

**Cross-Cultural Management and Language Studies within International
Business Research: Past and Present Paradigms and Suggestions for Future
Research**

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Abstract

Our contribution seeks to (1) outline how cross-cultural management and, more recently, language studies developed as two interrelated subareas within international business research; (2) discuss the changing paradigms and orthodoxies under which empirical research in cross-cultural management and language studies has been executed, focusing in particular on what we consider shortcomings in past and present research; and (3) formulate our suggestions how research should develop in the future. As such, our contribution offers a critical reflection on the evolution of this research area over time, combining elements of descriptive retrospection and analysis of the current situation with the normative elements of a position paper.

The development of international business research: From the “culture-free” to the “culture-inclusive” paradigm

To set the scene, we will start by providing a compact overview of the emergence and further development of international business studies. Shenkar (2004) suggests that initial theory in international business owed much to context-sensitive academic disciplines such as anthropology, sociology, political science and area studies. We posit that only shortly afterwards, however, international business research established itself by seeking legitimacy through emulating the ‘hard disciplines’ of international economics and subsequently strategy, a discipline which itself was heavily influenced by economics. As such, its main concern became to produce mostly quantitative, generalizable results on the narrow basis of concepts and paradigms from economics-based strategy and largely irrespective of contextual specificities. This is in our view all the more deplorable as international business scholars should possess the strongest competitive advantage to unearth valuable context-embedded insights (Brannen & Doz, 2010), given that they are “more knowledgeable about foreign and international environments and about ‘cross-bordering’” (Boddewyn, 1999: 13). Yet, with the understanding that international economic activities can only be fully understood by considering human behavior, a significant number of scholars shifted their attention from economics-based to human-centered, psychology-based research (Evans, Pucik & Barsoux, 2002). It was also increasingly understood that societal context, and in particular culture, was of relevance and therefore had to be included in the study of international business phenomena. As a result, the dominating research paradigm shifted from a “culture-free” orthodoxy (Lammers & Hickson, 1979) to what we call a “culture-inclusive” paradigm. These developments, we argue, provided a fertile ground from which cross-cultural management studies gradually emerged in the

1980s, joining strategy as a second pillar of international business (Brannen & Doz, 2010). A further powerful stimulus proved to be one particular development in the world economy: the rise of the Japanese economy in the 1980s and the painful realization for Western business people and business scholars that economic success could be achieved on the basis of management principles that were very different from those common in the West (Ouchi, 1981).

The development of cross-cultural management research: The dominance of the “reductionist culture specific paradigm” being challenged

Following this introductory section, we will briefly illustrate how cross-cultural management studies established themselves as a separate research stream within international business, facilitated by the highly influential cultural framework developed by Geert Hofstede (1980). This and similar frameworks (e.g., Schwartz, 1992; Trompenaars, 1993; House et al., 2004) allowed for the introduction of culture into the study of international business. Given that culture for the first time now occupies the center of attention of international business scholars, we consider “culture-specific” the appropriate label for this new paradigm (in opposition to the “culture-free” approach and going beyond the “culture inclusive” approach). More specifically, as culture is mostly operationalized through its reduction to a few cultural value dimensions (Tung, 2008), we label this approach the “reductionist culture-specific orthodoxy”. In our view, the ease by which the vague, complex and difficult to grasp construct of culture can be translated under this paradigm into a few, directly comparable, value scores, constituted a key factor for the success of cross-cultural management studies. Studies under this paradigm mostly employ cultural differences (or, in their most aggregated form, cultural distance) as an independent variable to explain a large variety of dependent variables. In terms of research methods, both the context-free orthodoxy and the ensuing orthodoxy of cultural inclusiveness or even cultural specificity share the same preference for large-scale, static, quantitative cross-sectional survey studies.

We do not intend to downplay the value and significance of this kind of research, to which we owe the introduction of culture into business studies and a first distancing from an ethnocentric perspective that identified Western management as “best practice” (Pudelko & Harzing, 2008). Nevertheless, we are more concerned here in setting out the limitations of this dominant orthodoxy of cross-cultural management research. For example, Hofstede’s concepts mold cultures into clearly circumscribed and delimitable “units”, neglecting the permanent exchange between cultures in our globalized world. When scholars cast cultures in boundaries and contrast them against each other, they inevitably also play down the fact that modern societies are internally highly differentiated (Welsch, 1999). Dimensional models of culture furthermore conceptualize cultures as logically consistent and coherent systems (Jahoda, 1993; Ono, 1998; Schwartz, 1992), a notion which has

met with increasing criticism. Hofstede's metaphor of culture as a "software of the mind" (Hofstede, 2001: 2) also implies that people's cultural background has a decisive and inescapable influence on their thoughts and behavior. This deterministic view has been increasingly challenged (Abdallah-Preteuille, 2001). A further problematic feature of Hofstede's cultural models is the fact that dimensions can only describe cultures at the point in time when they are observed. This view of cultures as static entities neglects the fact that cultures should be regarded as "work in progress" (Hannerz 1987: 550).

