tug-of-war” between top management which is trying hard to break them up and Chinese employees who tend to develop in-groups among themselves over time:

**Informant C7:** I think they exist, but not as commonly as in Chinese companies.

**Interviewer:** Not as commonly?

**Informant C7:** Right... In Chinese firms, people are older, and they have developed interpersonal networks over tens of years of working together. In WIEs, on the other hand, people are generally young, and at about the same age. Everyone is busy with their own work, so generally they do not develop as deep an interpersonal network (as in Chinese companies). And the interpersonal networks that do emerge are generally simple and less interest-based.
Interviewer: Can you discuss it from your own experience?

Informant C7: In WIEs such as my current employer, the situation is moving toward being more like Chinese companies with time, as deeper interpersonal networks develop. Top management tries to break up such personal circles. I heard that for some time, our general manager was just doing this; he was working very hard to break them up, because he was afraid that if he let them continue to develop, then it would revert back to the typical Chinese situation.

Interviewer: So if you leave them alone, they will grow bigger and stronger.

Informant C7: Right. It will develop into a situation where individuals within the same circle would do something together, without the manager knowing about it beforehand. After the manager finally finds out, he or she would feel having been cheated upon, and lost control.

In terms of DOC, Informant C7 is straightforward with her colleagues; after working for many years in WIEs she actually prefers the Western way of being straightforward. On the other hand, she tries to be indirect and play the *guanxi* game with people outside her organization, especially government officials.

Informant C7: If you work in WIEs for a long time, you become out of tune with the Chinese society. The outside society is a Chinese society, and things are dealt with in the Chinese way. I find it hard to adapt myself to this style.

Interviewer: You mean you have to play the *guanxi* game?

Informant C7: Yes. I am not comfortable with the interpersonal relations game. All I can do now is to be straightforward.

... 

Interviewer: Another point is that, when you deal with external people, customers, government officials, etc., is interpersonal relations important?

Informant C7: Of course. This is especially true with government officials. Even though you cannot generalize about government officials, there are those who like to play the *guanxi* game. They behave like the traditional mandarins. This is especially serious with low-ranking officials. High-ranking officials are, in fact, easier to deal with …

... 

Interviewer: … What do you think you should do next? Should you—

Informant C7: I should combine both styles. For example, we finance people sometimes have to work with the tax officials—taking them out to dinner, etc. I’ve never liked it… But
you have to pretend that you like them, and you like very much to associate with them. In fact, deep in their hearts they very much, in China we have this (inaudible), they very much envy you, and want to associate with you. But we are unwilling, but forced to associate with them. So it is troublesome, but you have to be used to the guanxi game… you have to be able to drink alcohol, to tell off-color jokes. I cannot put up with it.

**Interviewer**: But you think you should learn to get used to it.

**Informant C7**: Right. I should combine both styles. That would be ideal.

**Interviewer**: It would be difficult to do so, though … on the other hand, you have to be indirect, pay attention to face, and play the guanxi game…

**Informant C7**: Right. You learn by observing others. At least I’ve learned to say nothing when I am not supposed to be straightforward.

**Interviewer**: Yeah, this is a good way. Is there anything else?

**Informant C7**: No. It is just that, since I have been working in WIEs for a long time, I am used to the cultural styles in those organizations.

...  

**Informant C7**: I feel very comfortable working in WIEs. Even though you are coached to be straightforward (by expatriates), from your own personal point of view, or in terms of human nature, you feel liberated, you feel comfortable.

Informant C6 currently works for a Sino-US JV, with the major stakeholder being American. In his company, open sharing dominates, but private sharing and in-groups do exist:

**Informant C6**: … There is generally no problem with work-related information. Relatively speaking information is readily shared… Of course it also sometimes happens in the office. You have colleagues you get along very well with, and then you have those you do not get along with …

**Interviewer**: So you talk about stuff in private (in the workplace)?

**Informant C6**: For example, So and So is a bad guy, or Team Leader So and So did something bad …

The situation is more serious if the Sino-Western JV has inherited managers and employees from its Chinese partner(s). In this case the well-developed interpersonal networks that had emerged among organizational members in the Chinese partner(s) are carried over to the JV, and the JV management has to take them into account when making and executing decisions. The situation faced by Informant C5 is a good case in point. C5 is an “old hand”, with more
than ten years of WIE work experience in China. He professed to have accepted quite a lot of Western business cultural values:

Informant C5: I think we all accept this (Western business) culture, these values. The difference is that there are differences in terms of how much we accept. Many senior managers like myself have accepted quite a lot … especially those who speak foreign languages. They frequently communicate with expatriates, therefore they get to appreciate these values.

Interviewer: Lower-level employees, those who do not speak foreign languages, accept less of these values?

Informant C5: Right. They change more slowly.

Now, as a senior manager directly hired and assigned by the Western partner to a newly formed Sino-US JV, and having been in his current position for only two months, Informant C5 viewed this theme from the Western partner’s perspective, and gave a more complete appreciation of the situation. First of all, the KIS pattern is not uniform throughout the company, and his own style varies depending on whom he is communicating with:

Informant C5: Sometimes people share information in private. We are also changing. We are … influencing each other. We bring this culture to the Chinese, it is a change. The Chinese are also changing. We are all learning to adapt to each other.

Interviewer: So you mean there is certain information that should be shared in private (in Chinese companies), but now it can be shared at work (in your JV)?

Informant C5: Right. I think this is better, I mean sharing information at work. But … communicating in private saves people’s face. Chinese are very concerned with face. In our JV, we understand that we need to give Chinese managers face.

... 

Interviewer: Sharing at work, rather than in private, maybe can improve efficiency, maybe this is preferable?

Informant C5: I feel that when discussing business, it is preferable to do it at work. This improves efficiency…

Secondly, private sharing helps to save his Chinese colleagues’ face when communicating with them. However, as a senior manager representing the US partner’s interests in the JV, he is fully aware of the existence of private sharing and in-groups that the JV has inherited from
its Chinese partner, and its potentially negative impacts on implementing Western business procedures. And he is trying to cope with it:

**Informant C5**: In our JV, because Chinese managers come from their previous system, it takes time for them to adapt to the JV system.

**Interviewer**: In your JV, managers from the Chinese partner also are in management positions, right?

**Informant C5**: Right. Their previous management system is not totally broken up; they still stick to their old practices, so it is hard to change. Because … even in JVs, if all the employees are new recruits, then it is easy to work with them, because in this case, there are no preexisting interpersonal relationships. If many employees come from the Chinese partner, many of them will say, it was done this or that way before.

**Interviewer**: Old habits. Plus *guanxi* that has developed over many years.

**Informant C5**: Right.

**Interviewer**: In this case, after the startup of the JV, will these personal circles continue to exist, or… In other words, how do expatriate managers work with these circles? You can give examples.

**Informant C5**: I have come across this problem right now. You either break it, or you keep it… If he or she can do their job well, if its influence on their performance is not significant, then you just let it be, because it is a great deal to fire somebody. Any action has its pluses and minuses. What matters is (how) you balance them. If it affects job performance greatly, then you have to break it.

**Interviewer**: Do you break it by firing people, or through other means?

**Informant C5**: Job transfer.

**Interviewer**: Transfer to other departments?

**Informant C5**: Right. This way you let them know that they cannot get by through their personal circles. Many times you need to communicate, to teach such principles, let them know your… Gradually they will learn that, OK, you do not need to work through *guanxi*, as long as your performance is good, you will be rewarded accordingly… I (tell them) my values, so long as you perform well, I take notice of that, and that is what matters to me. I tell them that, you do not need to play the *guanxi* game with me. What is important to me is your performance.

The above discussion only concerns the behavior of Chinese employees in Sino-Western JVs. What about expatriates? Are they aware of the existence of in-groups and *guanxi*, and do they
even play the *guanxi* game? According to Informant C8, who works in a Sino-Canadian JV that was started ten years ago, the answer is “yes”, they are, and they do, but probably not to the fullest extent:

**Informant C8**: … Expatriates who have worked in our JV for a long time are influenced by the Chinese culture… For example, they exploit the *guanxi* game to get things done quicker… I feel that there is cultural infiltration; our culture has been infiltrated by theirs, and their culture has been infiltrated by ours…

…

**Interviewer**: Can you give an example?

**Informant C8**: For example, at a meeting they (expatriates) would say, X is on good terms with Y, so they would cooperate very well with each other… They also exploit tensions between in-groups. They would play them off, and make them compete against one another in doing work…

**Interviewer**: You are saying that expatriates exploit the interpersonal relations of Chinese employees to accomplish two objectives: harmonious cooperation and competition…

**Informant C8**: Right.

In general, expatriates have come to realize the importance of developing and keeping good interpersonal relations with their Chinese coworkers. However, they generally do not become insiders in Chinese in-groups. Informant E5, who works in a Korean WOFE in China, commented on his status with his Chinese coworkers:

**Interviewer**: … When you work with them, do they see you as one of them? Do you see their relationship with you as “you” and “us”, or just “us”—?

**Informant E5**: I think probably I am a lot closer to the people I work with than any other managers in the factory where I work, but not that close.

**Interviewer**: I mean—

**Informant E5**: I am on the outside. I am allowed into certain things, but not others. They often try, um, we work in a small workshop, you know, the maximum is ten people; sometimes we go down to six, it just depends. So it’s a small environment. It’s not very noisy either. People talk, you know. And quite often, and this actually happens as well, it’s interesting you said that, we have a lot of Guangdong model makers, because Guangdong is an area for jewel manufacturing. But it’s got less now, and a lot of skilled model makers moved to Qingdao. We got some local Shandong people, and we got some Guangdong imports, you know, *waidide*, it’s kind of, they have to find a new clique as professionals that
they can get themselves into. But very often the Shandong people would start talking in very, very heavy Shandong dialect amongst each other, hoping that—

**Interviewer:** The other guys can’t understand?

**Informant E5:** Yeah.

**Interviewer:** Do you understand the dialect?

**Informant E5:** No. I can’t say I understand it enough, but I generally know that if they are relying on that, it’s because they don’t want me to understand. And I will pick up certain expressions, phrases, and I’ll bluff; I’ll just look at them and laugh. And they are not sure whether or not I understand it. So most of the time they’ll stop talking. But who knows what they are talking about. I am sure… that sometimes I make decisions in the workshop that piss people off, you know. That’s just the way the thing is. I genuinely believe there are some people in the workshop who I’ve trained right from the ground up, who do treat me as a friend. And they understand the difficulties I am having in dealing with the company, especially because it’s Korean management. And to some extent, we are helped, um, I am helped being brought into their group because I am not Korean. They consider me to be much more like them than the Koreans.

**Interviewer:** Much easier to work with—

**Informant E5:** Yeah, sure. And that’s my advantage. And I recognize in some aspects I am still outside the group.

**Interviewer:** You see yourself probably not in the innermost group, but—

**Informant E5:** No.

Informant E8 is an expatriate working in a PCE, and he is also in a similar situation:

**Interviewer:** Are you in one of the groups?

**Informant E8:** No, absolutely not.

**Interviewer:** Why are you not? You choose not to, or—

**Informant E8:** Um, in a social situation I don’t make a conscious choice. But I think there will always be that isolation—

**Interviewer:** Because you are a foreigner?

**Informant E8:** Yeah.

**Interviewer:** They treat you differently. Is that the case?
Informant E8: Yeah. I noticed after two years that, some of the original staff members who were there when I started, they became more lax, and occasionally they would tell me a secret, you know, something like that. But that is hardly interaction. It’s like, “I’ll tell you a secret.”

Interviewer: But you never made an effort to—

Informant E8: I think I did have lunch (with them), but then I realized that it was all… Although personally I want to have as many Chinese friends as possible, it’s interesting in that working environment, it is not so accessible. People are very aware, it seems to me, very aware of protecting their jobs in their working environment, and they think that letting a foreigner in is—

Interviewer: So they are a bit unsure about what the impact would be—

Informant E8: Yeah, I guess so.

Interviewer: So they are kind of reluctant to let you in.

Informant E8: Yeah. I can see that reaction all the time. It’s like everybody wants to teach you something. They want to be your teacher, you know, to keep that Chinese-foreigner element there…

Informant E7 can be considered as being an insider with his Chinese superior in a Taiwanese WOFE. He did not develop this guanxi with his boss after he joined the company, however; he was “born” with it:

Informant E7: ... First my relationship with my boss. He is a good friend of mine, a very good friend of mine; I’ve known him for quite a while, ever since I’ve been in China. And he’s known my boss for 12 years. They used to teach at QD University together 12 years ago. So my boss is my good, good friend’s very good friend.

Interviewer: And your boss is Chinese.

Informant E7: He is Chinese. And he tends to make a difference, like, um, he is very open to what happens here. He supports me with, um, things that I think are huge mistakes, like I lose several thousand dollars, things like that. And I want to keep going; I think I’ve done what my customers had asked me to do. I want to keep going. Others in my organization are against me, (but) he will be for me.

Interviewer: And you think that’s because—

Informant E7: I think, I am pretty sure… I think the major factor is that he is my good friend’s good friend…

Informant E2 is a quality assurance manager in a Sino-US JV. He can sense the existence of guanxi and in-groups in his JV, but he does not engage in it himself. However, when dealing
with suppliers, his behavior takes on some Chinese characteristics. His behavior represents the general pattern exhibited by expatriates in all types of organizations in China. Whereas they generally stay outside the *guanxi* and in-group practice when working with their Chinese colleagues, they nonetheless play the *guanxi* game when working with external Chinese individuals such as suppliers, customers, and government officials. Even though their behavior is not totally Chinese when they work with external Chinese people, it is more Chinese than it is when they work with their Chinese colleagues.

**Informant E2**: ... I just had my assistant quit in January… I think he had some goings on here that I didn’t fully understand.

**Interviewer**: With other people in the company?

**Informant E2**: Yeah, in the company, people who worked for him, directly under him. So I think people got put to their jobs because of his *guanxi*… He left, and that kind of cut that out in my department. I don’t know so much about the rest of my factory, but I do know that, um, I am still working with my HR manager, um, she is based in Shanghai, she is Chinese. I talk to her very often. She is very good about relationships. She said that there are people hired, suppliers chosen, based on this *guanxi*.

**Interviewer**: Within your company does anybody try to play *guanxi* with you?

**Informant E2**: No. Not so much. I am quality assurance manager, that’s my job, so I have to go by the book. So I try to make people feel like, you know, “That’s great! Let’s do it.” But do it the proper way. So I think at first they tried to go around it, but now they kind of know me, they are not going to—

**Interviewer**: With your suppliers and customers, not only the work, but also the after-work socializing, is it different than in the US?

**Informant E2**: Yeah. I mean, it’s not only the things you do (that) are different. I think the relationships are a little bit different too.

**Interviewer**: Like the suppliers. When you go visit them, what is the sort of things that you do that are different than in the States?

**Informant E2**: First of all, I learned that in China, whenever I go for a plant audit, or something like that, I have to tell them in advance that, um, I am not going to have time for dinner. I have to tell them in advance, you know, don’t plan for dinner because I am going to make a flight. Whereas in the US, I don’t think I need to do that… I don’t think it’s a bad thing, necessarily, you know, doing social stuff after work. You’ve got to know people you are working with, and learn their work and their companies. Once they are relaxed a little bit, it’s easier to talk to them about what’s going on… Especially with suppliers, we had some
problems with some of them. It’s easier to talk to them over a beer and kind of (inaudible). I think it’s useful.

### 7.2.3 The in-between Cases

Compared to JVs, the problem of private KIS and in-groups in Western WOFEs is generally not as serious, where it exists. Groups do exist, but they are more friendship-based, and less interest-based. In this sense, they are just groups, not in-groups, because in-groups include both organizational and social activities that are not accessible to outsiders (Hutchings and Michailova 2004). Therefore people generally follow company rules and procedures, and do not resort to personal relations to get things done in the workplace. Informant C5 described this difference:

**Informant C5**: … I think the situation is better with Western WOFEs such as Company EMR⁸ (where C5 once worked)…

**Interviewer**: In this case, do personal circles exist?

**Informant C5**: There are very few —

**Interviewer**: But they do exist.

**Informant C5**: Yes. But at least on surface people are (inaudible). Even expatriates, I think, have personal circles. It is just that we do not know.

**Interviewer**: But in the workplace, they do not rely too much on personal circles, and will follow procedures.

**Informant C5**: Right. I think this is the difference between Western WOFEs and JVs.

Informant C3, who has worked in both a CSOE and a Western WOFE, echoed this understanding and offered his reasons for a more Westernized pattern:

**Informant C3**: … Um, in WOFEs, I feel that there more purely friendship-based groups (than in Chinese companies). For example, in a department, most people are young, and they hang out together (after work). It happens. They often (inaudible)... But it is rare that people use these groups to wage power struggles or promote their own interests, as is the case in Chinese companies. It is rare. You can say that basically this does not exist. You just do your own job well, and you do not need to develop your own group (to protect your own interests or save face). But, um, this is rare in my department. In other departments … in one department in our company they have this problem, but it is not very (severe).

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⁸ In this thesis, company names are presented as abbreviations so as to protect the identity of the informants and their respective employers.
Interviewer: You said it is rare. Why is that? Can you give some reasons?

Informant C3: Um, reasons... Especially if an expatriate is the department manager, relatively speaking, the interpersonal relations situation is simple. Expatriates are simple in this aspect. Another reason is that most employees are young. They are young people, and, in fact, most people have chosen to work for WIEs because they get paid better, and also because they had also felt that the interpersonal relations situation is relatively simple... Therefore very few people would seriously play this game. They would be looked down upon, if they played this game, they would be ostracized...

... 

Informant C3: ... When working with Chinese, of course, you need to, well, think twice (before you say or do something). In other words, because we are all Chinese, you need to be roundabout and tactful where necessary. But, on the other hand, the overall atmosphere is (straightforward and direct to the point), so, we, um, I am straightforward and direct when discussing business. This direct-to-the-point communication, um, since we are talking about business, is OK. Whether it is a heated argument or a peaceful discussion, I mean, I am commenting on work, not on the other person.

Interviewer: So, in general, you are straightforward with expatriates, and roundabout and tactful with Chinese?

Informant C3: You must be direct to the point with them (expatriates). Why? It also has to do with your level of English proficiency. Well, when your English is just so-so, there is no way you can discuss your work in a tactful and diplomatic way. So you just do not try to beat around the bush. If you do try, they may not be able to understand what you are trying to say. So it is a waste of time. So I just go straight to the point; once you make yourself understood, that is OK...

Expatriates generally do not perceive the existence of guanxi and in-groups within Western WOFEs. Again, when dealing with Chinese individuals from outside their companies, they have learned to play the guanxi game to a certain degree, even though this is contrary to their Western values.

Informant E4: Guanxi, to me, typifies the well-known Western saying, “It’s not what you know, it’s who you know.” Within our company there is no guanxi. There may be some people who get along with each other very well, but the company is very tightly managed. Of course, externally there is a lot of guanxi. Very much so.

Interviewer: When you first started operating in China, was there more guanxi or less guanxi in your company than today?
Informant E4: Difficult to answer. I would guess there is much less guanxi. People are getting to know more the Western mentality of how the company is run... I can’t really see the benefit of internal guanxi with the company. Maybe a manager will help someone else a little bit more, but overall I think it has very little effect. I certainly don’t see it in our company, but I don’t speak Chinese, so it could be well hidden.

Interviewer: So you are saying that ... in the beginning there was more guanxi within your company; now there is less?

Informant E4: We don’t work to change guanxi. We are a guest in China. We certainly don’t start changing Chinese customs. We have to adapt... But, of course, I think, just from the way we run the company, people will see that there is a different way. There doesn’t need to be guanxi within the company. People will actually be promoted within the company on their own merits, not by who they know or what they know; sorry, by who they know.

Interviewer: When you are working with outside people though, is there a lot of guanxi?

Informant E4: A helluva lot more. It is one of the biggest instruments of doing business in China.

Interviewer: I suppose that’s against Western ethics.

Informant E4: Very much so. To me, it is one of the most disturbing aspects of doing (business) in China. Let me just state before that that, overall China is one of the few places where we are doing lively business. One of the things that disturb me is that.

Interviewer: But you do guanxi—

Informant E4: When in China, do as the Romans do. It works, and it’s acceptable in China, and that’s how a lot of Chinese do business, in Korea as well, to a certain degree. So, yes, there is no point in me just standing firm and just say, “I am a Westerner, I’ll only do things my way.” Of course not, you have to be flexible.

Interviewer: You values actually don’t change. But in here—

Informant E4: Well, let me put it this way. If guanxi means I have to compromise my values, or do anything immoral, or do anything illegal, then I would not do it... I will do my own guanxi to a degree, because I know in China it’s important. But there is a limit.

... 

Informant E4: ... The fact of the matter is, as soon as you take them (government officials) out to dinner, through many ganbeis, things start to loosen up.

Interviewer: And you become—

Informant E4: What they call “friends”. To me, getting drunk with somebody is not being friends, but in China that’s the way it is...
7.3 EMERGENCE OF THE KNOWLEDGE/INFORMATION SHARING PATTERN IN SW-ICCM CONTEXTS IN CHINA

The emergence of the hybrid KIS pattern can be decomposed into two broad stages. At the difference awareness stage, organizational members become aware of the differences in cultural practices with regard to KIS, and try to make sense of and appreciate these differences. At the action formulation stage, they fashion their behavior based on their awareness and understanding of the cultural differences accomplished in the previous stage. This behavior generally cannot be directly predicted from their respective national cultural values, but to varying degrees takes on the cultural characteristics of the cultural other.

In this section, the two stages are discussed separately. However, because in practice they do not exist in a neat, sequential order, and behavior is characterized by recursiveness and continuity, informant experiences are presented and discussed in a third section, so that the holistic and continuous-flow nature of cultural action can be maintained.

7.3.1 Difference Awareness

There are three ways that Chinese and expatriate organizational members can become aware of the differences in KIS styles:

(a) Pre-action learning. This occurs before action is initiated. Many times both Chinese and expatriate organizational members learn the differences even before they first start working with their Western/Chinese colleagues. They become aware of them by reading magazines, or being told by friends, etc. Afterwards, they become aware of the differences in a number of ways. They can be informed in training sessions, or can be told by colleagues at work.

(b) In-action learning. Organizational members realize that there are differences either on their own by comparing their own action to that of others, or are told or reminded of the differences by others. For example, it was when his company could not get into a natural park (to conduct their business), and he heard one of his Chinese colleagues saying that it was because they didn’t have the necessary guanxi to get into the park, that Informant E14 first became aware of the Chinese notion of guanxi. For Informant E5, his first encounter with Chinese attempts at building good interpersonal relationships with coworkers was when, on his first working day in China, he walked into a workshop and was greeted with rather personal comments such as “Oh, you are so handsome!” and “You look so young!”
(c) Post-action learning. This learning either occurs immediately after action is completed, or there may be a time lag between action completion and actual learning. Informant E1’s recollection of his consultation with his Chinese and expatriate friends outside his company represents this type of sense making (Section 6.3.2, Chapter 6).

