

## Contextualising the Irrelevance of “Values” to the Study of International Business: A response

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At the small gathering at the University of Hong Kong that resulted in many of the papers published in this issue of the *JBA*, I was paired with Nigel Holden, well-known for his work on cross-cultural management (CCM) in the field of international business (IB). I am an anthropologist with over 20 years of experience researching cross-cultural business contexts. As we did in Hong Kong, here I respond to Nigel’s commentary.

Specifically, I discuss Hofstede’s project and the implications of CCM’s emphasis on “values” and “measurement” from an anthropological perspective. I then turn to the state of the field for qualitative research in IB, adding my voice to the growing chorus concerned with the imbalances of quantitative and qualitative methods in that discipline. As an anthropologist, I am naturally flattered by Nigel’s suggestion that anthropology take back the “keys to the kingdom” in qualitative IB/CCM research. I, too, welcome the cross-fertilisations so implied, of which the present exercise is an excellent example. That said, I also feel compelled to respond to Nigel’s claim that, historically, “anthropology ceded its legitimacy to Hofstede’s concept of culture.” I outline anthropology’s long term, if uneven, interest in business contexts and describe a surge in recent anthropological projects where “modern formal organisations,” including businesses, are of central concern.

I should clarify at the outset that I will not attempt to clear up the

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vexing problem of the meaning of “culture.” The term has become so “loaded” in anthropology, and in its confluences with general discourse, that we very rarely use it. It seems, nonetheless, that anthropology is able to survive very well without it. This fact alone is, perhaps, of interest to IB/CCM.

### **Discovering, and discarding, Hofstede**

We might assume such knowledge anyway but, in any case, having read Nigel's commentary, we know that Hofstede's intellectual project is based on measuring “values,” and it has a lot of clout in IB. Hofstede's project, however, has very little to say about the complex dynamics present in real world business contexts. Since analysis of such contexts would constitute the logical centre of cross-cultural management studies, CCM seems to have hobbled itself from the outset through its preoccupation with “values.”

It may come as a surprise to business scholars to learn that—after a decade of researching cross-cultural dynamics in (Japanese) multinational corporations and their subsidiaries in Thailand and France—it was possible to *discover* Hofstede for the first time. It was not until I took up a job in a business school that I found that analysis of cross-cultural dynamics in virtually every business school textbook was built around, or somehow responded foundationally to, Hofstede's IBM project. Naturally I examined the original papers. And, in light of my own knowledge of Japan and Southeast Asia, I studied closely the relevant spin-offs: for example, the addition of *long-term* or, erstwhile, *Confucian* orientations to Hofstede's original four dimensions (Hofstede and Bond, 1988). Certainly the statistical mechanics of Hofstede's project seemed built up through a sound quantitative methodology. But having read it, I was not surprised that this work did not feature anywhere in the substantial literature in the “sociology of work,” nor in the “anthropology of organisations.” Yet the relatively recently-established academic fields that were explicitly oriented toward researching and providing training in “international business” and, in turn, “cross-cultural management” were preoccupied with basing their analyses around “values.”

The problem with “values” is they are high-level abstractions, especially when they stand alone, as they do under Hofstede's paradigm. “Values” are suggestive, at best, of discrete categories, but without our work of clarifying how and when they are deployed, these categories are empty of analytical meaning. From an anthropological perspective what actually *happens*—the manifestations of behaviour itself—must be the priority of analytic attentions, and ought to constitute the core problem in determining how method and theory intersect. Indeed, a focus on values does less work than that fundamental distinction in social science between what subjects say they *would do* (under such and such a hypothetical situation), and what they *actually do*. At least the commonly-

observed contradictions of *this* gap—between what people believe and how they act—set up an interesting, and analysable, tension.

If we assume that observation and analysis of problems on the ground in and around businesses is the intent of the study of international business and cross-cultural management, where would we find a manager in Hofstede's grids? She seems to be a stripped-out statistical representation, subsumed within a "national" unit. As a uni-dimensional "person" she mirrors perfectly her "national character," without any individual traits or unique experiences. She is, furthermore, ageless and demonstrates no affiliation with any particular sub-region or sub-stratum. And all this before we consider rank, expertise and the context of an actual business situation. If we were to acknowledge that members of certain "nations" might exhibit a comparatively high degree of, say, "power distance," how would this inclination influence behaviour in a particular context? How would Manager X deal with Worker Y in Company Y, a wholly-owned subsidiary of Company X? What is the purpose of these quasi-scientific grids?