It is due to these limitations and the "obsession" with cultural values (Earley, 2006: 925) that more recently a new research paradigm started to emerge. This paradigm is less concerned with the comparison of static cultural values on the national level, but more with the in-depth description of the dynamic interaction processes between people of different nationalities on the organizational level (e.g., Birkinshaw, Brannen & Tung, 2011; Salk & Shenkar, 2001). Under this new paradigm, a methodological reorientation took place, away from deductive, static and survey-based quantitative studies and towards interview- and observation-based qualitative research, focused on the inductive investigation of dynamic processes of interpersonal interactions, and designed to generate rather than test theory. Much of this research concluded that the struggle for adaptation, negotiation, hybridization and formation of cultures on the (sub)organizational level (Brannen & Salk, 2000) provides more insights about actual organizational practice than the description of the clash of national values. In addition, studies increasingly adopt the notion of national and organizational culture forming complementary instead of fully separate concepts. Furthermore, bi-culturalists are identified as valuable bridge-makers who can assist MNCs in coping with their complex cultural legacies (Brannen, Thomas & Garcia, 2010). It is due to the appearance of this significantly more differentiated, complex and multi-faceted concept of culture that we label this emerging paradigm "differentiated culture-specific" as opposed to the "reductionist culture-specific" previously outlined. Whether this emerging paradigm develops into a new orthodoxy still remains to be seen. Figure 1 provides an (idealized) comparison between the two paradigms.

Figure 1 about here

The emergence of language research in international business: The dominance of the "differentiated culture-specific paradigm" so far being unchallenged

We argue that it was this emerging differentiated concept of culture that prepared the ground for a new research stream in international business, one which only gradually took off in the first decade of the new millennium: studies on language differences. While there have been studies considering language effects in business from a variety of disciplines, such as language training (e.g., see Holden, 1989), marketing (e.g., see Ricks, Arpan & Fu, 1994) and trade (e.g., see Lohmann, 2011),

international business scholars investigating the management of multinational firms and their employees only gradually came to notice the relevance of language differences. Given the importance of language for cross-national interaction and exchange processes and in spite of early studies highlighting the relevance of language and linguistics as a research area for business studies (e.g., see Holden, 1987), one might wonder why it took the research community so long to “discover” the relevance of language for international business. One reason probably is that language has been frequently defined by scholars from international business studies (see e.g. Leung et al., 2005) and from anthropological linguistics (see e.g. Duranti, 1997) as being “merely” part of culture. Another reason might have been that scholars and practitioners alike perceived the “solution” to language differences, the adoption of English as the lingua franca of international business, as straightforward and unproblematic, and therefore not worthy of further investigation (Fredriksson, Barner-Rasmussen & Piekkari, 2006).

Only recently, some authors came to position language at the centre of culture (Vaara, Tienari, Piekkari & Säntti, 2005), acknowledging that languages are systems of meanings that are central to the process of constructing organizational, social and global realities (Tietze, Cohen & Musson, 2003). Piekkari and Tietze (2011: 267) characterize language as “the first and foremost means and source through which the ‘connecting’ of different socio-cultural, institutional and individual worlds occurs.” Consequently, an increasing number of international business scholars recognize the importance of language and call for conceptual innovation and sophisticated empirical investigations specifically dedicated to the impact of language on international business activities (see e.g. Holden, 2008; Maclean, 2006; Piekkari & Zander, 2005; Hinds, Neeley & Cramton, 2013). Furthermore, even the use of a common language such as English has been shown to be significantly more problematic than many might have expected (Kassis Henderson, 2005; Piekkari, Vaara, Tienari & Säntti, 2005; Fredriksson, Barner-Rasmussen & Piekkari, 2006). In response to the perceived increasing need to study the complex role of language in international business, a series of special issues have been dedicated to this emerging theme over the last few years: *International Studies of Management and Organization* (35/1, 2005), *Journal of World Business* (46/3, 2011) and the *Journal of International Business Studies* (2014).

The paradigmatic opening up of language research in international business?