It is worth noting that, at all stages, consultation with either a knowledgeable colleague or an external friend can help organizational members to quickly become aware of, and understand, the differences in cultural practices between themselves and the cultural other. A good case in point is the culturally knowledgeable HR manager who acted as a bridge between Chinese and expatriate colleagues in Informant C2’s experience (Section 7.3.3 next). For Informant E4, it was his Korean R&D manager that helped him in this aspect:

**Informant E4:** … I was very fortunate that our R&D director is Korean. So he really, um, he is Korean but he is very much Western because he has worked with our company for so long. Like you (the interviewer), he understands both sides of the coin. So he would, a lot of times, explain to me, correct me, or, um, for me it was a very fast learning curve.

### 7.3.2 Action Formulation

The action formulated fall into three general types.

(a) Total Chinese behavior. This happens only with some Chinese organizational members. They formulate their action totally in accordance with their Chinese cultural values. This can happen either because they are not aware of the differences in cultural expectations, or because even if they are, they choose to act according to their long-held Chinese cultural values. Even though theoretically possible, data analysis on this theme reveals that no expatriates were reported to have adopted totally Chinese behavior.

(b) Total Western behavior. This type of behavior occurs with both some expatriates and a few Chinese. For expatriates, this represents their “default context” behavior, which is consistent with their Western cultural values and/or expectations. For Chinese organizational members, however, this entails selecting an action that is in compliance with Western cultural values and/or expectations. There are three possibilities. It is possible that the Chinese member actually prefers Western values and/or expectations, but that this preference is suppressed in Chinese organizations. Joining a WIE removes this cultural suppressor, and therefore his or her choice of action is a natural reflection of his or her “freed values and/or expectations”. Another situation is that, even though the Chinese member holds Chinese values, he or she opts to act in a Western-expected way because Western cultural values hold
the hierarchical high ground, i.e., expatriates generally hold managerial or other key positions, in the organization. A third situation is that many years of working in WIEs leads to changes in the Chinese member’s expectations and/or values. As a result he or she selects an action according to his or her changed expectations and/or values.

(c) Hybrid behavior. In this case both Chinese and expatriate organizational members are fully aware of the differences in cultural expectations between Chinese and Western practices, and somehow find a way to accommodate both expectations in their actions. These organizational members’ values and expectations may or may not have changed.

7.3.3 Informant Experiences

Because of the continuous-flow and holistic nature of organizational members’ workplace behavior, in this section informant experiences are presented that show the entire process (or the most part of it) of the emergence of cultural practices in SW-ICCM contexts so as to appreciate it in a holistic manner.

Informant C1 is a young Chinese professional who first worked in a PCE. After working there for one year, she joined a Western WOFE. She became aware of the differences by pre-action learning. She also represents a case of suppressed values/expectations:

**Informant C1**: Well, it was a rather natural process for me. When I was working in the Chinese company, I was hurt by private sharing, you know, experiences like that. So I actually prefer open exchange of information with colleagues. This is, in fact, one of the reasons why I joined a WIE later on. Because I was told by my friends before my job switch that sharing is more open in WIEs, and that many (Chinese) people prefer to work in an open environment. Therefore after joining (my current employer), I naturally found it very easy to adjust myself to this new context.

**Interviewer**: You mean you actually prefer this (style)?

**Informant C1**: Yes.

Informant C1 represents a somewhat common situation faced by young Chinese professionals. Because of the highly hierarchical nature of Chinese organizations, young professionals that are just starting their careers typically rank the lowest in the organizational pecking order. As Informant E1 observed, it takes longer for Chinese organizational members to develop workplace friendship (Section 7.1.1), let alone become an insider in in-groups that have been formed over tens of years. Because they are at a disadvantage in Chinese organizations, they
naturally prefer the less hierarchical, more open workplace environment offered by SW-ICCM contexts. But such expectations and/or values are suppressed in Chinese organizations.

For Informant C2, it was mainly a culturally knowledgeable Chinese HR manager that helped others become sensitized to the gap in expectations and values, and to bring about the spiraling mutual adjustments in behavior between her expatriate and Chinese colleagues, herself included:

**Interviewer:** You mentioned that your expatriate colleagues tried to be roundabout and indirect when communicating with your Chinese colleagues. How did they find out this difference?

**Informant C2:** I think they may have become aware of this difference before (coming to China), because now there are books published on (Chinese) culture; before coming to China, they are likely to want to learn the characteristics of us Chinese. In addition, our HR manager is a Chinese, and she acts as a bridge (between Chinese and expatriate colleagues). Oftentimes she would talk to expatriates and advise them that, if you do it this way (being direct) with Chinese, many Chinese would feel uncomfortable. A typical expatriate reaction is, “Oh, really? I did not know that!” Then they (expatriates) would start thinking about how to talk with us so as not to make us uncomfortable, and she would also give them pointers regarding how to do it…

**Interviewer:** So they want to be roundabout and tactful.

**Informant C2:** Right. They are also slowly learning. But, I feel that, it is worth praising that they (expatriates) have this, um, this attitude to change themselves because they are working with you.

**Interviewer:** They are open-minded.

**Informant C2:** Right. Also, as I said, our HR manager has played an important role in this process. Sometimes, when expatriates are being too direct and hurt our feelings, she would explain to us that, in fact, they are commenting or critiquing the work you have done, but not you as a person; this is their culture, and you should not be upset over it. Furthermore, some Chinese employees have good ideas about work, but feel uncomfortable to directly go to the expatriate manager and talk it out. She would take these ideas to the expatriate manager on their behalf. It is just like this.

**Interviewer:** This HR manager, what is her background?

**Informant C2:** She is Chinese.

**Interviewer:** Chinese?

**Informant C2:** Right.
Interviewer: Maybe she has extensive experience working with expatriates?

Informant C2: Right…

…

Informant C2: For example, I have an expatriate colleague. He feels that he should praise his Chinese colleagues more often; because you cannot be too direct with Chinese, you should praise them more often. When he does it this way, however, we Chinese become uneasy, and tell him, “Since we are colleagues, you should comment on our work more critically, and point out areas where we can improve upon; but now you are just saying that everything we do is good.” So they often praise us … because they are afraid of hurting our feelings. So we expect them to be direct with us… Because we are all continually adjusting ourselves, but you adjust slower, and we adjust faster—

Interviewer: Over-adjusting—

Informant C2: So we often tell them that they can just be direct with us. But they still think twice before talking to us.

Interviewer: You mean, even now, they are still very careful when talking with us Chinese—

Informant C2: Right. Careful.

Interviewer: Because it was pointed out to him (that Chinese expect criticism), now he will do more than just praise you. Now he will praise you, but he will also point out your shortcomings. Maybe he will be more careful as to how to phrase his criticism?

Informant C2: Right. Another point is that, based on my observation, we Chinese need to encourage them to be more direct with us, because otherwise they will praise us all the time, while at the same time overlook our shortcomings, or only touch on them lightly. However, if you tell them that you want them to be direct with you because you want to further improve your work, once they hear this, they will become more direct (with you). If you do not say anything, they will remain very cautious when talking with you, i.e., be careful, don’t hurt their feelings, praise, and don’t make them lose face…

Informant C2’s experience also demonstrates the highly dynamic nature of mutual adjustments between Chinese and expatriates. In this case the adjustment is based not on their own expectations, but on those of the cultural other. In other words, knowledge of the cultural other’s expectations and/or values is sufficient to bring about changes in one’s own behavior, so that the gap in expectations and/or values can be bridged, i.e., an individual’s behavior can be contrary to his or her own expectations and/or values.
Informant E3 is an expatriate manager in a Western WOFE, while Informants C9 and C12 are his Chinese subordinates in the same company. Informant C9 is an office manager who works directly under Informant E3, whereas Informant C12 is a staff member. The following transcripts reflect their different perceptions of the DOC styles of different organizational members, and of their emerging behavior that helps them accommodate each other. On the one hand, Informant E3 is a person of power, sticks to his Western DOC style and has attempted to make his Chinese subordinates communicate in a direct manner. On the other hand, his Chinese subordinates, after their initial negative reactions to Informant E3’s directness, have come to realize that this is his Western style, and have become accustomed to it. Furthermore, there is variation among the two Chinese subordinates in their own communication styles. While Informant C9 has also changed her style to one of direct communication with Informant E3, Informant C12 still communicates with him in the Chinese style. Both Chinese informants, however, reported communicating with their Chinese colleagues in the Chinese style.

**Informant E3:** Yeah, I definitely had some problems in the beginning. I perhaps could have behaved in better ways, you know, when I look in hindsight, I’d say, you know, I could have behaved more appropriately, you know, part of my learning experience. But rather than me trying to be less direct, I’ve trying to teach them to be more direct, because from my point of view, and it’s the point of view I can use in this situation, it’s that being direct is more efficient. And that could end up being my ignorance of the Chinese culture, and that is, being defined as less direct isn’t necessarily less efficient, it’s something I have to learn how to use. But I can’t. The simple fact of the matter is, I just don’t know how to be (indirect)… I don’t put it down to it that I am changing their culture, because they can walk away from this office and be a different person to what they are in this office. But this is a challenge for them, and they need to learn that, in this environment they need to learn some directness. But that doesn’t mean they have to become more direct overall, just because in this environment it’s more appropriate with more people working, with the potential for so many mistakes, we need to learn to communicate in a direct manner. And that’s the only way I see it at the time being.

**Interviewer:** So they have changed a little bit, being more direct.

**Informant E3:** The senior members have. Yeah, definitely, because they know they have to be (direct); they don’t want to upset me.

**Interviewer:** And you have not changed any—

**Informant E3:** I have… The fact of the matter is, I have to run a business, and I have expectations from people, you know, I am, um, there is no boss in the company, everybody
has to answer to somebody. To say I haven’t changed… I mean, I have described in this
interview a number of ways in which I have changed. But I have not yet found, discovered,
how being less direct benefits… Society, when in a social situation, in terms of politeness, but
the fact of the matter is, in a business situation, if they are not direct, I don’t know what’s
happening; if I don’t know what’s happening, we waste time. And then they get upset
because they have to redo work. Now, they don’t have to be direct in terms of how they feel
about life, or in situations about me as a person, they just need to be direct in terms of the
work they are doing and the way they are interacting with other people on a work level. So I
don’t force them to be direct in terms of their culture or about their societal ways.

Interviewer: Just in terms of work—

Informant E3: This is a job, I need this information, and if you don’t tell me, then none of us,
you know, we can’t move forward. I’ll admit that not everything I do is perfect, but I think in
this office we have come to an understanding that there are a lot of similarities between, I
mean, really when we get to know each other, there are hardly any cultural differences really.
I mean, we are all individuals, we all have desires, dreams, ambitions, you know, I think you
can really break down those cultural barriers. I think they are just surface differences. And we
really do interact quite well, as individuals. But in the office, you know, I am not saying I do
everything perfectly... But I do it the best way I see it, and that’s all I can hope for myself,
and that’s all I can hope for everybody else.

…

Interviewer: … How did you find out that people are indirect? Is it when people don’t tell
you directly?

Informant E3: I think it’s more of a system in the way I ask questions very directly, in such a
way that I can only have a direct answer. And what happens is, I’ve developed this new
method, which may be considered, you know, putting people down. But it’s not. It’s just
simply, if I don’t get the answer I want for the question, I ask the question again. And then I
ask the question again. And so I don’t tell them that they are being indirect, I let them work it
out for themselves. I’d say, “Look, this is the question I asked, and I got a politician’s
answer.” You know, and I ask the question again, and I ask the question again. And they will
answer me directly probably after the third time. So more and more often they are answering
me directly the first time. You know, I try to be sensitive to why they don’t want to answer
the question directly, but, the fact is, I know they are not going to get into trouble, even if
they would feel a little bit apprehensive.

*****
Informant C9: … New members … they do not talk in a direct manner. Gradually we influence each other; new comers see that others communicate directly … they start to learn to communicate this way…

Interviewer: You mean they become aware of the difference by mainly observing others…

Informant C9: Right…

…

Interviewer: Among Chinese members, do they communicate as directly as Westerners? Or are they still not as direct?

Informant C9: … Chinese members are still less direct than Westerners (when communicating among themselves).

Interviewer: How about new comers?

Informant C9: They are the least direct.

*****

Informant C12: … My superior’s communication style is direct. In the beginning, he would directly tell me what problems I had with my work. He would say, “You voice sounds too soft and lacks fullness.” and things like that. He would not try to find a diplomatic, roundabout expression; rather, he would directly tell you his point of view and his attitude. We Chinese, on the other hand, would in this situation say, “You can do better; do it one more time, and you will do better.”

Interviewer: But he just said you did it badly.

Informant C12: Right. He directly told me that he was not satisfied with my performance. And we Chinese would say (in this situation), “Try it one more time.”

Interviewer: Right.

Informant C12: Then, after I made the improvement, he would just say, “I can live with that.”

Interviewer: What was your reaction to his style in the beginning?

Informant C12: In the beginning, I could not take it, and was depressed. Later on, I understood that this is just their style, their practice.

Interviewer: At present, do you communicate with him in a straightforward way?

Informant C12: No. We communicate with him the Chinese way; he communicates with us the Western way.

Interviewer: You mean your own communication style has not changed?
Informant C12: Right. But by now we have become used to his style also. And he has not made an effort to learn out style.

Interviewer: Very interesting.

Informant C12: Right. Very interesting.

Interviewer: What about communication between Chinese employees?

Informant C12: We still do it the Chinese way.

Interviewer: Does the Chinese style impede work flow or efficiency?

Informant C12: No. It doesn’t…

It is worth noting that the two Chinese informants’ perceptions are different. While they both agree that their superior, Informant E3, communicates with them in the typical Western straightforward manner, they disagree on how Chinese members communicate. Informant C9 perceives that Chinese members communicate in a direct manner with Informant E3; they are even very direct, although not as direct as Westerners, when communicating among themselves. Informant C12, on the other hand, perceives that Chinese members are still indirect when communicating both with Informant E3 and among themselves. This shows the variational nature of culture in SW-ICCM contexts. Different organizational members have different perceptions and interpretations of the behavior of their colleagues, and even of themselves.

7.4 A FRAMEWORK OF THE EMERGENCE OF THE KNOWLEDGE/INFORMATION SHARING PATTERN IN SW-ICCM CONTEXTS IN CHINA

In this chapter the theoretical framework is presented in both a static and a processual version. Whereas the static representation shows the dimensions and properties of Hybrid Pattern and the variables that contribute to its emergence, the processual representation helps to delineate the dynamic relationships between Cognitive State and Behavior, and among the cognitive variables themselves.

7.4.1 A Static Representation

Again, as is the case in Chapter 6, the core category emerging is the Hybrid Pattern of KIS in SW-ICCM contexts. As shown in Figure 7-1, the Hybrid Pattern can be described on the Openness dimension, which is concerned with how open KIS is in an organization. Even though it is represented in a dichotomized Open Sharing-Private Sharing configuration, there
are sharing practices that are located in between, as demonstrated by informant experiences presented in earlier sections of this chapter. Furthermore, there are two sub-dimensions associated with the openness dimension. One can be called the Directness sub-dimension, which is associated with open sharing. The other can be regarded as the Purpose sub-dimension, which is associated with private sharing. Again, both sub-dimensions are represented in a dichotomized fashion for the sake of simplicity. Actual behavior can be located on in-between positions. In addition, the relationship between In-Groups Sharing and Face-Saving Sharing needs to be further discussed. Here Face-Saving Sharing refers to a sharing behavior whose sole purpose is to save the other party’s face by avoiding commenting on the latter’s behavior in front of others. In-Group Sharing, on the other hand, refers to sharing among in-group members for the sake of advancing their own interests, which may or may not be at the expense of organizational objectives. In-group sharing may very well include the face-saving motive, but the reverse is generally not the case.

The causal factors include Openness/Directness and Concern for Efficiency from the Western side, and Workplace Friendship and Guanxi/In-Groups from the Chinese culture. These variables together influence organizational members’ KIS behavior in SW-ICCM contexts. In addition, there are three moderating variables, Cognitive State, Preexisting Patterns, and Power Position. Cognitive State will be discussed in more detail in the next section. Preexisting Patterns refers to KIS patterns prior to the establishment of SW-ICCM contexts, most notably in JVs which have inherited managers and employees directly from their Chinese partners. Power Position is concerned with the relative power position of individuals with preference for certain styles. For example, as managing director, Informant 3 used his hierarchical power to make his subordinates accept and adopt his direct communication style (Section 7.3.3).

It should also be pointed out that perceptions and attitudes about a KIS style strongly influence how it is accepted by both expatriate and Chinese managers, especially senior managers. For example, guanxi and in-group sharing are shunned by these managers because they perceive them as having destructive potential in their organizations. In fact, they not only do not adopt this style themselves, but also actively take measures to prevent their subordinates from adopting it. Furthermore, even though they play the guanxi game with external individuals, especially government officials, it is viewed more or less as a “necessary evil”, so to speak, as something that has to be put up with, rather than something they would prefer to do if given a choice.
The DOC styles, on the other hand, are viewed as a mere difference in style. Even though the indirect sharing style is regarded by some informants as less efficient, it is not regarded as having the destructive potential of *guanxi*. Many expatriates adopt this indirect style, to varying degrees, when working with their Chinese colleagues or with external individuals.

**Figure 7-1** A Static Representation of the Hybrid Pattern of Knowledge/Information Sharing in SW-ICCM Contexts

![Diagram of Hybrid Pattern](image)

7.4.2 A Processual Representation

Figure 7-2 shows the process of mutual influence, mutual accommodation, and mutual adjustment between two hypothetical individuals, C (Chinese) and E (expatriate). Only two individuals are involved in the diagram because they are sufficient to illustrate the dynamic process of culture emergence in SW-ICCM contexts. A larger number of individuals, while closer to organizational realities, would make the diagram too complicated to be meaningful. It should also be noted that, the two individuals do not necessarily have to come from opposite cultural backgrounds. Two Chinese, or two expatriates, would also suffice in that no two persons are exactly alike; there are differences even between individuals from the same cultural background.
The key variable in this process is *Cognitive State*. It includes, as conceptualized here, four cognitive elements, each of which can be considered as a variable. Therefore it may be viewed as a “super variable.” The four elements are: (a) *Awareness of Expectations Differences*, which refers to being aware of the differences in expectations between the organizational member and the cultural other; (b) *Awareness of Values Differences*, which is the awareness of the differences in values between the organizational member and the cultural other; (c) *Own Expectations*, referring to the actor’s own expectations regarding what the appropriate behavior is in a certain cultural context; and (d) *Own Values*, which are the actor’s own values as to what is the appropriate behavior associated with a certain issue.

It is important to differentiate between these four variables. A *Value* is “an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence” (Rokeach 1973, p. 5). In other words, *Values* are concerned with what is fundamentally right or wrong regarding behavior; therefore they are context-independent. *Expectations*, as defined in this study, are cognitive rules of behavior that specify appropriate behavior in a certain context; in other words, *Expectations* are context-dependent. Furthermore, in terms of influencing behavior, *Awareness of Expectations Differences* and *Awareness of Values Differences* are action-dependent, because expectations frequently change, as demonstrated by Informant C2’s experience (Section 7.3.3). Therefore an organizational member’s knowledge of the differences in expectations between him- or herself and other members changes accordingly.

As shown in Figure 7-2, the relationship between *Cognitive State* and *Behavior* is a two-way, multi-faceted one. First of all, through action/interaction, an organizational member becomes aware of the differences in expectations and/or values between him- or herself and the cultural other. This awareness not only can lead to changes in the actor’s own values and expectations; it can directly lead to changes in the actor’s behavior as well. The member’s own values and expectations, of course, can also influence *Behavior*.

*Behavior*, on the other hand, can also influence *Cognitive State*. The important point is that, the four cognitive variables need not be consistent among themselves. For example, a Chinese person may communicate in a straightforward manner with a Western expatriate, because his or her expectations in this SW-IJCCM context are that one should be direct in communicating with Westerners. This person’s values regarding this issue may well be Chinese, i.e., he or she would fall back to the indirect communication style when communicating with other Chinese individuals, or in other contexts. Informant C2’s description of the dynamic mutual
adjustments in DOC styles between Chinese and expatriate organizational members (Section 7.3.3) highlights the differentiation between Awareness of Expectations Differences and one’s Own Expectations in terms of influencing behavior. In this case, expatriate expectations were that they should be indirect when communicating with Chinese people, while the Chinese expected a direct style when discussing matters with expatriates. Both Chinese and expatriate expectations had changed compared to their respective national cultural values. However, expatriates tended to switch back to their original direct style, not because it was consistent with their national cultural values, but because they were informed by their Chinese colleagues that this was what was expected of them.

Of course, some management scholars have already conceptualized culture as comprising of multiple elements or layers (Deal and Kennedy 1982; Schein 1985; Trompenaars 1993). However, whereas these scholars implicitly assume that these multiple elements or layers form a consistent whole, it is the view of this researcher that the cognitive variables need not be, and most of the time are not, consistent with each other. Such a conception of internal inconsistency runs contrary to the traditional implicit notion of culture as an internally consistent system (e.g., Gregory 1983). It is this notion of internal inconsistency that is the key to understanding and explaining the emergence of hybrid cultural patterns in SW-ICCM contexts.

7.5 CONCLUSION

Data analysis has again revealed the Hybrid Pattern of cultural practices with regard to knowledge/information sharing to be the main category. Both Western and Chinese cultural factors, along with contextual factors, contribute to the emergence of hybrid knowledge/information sharing practices. Such a hybrid pattern emerges because individuals, both Chinese and expatriate, in SW-ICCM contexts demonstrate varying degrees of flexibility in formulating their behavior, which is often different from what can be predicted by their respective national cultural values.

The most important finding in this chapter is the decomposition of Cognitive State into four component variables, which can all influence and be influenced by behavior. These variables need not be consistent among themselves; but rather, they can contradict one another. This notion of internal inconsistency carries important theoretical and practical implications, which will be discussed in Chapters 9 and 10.
Figure 7-2  A Processual Representation of the Emergence of the Hybrid Knowledge/Information Sharing Pattern in SW-ICCM Contexts
In this chapter, the data on the third theme, *status differentiation (SD)*, will be analyzed. SD refers to the degree to which the difference in status, formal and informal, is manifested both between superiors and subordinates, and among peers. In addition, a sub-theme, *Form of Address (FOA)*, i.e., how organizational members address one another at work, emerged in the initial interviews. Although SD was the intended theme and was actually observed, nonetheless FOA emerged as the major focus. As a result, most of the analysis will be based on data on this sub-theme.