The credibility of Hofstede's analysis is not assisted by his use of computer analogies—that is, machinery—to conceptualize human behaviour.<sup>1</sup> The "software of the mind" (Hofstede, 1991) is apparently "collectively programmed" to make us distinguishable members of groups. Whatever happened to the vast literature on socialisation, I wonder? Or, perhaps, in the contexts where Hofstede's work is under consideration, since socialisation is understood as taking place in childhood, would we now welcome configurations—programming—that suggest manipulability: for instance, that managers can "programme" their employees?

As an observer of the situation in IB and CCM, it has been distressing to have witnessed the dominance of Hofstede's work. But now, from within International Business itself, Birkinshaw and his co-authors (2011: 574) similarly suggest the empty linkage between "*values and behaviour*" in Hofstede's work and its further articulations in, for example, the GLOBE project (see Tung and Verbeke, 2010). I am relieved to see the serious critique that is finally being lavished upon this line of research (see McSweeney, 2002; Ailon, 2008; Brannen and Thomas, 2010; Ybema and Nyriri, 2015 [forthcoming]). Does this lead us to infer that whatever interest or purpose once attached to "values" research is by now be

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<sup>1</sup> My on-going critique of the use of computer analogies, e.g., including beyond Hofstede, may seem frivolous in light of recent Nobel Prize winners' own commentary. Moser, Moser and O'Keefe have publicly characterised their work on the physiology of "place cells" in the hippocampus as the discovery of "the brain's 'GPS system'" (The Guardian, 6 October 2014). Language associated with computer technology is common in contemporary discourse, to be sure. I would prefer it if the human condition—an outcome of the labour of our extraordinary minds in our environmental context—was considered without the explicit linguistic inference that we are (programmable) cyborgs.

exhausted?

While historically, some excellent, if marginalised, qualitative research projects have always been conducted, IB research critical of the “measurement of values” suggests that intellectually-solid inroads are now being made into the quantitative mainstream. Such research makes the complexities of international business contexts—as they are experienced by the actors participating in those very contexts—the *de facto* subject of study. It is encouraging to see articulations of qualitative methods that are:

“Characterized by a first-handedness in which researchers strive to be at one with their research phenomena in a way that other methods do not require, sanction or even encourage. This is particularly significant in our field [IB] where many of our researchers have deep contextual knowledge of diverse cultural contexts by virtue of their country-of-origin, upbringing or education and thus are inherently gifted with budding participant observer skills” (Birkinshaw et al., 2011: 574).

Hopeful as I am, however, I admit to distress when experiential realities on the ground among subjects/informants seem to have become so stripped out in the machinations of mainstream IB research that explicit attention needs to be paid to the idea of “context” itself (Michailova, 2011). Context, surely, not only frames but supplies the content of any event or activity worthy of consideration in social science? There are no social relations without context: context-dependency is the only way we could possibly make claims of patterning in social behaviour.

### **The state of qualitative research in IB**

Nigel has noted Adler’s (1983) findings regarding the paucity of articles—five per cent—that addressed *cross-cultural issues* in leading management journals between 1971 and 1980. I would like to see an update of Adler’s 1983 findings. While, empirically, international business contexts have obviously become more prevalent in the intervening 30 years—even if American businesses, in their large nation context, have tended to attract the bulk of management case studies—unfortunately the rise in the extensiveness of international business by no means allows us to infer a commensurate rise in analyses of “cross-culture issues.” Meanwhile, more recently Moore (2011: 509) refers to Piekkari, et al.’s (2009: 575) “survey of four of the top IB journals from 1995 to 2005.” Here it was found that “only 70 of 1287 (or 5.4 per cent of) case study-based papers were based on *qualitative methods*” (italics mine). Surely it is a fact that international business contexts are, by definition, more complex; or, at least, that there are more variables in play in such environments than in “domestic” contexts? This leads me to suggest an inverse relationship between the complexity of the

core subject matter and the analytical and theoretical tools used to analyse it in IB. That is, since there is so much that can be taken on board, it is analytically more manageable, or more “positive,” to cut down on the variables and so package-up research by relying on quantitative analyses. Seen as a whole, this is an unfortunate state of affairs in a field where the subject matter is so extraordinarily rich.