Very much in line with the “differentiated culture-specific” paradigm, studies of this emerging research stream on language focus on dynamic interaction processes on the micro-level and frequently refer to concepts of organizational behavior research such as power structures (Neeley et al., 2012; Neeley, 2013; Hinds, Neeley & Cramton, 2013), social identity formation (Lauring, 2008; Bordia & Bordia, 2013; Tong, Hong, Lee & Chiu, 1999), trust (Lagerström & Andersson, 2003;

Piekkari, 2006; Tenzer, Pudelko & Harzing, 2013), shared cognition (Harzing & Feely, 2008; Tenzer & Pudelko, 2012), knowledge sharing (Lagerström & Andersson, 2003; Piekkari & Tietze, 2011), emotional climate (Neeley et al., 2012; Tenzer & Pudelko, 2013), leadership (Zander, Mockaitis & Harzing, 2011; Zander, 2005; Tenzer & Pudelko, 2013) or choice of communication media (Klitmøller & Luring, 2013). Due to the strong parallels with the “differentiated culture-specific” paradigm we call this approach “differentiated language-specific”.

A further similarity lies in the fact that also for the literature of the “differentiated language-specific” paradigm inductive, theory-generating and interview-based qualitative research clearly stands in terms of methods in the foreground. Starting with Piekkari’s influential study of language issues in the Finnish multinational Kone (Marschan, Welch & Welch, 1997; Marschan-Piekkari, Welch & Welch 1999; Charles & Marschan-Piekkari, 2002), a proliferation of exploratory studies has so far been conducted to chart the vast territory of previously unaddressed influences of language on international business (see e.g. Chikudate, 1997; Hyrsky, 1999; Davis, Leas & Dobelman, 2009; Piekkari et al., 2013). Given the novelty of this research area, the exploratory character of qualitative research certainly has made much sense. It gave rise to pioneering discoveries, linked language differences to a large variety of different topics, suggested important contextual modifications to established organizational behavior theories, and continues to provide a rich basis for the further development of the field.

However, almost two decades after the pioneering work by Piekkari (see e.g., Marschan, Welch & Welch, 1997) the field still relies predominantly on qualitative case-study research, often conducted in a few countries/regions such as Scandinavia and Japan. We are concerned that the current stream of qualitative research that focuses on interaction processes on the micro-level could develop into a new orthodoxy. While we in no way wish to criticize the direction of this research – after all, we as authors are also part of it – we have two specific concerns: first, we distrust any kind of orthodoxy, as it has the tendency to hold whatever it defines as outliers at bay; secondly, by establishing an “insular orthodoxy” in language studies that contrasts with the still “dominant orthodoxy” of mainly quantitative international business including cross-cultural management research, language studies might risk to remain a relatively isolated area with less contact to mainstream research than would be beneficial to its further development.

Figure 2 illustrates the paradigmatic developments of international business, cross-cultural management and language studies within international business.

Figure 2 about here

Suggestions for further research in language studies

With language research reaching adolescence, we argue that it should emancipate itself from its infant past and start to venture into new territories. Whereas there is clearly still much room for significant qualitative studies, at this more advanced stage of the field quantitative survey studies could become increasingly useful as well to actually start testing those hypotheses that qualitative research has generated over the last one and a half decade. The first steps into this direction were taken by Sweeney and Hua (2010), Barner-Rasmussen and Aarnio (2011) and Harzing and Pudelko (2013, 2014). We acknowledge that some initial work has also been done on language distance (Miller & Chiswick, 2004; Dow & Karunaratna, 2006; Slangen, 2011), thus adding language to a long list of other distance concepts such as cultural, institutional, political, legal, economic, technological distance. Despite this, we argue that it is noteworthy that the distance concept appears to be significantly less relevant in language studies in international business than in cross-cultural management. Given the dominant “reductionist culture-specific orthodoxy” in international business and, possibly to a lesser degree, in cross-cultural management, the importance of cultural distance for these areas can hardly be overstated (Zaheer, Schomaker & Nachum, 2012). In contrast, the reductionist concept of language distance appears to meet a higher degree of scepticism from the more interaction-oriented language scholars, who, for the most part, adhere to the “differentiated language-specific paradigm”.

While we call for a broadening of language research, we should emphasize that this includes more than merely increasing the amount of survey-based research. Other research methods, such as experimental research (see e.g. Akkermans, Harzing & van Witteloostuijn, 2009; Ayçiçeği & Harris, 2004; Hosoda, Nguyen & Stone-Romero, 2012; Puntoni, de Langhe & van Osselaer, 2009), could also provide novel insights. In terms of disciplines, we would like language studies in international business to draw more on other research areas. Linguistics is an obvious candidate in this context (see e.g. Chen, Geluykens & Choi, 2006; Kassis Henderson, 2005; Tenzer & Pudelko, 2012), but innovative new areas such as neuroscience (see e.g. Takano & Noda, 1993; Volk, Köhler & Pudelko, 2014) should also be referred to. Beyond merely drawing on other disciplines, the integration of knowledge from various areas as a key to interdisciplinary research would provide particularly fruitful insights (Dunning, 1989).