This chapter’s presentation format is the same as in the previous two chapters. In the first part, the cultural differences in SD between China and the West will be discussed, so as to establish a meaningful context for subsequent discussions. In the second and third parts, the hybrid cultural pattern and its emergence in SW-ICCM contexts will be discussed, respectively. In the fourth part, a theme-grounded substantive theory will be proposed, based on the analysis in the preceding parts. Finally, a conclusion will be presented in the last part.
8.1 DIFFERENCES IN STATUS DIFFERENTIATION BETWEEN CHINA AND THE WEST

8.1.1 The Chinese Perspective

The Chinese society is to a large extent hierarchical, i.e., it is characterized by high power distance, while Western cultures are low on this dimension (Hofstede 1980b, 2001b). However, in Chinese organizations, the notion of hierarchy goes beyond just deferring to power. Chinese also respect and defer to people with seniority and/or age. While meritocracy is dominant in Western companies and relatively young executives rise quickly up the corporate ladder (Dulek, Fielden and Hill 1991), and some Chinese organizations are attempting to adopt this Western approach, by and large age and seniority carry more weight in Chinese companies than in their Western counterparts. This is why SD, rather than power distance (Hofstede 1980b, 2001b), for example, is used here to denote this phenomenon, because an organizational member has two types of status—the formal status, which is conferred upon by the organizational chart, and the informal status, which, in Chinese organizations, is derived from age and seniority.

A good indicator of the differentiation of status is FOA, i.e., how organizational members address each other. Chinese address their superiors in the Position-Plus-Family-Name format, such as Manager X, Chief Y, or General Manager Z, where X, Y, and Z represent family names. Informant C3, for example, recalled how subordinates addressed their superiors in the CSOE that he once worked for:

**Informant C3**: For sure I called them *Section Chief So and So*, or *Manager So and So*—this is part of our Chinese customs, and it is only natural (to do so). They would feel awkward if you addressed them just by their names; you would feel awkward, too. On the other hand, in WIEs if you addressed your superiors as *Mr. So and So*, both they and you would feel awkward.

To outsiders this may be an indication of formality. However, it is more a show of respect and deference than anything else. This unconditional obedience to superiors is evident in Informant C1’s reflection on her previous experience in a Chinese organization:

**Interviewer**: Your previous (Chinese) employer, was the relationship very hierarchical?

**Informant C1**: Yes. Whatever our superiors said, we had to absolutely obey…
The way in which non-managerial employees address one another generally depends on their informal status derived from age and seniority. A young person addresses a co-worker who is older as Elder Brother/Sister X, or in the Technical-Rank-Plus-Family-Name format, as in Engineer X or Accountant Y; an older member can call a younger colleague Xiao X, where xiao is the Chinese word for young, implying juniority, and address an older colleague either as Lao X, where lao is the Chinese word for old, implying experience and seniority, or in the Technical-Rank-Plus-Family-Name format. While both Lao X and Technical-Rank-Plus-Family-Name are a show of respect, Xiao X implies that the person is young and inexperienced, and thus ranks lower in the organizational pecking order. Additionally, both of the prefixes Lao and Xiao also denote a Chinese-style term of endearment. Informant C4’s experience as an intern in a private Chinese company is a good case in point:

**Informant C4**: …When I started my internship in that freight forwarder, I called those older than me Elder Brother So and So or Elder Sister So and So…

Chinese people generally do not address each other on a bare first-name basis. Doing so may be construed as bordering on intimacy, especially between members of the opposite sex. In southern China, however, the Ah-Plus-First-Name format is popular, where ah is a Chinese prefix denoting a term of endearment. This format is used among employees of similar age and seniority, or when a superior addresses his or her subordinates.

In addition to the Ah-Plus-First-Name format, a superior can address his or her subordinates in a number of other ways. First, a manager can call his or her subordinate Manager X, if this subordinate is also a (lower ranking) manager. Manager X is often used in formal settings, or in the presence of the subordinate manager’s subordinates, to show formality and respect. The superior can also address this subordinate manager as Lao X or Xiao X, depending on the latter’s age, and they are generally regarded as terms of endearment, implying a close interpersonal relationship between them. For non-managerial subordinates, the manager generally chooses Lao X or Technical-Rank-Plus-Family-Name for older ones, and Xiao Y for younger ones. Occasionally a younger subordinate may also be addressed in the Technical-Rank-Plus-Family-Name format. In the former case, Lao X or Technical-Rank-Plus-Family-Name indicates recognition on the part of the superior of the subordinate’s technical competence and/or age and seniority. In Chinese organizations, age is generally associated with seniority, and thus commands respect from others.

Managers of the same rank can address each other as Manager X to show formality and respect for each other’s position. This often occurs on formal occasions or in the presence of
their respective subordinates. *Lao X* can also be used as a term of endearment among managers of the same rank and of similar age to show close interpersonal relations; in this situation, the *Ah-Plus-First-Name* style can also be used. When the difference in age is large between two managers of the same rank, the older one generally addresses the younger one as *Xiao X*, while the latter calls the former *Lao Y*.

The status-conscious nature of Chinese organizations creates a sense of distance between superiors and subordinates, even if a superior may act like a congenial “big brother”. This is how Informant C7 characterized her relationship with her CSOE superior:

**Informant C7**: But in Chinese companies, you know, I once worked for a Chinese company, my impression is that your superiors want to keep some distance from you… He can try each and every way to show that he cares about you, but you quickly realize that he is behaving like a mandarin.

**Interviewer**: So you feel psychologically distant from him.

**Informant C7**: Yeah. He can say or do many things to show his sincerity, but you do not feel like you are friends.

**Interviewer**: No sense of equality?

**Informant C7**: None whatsoever.

Informant C5 traced the hierarchical nature of Chinese organizations back to the command economy:

**Informant C5**: Yes, of course there are differences in this aspect… In Chinese organizations, the managers, their past experience was in the command economy, which was rather politicized, therefore superior-subordinate relationships were a very sensitive issue. Whatever the superior said had to be obeyed, this was a command economy. In a market economy, I mean, it is still changing, but there are differences. Whatever the Chinese boss says has to be obeyed. This is still largely the case today.

It should also be pointed out that, even though the Chinese society and Chinese organizations are generally highly status-conscious, there is a trend toward less status differentiation, especially among young Chinese professionals.

**8.1.2 The Expatriate Perspective**

In Western organizations, even though hierarchical structures exist, there is generally less differentiation of status, either formal or informal. In terms of FOA, as a reflection of their
low differentiation of status, most of the time, organizational members communicate with one another on a first-name basis; rarely is the Mr./Ms. X form used.

For most expatriates, their appreciation of the difference on this theme is at the FOA level. They are sometimes addressed as Mr. X or Ms. Y, instead of their first names, by their Chinese colleagues. Or, in the case of Informant E2, it was when he addressed his Chinese subordinates by their Chinese first names that he became aware of the difference:

Informant E2: … It’s not Chinese culture to address people by their first names. In fact, they find it very awkward, you know, if you address them by their first names, by their given names… I was like, “Oh, that’s your fist name, OK.” And I called that a few times, and they were like, um, (inaudible).

Interviewer: They didn’t tell you anything—

Informant E2: Yeah. It was kind of their facial expression. Some people did stop me and say, “No, no, no.” Very strange, you can’t do that.

For Informant E12, the appreciation comes from her observation that within her company’s China offices, where all the Chinese employees have overseas experience, people address each other on a first-name basis, and the atmosphere is casual. However, when meeting Chinese clients, it becomes very formal.

Informant E12: … They address each other, and they address, um, I noticed they address employees, whether they are there or not, on a first name basis, but they would always address clients or partners as Mr., whether they were there or not… I noticed that when we attended external meetings with them, it was pretty formal. So I noticed how the Chinese employees addressed their superiors in other companies. That was more formal. And I am not sure that’s always the way they do it, or it’s because we were visiting.

Some expatriates, on the other hand, have come to grips with the difference at a deeper level, which is that of the respect for, and deference to, superiors. Informant E5’s experience with a Korean WOFE in China serves to illustrate this difference, even though in today’s Chinese organizations SD is not as apparent:

Informant E5: But that’s the strange thing about the Koreans. It’s that so many of them demand respect; not COMmand respect, but DEmand respect. There is a (Korean) guy that I once worked for, and it turned out to be a big mistake, you know, that’s why I worked for a

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9 The Korean WOFE’s appropriateness as the research context for this study may be questioned. However, one is reminded of Glaser and Strauss’ “non-comparable” groups (1967, p. 50). In this study, its inclusion enhanced theory development. For more details on “non-comparable” groups, please refer to Section 5.6.2, Chapter 5.
year and then left. He used to, um, when he walked into a workshop, he expected everyone to
know that he walked into the workshop and that all stand up and bow. You know, on the one
hand, he’d be complaining, because people would be sitting there, um, because you were not
sitting there and diligently working; but when he came into the room and they didn’t notice,
because they were too busy working, he would fly into a fit, “Everybody stand up!”’, you
know, and I would just go, “Do what?” ...

Interviewer: That’s kind of strange. I would say, though, we Orientals, you know, like
Chinese, Koreans, Japanese, etc., traditionally we are more or less the same, you know, there
is a very strict hierarchy, people higher up demand and command respect, you have to bow,
etc. But in China we are more or less done with the formalities—

Informant E5: Yeah.

Interviewer: There is still the tradition, but the formalities are gone. I think with the Koreans
and the Japanese, especially the Koreans, they are still there. Again that depends on the
person, but more or less they are still there.

Informant E5: I think at least in parts of Korea, they cannot operate successfully if they
don’t observe these protocols. This is slightly different in China. I’ve known some Koreans
who’ve come and work here, they never want to go back to Korea again, because they just—

Interviewer: So relaxed—

Informant E5: Yeah, so comfortable. And they can see that in so many cases, it’s so false—
how can I perform this act which tells this person that I respect him when I don’t? If a Korean
says, “Oh, well, he is a nice guy, and I really respect him”... but he is not allowed to do that.
He can only judge on whether he is older, or holds a higher position.

Interviewer: Yeah, seniority and age—

Informant E5: You know, even if I think he is an absolute idiot, but I still have to give him,
you know, walk out of the room backward, with my head between my legs.

Interviewer: We were like that, too—

Informant E5: But that was a long time ago—

Interviewer: About one hundred years back. But not today.

As the transcript above indicates, the differentiation of status in Chinese organizations is not
as dramatic as with their Korean counterparts, but it is there. And this is often carried over to
SW-ICCM contexts by Chinese employees. For example, in Informant E4’s Western WOFE,
one Chinese manager always stands up to greet him when he walks into the office, even
though that manager has been told not to do so:
Informant E4: There is still one manager who will, every time I walk into the room, will stand up… But otherwise—

Interviewer: You still, you told him not to do so many times?

Informant E4: Yeah.

Interviewer: And he, it’s a he, right?

Informant E4: Yes.

Interviewer: He still stands up?

Informant E4: Yeah. I think it’s ingrained in him. So there is no point carrying on telling him; if he wants to do it, then just let him do it.

Interviewer: … Why do you think he is acting like this?

Informant E4: I think probably his upbringing, his experience in past companies.

Interviewer: Is he young?

Informant E4: Yeah, he is relatively young…

For Informant E2, the way his subordinates behave toward him is more subtle, but the difference is discernible:

Informant E2: In the States it’s a little bit more relaxed… In China, what I’ve found is that there, um, the way they would show respect to their boss, or the way they would accept their subordinate role, is very specific. But in my experience, Chinese do. So they don’t want to look at you directly, you know; they’ll kind of put their head down a little bit. Um, they’ll also quiet down; you have to ask them very direct questions. In the US, the culture is obviously different in this regard. When somebody, um, when you have to put that manager-subordinate position on somebody, with some people, the tendency is, of course, a lot of people, when you go to work in the US, they want you to be the pal. And there is not so much that strict relationship; they will control that if you let them. So it’s something you have to instill in them at the beginning that you are the boss, you are the one making the decisions… But in China it’s a little bit easier in that regard, because if you are a manager, especially if you are a foreigner, when you come in, they understand that relationship very clear.

Informant E7 works in a Taiwanese WOFE. His staff position and his employer’s Chinese ownership give him a rare opportunity to observe the differentiation of status in Chinese organizations, which is not available to other expatriates who work as managers in WIEs:

Informant E7: People in power are allowed to talk more. People who are not sure of their power between each other will try to cut each other off. They’ll try to assert themselves...
They will actually try to have their voice heard first, if they are not sure of their rank with the other person. So there is kind of a power struggle there… Within that circle of people who are friends, there is no, um, it doesn’t matter. I don’t think there is a big subordinate-superior, um, I don’t feel that…

Informant E7’s observation not only reflects the extent of SD among organizational members in Chinese companies, which is demonstrated by the fact that superiors are allowed (and expected) to talk more, and members of the same rank vie with each other for their voices to be heard first, but also highlights the implications of personal circles (i.e., workplace friendship) in the workplace, which have been discussed in Chapter 7. In this instance, SD is not apparent among those who are friends, i.e., who are members of an in-group.

### 8.2 THE PATTERN OF STATUS DIFFERENTIATION IN SW-ICCM CONTEXTS IN CHINA

#### 8.2.1 Superior-Subordinate Relationships

The General Situation on Status Differentiation

In WIEs, Chinese informants generally reported a sense of being treated as equals and with respect by their expatriate superiors. Informant C2:

**Informant C2**: … When I first started working (in my first WIE employer), my superior shared an office with us. This is very different. Our superior was very nice. Sometimes when our computers did not work, he would come over and help restart them. He joked that he was our computer technician. So we felt being treated as equals.

**Interviewer**: Not much hierarchy?

**Informant C2**: No. Our superior himself also wanted to have a close working relationship with his subordinates, without a sense of hierarchy. I think maybe this is their (expatriate) leadership style… My feeling is that there was no distance between us and our superior. I did not feel any pressure from him. Maybe this has to do with his personality, but I think it also has to do with their leadership style.

Informant E2 is a middle-level manager in a Sino-US JV that is located in the countryside. His relationship with other JV managers is rather relaxed because his direct superior is in the US. However, he is aware that power struggles exist. The power struggles may well result from status-conscious individuals trying to assert their status, as shown in Informant E7’s observation of a Taiwanese WOFE (Section 8.1). Informant E2:
Interviewer: How do you characterize you relationship with your colleagues? I mean, with everybody, your colleagues, your subordinates, your bosses. Is it hierarchical, or is it more, um, relaxed?

Informant E2: For me it’s a bit more relaxed, um, within my company. So, um, I think that has to do more with the fact that I answer directly to the US, you know, I don’t have a boss in China. In fact, even the country manager in China, his boss in the US, I don’t answer to him, either. My chain of command goes up beside them, and we don’t intercept until much higher at the executive level. So with me it’s a little bit easier, you know. I’ve got to report to my boss in the US. So when I am dealing with people over here, when I am dealing with other TYN people over here, I don’t get as much the, um, I don’t get put into the pecking order quite as much, you know... But I do know (inaudible). So there is a lot of—

Interviewer: Hierarchy?

Informant E2: Yeah, power struggles here and there.

Within Informant E2’s own department, on the other hand, he wants to have a less hierarchical, more relaxed atmosphere. However, because of the location of his JV in the countryside, the influence of tradition is stronger than that in Chinese cities, especially in coastal cities, initially his subordinates treated him as their boss, and behaved toward him accordingly. For example, they would not speak up to him unless specifically asked; or they fell silent in the middle of a discussion among themselves when he passed by. After his efforts to reach out to his subordinates, they feel less restrained, and as a result are more open toward him; but they are still not as relaxed toward him as in an American organization. (The part of Informant E2’s interview transcript that relates to this discussion is presented in Section 8.3.1 next.)

Informant E2’s experience is corroborated by that of Informant E11, who is a station manager at a farm operated by a European company. There are both older, less educated Chinese workers and younger, better educated Chinese staff in the farm that he supervises. While Informant E11’s farm workers treat him like a boss, his young staff generally behave toward him on an equal basis.

Interviewer: ... How would you characterize your relationships with your Chinese coworkers in terms of hierarchy? Do they treat you like somebody high up there, or do they treat you more or less as an equal?

Informant E11: It depends on the situation. Young Chinese treat me more like an equal, but the older people treat me like the boss. I think it’s because of the Chinese culture, somebody higher than you, you treat him like that. Of course, I try to treat them more equally ... so that
they will be more open to me. If you behave like a boss, they listen to you, they accept what you say, and they do what you say. This is not what I want. I want to make them think; think themselves, and find solutions themselves, because when I am not here, when I am traveling, or something, things can go on, they can think for themselves how to deal with things, and don’t depend on me. So the first thing I started was to start to make people think for themselves.

**Interviewer:** So the older people, they now treat you more as an equal?

**Informant E11:** ... The farmers really treat you as a boss. My communication with the farmers is less than with the farm manager; he is responsible for the farm and the greenhouse. I am not communicating with the farmers directly, I am communicating with the farm manager on the issues, and he then communicates with the farm workers. Most higher people are young, and the lower people are the older people. The workers still see me as a boss, not an equal. But the higher people see me more like an equal now.

### Form of Address

There is much variation in FOA among Chinese and expatriate organizational members in SW-ICCM contexts. In English, Chinese informants generally address their superiors (expatriate and Chinese) by their first names. Of course expatriates often tell their Chinese subordinates to address them this way. Some of them, however, do not mind being addressed otherwise. Informant C7:

**Interviewer:** How do superiors and subordinates address each other in WIEs? Do they call each other by their first names or—

**Informant C7:** First-name basis, they call you by your first name in WIEs.

**Interviewer:** Even when you address your superiors?

**Informant C7:** Right. Without their positions (or titles)... No matter how old he is, if you call him *Mr. So and So*, he will tell you not to call him that way, just call him by his (first) name. Even very old expatriates are like this.

For Informant C3, the language in use signals which FOA applies. When English is spoken, the Western first-name style is used; when the language switches to Chinese, however, the Chinese styles are selected:

**Interviewer:** How do you address your superiors in the WIE?

**Informant C3:** When I first started working there, my direct superior, the finance section chief, was a Chinese. So I called him *Chief Cai* (in Chinese) because his family name is *Cai*. 
The then CFO was also a Chinese from Shanghai, so we called him Manager X (in Chinese). This has to do with the language you use.

**Interviewer**: What happened when expatriates became your superiors later on?

**Informant C3**: We don’t (do it in the Chinese way). If you address an expatriate in the Chinese way, it just doesn’t feel right.

**Interviewer**: Doesn’t feel right?

**Informant C3**: Right. Just call them directly by their first names, Francis, for example. You cannot add a title to this name and… It doesn’t feel right…

However, older, less educated Chinese individuals generally prefer to address expatriate managers in the traditional way. In the case of Informant E11, for example, the older farm workers address him as Zhan Zhang, which is Chinese for Station Manager. Young, better educated subordinates, however, just speak to him on a first-name basis. And this is consistent with how they behave toward him in general, as already discussed in Section 8.2.1.

**Interviewer**: How do employees address you?

**Informant E11**: Young people just call me by my (first) name, and the ground manager still calls me Zhan Zhang.

**Interviewer**: Excuse me, what’s that?

**Informant E11**: Zhan Zhang, Station Manager.

**Interviewer**: Oh, yes.

**Informant E11**: The older people, the farmers, they always call me Station Manager. They use the Station-Manager-Plus-My-Name combination.

**Interviewer**: So they called you like that in the beginning, and continue like that—

**Informant E11**: Those people are. The other people, they just call me by my name…

**Interviewer**: So the young people called you in the traditional Chinese way in the beginning, but now they just call you by (your first) name?

**Informant E11**: Most of the young people I’ve employed myself. The other people were already working there before I came. To the young people, I just told them that my name is Ron, and they don’t have to use my title. Because they are younger, it’s easier for them to address me like that, just by name.

**Interviewer**: Have you ever tried to tell the other people, the older people, “You can just call me Ron?”
**Informant E11:** I really didn’t do it. The ground manager, yeah, I told him. But he still calls me like that.

**Interviewer:** How do you address your Chinese coworkers? You call them by their first names also?

**Informant E11:** I use their sir names. The people younger than me I call them *Xiao (plus sir name)*, the people older than me I call them *Lao (plus sir name)*.

When addressing their Chinese subordinates, expatriate managers, in addition to their English first names, also use other FOA styles as they see appropriate, when communicating in English. Informant E3 calls his subordinates either by their English first names, or their Chinese full names, both when communicating in English:

**Interviewer:** … How do you address each other at work? *Mr.* —

**Informant E3:** No. No *Mr.*, no sir… Everybody calls me Chris. I’ve never asked anybody to do it any other way. And that’s the same; everybody calls everybody else by their names. I try to use their Chinese names when I can remember it.

**Interviewer:** And you also address the Chinese employees by their first names?

**Informant E3:** Yes.

**Interviewer:** Their Chinese first names, and also their—

**Informant E3:** It’s a matter of what I get used to. Most people, I call them by their Chinese names, which means their last names plus their first names, this is actually the way Chinese people do it. Actually that’s almost everyone, um, but there is one Chinese person, whose Chinese name I had difficulty remembering in the beginning, although I remember it now, I am just used to her English name. And, the fact is, everybody else seems to use her English name too. But, yeah, I am happy to call people by their full Chinese names.

**Interviewer:** See, that’s the thing. When you, say, address people in English, you use their English first names. But when you address people in Chinese, you use their full names.

**Informant E3:** Yeah, that’s exactly what I use. Because I have enough experience of the Chinese language that I don’t try to relate it to English. So I relate it to the concept. If somebody says, um, if I say “What is your name?”, and if they say “Li Gang,” I call them *Li Gang*. Because that’s exactly what they tell me their name is. I don’t try to break it down into first and second.

Expatriate managers in JVs generally try harder than those in Western WOFEs to accommodate the Chinese way of doing things. Informant C8, a Sino-Western JV HR manager, related how expatriate managers—some are her superiors and others her peers—
address their Chinese subordinates or peers in English. In this case, the Chinese employees
are addressed in the traditional Chinese manner even when English is the language in use:

Interviewer: How do expatriates address their Chinese colleagues (in English)?

Informant C8: It is different… Take me for example, they call me Madam Wu. They would
address a male manager as Manager Zhang, for example…

When the language switches to Chinese, Chinese managers in WIEs are addressed in the
Chinese way by their Chinese subordinates, as already indicated by Informant C3’s
experience presented earlier in this section. This pattern holds even with expatriates who have
adopted Chinese names.

Informant C1: In our everyday work, we do not call them Manager X or boss, as is the case
in Chinese organizations; in WIEs we call them directly by their (English first) names. This is
what they recommend (we do)... But, most of us, when addressing our direct superiors in
Chinese, we generally choose to use Manager Zhang, Manager Wang, etc. Sometimes we
would jokingly call them boss…

Informant C2: We call them directly by their (English) first names. It is part of their
culture … We never call our Chinese superiors directly by their first names (in Chinese). It
just does not feel right.

Informant C5: … Expatriates like to call you by your first name, (but) they (Chinese) like to
say “General Manager So and So is here.” Some expatriate managers have Chinese names, so
some people address them by their official positions plus their Chinese names… We are all
learning to accommodate each other.

Non-managerial expatriates who have Chinese names are also addressed by superiors and
peers in the appropriate Chinese style. Informant E8 adopted his Chinese name Daming,
which is similar to his English name in pronunciation, but is also compliant with the Chinese
pronunciation style. He adopted this name when he first started working in China, and it has
been used ever since by his Chinese colleagues:

Interviewer: … How do the Chinese address you?