Nigel suggests some particular methodological approaches in anthropology that could be of service in IB and CCM. His key point, however, is that, unlike in anthropology, the short time-frame typically applied to empirical research “...conspires to support management studies’ preoccupation with confirmation of pre-existing theory” and, as a whole, thins out analysis. I further this point. It is a disservice to the rest of us that “qualitative methods” often serve as a shorthand for flimsy fieldwork which, we can be sure, undermines potentially sound findings. Similar to the problem of the gap between what informants say and what they do, a few interviews with high-level managers regarding “what’s going on?” concerning “A,” “B,” or “C” is likely to tell us more about what those managers would like to see happening than about “on the ground” realities. Criticism of “soft” qualitative research by quantitative researchers is sometimes fully justifiable. I will attempt to bridge our differences by suggesting that any sound field research project will benefit from a combination of methods: at a minimum, counting is always important.

It is, in any case, promising to read that in putting together a Special Issue in the *Journal of International Business Studies* explicitly seeking to “reclaim... a place for qualitative methods,” the guest editors accepted nine but had to turn away 109 submissions (Birkinshaw et al., 2011). While this attests to *JIBS*’ elite ranking in the field, the guest editors were justifiably overwhelmed—no doubt, in more ways than one—by the positive response to their “call.” Obviously a lot of business scholars are doing qualitative research, and they want to put it out there. The high quality of empirically-sound, well-thought-out research undertaken in various formats gives me hope that qualitative organisational research, after a dip perhaps across the last ten to twenty years, is beginning to “make it” in mainstream business studies.

### **Old Anthropology, Japanese organizational studies, and the surge in attention to organisational context in New Anthropology**

I appreciate my co-author’s acknowledgement of the strong research work of anthropologists, and his encouragement for a “come-back” by anthropology in the study of business—especially of contexts where *cross-cultural issues* are obviously at stake.<sup>2</sup> Nigel claims, however, that during

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<sup>2</sup> I strongly suggest that, in our naming, we move beyond our concerns suggestively/ simplistically revolving (solely) around “management,” in this case,

the past 30 years “anthropology ceded its *legitimacy* to Hofstede’s concept of culture” [italics mine]. As I see it, international business (and CCM in particular), which in the early days at least acknowledged anthropology’s strengths in understanding non-Western contexts (Weinshall, 1975), ceded the study of cross-cultural issues to Hofstede and “values” measurement. My experience is shared by other anthropologists who have conducted research on formal organisations: we have not felt it worthwhile to pay any significant attention to Hofstede. It may be argued that, due to the dominance of his articulations of “culture” in the burgeoning business studies sector, we should have taken him on, but anthropology’s interests lay elsewhere.

Indeed, it is a fact that, with its original focus on so-called “primitive,” “simple” and/or “exotic” societies, across the 120 years of its existence as a formal discipline, anthropology has not sustained a critical mass of research on “formal modern organisations.” Nonetheless, beginning in 1927 with the so-called “Hawthorne studies” (of the Western Electric Hawthorne Plant, in Illinois), there has been serious, ethnographically-informed work on formal organisations—often, interestingly, conducted in teams, and sometimes with members from different disciplines (for example, with sociologists and psychologists).<sup>3</sup> The basic problem for anthropology is that formal organisations are “modern” and, therefore, suggestively Western.

There is a significant “organisationally-modern” exception to this rule, however, that can also conveniently be articulated as a “national” context. As a thoroughly exotic society, Japan always attracted considerable attention from anthropology. Predictably, this was originally focused on standard anthropological subjects: village life, (syncretic) religious practices, and folklore, the latter driven by Japanese scholars themselves. However, while remaining sufficiently exotic/“Eastern” by mainstream anthropology’s (Western) standards, as a practical matter, from the early twentieth century onward Japan was developing into a complex industrial society. And, by the 1960s, core attributes of this process—urbanisation, and complex organisations—were focused upon by anthropologists. This is relevant not simply as another “village heard from” for the ethnographic record. Japan was the only non-Western society at a comparable level of economic development to the West. As a result, in all areas of the social sciences, research on Japanese society has provided an important comparative corrective to analyses of complex industrial society that have traditionally been based on empirical observations of Western societies alone.

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“cross-cultural *management*.”

<sup>3</sup> I refer the reader to Wright’s concise and well-handled survey of anthropology and “organizational studies,” which also addresses various uses of “culture”: that famously challenging concept (Wright, 1994).