Additionally, we would appreciate language studies in international business to be conducted increasingly on all levels of analysis, thus investigating the effects of language differences between organizations (e.g., in mergers, acquisitions or strategic alliances) (e.g. Tienari, Vaara & Björkman, 2003; Piekkari et al., 2005; Slangen, 2011), between different units of organizations (e.g., in headquarters-subsidiary relations) (e.g., Björkman & Piekkari, 2009; Harzing & Pudelko 2013, 2014; Harzing, Köster, & Magner, 2011), within groups of individuals (e.g., multilingual teams,

both collocated and virtual) (Kassis Henderson, 2005; Klitmøller & Lauring, 2013; Tenzer et al., 2013) and finally on the level of individuals (e.g., cognitive or emotional) (Luna, Ringberg & Peracchio, 2008; Puntoni, de Langhe & van Osselaer, 2009; Volk, Köhler & Pudelko, 2014).

Next, we would also welcome an expansion of the countries and languages that scholars are including in their investigations. So far, research has tended to include only a few countries, thus opening itself up to the risk of describing mere ideosyncracies instead of generating more encompassing theories. The majority of studies on language effects in international business has so far focused on barriers between English and a few other languages, mostly Scandinavian languages, Japanese or Chinese. Considering that a recent study also names Arabic, Hindi, Portuguese and Russian among the ten most influential global languages (Ly et al., 2013), covering a broader range of languages could further enhance the impact of this research area. Harzing and Pudelko's (2013, 2014) language studies have so far been the most comprehensive ones, including data from 13 countries. Furthermore, irrespective of the number of languages included or the relative importance of those languages in international business, the selection of languages should be conducted more carefully on theoretical grounds instead of, for example, convenience samples, thus strengthening the explanatory power of language studies.

In addition, in the same way that cultural diversity is not limited to national diversity but also relates to diversity in professions (Bloor & Dawson, 1994), functions (Pratt & Beaulieu, 1992), industries (Phillips, 1994), organizations (Schein, 1984), social class (Erickson, 1996), education (Halsey, Lauder, Brown & Wells, 1997), ethnicity (Cox, Lobel & McLeod, 1991), age (Lawrence, 1988) or gender (Kochan et al., 2003), the concept of language diversity can and should equally be applied to such dimensions. While such studies would carry research on language diversity out of the so far still fairly enclosed camp of language studies in international business, they would ultimately also provide a fresh impetus to this field.

Finally, we call for a better clarification of the relationship of the two, closely interrelated concepts that also stand in the foreground of this chapter: culture and language. This clarification could and should go both ways: in the direction of delineation (what can language studies achieve that cultural studies cannot and vice versa) and in the direction of integration (what arguments are valid for both cultures *and* languages). For both kinds of research efforts more conceptual clarity between the two constructs would be highly useful. Here we call upon empirical studies, but particularly also on conceptual reflections. Finally, beyond the further clarification of these two concepts, conceptual studies on language differences in international business, such as the pioneering paper by Luo & Shenkar (2006), could provide highly valuable additional insights.

Conclusion

While we are concerned that static, comparative-oriented and quantitative cross-cultural management research with all its efforts to emulate economics-based strategy research has led to a thematic narrowness and a neglect for context, we are equally concerned that a new orthodoxy of dynamic, interaction-oriented and qualitative cross-cultural management research and language studies might lead to a collection of case-based hypotheses that will never be tested in a more systematic and comprehensive way.

Consequently, instead of calling for a new paradigm in the areas of cross-cultural management and language research in international business, we make a plea for a closer integration of the comparative-oriented “reductionist culture-specific” orthodoxy and the interaction-oriented “differentiated culture/language-specific” paradigm. We suggest that a plurality of methods, disciplines, ontological and epistemological approaches and research objectives that not only co-exists in separate silos but that are able to cross-fertilize each other should lead to both more in-depth insights and a better understanding of what is generalizable and what not in the areas of cross-cultural management and language studies in international business.

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FIGURES

Figure 1: Idealized comparison between the “reductionist culture-specific” and the “differentiated culture-specific paradigm”

	reductionist culture-specific	differentiated culture-specific
<i>Concept of culture:</i>	reduction to an aggregate score	differentiation to accommodate for complexity
<i>Objective of study:</i>	comparison of values	description of interactions
<i>Perspective towards time:</i>	static	dynamic
<i>Reasoning:</i>	deductive	inductive
<i>Relation towards theory:</i>	theory testing	theory generation
<i>Relation towards knowledge:</i>	confirmation	exploration
<i>Relation towards context:</i>	abstraction of specific contexts	embeddedness in a specific context

Figure 2: Paradigmatic development of international business, cross-cultural management and language studies within international business (dominating paradigm in bold)