Informant E8: Um, just by my name. They usually call me by my Chinese name, Daming,
because they have problems with Damien. To the average Chinese, you know, three syllables
is a bit confusing.

Informant E7 also has adopted a Chinese name, Ah Dan, in the same fashion as Informant E8.
(The Chinese Ah-Plus-First-Name combination is discussed in Section 8.1.) In addition, he
has more latitude when addressing his Chinese colleagues, because they expect him, being a foreigner, to behave differently from the Chinese:

**Interviewer:** … Do people address you as Daniel, or Mr. A?

**Informant E7:** Usually Ah Dan. H. Ah Dan is my Chinese name; Daniel A\(^{10}\) is my name, so I changed it to H. Ah Dan.

**Interviewer:** How do you address your Chinese colleagues?

**Informant E7:** … Sometimes I say Mr. or Mrs., (and) their last names; sometimes I call them by their first names. And that’s just, um, if I am in a more relaxed mood or not…

**Interviewer:** So you get different reactions?

**Informant E7:** I have not… I think most people take it for granted that I am from a different culture, and some small little things aren’t going to be the same, and they are not going to pay much attention to that.

Informant E5’s subordinates also address him in a number of ways. Because he has been intensely teaching his subordinates sophisticated work skills, he is regarded as a teacher, a *shifu* (master). In addition, Informant E5 justified his acceptance of being called *sir* or *shifu* on the ground that it is recognition of his professional achievement, and his role as a teacher to his coworkers. It can thus be inferred that Informant E5’s *values* with regard to FOA have changed from low SD to high SD, because he thinks it is right for people to call him *sir* or *shifu*.

**Informant E5:** Most of them call me *sir*, actually. It’s a little bit strange… I think that’s something that comes from me being their teacher. And the relationship very much starts like that. I teach them, I teach them very intensely. I give them huge amount of knowledge, and analytical ability that they probably had thought I never had before. I am very much their teacher, and also *shifu*, which in trade, um, so they call me *sir*. A couple of people, one of them isn’t my student, he is actually a student of a student of mine, but he is very good at his job. And, you know, there is no disrespect, but he just calls me Simon.

**Interviewer:** When they call you *sir*, you never told them, “You can call me Simon?”

**Informant E5:** Yeah, I did. But they just ignore me.

**Interviewer:** Now you sort of get used to it?

**Informant E5:** Yeah…

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\(^{10}\) To maintain the anonymity of the informant, his English and Chinese last names are abbreviated as A. and H., respectively. The same measure is taken with other informants.
Interviewer: But when people address you as sir, or shifu, or whatever, and you think that’s all right?

Informant E5: Yeah. Whatever they want to do is fine. And I mean, I can’t—

Interviewer: I mean you told, you said you actually told them a few times not to do that, but they just ignored you.

Informant E5: Yeah. I think if you, um, it’s very difficult to talk about those things because you start sounding like you are above people or something like that. But I think if you’ve got yourself into a position in life where you are the master of something … and more importantly, you are in a position to give that knowledge to people, knowledge that they wouldn’t be able to find themselves, then you have to accept to some extent that, yes, OK, I am a different kind of person, I have some kind of different value, and I should be pleased that people give me that nod, and saying, “Yeah, mate, you are cool.” You know, that kind of thing.

As demonstrated by the preceding discussions, both expatriates and Chinese organizational members show flexibility in addressing others, and in being addressed by others, in different ways. This flexibility helps them cope with the different expectations of others in their respective organizations. For example, for Informant C5, CFO at a Sino-US JV, his flexibility in FOA helps him accommodate expectations of both Chinese and expatriates. Furthermore, his experience also highlights the role of expectations in guiding behavior in SW-ICCM contexts:

Informant C5: In the beginning, expatriates liked to call each other by their first names, we do not have this tradition. Expatriate superiors liked to be called by their first names, so I did just that… But with Chinese bosses, you need to respect the tradition, call him by, um, well, his official position, like General Manager So and So. This will accommodate both sides’ expectations. Chinese are not used to being called by their first names… In my department, each person has both a Chinese name and an English name, so I generally call them by their (English) first names. Of course, I tell them to call me by my (English) first name as well.

Informant C5: … Factory workers, however, they still stick to the Chinese tradition, and address you as Manager So and So.

Informant C5: They (the factory workers) are like, take me as an example, I tell them to call me by my first name, but they still address me as Manager So and So. Of course it does not
make a whole lot of difference to me. If they like to address me by my official position, that is fine.

Furthermore, there is a differentiation between internal and external contexts. When working with people from outside the company such as customers or government officials, the Chinese FOA styles generally apply, to both the superior and the customer. This phenomenon is already highlighted by Informant E12’s observation (Section 8.1.2). Informant E14’s strategy is to address external individuals the way they introduce themselves (Section 8.3). This is largely due to the fact that, as is the case with guanxi and indirect communication when dealing with Chinese individuals outside the organization, the influence of expatriate managers stops at the boundary of the organization; they cannot use their hierarchical power to influence external Chinese individuals to adopt the Western first-name FOA. Informant C2:

**Interviewer:** If you meet a customer, an expatriate manager from another company, do you also address him or her on a first-name basis?

**Informant C2:** Yes.

**Interviewer:** Suppose your customer is a Chinese manager from a Chinese company—

**Informant C2:** Of course I will call him Manager So and So. If I do not know my customer well, even if that customer is an expatriate, I will call him Mr. So and So. Only when I know him well, and we have become friends, I will address him directly by his first name.

For Informant C4, the Chinese styles even apply when addressing her own superior in front of clients. Doing so shows to the status-conscious Chinese clients that their business is highly valued because a person with status is attending to them:

**Interviewer:** Manager X is never used?

**Informant C4:** Generally no. Only when in the presence of people from outside the company, when we visit our customers, for example, will we address our superiors in the Chinese way. Within our company, we always call our superiors by their first names.

**Chinese Informants’ General Attitude toward Low Status Differentiation**

Chinese informants generally prefer the low-SD environment in WIEs, because they feel being treated as equals, and there is a sense of closeness between them and their expatriate colleagues. They generally understand the differences in this theme between expatriates and Chinese. Informant C2:
**Interviewer**: Did you ever have a feeling that this is not right? Or did you ever have an uncomfortable feeling toward this?

**Informant C2**: … Culturally I think it is different. Their way of addressing each other reflects a notion of equality and freedom.

**Interviewer**: Compared to the practice in Chinese organizations, do you think this is good?

**Informant C2**: I like this way of addressing each other by first names. I like it very much. But I am not sure, it may feel strange if we Chinese do it this way (in Chinese).

However, they are well aware that, in spite of the apparent equality and downplaying of status, their superiors’ authority is still to be expected. In addition to Informant C7’s reflection presented below, this point is also demonstrated in Informant E2’s recounting of his efforts to make his department less status-differentiated (Section 8.3.1).

**Informant C7**: It depends on how you see it. In doing your job you have to show him, your boss, respect. You must respect him. You should not behave like you do not listen to him. This is a big no-no. Because at work he is the boss, there is no question about it. But outside work, he gives you the feeling of being friends. He can even discuss personal things with you. Just like friends… I once even told my boss that I was approached by head hunters, and he told me some head hunters had also approached him, and how he thought about whether to stay or leave. In Chinese companies you cannot do this; you should never discuss this issue with your boss.

…

**Interviewer**: Which way do you think is better, first name, or *Mr. So and So*?

**Informant C7**: It is kind of awkward with *Mr. So and So*…

**Interviewer**: … But *Mr. So and So* shows—

**Informant C7**: *Mr. So and So* creates distance.

**Interviewer**: So you do not think it is a good idea to feel distant (from them).

**Informant C7**: They also like you to (address them on a first-name basis).

…

**Interviewer**: Regarding the two superior-subordinate relationship styles, which do you think is preferable?

**Informant C7**: I think the style (in WIEs) makes you open up about your own feelings (toward your work and career plans); (the style in) Chinese companies constrains or suppresses you, you dare not freely express what you think, nor tell your superiors what is
truly on your mind, nor treat them as your friends, because you do not know what is on their minds, neither do you know how they think of you, nor who is in their personal circles.

**Interviewer:** Right.

**Informant C7:** Not only dare you not tell him (your superior), but also dare you not tell others.

### 8.2.2 Peer Relationships

#### The General Situation on Status Differentiation

The relationship between peers in WIEs is also relaxed, and organizational members are not status-conscious. Informant C7, for example, feels the relationship between her and her peers is relaxed, and there is no feeling of distance:

**Interviewer:** What about the situation between colleagues? I use colleagues to include both colleagues from your own department and from other departments, including managers senior to you but who are not your direct superiors. Is the relationship also relaxed?

**Informant C7:** Right. Basically, regardless of whether or not you have interacted with them in private, as long as you are discussing work with them, you do not, in discussing work, you do not get a feeling of distance, even if you have never met them before.

#### Form of Address

Consistent with the relaxed relationship between peers in WIEs, Chinese organizational members generally address each other on a first-name basis in English, and in the Chinese way when Chinese is the language of communication. For Informant C1, Chinese colleagues of the similar age can occasionally address each other directly by their Chinese first names, without any prefix:

**Interviewer:** Another point I would like to discuss with you is how you address each other at work, between peers and between superiors and subordinates…

**Informant C1:** We address each other directly by our names.

**Interviewer:** Directly by names. You mean directly by your first names, not your last names, i.e., names like *Tom*, right?

**Informant C1:** Right.

**Interviewer:** First names. You are talking about English first names, and not Chinese first names, right?
Informant C1: Yeah.

Interviewer: Do you call each other by your Chinese first names?

Informant C1: Occasionally.

Interviewer: Oh?

Informant C1: Yes… Sometimes we call each other directly by our (first) names, especially between colleagues of similar age.

Colleagues of Informant C2 sometimes address her as Elder Sister Haiyan, or just Haiyan, because she likes others to address her by her first name in Chinese. As discussed in Section 8.1, the bare first name form, i.e., Haiyan in this case, is generally not often used in northern China, because it may be interpreted as bordering on intimacy, especially between members of the opposite sex. But among Chinese organizational members who are very close, or who are about the same age and of the same gender, it can be used.

Interviewer: Among your Chinese colleagues, you address each other by your English first names. How do you address each other in Chinese?

Informant C2: When we address each other in Chinese, we go by things like Xiao Li, etc. Of course we never address our Chinese superiors in such a casual way…

Interviewer: So this is how you address each other in your company…

Informant C2: First of all, I don’t have an English name. Our company is not very large, and I have been working here for quite some time. So those who joined later than I call me Elder Sister Haiyan—it is a tradition in our company to address a female coworker who is older than yourself as Elder Sister X. When I hear that, I always tell them to directly call me Haiyan. So I have colleagues who were born in the 1980s and call me Haiyan. In fact, I like it this way.

Interviewer: So in the beginning they called you Elder Sister Haiyan, but later on they just call you Haiyan.

Informant C2: Yeah. But some of my colleagues prefer Elder Sister Haiyan, so these people still call me that way.
8.3 EMERGENCE OF THE STATUS DIFFERENTIATION PATTERN IN SW-ICCM CONTEXTS IN CHINA

8.3.1 The General Situation on Status Differentiation

Expatriate managers in WIEs generally bring their Western low-SD style to their respective SW-ICCM contexts. As will be discussed in Section 8.3.2, they generally first come to notice the difference when they are addressed differently by their Chinese colleagues. However, their further awareness of the status-conscious demeanor of their Chinese colleagues can also come in other, and sometimes less conspicuous forms. Informant E2’s experience presented below is a good case in point. However, it is interesting that his reading of his Chinese subordinates’ high-SD demeanor towards him is that they are shy and introverted. Furthermore, once he noticed the difference, Informant E2 set out to cultivate a low-SD atmosphere within his own department. However, because of his JV’s location in the Chinese countryside, and also because of his own personality, it took quite some efforts on his part:

**Interviewer:** Within your department, though, how about your subordinates? How do they treat you? Treat you as a boss?

**Informant E2:** Yeah. And I think some of them, like I said, some of them are still a little bit shy, and they really don’t want to come to me with stuff. I’ve got some new people, and I am just trying to get them into the group a little bit. So I try to get to them, you know, I know they won’t, they are not going to come to me. It’s something I’ve got to be very proactive about. But once I realized that, um, because I am not naturally a very, um, I don’t really reach out and make friends; I don’t really do that. I always think I always have friends no matter where I am, but I am not the type go out and, “Hey, how you doing? Let’s be friends!” So it’s something that I’ve learned that it’s particularly important to do over here, um, in my job over here. So I am trying to do that.

**Interviewer:** … How did you first find out that, you, as their boss, have to reach out and say, “Hey, I am, um, your friend?”

**Informant E2:** Because, well, I’ve noticed that, generally speaking, with my experience working with Chinese, the people who I work with are quite introverted. I mean, you can tell, um, you just see that in people. You know pretty well straight off, whether somebody is introverted or extroverted. But in China, when at work, I am dealing with people, um, there’ll be groups of guys talking, you know, in the break room, or whatever. Then when I walk by, and people fall silent. I don’t even look at them, you know, I’ll just walk by and (inaudible). So—

**Interviewer:** How do you make sense of that? I mean, what do you think is going on there?
Informant E2: I think they are just shy. If I go over there, um, if I walk by their group, especially if they are spread out, you know, they’ll kind of stop. And that’s something I’ve picked up over a little while. Plus, we also give a lot of, um, once an employee gets to the manager level, because we try to promote from within as much as we can, once they reach the management level, or when we bring people in from the outside, we give them a psychological profile (test). So the results of the tests indicate that people are strongly introverted. It’s something I kind of knew at the back of my head all along, um, but once we started to give them the test, that just kind of verifies that. So, once I found that out, through my experience, as I said earlier, I didn’t really have the, you know, the—

Interviewer: Natural tendency to do that.

Informant E2: Right.

Interviewer: But you realized you have to?

Informant E2: Right. After a while, I mean, you’ve got to pull people in.

Interviewer: And it has worked, right?

Informant E2: Absolutely.

Interviewer: Your subordinates’ behavior has changed?

Informant E2: Right.

Interviewer: Now they are more open with you?

Informant E2: Right.

Interviewer: … Do you still treat you with respect, because you are the boss?

Informant E2: Yeah. And it doesn’t take much for me to, um, like even if we are sitting around chatting, it doesn’t take a whole lot for me to, um, get that (superior-subordinate) structure back in place. You know what I mean? Even when they are in a relaxed mood, I can turn it very quickly, and turn on the boss, you know, and they will react accordingly. So they are relaxed around me a little bit more, but it’s not a, you know, “you are my pal” kind of relationship, which is the way it should be. You know, you can feel free to relax, but you work for me.

As shown above, a low-SD atmosphere is emerging in Informant E2’s own department because his subordinates are more open to him than before, which can be further corroborated by some of them addressing him as Lao Mai, a Chinese-style term of endearment (Section 8.3.2). However, a comparison of his description of the emerging pattern within his department with that in the US (Section 8.1.2) undoubtedly indicates that the differentiation of status is still high compared to that in US organizations because, as Informant E2 indicated,
he still can turn on the superior-subordinate structure very easily, even though it is low compared to that in Chinese organizations.

For most Chinese employees, however, adapting themselves to this low-SD style in the workplace is relatively smooth. This is in part because, as already discussed in Section 8.2.1, they generally prefer the low-SD work environment in SW-ICCM contexts. As a result, once they become aware of the difference and understand expatriate expectations, the change in their own behavior generally occurs naturally.

How do Chinese organizational members become aware of the differences in SD? In addition to being told by some expatriates about their expectations as discussed in Section 8.2, and by their expatriate managers attempting to change their behavior as shown in Informant E2’s experience presented above, they also come to notice the difference by observing others in the workplace. Terms such as “saw”, “watched”, “looked around” are the oft-cited ways to describe their learning process. Furthermore, they also had learned the Western practice with regard to SD before working in WIEs. Informant C6, recalling his experience in working with his superior, related:

Interviewer: … In the beginning, did you also discuss things with your boss—?

Informant C6: No. In the beginning, I was afraid of speaking up.

Interviewer: So you behaved in the traditional (Chinese) way. He is the boss, whatever he said, you would just do it.

Informant C6: Right. But now, if I think what he says may not be totally correct, then I will speak up to him. It is OK to do so, because we are discussing work. This is OK in our company.

Interviewer: How did this change take place? Was it—?

Informant C6: I looked around. I watched how others do it.

Informant C3’s learning is a result of his willingness to work for WIEs, which led him to learn Western ways before starting his WIE work, of being told directly by his expatriate superiors, and of watching his colleagues at work:

Interviewer: How did you switch from the Chinese style to the Western style?

Informant C3: First of all, I myself wanted to work in WIEs. Because of this I had this desire to learn and change. It is just like this. So, um, also I had heard how it is like in these companies …
Interviewer: How do your Chinese colleagues act in this regard, did their behavior influence yours?

Informant C3: Yes, of course. You look around to see how others do it.

8.3.2 Form of Address

Because of its more apparent nature, Chinese employees are generally aware of the difference in FOA even before they first start working with their Western colleagues, e.g., when they studied English in college, when they read books or magazines or watched TV programs, or when they were told by family and friends. However, this generally does not automatically lead to their change to first-name communication. This change generally takes place after they are told by expatriates to address them this way, or by observing others at work. Often this change is rather quick, as in the case of Informants C1 and C2, even though for some it may be a bit slower, as with Informant C7. Informant C1:

Interviewer: Please recall, when you first started working in your (WIE) employer, how did you act in this aspect?

Informant C1: When I first started working (there), I was very careful, and of course I addressed them (her superiors) in the Position-Plus-Family-Name format. But when I saw others do it this way (speaking on a first-name basis), plus the cooperative teamwork atmosphere, (it) made me feel very relaxed, and that guarded mentality of mine was gone, so my change (to speaking on a first-name basis) was very quick and natural.

Interviewer: You watched others do it this way—

Informant C1: Right.

Interviewer: So you followed their example and changed (your behavior).

Informant C1: Right. It feels very comfortable this way.

Informant C2 learned the Western style both before starting her WIE work, and by watching others in the office:

Interviewer: … How did you react to this situation in the beginning?

Informant C2: I learned a bit of Western cultures when I studied English (in college)—(they speak to each other) on a first-name basis, sometimes even kids talk to their parents this way. It was a bit of a surprise to me… Also, people have this strong ability to imitate others. When
I saw my colleagues speak to them (expatriates) on a first-name basis, it was only natural for me to do it this way as well.

For Informant C7, the process was a bit slow, but in the end she did change to first-name communication:

**Interviewer:** Initially, when you first started working in WIEs, how did you address them?

**Informant C7:** Certainly I called them *Mr. So and So*.

**Interviewer:** Then they would tell you—

**Informant C7:** Right. They would say… First I did not do it (as they told me to), but gradually I learned to… Also because I heard how others address them, and I learned from them.

**Interviewer:** Learned from others?

**Informant C7:** Right.

Informant C3, however, observed that expatriates do not always tell others to address them on a first-name basis. This leads to diverse ways in which they are addressed by their Chinese colleagues:

**Interviewer:** Did anybody give you a hint as to how to address your superiors?

**Informant C3:** … Yes. When my expatriate superior first started working with us, some of my colleagues called him *sir*. But he told us to address him directly by his first name. Of course not every expatriate would tell you to do so. Some expatriate managers would not say anything if you call them *sir*, they would not tell you not to do so.

**Interviewer:** You mean they are flexible, however you address them, it is OK.

**Informant C3:** Right. However you address them.

This shows that, in a cross-cultural environment, people are very tolerant in terms of accommodating behavior that is contrary to their own values and expectations. By not telling his or her Chinese coworkers to address him or her in the Western way, the expatriate is essentially saying, “OK, that’s not how I would do it. But your way of doing it is fine with me.”

As already discussed, for expatriates, the first signal of differences generally emerges when they are addressed in the Chinese way by their Chinese colleagues. Sometimes it occurs when expatriates address their Chinese colleagues in the Western style, and get unexpected reactions from them, as Informant E2 did (Section 8.1.2). Or in the case of Informant E4, one
Chinese manager always stands up to greet him when he walks into the office, even though he has been repeatedly told not to do so (Section 8.1.2). Still for others, the awareness and appreciation of the differences come from talking to a trusted Chinese person, as in the case of Informant E6, who consulted his Chinese business partner about FOA:

**Informant E6:** When I address my employees with their Chinese names, um, they like it to be the full name…

**Interviewer:** How do you know they like (to be called) their full names? Do they tell you? How do you become aware of that?

**Informant E6:** I talked with my partner, and asked him, “How do we do this?” And he said that the full name is the best to do… So I use the full name, sometimes only their given names.

**Interviewer:** So you do both, first name and full name. And you partner is a local person, a Chinese?

**Informant E6:** Yeah.

In terms of addressing each other among Chinese and expatriate organizational members, a rather diverse pattern exists, as discussed in Section 8.2. As shown in informant C3’s experience presented above, this plural pattern results from the willingness of expatriates to vary their style of addressing others according to the expectation of others, and to accommodate being addressed by others in different ways. Informant E2, for example, after finding out it is not appropriate to address his Chinese subordinates by their first names (Section 8.1.2), related how he has come to be flexible in dealing with this situation:

**Interviewer:** They didn’t tell you anything—

**Informant E2:** Yeah. It was kind their facial expression. Some people did stop me and say, “No, no, no.” Very strange, you can’t do that (addressing people by their first names).

**Interviewer:** Did they tell you that you can address them like Xiao Wang, Xiao Zhang, or—

**Informant E2:** Yeah. But then a lot of people take on Western names, Western first names. But that’s totally up to them. If they want people to address them as Jason or Mary, you know, then they can come forward, you know, you can give them one, but how they use it, it’s up to them. We don’t impose that (practice).

**Interviewer:** How about other people? How do they address you? Just call you Matt?

**Informant E2:** Yeah, um, most of them call me Matt. I do get some Lao Mai. So there is some, um, (it) just depends.
Interviewer: Nobody addresses you as Mr. F.—

Informant E2: No. At first there were a few cases of that. But I stopped that.

Interviewer: Or Manager F.?

Informant E2: … No.

Informant E2 is called Lao Mai by some of his subordinates, which supports the conclusion that, as discussed in Section 8.3.1, a low-SD atmosphere within his own department is emerging, because, as discussed in Section 8.1, the Lao X combination is a Chinese-style term of endearment between colleagues of the same status, or when a superior addresses his or her subordinates, but not the reverse. The name Mai is a pronunciation-based translation of his English first name which conforms to the Chinese pronunciation style.

Expatriates with extensive work experience in China are aware of the pluralism in terms of addressing each other among Chinese. Therefore they fashion their FOA style to meet the expectations of others by addressing them the way they introduce themselves. Again this behavior shows that awareness of others’ expectations alone is sometimes sufficient to lead to behavioral changes. Informant E14:

Informant E14: When I first meet someone, they usually first introduce themselves, and I usually return the compliment with my name. If they say, “I am Mr. Smith.” Then I say, “I’ll call you Mr. Smith.” until he corrects me. It’s the same with Chinese, if they say, “I am Mr. Lai.” then I’ll call, um, I have a Chinese client called Mr. Lai, he’s always been called Mr. Lai.