Analysis of modern Japanese business from the perspective of anthropology and industrial sociology has developed in tandem with in-depth understanding of Japan's historical, social and political-economic context. That is, organisational practices of Japanese corporations have been understood as powerful reflectors of Japanese social forms. Dore's (1973) and Rohlen's (1974) work, in particular, generated sophisticated, non-economic-rewards driven, "society"-based explanations of Japanese workgroup behavior and the dynamics of what came to be called "knowledge-creation" in Japanese organisations. These were analytic and methodological breakthroughs, and continue to be cited often. Dore's study is known for its comparative rigour, complemented by a thorough sense of the embeddedness of the Japanese (and their comparison with British) factories in their respective sociological and institutional contexts. Rohlen's study, meanwhile, is the first long-term participant-observation ethnography of a white collar organisation: a Japanese bank. It set a high standard methodologically and in terms of clarity of writing. With this strong tradition, it is no surprise that, unlike the uneven attention to "formal organisations" of general anthropology, there is a significant and consistently-thorough literature on Japanese organisations which has longitudinal qualities begging to be tapped.<sup>4</sup> Notably, and continuing this existing trend, as Japanese organisations have changed and become "internationalised," much of the most significant IB research in cross-cultural management (CCM) has been conducted on Japanese overseas firms by Japan specialists working out of an anthropological tradition.<sup>5</sup>

Meanwhile, over the last fifteen years, the focus of ethnographic work in general anthropology has shifted significantly, favouring research that takes into account activities at formally organised, modern, or modernising sites. This is in large part due to the discipline adjusting to the exigencies of "globalisation"—exigencies that have become especially pronounced due to the recent surge in communications technologies. Also, if still loaded with methodological pitfalls, as a response to changing conditions, there is no longer any inclination in the field to avoid "anthropology-at-home." Anthropology is gradually throwing off its traditional overemphasis on the exotic. By casting its "lens" onto the "real world" all around us, it is self-normalising. As a result, anthropological fieldwork increasingly engages modern organisational settings.

Examples of this trend include significant empirical work, by

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<sup>4</sup> For a review of work on Japanese organisational contexts following on from that cited above, see Sedgwick (2007: 9-20).

<sup>5</sup> It should also be noted that, apart from the long tradition of studying the work of Japanese companies (of all sizes and types), corporate ethnography on American firms has been significant for many years. Unfortunately, however, it has occupied a marginal position in mainstream anthropology due to the perceived taint of research on corporations "for the academy" with research conducted by anthropologists on behalf of corporations—jobs in marketing, the development of corporate "culture," and so on (see Baba, 1998).

anthropologists and others, in science and technological studies (STS) which, stimulated by Latour and Woolgar's pathbreaking research on scientists (1979; see also Latour, 1987), have involved unpacking "in the field" what goes on at an organisational level inside laboratories/ hospitals/ factories through close attention to the experiences of scientists/ physicians, nurses, patients/ engineers, workers and consumers. This work continues to stimulate foundational and highly contested debates across the social sciences: for instance, around actor-network theory. Further related to science, institutions, and government policy, anthropology has been particularly strong in assessing the impact of New Reproductive Technologies on, among other things, the evolving meaning of "the family."

Meanwhile, academics in the United Kingdom's higher education sector—which is a unitary system under the control of the state—have recently been under enormous top-down administrative pressure (a *de facto* regime of "quality control"). This has led to a surge of research, and commentary, on "audit culture." Anthropologists are also studying the changing conditions of Dalit—"untouchables"—where, to cite one example among many, a Swiss company has suddenly established a factory in the middle of their localities in India. Anthropological work has been central to both the critique and practice of "development" more broadly. The financial collapse of 2008—due, it appears, to market excesses—has led to significant critique of the assumptions of mainstream economics as a field of research, as a source of policy, and the implications of its use as an ideological prop for contemporary financial mismanagement. These are a few examples in each of which analysis of organisational dynamics is obviously central.

It is an exciting time in anthropology, especially for those of us who have been working in business anthropology: the fieldwork skills that we have built up over many years of research inside and around formal organisations are now highly valued. Meanwhile, it is clear that, after a downturn of some years, a significant number of researchers in international business and, especially, cross-cultural management are insistent on the value of qualitative methods—some of it inspired directly by anthropologists. Seen as a whole, there is no question about the expansion of the quantity and quality of qualitative research of modern formal organisational settings, in which business organisations are key actors.

Our different disciplines may be driven by particular institutional configurations and histories, but anthropologists and business scholars are "in the same boat." The key to expanding the intellectual power of our studies is a cross-fertilisation of knowledge and practice, such as those that we find here.

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