Interviewer: And he likes that?

Informant E14: He never said to call me by anything else.

8.4 A FRAMEWORK OF THE EMERGENCE THE STATUS DIFFERENTIATION PATTERN IN SW-ICCM CONTEXTS IN CHINA

In presenting the theme-grounded theory in this section, the same approach is adopted as in Chapter 7, i.e., it is presented in both a static and a processual version. Whereas the static representation shows the dimensions and properties of the main category, and the causal and moderating factors of the emerging Hybrid Pattern, the processual representation helps to delineate the dynamic relationships between Cognitive State and Behavior, and among the cognitive elements themselves.
8.4.1 A Static Representation

As is the case with the previous two chapters, the core category is the Hybrid Pattern of SD in the SW-ICCM workplace. Figure 8-1 shows a static representation of this hybrid pattern. It is hybrid because it takes on both Chinese and Western cultural characteristics. It can be described on two dimensions: the Equality dimension, and the FOA dimension. The former is concerned with the overall demeanor of organizational members toward each other with regard to status in the workplace. This can be reflected in the degree to which organizational members defer to those with higher formal or informal status when discussing questions, making decisions, etc. Even though it is schematically represented as either high or low, in reality it varies continuously across space and changes over time. Informant C2’s experience presented in Section 8.2.1 can be characterized as a High Equality situation, while that of Informant E2 presented in the same section can be regarded as a Low Equality situation.

The FOA dimension, on the other hand, is characterized by a myriad of discrete types. While First Name, Ah + First Name, and Full Name are styles that denote low differentiation of status, the remaining styles signify high differentiation of status. The Elder Sister/Brother + First Name combination shows recognition of the informal status derived from age/seniority. Mr./Ms. + Sir Name and Position + Sir Name, on the other hand, are types that show respect for and deference to individuals holding managerial positions, especially superiors. In addition, Technical Rank + Sir Name indicates respect for and deference to those with technical titles, such as engineers.

The causal factors include the overall Low-SD Values of Western cultures, and Company Policy in the case of some Western businesses with regard to first-name communication. The latter, of course, is strongly influenced by, and therefore not totally independent from, the former. These factors contribute to the low-SD drivers of the emerging Hybrid Pattern. The Chinese culture, on the other hand, provides it with the high-SD momentum, which includes its High-SD Values, and the Command Economy Legacy, with the former being the major casual variable.
Furthermore, there are three moderating factors, *Cognitive State, Language in Use,* and *Power Position.* *Cognitive State* refers to the state of an individual’s cognition with regard to the cultural characteristics, including both cognition and behavior, of him- or herself, and, more importantly, of others with whom he or she collaborates in the pursuit of organizational objectives. It has multiple components, and will be discussed in detail in the next section. *Language in Use* is a new variable discovered in the analysis of the SD theme. It refers to the language being used in the communication among organizational members. As reported by several Chinese informants (Section 8.2), when English is used, the Western *First Name* style of address is used; whereas when the language of communication is Chinese, the Chinese styles of address are chosen. *Power Position,* as defined in the previous chapter, refers to the relative power position of individuals, which undoubtedly moderates the relative influence of the Chinese and Western causal variables. For example, when dealing with external Chinese individuals, the Chinese FOA styles are chosen even by expatriates. This shows that while expatriate managers can use their hierarchical power to influence their colleagues’ behavior within their respective organizations, their “spheres of influence”, however, stop at the
organizational boundary, because external Chinese individuals, especially government officials and clients, not only are not subject to the expatriate managers’ hierarchical power, but also hold more power, though not in the hierarchical sense, relative to expatriate managers.

8.4.2 A Processual Representation

The processual representation is shown in Figure 8-2. The relationship between Cognitive State and Behavior is multifaceted and complex. First of all, Cognitive State is conceptualized here as a “super variable” that consists of three component variables. Values and Expectations refer to an organizational member’s own cultural values and cultural expectations, respectively. As defined in Chapter 7, Values are behavioral guidelines that are context-independent, whereas Expectations are context-dependent. Furthermore, Difference Awareness is occasion-dependent in terms of influencing Behavior.

The three cognitive component variables can all influence Behavior, while at the same time they are also conditioned by it. (Figure 7-2 shows, in a hypothetical two-person situation, how the Cognitive State variables and Behavior mutually influence each other.) Therefore this multi-variable breakdown of cognition departs from the traditional conceptualizations of culture, where it is either explicitly stated, or implicitly assumed, that only values and/or other stable cognitive elements guide behavior. In the processual conceptualization presented here, in addition to the relatively stable Values, both Expectations, which are context-specific, and Difference Awareness, which is occasion-specific, can also influence, and be influenced by, Behavior. Thus an expatriate may address a Chinese person as Manager X, because he or she knows that this is a Chinese high-SD way of addressing others, and this knowledge can be acquired through interaction with his or her Chinese colleagues in SW-ICCM contexts, and/or through Behavior-Independent Learning, such as reading books and magazines, or participating in training sessions, etc. Through ongoing interaction with his or her Chinese colleagues, such knowledge and understanding become the expatriate’s own cultural expectations in SW-ICCM contexts. Given a choice, the expatriate, because of his or her low-SD cultural values, would most likely prefer to address a person on a first-name basis. However, because of his or her acquired cultural expectations in SW-ICCM contexts, changes occur in his or her way with regard to how to address others. Therefore, in terms of influencing Behavior, Expectations are context-specific.

An example of the mutual conditioning between Difference Awareness and Behavior is an expatriate addressing a Chinese person in the way the latter introduces him- or herself, e.g.,
Informant E14 addresses one of his Chinese clients as Mr. Lai because that was the way the latter introduced himself (Section 8.3.2). In this situation, the expatriate’s behavior was directly conditioned by that of the Chinese person, from which the former learned of the difference (Difference Awareness), which directly led to changes in the former’s own behavior.

Again, the key point in the processual representation of the emergence of the hybrid cultural practices is that the cognitive variables themselves can be different from each other, which allows individuals in SW-ICCM contexts to adopt behavior which can be different from what can be predicted by their respective national cultural values. This is accomplished by formulating behavior contingent upon the context, or upon the specific behavior of the cultural other.

**Figure 8-2 A Processual Representation of the Emergence of the Hybrid Status Differentiation Pattern in SW-ICCM Contexts**

8.5 CONCLUSION

*Hybrid Pattern* again has emerged as the main category in the analysis of data on status differentiation. This corroborates the findings in the previous two chapters. Both Chinese and Western cultures contribute to the emergence of hybrid cultural practices with regard to status differentiation. Furthermore, contextual variables have been found to moderate the influence of cultural variables on Behavior. A new contextual variable is *Language in Use*, which
affects the selection of form of address among Chinese organizational members in SW-ICCM contexts.

The processual representation is better developed than that in the previous chapter. It has not been presented as a hypothetical two-person situation as in Chapter 7, and a new cognitive variable, Difference Awareness, has been conceptualized that includes both Awareness of Expectations Differences and Awareness of Values Differences, the two variables that were used in Chapter 7. The purpose of this is to simplify the diagram so as to show the major characteristics of the dynamic process of the emergence of hybrid cultural practices in status differentiation in a theoretically more meaningful way.

The most theoretically significant point of the processual representation is, again as in Chapter 7, the existence of internal inconsistency among Values, Expectations, and Difference Awareness. This inconsistency allows for flexibility in behavior formulation without losing one’s own national cultural identity in SW-ICCM contexts.
In this chapter, the substantive theories grounded in theme data developed in the preceding three chapters will be integrated to arrive at a formal theory of culture emergence in the SW-ICCM context. As with the substantive theories, the resulting formal theory is also middle-range in scope, because it is not intended for areas outside the SW-ICCM context.

As discussed in Chapter 5, formal theory development takes two forms. First, it can be based on substantive theory grounded in one substantive area, i.e., it is a single-area formal theory. The GT researcher achieves this by “omitting substantive words, phrases, or adjectives,” or “rewriting a substantive theory up a notch” directly to formal theory (Glaser and Strauss 1967, p. 80). An alternative way is to synthesize substantive theories developed from more than one substantive area, thus resulting in a multi-area formal theory. It is apparent that a multi-area formal theory is more robust in terms of generalizability than a single-area one (Glaser and Strauss 1967).

In this chapter, the formal theory generated is a multi-area one because it is based on the three theme-grounded substantive theories generated in the preceding three chapters. It is also a two-part theory, comprising of both a static and a processual representation. In addition, this researcher’s own life experience has also contributed to the elaboration of the formal theory, which is the case with the substantive theories generated in the preceding three chapters as well (Glaser and Strauss 1967). The formal theory will also be discussed and further
elaborated in the context of the relevant extant literature and the conceptual scheme proposed in Chapter 3.

9.1 THE FORMAL THEORY

9.1.1 A Static Representation

The static framework of the emergence of the hybrid culture in the SW-ICCM context is shown in Figure 9-1. Again the core category is the Hybrid Pattern of cultural practices that emerges in this context. The variables that contribute to the emergence of this pattern include Chinese Cultural Values, Western Cultural Values, Chinese Contextual Factors, and Western Contextual Factors. The specific Chinese or Western cultural values that contribute to the hybrid cultural practices depend on the theme. Contextual factors, on the other hand, are those that exist in the SW-ICCM context. They include Western contextual variables WIE Policy on the themes PC (Chapter 6) and SD (Chapter 8), and Concern for Efficiency on the theme KIS (Chapter 7). From the Chinese side, these contextual variables include Concern for Pay Equity (PC, Chapter 6), Workplace Friendship (PC, Chapter 6; KIS, Chapter 7), and Command Economy Legacy (SD, Chapter 8). These contextual factors are, to varying degrees, influenced by the Western or Chinese cultural values, and therefore are not totally independent from them.

The Hybrid Pattern of emergent cultural practices in the SW-ICCM context can be delineated on two dimensions, Variational Continuity and Organizational Status. As demonstrated in the preceding three chapters, the implication of the highly dynamic nature of culture emergence in the SW-ICCM context is that cultural practices vary not only across space and over time, but also across individuals or groups within the same time-space setting. For example, within the same SW-ICCM organization at the same time, the myriad FOAs may be used concurrently and in parallel by organizational members. Therefore, Variational Continuity is an important dimension in describing culture in this context. It is concerned with whether a certain cultural practice varies continuously or discretely within a range, of which the Chinese and Western cultural practices are at either end. Most of the cultural practices studied in this research, e.g., FOA, vary by discrete types, while continuous distribution is relatively rare.

The other dimension is Organizational Status, which refers to a cultural practice’s status in relation to the organizational policy or organizational attitude (as reflected in management attitude towards it). A cultural practice falls into one of three loci on this dimension. It may be
officially sanctioned. Examples of this type include keeping pay confidential and communicating on a first-name basis. Another cultural practice, on the other hand, may be located at the other extreme, and be officially prohibited. Sharing pay information and playing *guanxi* within organizations are examples of this type. Finally, there are other cultural practices that are neither officially sanctioned nor prohibited, but naturally emerge during the course of collaboration among organizational members in the SW-ICCM context.

As discussed in Chapter 3, a static representation of culture is “snapshot” in nature, because culture evolves continuously over time, changes across space, and even varies within the same time-space setting. Therefore, one must bear in mind, when attempting to represent the content, or substance, of culture, that such a representation reflects only a snapshot of the relevant cultural practices of a particular group of individuals in a particular time-space setting. However, in the formal theory presented in this chapter, no attempt is made to represent the content of the emergent culture. (This has been done in the preceding three chapters.) Rather, the two dimensions just discussed are concerned with the *form* that the emergent cultural pattern takes in its ongoing, dynamic evolution.

**Figure 9-1  A Static Representation of the Hybrid Cultural Pattern in SW-ICCM Contexts**
9.1.2 A Processual Representation

The Duality between Cognition and Behavior

Culture can be viewed as a dynamic duality between cognition and behavior. Even though cognition generally is not explicitly mentioned in the oft-cited classic definitions of culture, however, the centrality of values or other equivalent terms in them (e.g., Kluckhohn 1951; Kroeber and Parsons 1958; Kroeber and Kluckhohn 1963; Triandis 1972) and in the major definitions in management and organization studies (e.g., Hofstede 1980b; Deal and Kennedy 1982; Schein 1985; Hofstede 1991), as discussed in Chapter 2, presumes cognition. Furthermore, Downs (1971), in defining culture as a “mental map” and as a “cognitive model”, explicitly discussed the importance of cognition in the functioning of culture:

Our learned behavior is, in the final analysis, a product of how we think about things—our cognition (p. 35).

As the review in Chapter 2 revealed, there is disagreement regarding the role of behavior in culture in the oft-cited definitions (Kroeber and Kluckhohn 1963), ranging from non-inclusion (e.g., Kroeber and Kluckhohn 1963, in their own view, p. 305), to a peripheral role where it is shaped by cognition (e.g., Kroeber and Parsons 1958; Downs 1971), and to a role equal in importance to that of cognition where cognition is viewed as a product of behavior, and as a conditioning factor for future behavior (Kroeber and Kluckhohn 1963, in summarizing earlier definitions, p. 357).

As discussed in Chapter 3, this researcher takes the position that behavior is an integral element of culture; culture in fact is the process of the dynamic interplay between cognition (Yin) and behavior (Yang). Culture comes into being from the continuous interactions of group members; in these interactions cultural values form and/or are modified, and find their expression as well. Cognition and behavior are inseparable. Cognition only makes sense in the context of human interaction; in reality it can not exist independently of human behavior.

The Multiple Elements of Cognitive State

The processual representation is shown in Figure 9-2. It is essentially the same as Figure 8-2. Figure 7-2, in fact, provides a more detailed depiction of the dynamic relationships among the different Cognitive State elements and Behavior in a hypothetical two-person situation. However, Figure 7-2, while being more detailed, runs the risk of being too complicated to parsimoniously present the main thrusts of the formal theory. Therefore a simplified version
presented in Figure 8-2 has been selected for the final presentation in the formal theory. Even though the major elements of the processual representation have already been discussed in Chapter 8, the discussion that follows is more detailed, and more systematic.

As discussed in Chapters 7 and 8, Cognitive State is regarded as a “super variable”. In the formal theory presented in this chapter, it is conceptualized to comprise three component variables, Values, Expectations, and Contingencies. Here Cognitive State is used instead of cognition, because, as will be made clear by the subsequent discussions in this chapter, it is the state of one’s cognition that influences one’s behavior, and consequently, one’s ability for intercultural adaptation. Furthermore, Cognitive State can be regarded as another core category that emerged more slowly than Hybrid Pattern. Its emergence can be traced along the path of theory development in the preceding three chapters. In chapter 6, a single representation of culture emergence was presented as a theme-grounded substantive theory, in which Cognitive State was treated as a moderating variable. Starting in Chapter 7, however, the theme-grounded substantive theories were conceptualized into two versions, the static representation and the processual representation. Concurrent with this dual-representation conceptualization, Cognitive State started to emerge as a core category, and the demarcation between Cognitive State and Hybrid Pattern became clear as well. While Hybrid Pattern was the core category in the static representation of culture emergence, Cognitive State became the core category in its processual representation. Furthermore, its theoretical elaboration became more refined and more parsimonious along the path of theory development in the preceding three chapters. In Chapter 6, Cognitive State was conceptualized to consist of Unawareness, Awareness, Understanding, and Acceptance (of the cultural other’s behavior, expectations, and values, and consequently of the differences between oneself and the cultural other). In Chapter 7, it was conceptualized to comprise Awareness of Expectations Differences, Awareness of Values Differences, Own Expectations, and Own Values. In Chapter 8, Awareness of Expectations Differences and Awareness of Values Differences were collapsed into one variable, Difference Awareness. In addition, Own Expectations and Own Values were simplified into Values and Expectations, respectively, because the processual framework was presented from a one-person perspective. Finally, in this chapter, Difference Awareness has been changed to Contingencies to better reflect an individual’s cognitive effort to fashion his or her own behavior according to the behavior and/or expectations of the cultural other.

Therefore, in the processual representation of the formal theory proposed in this chapter, which is very similar to that proposed in Chapter 8, Cognitive State is conceptualized to include three component variables, Values, Expectations, and Contingencies. The three
Cognitive State component variables differ in terms of their scope of saliency in influencing behavior. Values and Expectations refer to an organizational member’s own cultural values and cultural expectations, respectively. As already discussed in Chapter 7, Values are behavioral guidelines that are context-independent, whereas Expectations are context-dependent. Furthermore, Contingencies are occasion-dependent in its mutual-conditioning relationship with behavior.

Figure 9-2 A Processual Representation of the Emergence of the Hybrid Cultural Pattern in SW-ICCM Contexts

Values

Value, as defined by Rokeach (1973), is “an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative modes of conduct or end-states of existence” (p. 5). In the SW-ICCM context, national cultural values, as revealed in the analysis of the preceding three chapters, are apparently salient. As discussed in Chapter 3, national cultural values are those that one comes into contact with in early life. Since one’s cognition is blank at birth, national cultural values become enduringly imprinted into one’s cognition by repetitive interactions with members of the same national culture. And they are generally concerned with what is fundamentally right or wrong with regard to behavior (e.g., Rokeach 1973). Therefore, national cultural values can be regarded as one’s “default” set of rules of behavior, which is deep-seated in one’s cognition and most resistant to change, and national culture becomes one’s “default” context. The notions of a “default”
set of rules of behavior and a “default” context can be understood from two perspectives. Firstly, for a person who grows up in a highly homogeneous national culture, especially one that is tight (Gelfand, Nishii and Raver 2006), and never has been exposed to other cultures, the “default” values and “default” context become his or her universal values and universal context, respectively, because this individual is not aware of the existence of other cultures and other cultural contexts. To this person, there is only one set of behavioral rules which prescribes appropriate behavior. Secondly, for a person with multicultural experience, national cultural values are “default” in that, when asked how something should be done without specifying a context, he or she would most likely subconsciously formulate their behavior according to their national cultural values by implicitly presuming their national cultural context (i.e., their “default” context)\(^\text{11}\), because these values are their deep-seated “default’ rules of behavior.

**Expectations**

As briefly discussed in Chapter 7, *Expectations*, as defined in this research, are cognitive rules of behavior that specify appropriate behavior in a particular context. As such they are context-dependent or context-specific. *Expectations* are acquired throughout one’s life when working and/or living in a cultural context other than his or her “default” one. In this research, the SW-ICCM context is one that is different from the “default” contexts of both Chinese and expatriates, who develop their rules of behavior appropriate for this particular context in the course of their collaboration. As the analysis revealed in the preceding three chapters, these *Expectations* are different from the group members’ national cultural values, and yet at the same time bear varying degrees of resemblance to them (i.e., a hybrid pattern). A context does not need to be as broad or inclusive as the SW-ICCM context. A particular WIE, for example, is also a cultural context within which Chinese and expatriate organizational members jointly develop *Expectations* concerning appropriate behavior that are specific to this context.

There are three more points that are worth noting. Firstly, within a single context, there may exist multiple, sometimes even mutually inconsistent, *Expectations*, both at the group level and at the individual level. For example, in terms of FOA, both Chinese and expatriate members have multiple rules that apply in this context. Chinese members generally address others on a low-SD first-name basis when communicating in English, while the high-SD Chinese styles are chosen when Chinese is the language of communication. In the case of expatriates, Informant E11, for example, speaks to his younger, better educated Chinese

\(^{11}\) In fact, this argument forms the basis of this researcher’s criticism of Hofstede’s (1980a, 2001) questionnaire survey methodology. Please refer to Chapter 3 for more details.
colleagues on a first-name basis, while addresses his older, less-educated farm workers in the *Lao/Xiao-Plus-Family-Name* style (Chapter 8). These different FOA styles reflect the different expectations at work in the same context. Thus, there are a myriad of (oftentimes inconsistent) expectations concurrently existing both in a person’s cognition, and in a group, which vie for efficacy in guiding behavior.

Secondly, one may conceivably argue that, from an individual perspective, a person with exposure to multiple cultural contexts may develop multiple sets of expectations, each of which is appropriate for a corresponding specific context. For example, even though evidence in this study is concerned with culture emergence in the SW-ICCM context only, it can be logically inferred that, if a person who works in the SW-ICCM context later chooses to work in the Sino-Japanese ICCM context, he or she will develop yet another set of expectations specific to that context. Overall, this person has two sets of expectations, one for the SW-ICCM context, and the other for the Sino-Japanese ICCM context; whichever set of expectations is at work depends on which context this person is in. This point is especially relevant in lieu of increasing globalization and growing ranks of “transpatriates” (Boyacigiller et al. 2003, p. 128) in today’s world; it provides a mechanism for individuals to cope with cultural contexts that are different from one another and from their own “default” contexts.

Lastly, as implied in the preceding two points, a person’s Expectations and Values need not be consistent; in fact, most of the time they are not. They can even contradict each other. In a cultural context that is different from one’s “default” context, Values are generally held back in the cognitive background, while Expectations take precedence in guiding appropriate behavior. This notion is also important in understanding how and why individuals formulate behavior in ICCM contexts that cannot be predicted from their respective national cultural values.

*Contingencies*

*Contingencies* refer to situations where one becomes aware of the Behavior, Expectations, and Values of the cultural other, and hence of the differences in these aspects between oneself and the cultural other, and then formulates one’s own behavior not according to one’s own Values or Expectations, but to the Behavior, Expectations, and Values of the cultural other. Examples of Contingencies alone influencing behavior include Informant E14 addressing one of his Chinese clients as *Mr. Lai* because this is the way the latter introduced himself (Chapter 8), and Informant C2’s experience concerning the dynamic pattern of DOC between her Chinese and expatriate colleagues (Chapter 7). In the latter case, her expatriate colleagues
initially learned of the difference in DOC between Chinese and expatriates, and then changed their behavior to speak indirectly with their Chinese colleagues. This indirect communication style persisted whenever the expatriates spoke with their Chinese colleagues, showing that an Expectation has emerged in their cognition specific to this context. (Their Chinese colleagues, similarly, developed their own Expectations specific to this context, which are, when speaking with their expatriate co-workers, a direct communication style should be used.) The expatriates changed their behavior to direct communication again, however, when told by their Chinese colleagues of their desire for direct communication. This shows that the awareness of the difference in Expectations—in this case, the expatriates expected indirectness to be appropriate, while the Chinese expected directness—alone can influence behavior, while the expatriates’ own Expectations were held back in their cognitive background. Furthermore, this shows that, in terms of influencing behavior, Contingencies can also be, and frequently are, inconsistent with one’s own Expectations.

Unawareness, Awareness, Understanding, and Acceptance

As mentioned earlier in this section, Cognitive State was conceptualized to include Unawareness, Awareness, Understanding, and Acceptance in Chapter 6. In this section, their relationship with the three component variables is briefly discussed. First of all, Unawareness and Awareness are subsumed in the Contingencies variable, because one’s state of awareness of cultural differences can be considered as a precursor to this variable. Secondly, Understanding becomes part of Expectations in that, once an individual understands the Values and Expectations of the cultural other, and the differences thereof, between oneself and the cultural other, it will likely lead to a corresponding change in one’s own Expectations concerning appropriate behavior in the particular cultural context. A change in Expectations without understanding is highly unlikely. Finally, Acceptance can be regarded as part of Values. Again, it is conceivable that one’s own Values may change because one actually accepts the Values of the cultural other. An example of this is some of the Chinese informants’ preference for open KIS (Informants C1 and C7, Chapter 7).

Progressive changes in Cognitive State

As Figure 9-2 shows, the relationship between Behavior and the Cognitive State variables, and among the latter variables themselves, is dynamic and multifaceted. First of all, there is a mutually conditioning relationship between each Cognitive State variable and Behavior. Of course, as discussed in Chapter 3, Behavior always means interaction. As far as humans are concerned, there is no solo action; interaction among group members, rather, is the key
feature of human groups. In the SW-ICCM context, organizational members jointly make sense of their ongoing interactions, which may first lead to a change in *Contingencies*, i.e., from being not aware of their cultural differences to awareness, and then to formulating their own behavior contingent upon this awareness. Thus change in *Contingencies* in itself can lead to changes in behavior, as already discussed previously in this section. It can also lead to a change in *Expectations* in the following manner. If the changed behavior caused by a change in *Contingencies* is performed repeatedly and with various group members, and positive feedback is received, this positive feedback will lead to the emergence of a changed *Expectation* that corresponds to appropriate behavior in this context. In addition, understanding the cultural differences between oneself and the cultural other also helps the emerging change in *Expectations*. Therefore *Contingencies* and *Behavior* jointly lead to the change in *Expectations*. *Contingencies* serve as a precondition for, and enhance, the change in *Expectations*.

Secondly, a similar relationship exists among *Behavior*, *Expectations*, and *Values*. Again an *Expectations* change serves as a precondition and enhancer of a change in *Values*. Of course, by definition, *Values* generally do not change. However, as demonstrated by the experiences of several informants, both Chinese and expatriates, changes in *Values* can occur. In the SW-ICCM context, the changed *Expectations* and the corresponding changed *Behavior* mutually reinforce each other, because they are appropriate for the context. It is conceivable that, after a long period of time repeating the (context-specific) appropriate *Behavior*, and thus reinforcing the corresponding *Expectations*, one comes not only to understand the differences, but also to accept the *Values* underlying such behavior and *Expectations*, thereby leading to a change in *Values*.

Thus, there is a progressive pattern in the changes in one’s *Cognitive State* that result from interactions with the cultural other in the SW-ICCM context. The easiest to change are *Contingencies*, because they are occasion-dependent. *Values*, on the other hand, are the hardest to change. *Expectations* lie between the two extremes, because they are context-specific, i.e., they change with context.

“*Sketch maps*”, *cultural know ledgeability, and cultural knowing*

The notion of *Expectations* as context-specific cognitive rules guiding behavior is similar to “*sketch maps for navigation*” (Frake 1977, cited in Boyacigiller et al. 2003, p. 121). The “*sketch maps*” represent cognitive structures that guide organizational participants in ICCM settings (e.g., Kleinberg 1989). However, the notion of “*sketch maps*” is primarily concerned
with the content of the emerging culture. It does not specifically mention its context-specificity, even though this may have been implicitly assumed.

Two other related concepts are cultural knowledgeability and cultural knowing. Knowledgeability refers to the degree to which one knows the specific situational factors impacting on social behavior in a given time-space setting. Therefore, knowledgeability is located temporally and locally, and is rooted in the practices in a specific context (Giddens 1984). Furthermore, Weisinger and Salipante (2000) used the term cultural knowing to further reflect the importance of knowing how to go on with activities, i.e., knowing the right practice for the right time. It can be seen that the concepts of cultural knowledgeability and cultural knowing are similar to Contingencies in the formal theory proposed here. However, cultural knowledgeability can also be considered as similar to Expectations, because no differentiation is made between context- and occasion-specificity.

9.2 FURTHER ELABORATIONS

9.2.1 Expectations and Contingencies as “Shock Absorbers”

The multi-variable breakdown of Cognitive State in the processual representation of culture emergence proposed in this study stands in stark contrast to the traditional value-centered conceptualizations of culture, where it is either explicitly stated or implicitly assumed that behavior is guided by values and/or other stable cognitive elements (e.g., Malinowski 1931; Kluckhohn 1951; Down 1971; Hofstede 1980b, 1991; Deal and Kennedy 1982; Schein 1985). It provides a mechanism for individuals from different cultural backgrounds to accommodate and adapt to each other in a particular cultural context, e.g., the SW-ICCM context, in their pursuit of common organizational goals.

While culture shock is often experienced by individuals who move to and operate in an entirely different cultural and social environment (Oberg 1960; cited in Walton 1990), the two Cognitive State variables proposed in this study, Expectations and Contingencies, can be regarded as “shock absorbers” that cushion and mediate the stress and frictions caused by the new cultural environment by accommodating the cultural other’s behavior and/or adjusting one’s own behavior. In the SW-ICCM context, it is apparent that both expatriates and Chinese experience stress to varying degrees, because this context is different from their respective “default” ones.
Metaphorically, the traditional “values-determine-behavior” conceptualizations of culture can be thought of as a “single-carriage train” in which cognition (values) and behavior are tightly coupled (e.g., Hofstede 1991). In such a metaphorical situation, it is inevitable that conflicts and stress would result when individuals from different national cultural backgrounds work side by side in today’s ICCM contexts. Such a result would be predicted, for example, according to Hofstede’s (1980b; 2001b) five national cultural dimensions. However, one should not stop at merely predicting cultural clashes in ICCM contexts. Rather, efforts should be made (and have been made by some scholars, as discussed in Chapter 2) to investigate and theorize on how individuals in today’s ICCM contexts successfully work together despite these seemingly daunting differences in cultural values.

In the multiple cognitive component conceptualization of culture proposed in this study, on the other hand, culture can be envisioned as a multi-carriage train (Figure 9-3). The carriages in a multi-carriage train can experience lateral movements relative to each other so as to cope with bumps and turns in the tracks. Similarly, as already discussed in the previous section, Values, Expectations, and Contingencies can be, and often are, inconsistent among themselves in terms of influencing behavior in the SW-ICCM context. In other words, they are not tightly coupled. Rather, they are loosely coupled, or even decoupled at times. The loose-coupling and/or decoupling among these variables, therefore, provide culture with stability on the one hand, and allow room for change and adaptation on the other.

**Figure 9-3  Culture as A Multi-Carriage Train**

Such a conceptualization, therefore, renders a holistic, balanced perspective on culture. On the one hand, individual behavior in ICCM contexts is frequently different from what can be predicted from one’s own national cultural values, because Contingencies or Expectations take precedence over Values in influencing behavior. In this situation, one’s national cultural values need not change; rather, they are just held back in the cognitive background, and remain dormant, so to speak, in terms of guiding behavior. On the other hand, national cultural values sometimes do become dominant, overriding Expectations and Contingencies in guiding behavior. In fact, this is why the Hybrid Pattern of cultural practices is one of the
core categories of culture emergence in the SW-ICCM context, because while *Expectations* and *Contingencies* provide the momentum for change in cultural behavior relative to one’s own national culture, *Values*, on the other hand, provide the element of stability, which is reflected in the *Hybrid Pattern* taking on the relevant characteristics of both the Chinese and Western cultures.

### 9.2.2 Culture as both Stable and Changing

#### The Two Camps and the Three Streams

As discussed in Chapter 3, it seems that extant conceptualizations of culture are divided into two camps, those that view culture as static and immutable (e.g., Hofstede 1980b, 1991), and those which regard it as dynamic and changing (e.g., Prus 1997). The former includes most of the traditional value-centered definitions, and those in the CNC stream in ICCM research. Scholars in this group either explicitly define or implicitly assume that culture is a stable “software of the mind” (Hofstede 1991, p. 4), which is carried in people’s heads, and thus can be used to predict and explain behavior. Gregory’s (1983) definition is typical of this perspective:

“Culture,” as used here, is defined as learned ways of coping with experience (p. 364).

The ICI and MC streams in ICCM belong to the latter group. Scholars in this group go to the other extreme and see culture as emergent and being created, and as “in the making” (Prus 1997, p. 38). Or, in Clifford’s (1986) words,

If “culture” is not an object to be described, neither is it a unified corpus of symbols and meanings that can be definitively interpreted. Culture is contested, temporal, and emergent. Representation and explaining—both by insiders and outsiders—is implicated in this emergence (p. 19).

Apparently one could argue that, by extension, this view implies that, because it is constantly “in the making” (Prus 1997, p. 38), it may be construed that culture drifts randomly.

The empirical evidence presented in this study suggests that, while culture certainly is not stable and immutable, because individual cultural behavior frequently changes, the *Hybrid Pattern* of such behavior in the SW-ICCM context, however, bears varying degrees of resemblance to its “parents”, i.e., the national cultures of organizational participants in this context. Therefore one may conclude that certainly culture changes over time and across space, but there is no random drift in this change. In other words, there is an element that
affords it stability and directionality for change. The momentum for change and the element of stability interact to give the emergent culture the *Hybrid Pattern*.

Therefore culture can be defined as both stable and changing, as both *learned and learning* ways of coping with experience. The learning part represents dynamism in culture because individuals constantly make sense of their interactions with each other to arrive at new appreciations and understandings, and may adjust their behavior accordingly. Throughout this constant learning process individuals accumulate an ever-growing inventory of *Values*, *Expectations*, and *Contingencies*. This cognitive inventory can be regarded as the learned ways. And, though growing constantly, this cognitive inventory provides culture with stability and directionality for change because it can influence behavior.

**Yin-Yang**

Which element provides stability? Apparently it is *Values*, which are imprinted in one’s cognition in early life, and are therefore deep-seated and most resistant to change. Therefore, *Values* can be regarded as the *Yin* element of culture (Chapter 3). The *Yang* of culture, as the empirical evidence suggests, are *Behavior* and *Contingencies*. In the SW-ICCM context, differences in behavior are the fundamental cause for individuals to change their own behavior. *Contingencies* also provide the impetus for change because it is occasion-dependent, and is thus temporal in nature.

*Expectations*, however, takes the middle ground between *Values* at one extreme, and *Contingencies* and *Behavior* at the other. Therefore the dialectic conceptual scheme proposed in Chapter 3 based on the *Yin-Yang* notion is too simplistic in lieu of the formal theory proposed here, which is based on empirical evidence. In terms of stability and change, therefore, culture consists of three elements, the stability element (*Values*), the change element (*Behavior* and *Contingencies*), and the intermediate element (*Expectations*). The interplay among the three elements gives culture the emergent *Hybrid Pattern* of behaviors and practices in the SW-ICCM context.

**9.2.3 The Boundary of Culture**

Another assumption that dominates culture and culture-related research is that *a culture consists of internally consistent values and behaviors*. In other words, *the boundary of culture is drawn at the outer limit of consistency*. A set of values that are consistent with each other
constitutes *one culture*; two sets of internally consistent values are viewed as *two cultures*, however, if inconsistencies exist between the sets (e.g., Gregory 1983).

A natural extension of the formal theory presented in this chapter is that, contrary to this internal consistency assumption, the boundary of culture should be more inclusive, i.e., a culture should allow for *inconsistencies* to exist among *Values, Expectations, Contingencies*, and *Behavior*, and even within each of the four variables themselves.

**Internal Consistency**

The internal consistency assumption has its roots in anthropology, where the modern concept of culture first emerged. As discussed in Chapter 2, perhaps because their typical research sites are remote, small, homogeneous communities, classic ethnographers assume that culture is homogenous, coherent, stable, and tightly constraining on behavior (Rosaldo 1989). This “small, homogeneous society metaphor” (Gregory 1983, p. 365) has been carried over to culture research in management and organization studies. Early scholars in this area emphasized internal homogeneity and cultural integration (e.g., Deal and Kennedy 1982; Peters and Waterman 1982). The whole organization is assumed to have one homogeneous, internally consistent culture that is dominated by management philosophy.

Even though this “one homogeneous culture to an organization” perspective is subsequently disputed by scholars in the MC and ICI streams in ICCM research, this internal consistency assumption still largely holds. For example, the MC stream, while recognizing that the modern organization (and the modern society in general, for that matter) is complex and internally differentiated, and therefore is quite different from a small, homogeneous society, views organizations as embodying multiple cultures, each of which is internally consistent. Gregory (1983), for example, when discussing organizations that do not have a strong culture, stated that

> Organizations that lack integration may be comprised of members acting from numerous *internally consistent but externally conflicting cultures* (emphasis added) (p. 365).

Empirically, culture within an organization has been identified on the basis of the degree of knowledge “sharedness” among organizational participants (Caulkins 2004).

The ICI stream, while sharing the notion that culture is socially negotiated and emergent with the MC stream, also implicitly assumes that culture is internally consistent. Its uniqueness lies in that its research focus is on bi-cultural interaction. Furthermore, even though it does not
explicitly take a position with regard to whether or not national cultures of organizational participants are considered to be the constituent cultures of an organization, it does assume that national cultural identity remains separate and distinct throughout the process of interaction (Boyacigiller et al. 2003; Sackmann and Phillips 2004).

Of course, this internal consistency assumption of culture is also consistent with the popular notions of culture as reflected in such terms as “cultural clashes” and “multiculturalism”.

**Internally Inconsistent Culture**

As briefly discussed in Chapter 6, culture in the SW-ICCM context can be compared to a hybrid organism. Although its genetic material, DNA, comes from its parents, it becomes its own DNA once the hybrid organism is born. It is inconceivable to state that the hybrid organism does not have a genome of its own, but only contains parts of its parents’ genomes. Similarly, it can conceivably be argued that an organization in the SW-ICCM context has *one culture*, albeit *one hybrid culture*. This hybrid culture necessarily contains the national cultural *Values*, and *Expectations* from other previously experienced contexts that are brought into the organization by its participants, and the *Values*, *Expectations*, and *Contingencies* that emerge from the daily interactions among them. The prior *Values* and *Expectations* of organizational participants form the basis from which the new *Values*, *Expectations*, and *Contingencies* emerge; therefore they should be included in the organization’s culture. Even though the emergent culture can be very different from the national or previous organizational cultures that participants represent, it has its origins in them; without them the emergent culture would be rootless.

The above discussion of the emergent culture as overarching is at the organizational level. Even at the individual level, this same reasoning applies. An individual’s cultural makeup consists of all the *Values*, *Expectations*, and *Contingencies* that he or she has learned and is learning. Apparently it cannot be said that this person’s behavior is a result of his or her current cultural learning alone. Rather, it is the result of the interplay among all the *Values*, *Expectations*, and *Contingencies* that this individual has accumulated up to the time of performing a particular behavior.

This perspective on culture as being internally inconsistent also allows for a multiplicity of *Values*, *Expectations*, and *Contingencies* to coexist. At the organizational level, regarding a certain behavior, more than one *Value* may coexist. Similarly, there may be multiple *Expectations* with regard to a given behavior. For example, organizational members address
each other in myriad ways in the SW-ICCM context, suggesting the existence of multiple *Expectations*.

At the individual level, a person may similarly have an internally inconsistent set of *Values*, which, of course, would be considered by those assuming internal consistency to be multiple internally consistent sets of *Values*. This notion, then, allows for the coexistence of conflicting *Values*, which the internal consistency assumption cannot accommodate. As discussed earlier, *Values* do change, even though they are the most resistant to change. A changed *Value*, however, does not mean that its previous state has been totally eradicated. Rather, it may simply lie dormant in an individual’s cognition, much like a recessive gene in biology. Similar arguments also apply to *Expectations* and *Contingencies*. With regard to FOA, for example, multiple states of the same *Expectation* may coexist in an expatriate’s mind concerning how to address his or her Chinese co-workers. For example, an expatriate would address young, well-educated Chinese by their first names, while for older, less-educated Chinese he or she may choose one of the high-SD Chinese styles.

**The “Age” of Culture**

The discussion in the previous section naturally leads to the realization that a culture, much like a human being, has a life of its own, and as such, passes through different stages of life. According to the implications of the proposed formal theory here, culture can be classified as *nascent, adolescent, or mature*.

A *nascent culture* may exist in a newly established organization in the SW-ICCM context, for example. A nascent culture is characterized by conflicts in *Behavior*, *Values*, and *Expectations*; harmonious behavior is primarily guided by *Contingencies*. Harmonious behavior does not imply uniform behavior. Rather, it refers to behavior that is acceptable, or at least can be tolerated by organizational participants. A nascent culture is most dynamic, heterogeneous, and variational.

When participants in this organization have worked together for some time, with a set of *Expectations* specific to this context gradually emerging, then an *adolescent culture* takes shape. An adolescent culture is still very dynamic, but it is less heterogeneous and variational. Its key characteristic is that harmonious behavior dominates, which is guided in large part by the corresponding set of emerging *Expectations*. In other words, a harmonious set of *Expectations* emerges. Harmoniousness again does not mean uniformity; in fact, multiplicity
of *Expectations* is a dominant feature in this culture. However, the multiple *Expectations* are harmonious in the sense that they generally do not lead to cultural conflicts.

Finally, a *mature culture* comes into existence when a harmonious set of *Values* emerges. Again the *Values* do not have to be consistent; they only need not lead to cultural conflicts to be considered harmonious. Also, in such a culture, consistency dominates among *Values*, *Expectations*, and *Contingencies*. It would probably be more appropriate to state that in such a culture *Expectations* and *Contingencies* need not exist, because they are redundant in guiding behavior.

A mature culture may possibly exist in organizations in the SW-ICCM settings. National cultures, and especially the cultures of small, homogeneous societies, are the best examples of mature cultures. Compared to the other two types, a mature culture is the least dynamic, and most homogeneous. From this perspective, the internal consistency assumption applies only to mature cultures. In other words, when scholars speak of culture as being internally consistent, they subconsciously, in fact, have *mature cultures* in mind.

### 9.3 Conclusion

The formal theory presented in this chapter represents the culmination of the theoretical development efforts that started in Chapter 6 of this thesis. Consistent with Glaser and Strauss’ (1967) view of theory as process, theory development in the preceding three chapters and this one clearly shows a process of gradual theoretical enrichment and refinement. Not only has the generation of the formal theory presented in this chapter been based on the comparison and integration of the theme-grounded substantive theories of the preceding chapters, but also that of the second and third theme-grounded substantive theories was based on conceptual inspirations of the preceding one(s), in addition to being grounded in empirical evidence on their corresponding themes.

The formal theory presented in this chapter, especially its processual version, makes several important contributions to culture conceptualization, which will be further discussed in the next chapter. Therefore, it represents a new perspective, or even a new paradigm. It can be called the “*shock absorbers*” *perspective or paradigm*, because its most important contribution is the demarcation of *Cognition State* into *Values*, *Expectations*, and *Contingencies* that are often inconsistent among themselves, which provides a powerful framework within which people’s cultural behavior in ICCM settings can be described and explained.
CHAPTER 10
CONCLUSION

Culture has long been regarded as the foundation stone of the social sciences (Chase 1956), which is complex and multidimensional. In many disciplines it plays an increasingly important role in both theory and practice. Precisely because of this, there has been a growing proliferation of the conceptualizations and definitions of culture, of which the 164 different definitions identified by Kroeber and Kluckhohn (1963) are a good example, in an even larger context of culture-related research that is rooted in these conceptualizations and definitions, either singly or a collectively.

And yet, perhaps also due to its complexity, multidimensionality, and interdisciplinary nature, culture is also “a term which has plagued the social sciences for over a century” (Gerring and Barresi 2003, p. 203). As revealed by the extensive literature review in Chapter 2, culture conceptualizations can be divided into two mutually exclusive camps—those that view culture as stable and immutable (e.g., Hofstede 1980b, 1991), and those that regard it as dynamic and “in the making” (Prus 1997, p. 38), or as doing instead of thinking (Weisinger and Salipante 2000).

This study, then, by applying the Chinese Yin-Yang principle, adopts a third perspective on culture, which is that culture is both stable and changing; it encompasses both thinking and doing. Starting from this holistic perspective, empirical research was carried out. By adopting the interpretive paradigm, and specifically, employing the GT approach, the data collected primarily take the form of semi-structured interviews of organizational participants in the SW-ICCM context. Interview data are highly suitable for research taking the interpretive
paradigm because they are the experiences, reflections, and interpretations of the interviewees (Walsham 1993).

In data analysis and theory development, this research has followed a “‘thick description’ → theme-grounded substantive theory → formal theory” format, each component of which has different levels of detail richness and abstraction and generalizability. The “thick description” part consists of presenting representative interview segments, coupled with this researcher’s interpretation and discussion, so that a fine-grained understanding can be achieved of the emergence of cultural practices in each of the theme areas in the SW-ICCM context. It provides an in-depth appreciation of the cultural and contextual forces at work in shaping cultural behavior in this context. Because of this detail richness, it ranks low on abstraction and generalizability. The theme-grounded substantive theories presented at the end of each of Chapters 6, 7, and 8, move away from “thick description” to theory building, which was accomplished by abstracting from the rich data to arrive at a substantive theory that applies to the particular theme under study. As such they achieve abstraction at the expense of detail richness. Finally, the theme-grounded substantive theories were compared and integrated to arrive at a formal theory which was presented in Chapter 9. This formal theory, while further moving away from contextual details, achieves a higher level of abstraction and generalizability, because it is intended for culture emergence in the SW-ICCM context in general.

Overall, such a three-part presentation format provides the detail richness as called for by ethnographers, while at the same time achieves theoretical development as inherently required by GT as well.

In this chapter, the theoretical contributions and practical implications of the research findings of this study will be discussed, with the primary focus on those of the formal theory presented in the previous chapter. Next, limitations and directions for future research will also be considered.

10.1 MAIN CONTRIBUTIONS OF THIS STUDY

10.1.1 Recapitulation of the Formal Theory

From a static perspective, the emerging culture in the SW-ICCM context takes on a hybrid form, which is distinct, and yet bears varying degrees of resemblance to its “parent” national cultures. Such a Hybrid Pattern exists within a continuum with the Chinese and Western
cultures at either end. It can vary either continuously or discretely. Relevant Chinese and Western cultural values and contextual factors contribute to such an emerging *Hybrid Pattern*, which is moderated by a number of other factors.

The key feature of the processual version of the formal theory is the breakdown of *Cognitive State* into three interrelated elements, *Values, Expectations*, and *Contingencies*, each of which has a mutually conditioning relationship with behavior. In the SW-ICCM context, these cognitive elements are loosely coupled or even decoupled. Just like a multi-carriage train that allows for the relative lateral movements between the individual carriages so as to cope with bumps and turns in the tracks, the multiple cognitive elements provide a mechanism of flexibility which enables individuals to accommodate and adapt to cultural contexts where people from different national cultural backgrounds work together over extended time.

10.1.2 Theoretical Contributions

The Duality between Stability and Change

The implication of the *Hybrid Pattern*, which is the core category of the static representation of the formal theory, is that, while culture does change, such a change is not a random drift; rather, its resemblance to its “parent” cultures indicates that there is also an element that affords culture stability and directionality for change. Therefore one may state that, while culture can be learned and transmitted, it also undergoes modification and change with time and space. Thus this theory provides an intermediate perspective on culture conceptualization between regarding it as a stable and immutable “software of the mind” (Hofstede 1991, p. 4) at one extreme, and viewing it as constantly changing and “in the making” (Prus 1997, p. 38) at the other. Arguably this intermediate perspective better suits the increasingly multicultural nature of the workplace against a background of ever-deepening globalization and economic integration.

The “Multi-Carriage Train” Perspective

Processually, the theoretical perspective of this research can be metaphorically regarded as the “multi-carriage train” perspective, because it vividly depicts the differing roles of the various cognitive elements in their mutual conditioning with behavior. As shown in Figure 10-1, the three cognitive elements differ in terms of space (scope of mutual shaping with behavior) and time (duration of mutual shaping with behavior).
Such a division of cognition into three interrelated and yet different elements offers a powerful framework within which one can satisfactorily describe and explain how individuals in the SW-ICCM context culturally accommodate and adapt to one another to give culture both an element of stability on the one hand, and a dimension of change on the other. Neither of the opposing camps on culture conceptualization discussed above can accommodate such a balanced process of culture emergence. In fact, neither camp offers any processual mechanism that explains culture emergence. The “software of the mind” (Hofstede 1991, p. 4) camp basically views human beings as robots whose behavior is driven by stable and immutable cultural values. Its failure in the SW-ICCM context is that it cannot offer a process that accounts for how individuals learn to accommodate and adapt to each other culturally so as to achieve cultural harmony, while at the same time still keeping their national cultural values largely intact. The “in the making” (Prus 1997, p. 38) camp, on the other hand, while emphasizing the “moment of culture”, to borrow a term from Fang (2006, p. 80), and viewing culture as residing in the endless, temporal interactions, fails to account for how behavior contributes to the emergence and change in cultural expectations and sometimes even values, i.e., how the temporal becomes the permanent.

Of course there are theorizations about culture as “both-and”, rather than “either-or” (e.g., Fang 2003; Fang 2006). However, while the need to include both stability and change in culture conceptualization is discussed, no theory is offered in these theoretical efforts with regard to the process of how culture evolves over time with both stability and change embodied in this process.

Therefore, the most significant contribution of this “multi-carriage train” perspective on culture is that it not only conceptualizes culture as embodying both stability and change, but, more importantly, it provides a processual framework within which the three interrelated and yet loosely coupled or decoupled cognitive elements work together to influence behavior, and at the same time be influenced by it as well. Such a “multi-carriage train” processual perspective provides a “shock absorber mechanism” for individuals in the SW-ICCM context to cope with conflicts in cultural values and practices, and explains how interactions by these individuals give rise to culture emergence that is characterized by both change and stability.

Furthermore, this “multi-carriage train” processual perspective also provides a powerful framework that can explain cultural phenomena in the SW-ICCM context that cannot be explained by existing perspectives. For example, Kaye and Taylor (1997), when studying expatriate culture shock in the Beijing hotel industry, reported that non-Asian expatriates
exhibit higher intercultural sensitivity, and are less prone to culture shock than Asian expatriates. This finding apparently runs contrary to what can be expected from CD (Hofstede 1980a), because the CD between Asian expatriates and Chinese is smaller than that between non-Asian expatriates and Chinese. One of Kaye and Taylor’s (1997) explanations is that their Chinese co-workers place greater expectations on Asian expatriates than on non-Asians, i.e., when the same cultural mistake is made, non-Asians are more likely to be excused because of their perceived greater CD with Chinese than Asians.

Figure 10-1  Time-Space Differences of the Cognitive Elements in their Mutual Shaping with Behavior

This unexpected finding, in fact, can very well be explained within the framework of the “multi-carriage train” processual perspective. It is conceivable that in this Sino-foreign ICCM context, the Chinese organizational participants have developed multiple Expectations with regard to working with expatriates. For example, because of the greater CD between them, the Chinese participants expect non-Asians’ behavior to be different from their own. Therefore they are more ready to accommodate culturally different behavior by non-Asians, and may even expect themselves to adopt some levels of non-Asian cultural behavior when working with them. On the other hand, the Chinese participants may expect Asians to behave in ways very similar to themselves, because the perceived CD between them is smaller. Therefore they
are less likely to tolerate cultural mistakes made by Asians, and are also less likely to adopt the cultural behavior of Asians when working with them.

Furthermore, there may also be different Expectations for this context between Asian and non-Asian expatriates. Non-Asian expatriates, because of their perceived greater CD with their Chinese co-workers, expect their Chinese coworkers to behave differently. Therefore they may be more willing to accommodate culturally different behavior on the part of their Chinese co-workers, and even attempt to adopt some levels of the Chinese behavior. In other words, non-Asian expatriates have higher intercultural sensitivity. Asian expatriates, on the other hand, because of their perceived smaller CD with their Chinese colleagues, may expect their Chinese colleagues to behave in ways very similar to themselves. Therefore, they are less likely to accommodate culturally different behavior on the part of their Chinese colleagues. In addition, they are more likely not to change their own behavior because of the perceived smaller CD between them and their Chinese colleagues. In other words, they have lower intercultural sensitivity.

**Inclusiveness and the “Age” of Culture**

Another important contribution of the formal theory proposed in this study is that culture is conceptualized to include a multiplicity of Values, Expectations, and Contingencies, which can be inconsistent with each other. Each of these cognitive elements can also contain internal inconsistencies within itself. Such inclusiveness can enable the culture researcher to better study culture emergence and evolution within an organization in ICCM contexts.

First of all, as today’s growing ranks of multinational companies draw more and more people from different national cultural backgrounds together, their “cultural genomes” are increasingly characterized by cultural diversity and multiplicity, with different and sometimes even contradicting Values, Expectations, and Contingencies all flying around and vying for behavioral efficacy. The “one (multiplicity) culture to an organization” perspective would direct the culture researcher’s attention away from grouping people by their cultural “sharedness” within an organization in ICCM contexts (Caulkins 2004), and toward attempting to find out how individuals cope with such incongruences and collaborate to pursue their common organizational goals. In other words, instead of viewing individuals in ICCM contexts as being culturally dichotomized into “them” versus “us”, the culture researcher should treat members of an organization as one group sharing one culture, and attempt to find out how different, and sometimes even incongruent cultural values and
practices can work together to achieve complementarity and synergy, which a highly homogeneous culture would fail to do.

Secondly, the notion of “multiplicity culture” also leads to the characterization of culture along its path of development into nascent, adolescent, and mature cultures. This life-cycle perspective enables the culture researcher to adopt a processual view on culture because any culture in any time-space setting does not stand alone; rather it has its historical roots, which may help to predict its future direction of change. Similarly, it also helps to put a culture in its historical context, so that its current characteristics can be better understood and explained by referring to its historical roots.

**10.1.3 Practical Implications**

First of all, the perspective of “one multiplicity culture to an organization” should help managers in the SW-ICCM context realize that their respective hybrid organizational cultural “genomes” contain all the *Values, Expectations, and Contingencies* that their organizational members have been learning and accumulating up to the present. Such a realization would help managers better fight ethnocentrism by refraining from unilaterally imposing their own national and/or previous organizational cultural practices on organizations in the SW-ICCM context. This multiplicity culture is by nature loose in terms of constraining behavior (Gelfand, Nishii and Raver 2006) because there are so many cultural choices presented by the myriad cultural *Values, Expectations, and Contingencies*. Therefore individuals should be given more latitude in terms of behavioral choices, which means that managers should be more tolerant of cultural behaviors that are different from their own *Values, Expectations, and Contingencies*.

Secondly, while the multiplicity of *Values, Expectations, and Contingencies* in the SW-ICCM context may be overwhelming to organizational participants because they are faced with so many behavioral options, and thus carry the potential for making many cultural mistakes, this perspective does show where to go to cope with this situation. In addition to being open-minded and flexible, one only needs to learn the cultural heritage that his or her colleagues have brought with them to find guidelines for behavior. This learning can take place directly in behavior, by communicating and sharing with colleagues, by observing others, by reading books and magazines, by attending training programs, etc. The point is, an individual does not need to wander aimlessly and feel helpless in the myriad arrays of cultural *Values, Expectations, Contingencies*, and practices, but rather he or she just needs to go to the “root”
of the problem—the cultural heritage of his or her colleagues to find ways (and maybe inspirations) to cope with the culturally pluralistic ICCM “contextscape”.

Thirdly, it also helps to prepare individuals working in this culturally pluralistic ICCM “contextscape” to better cope with the psychological stress of changing to behavior that contradicts one’s own cherished values and beliefs. Leon Festinger’s (1957) theory of cognitive dissonance, for example, argues that one experiences cognitive dissonance when being induced to engage in behavior that runs contrary to one’s own beliefs and attitude. This psychological discomfort then forces the individual to find ways to resolve this dissonance, one of which is to convince oneself that he or she in fact believes in that behavior (Bem 1970), i.e., the person undergoes a change in Values. What often happens in the SW-ICCM context, however, is that individuals engage in behavior that is different from their national cultural Values, while at the same time they do not give up these cherished Values. Apparently this phenomenon cannot be explained by the cognitive dissonance theory. According to the formal theory presented in the previous chapter, however, people need not experience this cognitive dissonance, because they can keep their original national cultural Values intact, while at the same time develop a set of Expectations and Contingencies that specifically deals with the SW-ICCM context. In other words, it is perfectly normal in ICCM contexts that people can keep their own national cultural Values and identities, while at the same time engage in behavior that may apparently contradict them without experiencing cognitive dissonance.

10.2 LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

10.2.1 Generalizability

One issue concerning the research findings is generalizability. While grounded theory (and qualitative research in general) is less concerned with generalizability than positivist-quantitative research, this issue still needs to be discussed.

The target context for this study is the SW-ICCM context, which is characterized by a great CD between Chinese and Western expatriate organizational members. Therefore the formal theory proposed in Chapter 9 is only intended for application to this context. Does it apply to other ICCM contexts such as the Sino-Japanese or Japanese-US ICCM contexts? Or, on an even wider scope, does it apply to culture in areas other than the ICCM contexts? Arguably further research efforts are needed to investigate these questions.
10.2.2 The Need for Further Theoretical Refinement

The advantage of GT research is that a new theory can be developed directly from data, without the researcher being constrained by extant theories. As a result, novel theories are likely to emerge. However, perhaps also because of this, the theory thus generated may not be in its perfect form. In fact, Glaser and Strauss (1967) advocated the view of theory as process, i.e., no theory is perfect, it is always in a state of being further and further elaborated and refined.

The formal theory proposed in this research certainly cannot be considered as in its perfect form. In fact, it raises more questions than it answers. For example, the multiple cognitive elements can be, and often times are, inconsistent between each other in the SW-ICCM context, which means that for any given behavior one of them is efficacious, or at least dominant. What factors determine the relative efficacy of these cognitive elements? What factors moderate it? While the findings of this research may shed some light on these questions, they need to be further investigated in future research.

10.3 CONCLUDING REMARKS

The upward trend of globalization and FDI that we have been experiencing since World War II has led to the emergence of sprawling multinational companies and growing ranks of “transpatriates” (Boyacigiller et al. 2003, p. 128), who busily navigate through a myriad of kaleidoscopic, transnational “contextscapes”. However, even beyond the “transpatriate” ranks, more and more people are coming into direct contact with those from all over the world in work and/or in life. Certainly this is the case with China. While twenty years ago a lone foreigner, especially a Westerner, in Chinese streets would definitely be a head turner and a crowd drawer, today, with booming FDI influx each year, China, or at least major Chinese cities, is becoming more and more cosmopolitan, with an ever increasing number of Chinese working in ICCM contexts.

This trend results in the cultural mingling of values and practices from all over the world that are brought into direct contact with each other over extended time. In this ongoing process of cultural mingling, each person carries with him- or herself a “cultural sphere of influence”, so to speak, which is determined by many factors—personality, national culture, multicultural experience, previous organizational experience, etc.—not all of which is cultural. However, the mandate of any organization is its smooth functioning in the pursuit of its goals. The theoretical framework proposed in this research envisions Expectations and Contingencies as
“shock absorbers” when these “cultural spheres of influence” meet and interact. This framework has both important theoretical and practical implications that can serve as a basis for future research.
### Appendix A A Comparison of the Three Streams of Culture Conceptualization in ICCM

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Cross-National Comparison (CNC)</th>
<th>Intercultural Interaction (ICI)</th>
<th>Multiple Cultures (MC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Issues</td>
<td>• Political force</td>
<td>• Economic forces</td>
<td>• Political forces</td>
</tr>
<tr>
<td></td>
<td>- post World War II</td>
<td>- changing balance of global economic power</td>
<td>- melting of national boundaries</td>
</tr>
<tr>
<td></td>
<td>• Economic forces</td>
<td>- dramatic increase in FDI</td>
<td>- separatist movements</td>
</tr>
<tr>
<td></td>
<td>- rise of MNC focus on how to conduct business in other countries</td>
<td></td>
<td>- regional independence</td>
</tr>
<tr>
<td></td>
<td>- management recognized as means for economic development</td>
<td></td>
<td>• Economic forces</td>
</tr>
<tr>
<td></td>
<td>- US practices = models for other countries</td>
<td></td>
<td>- increasing globalization</td>
</tr>
<tr>
<td></td>
<td>• Academic research forces</td>
<td></td>
<td>- growing importance of regional economic zones</td>
</tr>
<tr>
<td></td>
<td>- rise of comparative management</td>
<td></td>
<td>- increasing strategic alliances within/across borders</td>
</tr>
<tr>
<td></td>
<td>- no universal definition of culture</td>
<td></td>
<td>• Technological forces</td>
</tr>
<tr>
<td></td>
<td>- data collection difficult</td>
<td></td>
<td>- enhanced communications technology</td>
</tr>
<tr>
<td></td>
<td>- management research a western (largely US) enterprise</td>
<td></td>
<td>• Social forces</td>
</tr>
<tr>
<td></td>
<td>• Current reinforcers</td>
<td></td>
<td>- growing global movement of people</td>
</tr>
<tr>
<td></td>
<td>- globalization</td>
<td></td>
<td>- increasing workforce diversity</td>
</tr>
<tr>
<td></td>
<td>- nation-state as key economic actor</td>
<td></td>
<td>- attention to differences in identity</td>
</tr>
<tr>
<td></td>
<td>- conservative nature of academe</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Continued on next page)
## Appendix A: A Comparison of the Three Streams of Culture Conceptualization in ICCM (continued)

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Cross-National Comparison (CNC)</th>
<th>Intercultural Interaction (ICI)</th>
<th>Multiple Cultures (MC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Issues</td>
<td>• nation-state = culture</td>
<td>• culture is socially constructed</td>
<td>• culture is a collective, socially constructed phenomenon</td>
</tr>
<tr>
<td></td>
<td>• cultural identity is a given, single, immutable individual characteristic</td>
<td>• national culture/identity of critical importance</td>
<td>• organizations = multiplicity of cultures</td>
</tr>
<tr>
<td></td>
<td>• convergence thesis</td>
<td>• generalized national work culture</td>
<td>• individuals may identify with and/or hold membership in many cultures</td>
</tr>
<tr>
<td></td>
<td>• search for universally applicable dimensions</td>
<td>• organizational culture may be salient</td>
<td>• salience of any cultural group/identity is empirical question</td>
</tr>
<tr>
<td>Theories/assumptions/frameworks</td>
<td>• emergent/negotiated culture derived from: - organization culture research</td>
<td>• interpretive paradigm</td>
<td>• frameworks are: - a priori</td>
</tr>
<tr>
<td></td>
<td>- anthropological theories</td>
<td>• anthropological theories</td>
<td>- empirically derived</td>
</tr>
<tr>
<td></td>
<td>- intercultural communication model</td>
<td></td>
<td>- emergent</td>
</tr>
<tr>
<td>Research focus</td>
<td>• How do managerial attitudes and behaviors differ across countries?</td>
<td>• What is the nature of bicultural interaction and its perceived impact on organizational life?</td>
<td>• Many cultures are present within organizations - which become salient?</td>
</tr>
<tr>
<td></td>
<td>• How do national cultural differences affect individual, group, and firm performance?</td>
<td>• What are the characteristics and processes of culture formation/evolution/emergence from binational interactions?</td>
<td>- when/why/how does this occur?</td>
</tr>
<tr>
<td></td>
<td>• How can the effect of cultural differences be controlled?</td>
<td></td>
<td>• How do the various cultures interact?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• How do individuals deal with multiple identities?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• What are implications for managerial practice?</td>
</tr>
</tbody>
</table>

(Continued on next page)
### Appendix A  A Comparison of the Three Streams of Culture Conceptualization in ICCM (continued)

| Perspectives        | Cross-National Comparison (CNC)                                                                                                                                                                                                 | Intercultural Interaction (ICI)                                                                                                                                                                                                 | Multiple Cultures (MC)                                                                                                                                                                                                 |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key Issues          |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                |
| Research methods    | • positivistic                                                                                                                                                                                                                                                                            | • interpretive                                                                                                                                                                                                                                                                             | • interpretive                                                                                                                                                                                                                                                                       |
|                     | • universal categories of culture                                                                                                                                                                                                                                                          | • anthropological ethnography/thick description                                                                                                                                                                                                                                          | • seek “insider” view                                                                                                                                                                                                                                                               |
|                     | • dimensions operationalized as scales                                                                                                                                                                                                                                                      | • long-term case study                                                                                                                                                                                                                                                                   | • hybrid, multiple methods                                                                                                                                                                                                                                                             |
|                     | • large-scale quantitative studies                                                                                                                                                                                                                                                         | • primarily qualitative analysis                                                                                                                                                                                                                                                        | • field-based data collection                                                                                                                                                                                                                                                          |
| Key contributors    | • Comparative management                                                                                                                                                                                                                                                                  | • Kleinberg  (1989; 1994; 1998)                                                                                                                                                                                                                                                         | • Berger & Luckmann (1967)                                                                                                                                                                                                                                                             |
|                     | • Dimensions & constructs                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                | • Louis (1983)                                                                                                                                                                                                                                                                        |
|                     | - Triandis (1972)                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                | • Eberle (1997)                                                                                                                                                                                                                                                                       |
|                     | - Schwartz (1992; 1994)                                                                                                                                                                                                            |                                                                                                                                                                                                                                | • Pratt and associates (Pratt and Rafaeli 1997; Pratt 1998)                                                                                                                                                                 |
|                     | - Smith et al. (2002)                                                                                                                                                                                                               |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                |
|                     | - Trompenaars (1993; 1998)                                                                                                                                                                                                          |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                |
|                     | • Country clusters                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                |
|                     | - Ronen & Shenkar (1985)                                                                                                                                                                                                            |                                                                                                                                                                                                                                |                                                                                                                                                                                                                                |
### Appendix A  A Comparison of the Three Streams of Culture Conceptualization in ICCM (continued)

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Cross-National Comparison (CNC)</th>
<th>Intercultural Interaction (ICI)</th>
<th>Multiple Cultures (MC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Issues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution to knowledge</td>
<td>Culture is traceable</td>
<td>• importance of contextual analysis</td>
<td>• reveals culture as socially constructed</td>
</tr>
<tr>
<td></td>
<td>- generalizations across national units</td>
<td>• process orientation</td>
<td>• focuses on both sensemaking process/content, as well as practical application</td>
</tr>
<tr>
<td></td>
<td>- cultural clustering</td>
<td>• emergent, negotiated culture</td>
<td>• reveals nature of shared understanding</td>
</tr>
<tr>
<td></td>
<td>• Cross-national testing of organizational theories, processes, and practices</td>
<td>• attention to intercultural communication in the workplace</td>
<td>• appreciative of cultural differences and similarities</td>
</tr>
<tr>
<td></td>
<td>• Motivated development of cultural dimensions and categories</td>
<td>• “thick descriptions” of cultural contexts</td>
<td>• acknowledges complexity of personal identity and organizational life</td>
</tr>
<tr>
<td></td>
<td>• Finite set of cultural dimensions allows other disciplines to use cultural variables</td>
<td></td>
<td>• recognizes conflicts in organizational and individual identities</td>
</tr>
<tr>
<td></td>
<td>• Increasing knowledge of management practices beyond G-7</td>
<td></td>
<td>• recognizes paradoxes in organizational settings</td>
</tr>
</tbody>
</table>

Appendix B  An Ecological Framework of the Relationships among Variables in Cross-Cultural Psychology

Source: Adapted from Berry et al. (2002, p. 11).
Appendix C  The Dynamic Multi-Level Model of Culture

Source: Adapted from Erez & Gati (2004, p. 588).
### Appendix E  The Purposes of Research

<table>
<thead>
<tr>
<th>Exploratory</th>
<th>Descriptive</th>
<th>Explanatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Become familiar with the basic facts, setting, and concerns.</td>
<td>• Provide a detailed, highly accurate picture.</td>
<td>• Test a theory’s predictions or principle.</td>
</tr>
<tr>
<td>• Create a general mental picture of conditions.</td>
<td>• Locate new data that contradict past data.</td>
<td>• Elaborate and enrich a theory’s explanation.</td>
</tr>
<tr>
<td>• Formulate and focus questions for future research.</td>
<td>• Create a set of categories or classify types.</td>
<td>• Extend a theory to new issues or topics.</td>
</tr>
<tr>
<td>• Generate new ideas, conjectures, or hypotheses.</td>
<td>• Clarify a sequence of steps or stages.</td>
<td>• Support or refute an explanation or prediction.</td>
</tr>
<tr>
<td>• Determine the feasibility of conducting research.</td>
<td>• Document a causal process or mechanism</td>
<td>• Link issues or topics with a general principle.</td>
</tr>
<tr>
<td>• Develop techniques for measuring and locating future data.</td>
<td>• Report on the background or context of a situation.</td>
<td>• Determine which of several explanations is best.</td>
</tr>
</tbody>
</table>

Source: Adapted from Neuman (2003, p. 29).
Appendix F  The Deductive Research Process

Source: Adapted from Babbie (2004, p. 46).
## Appendix G  A Comparison between Quantitative and Qualitative Research

<table>
<thead>
<tr>
<th></th>
<th>Quantitative Research</th>
<th>Qualitative Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logic of Theory</td>
<td>• Deductive</td>
<td>• Inductive</td>
</tr>
<tr>
<td>Direction of Theory Building</td>
<td>• Begins from theory</td>
<td>• Begins from reality</td>
</tr>
<tr>
<td>Verification</td>
<td>• Takes place after theory building is completed</td>
<td>• Data generation, analysis and theory verification takes place concurrently</td>
</tr>
<tr>
<td>Concepts</td>
<td>• Firmly defined before research begins</td>
<td>• Begins with orienting, sensitizing or flexible concepts</td>
</tr>
<tr>
<td>Generalizations</td>
<td>• Inductive, sample-to-population generalizations</td>
<td>• Analytic or exemplar generalizations</td>
</tr>
</tbody>
</table>

Source: Adapted from Sarantakos (1998, p. 15).
## Appendix H  Major Paradigms in the Social Sciences

<table>
<thead>
<tr>
<th>Reason for research</th>
<th>Positivism</th>
<th>Interpretivism</th>
<th>Critical Social Science</th>
<th>Postmodernism</th>
</tr>
</thead>
<tbody>
<tr>
<td>To discover natural laws so as to predict and control events</td>
<td>To understand and describe meaningful social action</td>
<td>To smash myths and empower people to change society radically</td>
<td>To express the subjective self, to be playful, and to entertain and stimulate other people</td>
<td></td>
</tr>
<tr>
<td>Nature of reality</td>
<td>Stable preexisting patterns or order that can be discovered</td>
<td>Fluid definitions of a situation created by human interaction</td>
<td>Conflict filled and governed by hidden underlying structures</td>
<td>Chaotic and fluid without any real patterns or master plan</td>
</tr>
<tr>
<td>Nature of human beings</td>
<td>Self-interested and rational individuals who are shaped by external forces</td>
<td>Social beings who create meaning and who constantly make sense of their worlds</td>
<td>Creative, adaptive people with unrealized potential, trapped by illusion and exploitation</td>
<td>Creative, dynamic beings with unrealized potential</td>
</tr>
<tr>
<td>Role of common sense</td>
<td>Clearly distinct from and less valid than science</td>
<td>Powerful everyday theories used by ordinary people</td>
<td>False beliefs that hide power and objective conditions</td>
<td>The essence of social reality that is superior to scientific or bureaucratic forms of reasoning</td>
</tr>
<tr>
<td>Theory should be</td>
<td>A logical, deductive system of interconnected definitions, axioms, and laws</td>
<td>A description of how a group’s meaning system is generated and sustained</td>
<td>A critique that reveals true conditions and helps people see the way to a better world</td>
<td>A performance or work of artistic expression that can amuse, shock, or stimulate others</td>
</tr>
<tr>
<td>An explanation that is true</td>
<td>Is logically connected to laws and based on facts</td>
<td>Resonates or feels right to those who are being studied</td>
<td>Supplies people with tools needed to change the world</td>
<td>No one explanation is more true; all are true for those who accept them</td>
</tr>
<tr>
<td>Good evidence</td>
<td>Is based on precise observations that others can repeat</td>
<td>Is embedded in the context of fluid social interactions</td>
<td>Is informed by a theory that unveils illusions</td>
<td>Has aesthetic properties and resonates with people’s inner feelings/emotions</td>
</tr>
<tr>
<td>Place for values</td>
<td>Science is value free; values have no place except when choosing a topic</td>
<td>Values are an integral part of social life; no group’s values are wrong, only different</td>
<td>All science must begin with a value position; some positions are right, some are wrong</td>
<td>Values are integral to research, but all value positions are equal</td>
</tr>
</tbody>
</table>

Source: Adapted from Neuman (2003, p. 91).
Appendix I  Different Uses of Theory

<table>
<thead>
<tr>
<th>Abstract</th>
<th>Empirical</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metatheory</td>
<td>Grand/Formal Theory</td>
</tr>
<tr>
<td></td>
<td>Middle-Range Theory</td>
</tr>
<tr>
<td></td>
<td>Grounded Theory</td>
</tr>
</tbody>
</table>

Source: Adapted from Grix (2004, p. 109).
### Appendix J Contribution of Different Sources of Inputs to Theme Development

<table>
<thead>
<tr>
<th>Themes</th>
<th>Unstructured Interviews</th>
<th>Key References</th>
<th>Personal Knowledge</th>
<th>Proposed Conceptual Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Confidentiality (PC)</td>
<td>S&lt;sup&gt;a&lt;/sup&gt; &amp; E&lt;sup&gt;b&lt;/sup&gt;</td>
<td>S (Anonymous 2001)</td>
<td>S &amp; E</td>
<td>E</td>
</tr>
<tr>
<td>Knowledge/Information Sharing (KIS)</td>
<td>S &amp; E</td>
<td>S &amp; E</td>
<td>S &amp; E</td>
<td>E</td>
</tr>
<tr>
<td>Status Differentiation (SD)</td>
<td>S &amp; E</td>
<td>S &amp; E</td>
<td>S &amp; E</td>
<td>E</td>
</tr>
<tr>
<td>Directness of Communication (DOC)&lt;sup&gt;c&lt;/sup&gt;</td>
<td>Developed from beginning interviews</td>
<td>No</td>
<td>S &amp; E</td>
<td>E</td>
</tr>
<tr>
<td>Form of Address (FOA)&lt;sup&gt;d&lt;/sup&gt;</td>
<td>Developed from beginning interviews</td>
<td>No</td>
<td>S &amp; E</td>
<td>E</td>
</tr>
</tbody>
</table>

Notes:  
(a) S = Suggested themes.  
(b) E = Contributed to theme evaluation.  
(c) Secondary theme subordinated to KIS.  
(d) Secondary theme subordinated to SD.
Appendix K  Schedule and Questions for the Semi-Structured Interviews

For both expatriates & Chinese

Themes
The interviews will focus on the following themes. The following themes are selected for their saliency to the SW-ICCM context in China.

• Pay confidentiality (PC)
• Knowledge/information sharing (KIS)
  1. Guanxi – Insider/Outsider
  2. Within vs. without your organization
  3. Directness of communication (DOC)
• Status differentiation (SD)
  1. FOA: how do you address each other at work?
     (including both superior-subordinate and peer/colleague relationships)

Schedule
The interviews will be semi-structured. They will follow the following schedule; while at the same time additional questions will be pursued depending on the particular issues arising out of particular interviews.

1. What is your educational and work background?
2. What is your job? Please briefly describe your responsibilities at work.
3. How is (one of the themes) done / what is (one of the themes) like in your organization today?
   • Is it different than before? / Is it different than your previous workplace?
   • If so, how is it different?
   • Why has there been a change?
   • How did the change happen? / How did you formulate your behavior/actions?
   • Is it good or bad?
4. What is your opinion of your Chinese/Western colleagues in terms of their (one of the themes), or other workplace behavior?
5. Has such behavior changed over time?
   • If so, how is it different?
   • Why has there been a change?
   • How did the change happen?
6. How much of your workplace behavior is Chinese, how much is Western?

(Continued on next page)
Appendix K  Schedule and Questions for the Semi-Structured Interviews (continued)

7. When you first started working at your company, was other people’s behavior different than your expectations? Even conflicts?
   • If yes, loop back to #3

8. How much do you understand Chinese/Western culture?
   • Do you think it matters in terms of working with/managing Chinese/Western employees?

9. Have your values changed after working with Chinese/Expats? Why?
   • If YES:
     Will you deal your fellow countrymen the same way as with Chinese/Expats?
     If NO: then you have conflicting values. How do you reconcile that?
   • If NO:
     so you deal with your fellow countrymen differently than with Chinese/expats, and yet you have the same values?
     (maybe different rules?)

Note: Since this is a semi-structured interview, there will be time left for discussing other issues that the interviewer thinks are relevant and important in cross cultural contexts.
## Appendix L  Interviews, Sampling and Generalizing from Sample to Population

<table>
<thead>
<tr>
<th>Interview Purpose</th>
<th>Sampling Strategy and Generalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Researcher makes claim about generalizability</td>
<td><strong>Survey</strong> Random sample. Size as large as possible. Researcher makes strong claims about the generalizability of the findings.</td>
</tr>
<tr>
<td><strong>Survey</strong></td>
<td>Structured sample. Used where there is a danger that random sampling might lead to key groups being unrepresented. The larger the sample, the greater the confidence when generalizing from it, although some consider that structured sampling is not as powerful a basis for generalization as random sampling.</td>
</tr>
<tr>
<td>Survey plus qualitative questions</td>
<td>If the survey is the most important element, follow rules above. If the exploration is the most important, see below. Take advice on generalizability from appropriate section of the table.</td>
</tr>
<tr>
<td>Survey-like</td>
<td>For example, intention is to survey and generalize but not possible to control sampling – use opportunity sample. Researchers are on shaky ground if they try to claim the findings are generalizable.</td>
</tr>
<tr>
<td>Qualitative – researching an event or time</td>
<td>Assuming no great concern to generalize, use opportunity sampling, look for good informants, increase sample size by snowballing. Keep adding to sample until you are hearing nothing new. But, also take care to hear the story from different perspectives – seek out people who may have a different slant on what happened.</td>
</tr>
<tr>
<td>Qualitative – cultural interviews (finding out about beliefs, understandings and feelings)</td>
<td>As above, taking care not to concentrate on high-status informants and those who readily come forward to be interviewed – danger of not hearing the private or silent voices</td>
</tr>
<tr>
<td>Exploratory – getting into a field</td>
<td>Converse with anyone who might be able to help you get oriented. At best, the researcher can suggest that readers might consider implications of the findings for a population</td>
</tr>
</tbody>
</table>

Reader makes inferences about generalizability

Exceptions to the rule A sample of one is enough to show that some research generalizations can be too sweeping

Source: Adapted from Arksey and Knight (1999, p. 57).
### Appendix M  Types of Qualitative Sampling

<table>
<thead>
<tr>
<th>Source</th>
<th>Types of Sampling</th>
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</thead>
<tbody>
<tr>
<td>Morse (1991)</td>
<td>Four types:</td>
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<tr>
<td></td>
<td>• Purposeful sample</td>
</tr>
<tr>
<td></td>
<td>• Nominated sample</td>
</tr>
<tr>
<td>Strauss &amp; Corbin (1990)</td>
<td>Theoretical sampling: three stages</td>
</tr>
<tr>
<td></td>
<td>• Open sampling</td>
</tr>
<tr>
<td></td>
<td>• Relational &amp; variational sampling</td>
</tr>
<tr>
<td></td>
<td>• Discriminate sampling</td>
</tr>
<tr>
<td>Patton (1990)</td>
<td>• All sampling is purposeful: 15 strategies</td>
</tr>
<tr>
<td></td>
<td>• Extreme or deviant case sampling</td>
</tr>
<tr>
<td></td>
<td>• Intensity sampling</td>
</tr>
<tr>
<td></td>
<td>• Maximum variation sampling</td>
</tr>
<tr>
<td></td>
<td>• Homogeneous samples</td>
</tr>
<tr>
<td></td>
<td>• Typical case sampling</td>
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<td>• Stratified purposeful sampling</td>
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<td></td>
<td>• Critical case sampling</td>
</tr>
<tr>
<td></td>
<td>• Snowball or chain sampling</td>
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<tr>
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<td>• Criterion sampling</td>
</tr>
<tr>
<td></td>
<td>• Theory-based or operational construct sampling</td>
</tr>
<tr>
<td></td>
<td>• Confirming and disconfirming cases</td>
</tr>
<tr>
<td></td>
<td>• Opportunistic sampling</td>
</tr>
<tr>
<td></td>
<td>• Purposeful random sampling</td>
</tr>
<tr>
<td></td>
<td>• Sampling political important cases</td>
</tr>
<tr>
<td>Sandelowski et al. (1992)</td>
<td>• Selective sampling</td>
</tr>
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<td>Sandelowski (1995)</td>
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<td></td>
<td>• Maximum variation</td>
</tr>
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<td></td>
<td>• Phenomenal variation</td>
</tr>
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<td>• Theoretical variation</td>
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Source: Adapted from Coyne (1997, p. 627).
# Appendix N  Sample Size in Grounded Theory Articles, 2002-2004

<table>
<thead>
<tr>
<th>Article #</th>
<th>Method</th>
<th>Method 2</th>
<th>Protocol</th>
<th>Sample Size</th>
<th>Notes</th>
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<tbody>
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<td>Focus Groups</td>
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(Continued on next page)
### Appendix N  Sample Size in Grounded Theory Articles, 2002-2004 (Continued)

<table>
<thead>
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<th>Article #</th>
<th>Method</th>
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<th>Protocol</th>
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<th>Notes</th>
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<td>Open-ended Interviews / Focus Groups</td>
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<td>Structured Interviews</td>
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<td>Semistructured Interviews</td>
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<td>Case Study</td>
<td>Semistructured Interviews</td>
<td>350</td>
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</tr>
</tbody>
</table>

| Average Sample Size | 31   |
| Average Sample Size Less Outlier | 24 |
| Sample Size < 10 | 5   |
| Sample Size 10-19 | 17  |
| Sample Size 20-30 | 17  |
| Sample Size > 30 | 11  |

Notes: (a) Adapted from Thomson (2004, pp. 11-12).
(b) Articles were compiled by Thomson via Proquest ABInform, multiple databases, with “grounded theory” as search parameter in abstract and citation.
## Appendix O  Consequences of Minimizing and Maximizing Differences in Comparison Groups for Generating Theory

### Data on Category

<table>
<thead>
<tr>
<th>Differences in Groups</th>
<th>Similar</th>
<th>Diverse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimized</td>
<td>Maximum similarity in data leads to: (1) verifying usefulness of category; (2) generating basic properties; and (3) establishing set of conditions for a degree of category. These conditions can be used for prediction.</td>
<td>Spotting fundamental differences under which category and hypotheses vary.</td>
</tr>
<tr>
<td>Maximized</td>
<td>Spotting fundamental uniformities of greatest scope</td>
<td>Maximum diversity in data quickly forces: (1) dense developing of property of categories; (2) integrating of categories and properties, and (3) delimiting scope of theory.</td>
</tr>
</tbody>
</table>

Source: Adapted from Glaser and Strauss (1967, p. 58)
## Appendix P  Profiles of Chinese Interviewees

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Work Experience (Employer type, length of employment)</th>
<th>Current Position</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Employer</strong></td>
<td><strong>Second Employer</strong></td>
<td><strong>Third Employer</strong></td>
<td><strong>Fourth Employer</strong></td>
</tr>
<tr>
<td>C1 Bachelor’s degree</td>
<td>PCE, 1 year</td>
<td>UK WOFE, 2.5 years</td>
<td>District sales manager</td>
</tr>
<tr>
<td>C2 Bachelor’s degree</td>
<td>CSOE, 3.5 years</td>
<td>US WOFE, 8 yrs</td>
<td>US WOFE, 1.25 yrs</td>
</tr>
<tr>
<td>C3 Bachelor’s degree</td>
<td>CSOE, 2 years</td>
<td>Dutch WOFE, 5 years</td>
<td>US WOFE, 1.25 yrs</td>
</tr>
<tr>
<td>C4 TAFE diploma (Intern)</td>
<td>PCE, 1/2 year</td>
<td>Anglo-Dutch WOFE, 1 year</td>
<td>Dutch WOFE, 2 months</td>
</tr>
<tr>
<td>C5 Bachelor’s degree</td>
<td>CSOE, 8 years</td>
<td>Sino-US JV, 6 years</td>
<td>French WOFE, 2 years</td>
</tr>
<tr>
<td>C6 Master’s degree</td>
<td>WIE, 1/2 year (Intern)</td>
<td>Sino-US JV, 2 years</td>
<td>Engineer</td>
</tr>
<tr>
<td>C7 MBA</td>
<td>CSOE, 8 years</td>
<td>Sino-Swiss JV, 3 years</td>
<td>Japanese WOFE, 4 years</td>
</tr>
<tr>
<td>C8 Master’s degree</td>
<td>Chinese University, 5.5 years</td>
<td>Sino-Canadian JV, 2 years</td>
<td>Middle manager</td>
</tr>
<tr>
<td>C9 Bachelor’s degree</td>
<td>Australian WOFE, 1/2 year</td>
<td>UK WOFE, 2 years</td>
<td>Office manager</td>
</tr>
<tr>
<td>C10 Bachelor’s degree</td>
<td>Sino-UK JV, 4 years</td>
<td>UK WOFE, 2 years</td>
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</tr>
<tr>
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<td>Sino-US JV, 2 years</td>
<td>UK WOFE, 2.5 years</td>
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<tr>
<td>C12 Bachelor’s degree</td>
<td>Australian WOFE, 1/2 year</td>
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### Appendix Q Profiles of Expatriate Interviewees

<table>
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<th>Level of Education</th>
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<td>(Employer type, length of employment)</td>
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<tr>
<td><strong>E1</strong> High School Diploma</td>
<td><strong>First Employer</strong></td>
<td>New Zealand Co., 5 years</td>
<td>General manager</td>
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<td>New Zealand WOFE, 7 years</td>
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<td>UK WOFE, 2.5 years</td>
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</tr>
<tr>
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<td><strong>Fourth Employer</strong></td>
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</tr>
<tr>
<td><strong>E2</strong> Bachelor’s degree</td>
<td><strong>First Employer</strong></td>
<td>US Co., 3 years</td>
<td>Quality assurance manager</td>
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<tr>
<td></td>
<td><strong>Second Employer</strong></td>
<td>Sino-US JV, 5 years</td>
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</tr>
<tr>
<td></td>
<td><strong>Third Employer</strong></td>
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</tr>
<tr>
<td><strong>E3</strong> MD</td>
<td><strong>First Employer</strong></td>
<td>Australian Co., 1 year</td>
<td>Managing director</td>
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<tr>
<td></td>
<td><strong>Second Employer</strong></td>
<td>Australian WOFE, 6 months</td>
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<tr>
<td><strong>E4</strong> N/A</td>
<td><strong>First Employer</strong></td>
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<td>Western Co.</td>
<td></td>
</tr>
<tr>
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<td><strong>Third Employer</strong></td>
<td>UK Co., 9 years</td>
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<td>UK WOFE, 2 years</td>
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<td><strong>E5</strong> N/A</td>
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<td>Sino-Austrian JV, 3.5 years</td>
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<tr>
<td><strong>E6</strong> Master’s degree</td>
<td><strong>First Employer</strong></td>
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<td>Dutch WOFE, 9 months</td>
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<td><strong>Second Employer</strong></td>
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<tr>
<td><strong>E8</strong> Bachelor’s degree</td>
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<td>Australian Co., 5 years</td>
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<td><strong>Fourth Employer</strong></td>
<td>Australian WOFE, 4 years</td>
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</tr>
<tr>
<td><strong>E10</strong> JD</td>
<td><strong>First Employer</strong></td>
<td>US Co.</td>
<td>Middle manager</td>
</tr>
<tr>
<td></td>
<td><strong>Second Employer</strong></td>
<td>US law firm, 4 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Third Employer</strong></td>
<td>US Co.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Fourth Employer</strong></td>
<td>Independent Lawyer, 20 years</td>
<td></td>
</tr>
<tr>
<td><strong>E11</strong> Master’s degree</td>
<td><strong>First Employer</strong></td>
<td>Dutch Co., 2 years</td>
<td>Station and R&amp;D manager</td>
</tr>
<tr>
<td></td>
<td><strong>Second Employer</strong></td>
<td>Dutch WOFE, 4 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Third Employer</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Continued on next page)
<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Work Experience</th>
<th>Current Position</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E12</strong> Master’s degree</td>
<td>US Co. US Co. US Co.</td>
<td>Senior director</td>
<td>All employers US-based, in charge of Asia-Pacific and Latin American business</td>
</tr>
<tr>
<td><strong>E13</strong> Bachelor’s degree</td>
<td>US WOFE, 1.5 years</td>
<td>Teacher</td>
<td></td>
</tr>
<tr>
<td><strong>E14</strong> Bachelor’s degree</td>
<td>UK Co., 15 years UK WOFE, 7 years</td>
<td></td>
<td>1st employer UK-based. Have been in China for 12 years; speaks Chinese (not fluent)</td>
</tr>
<tr>
<td>Author</td>
<td>Consideration/View</td>
<td>Feature of Research</td>
<td>Impact on Minimum Sample Size Required</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td><strong>Qualitative Research in General</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arksey and Knight (1999)</td>
<td>Phenomena were studied from the perspectives of both expatriates and Chinese. Data were collected until theoretical saturation occurred on major categories and dimensions.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Sandelowski (1995)</td>
<td>Sample size is relatively large, but data were analyzed by theme, so as to achieve both objectives.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>McCracken (1988)</td>
<td>26 interviewees, 30 interviews, 4 non-participant observations; total sample size 34.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Morse (1994)</td>
<td>26 interviewees, 30 interviews, 4 non-participant observations; total sample size 34.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Sandelowski (1995)</td>
<td>Key maximum variation is achieved by selecting two dichotomized groups, Chinese and expatriate, with no in-between groups selected.</td>
<td>Reduced minimum sample size required.</td>
<td></td>
</tr>
</tbody>
</table>
### Appendix R  Sample Size Considerations of This Thesis (Continued)

<table>
<thead>
<tr>
<th>Author</th>
<th>Consideration/View</th>
<th>Feature of Thesis</th>
<th>Impact on Minimum Sample Size Required</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grounded Theory Research</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glaser and Strauss (1967); Strauss and Corbin (1998)</td>
<td>Sample size is large enough when theoretical saturation occurs, but there is no fixed sample size where this occurs.</td>
<td>Data were collected until no new or relevant data emerged on a category; category was well developed in terms of its properties and dimensions; relationships among categories were well established and validated.</td>
<td>N/A</td>
</tr>
<tr>
<td>Kwortnik (2003); Strauss and Corbin (1998)</td>
<td>Scope: Researcher should narrow research focus to reduce sample size required.</td>
<td>Scope was narrowed to Sino-Western ICCM contexts prior to data collection.</td>
<td>Reduced minimum sample size required.</td>
</tr>
<tr>
<td>Morse (2000); Sabol (2001)</td>
<td>Nature/sensitivity of target phenomena: the more sensitive they are, the more informants required.</td>
<td>Data collection was anchored on relevant “tangible” workplace themes, not abstract values or beliefs.</td>
<td>Made data easier to collect. Reduced minimum sample size required.</td>
</tr>
<tr>
<td>Morse (2000); Strauss and Corbin (1998)</td>
<td>Ability, experience/knowledge of researcher: the higher the researcher ranks on these attributes, the smaller the sample size required.</td>
<td>Researcher has practical and academic experience/knowledge in the target area.</td>
<td>Collected data with more right information. Reduced minimum sample size required.</td>
</tr>
<tr>
<td>Thomson (2004)</td>
<td>(1) Average sample size of 50 GT studies reviewed: 31; (2) average excluding outlier: 24; (3) sample size where researchers have expertise: 5</td>
<td>26 interviewees, 30 interviews, 4 non-participant observations; total sample size 34.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Note: N/A = not applicable.
Appendix S  The Fit between Purposes of Triangulation and Major Social Science Paradigms

<table>
<thead>
<tr>
<th>Paradigm</th>
<th>Positivism</th>
<th>Interpretivism</th>
<th>Critical Realism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmation</td>
<td>Compatible</td>
<td>Incompatible</td>
<td>Compatible</td>
</tr>
<tr>
<td>Completeness</td>
<td>Compatible</td>
<td>Compatible</td>
<td>Compatible</td>
</tr>
<tr>
<td>Retroduction</td>
<td>Incompatible</td>
<td>Incompatible</td>
<td>Compatible</td>
</tr>
</tbody>
</table>

Source: compiled by researcher based on relevant references (e.g., Neuman 2003; Babbie 2004).
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