CHAPTER 33

Cross-Cultural Organizational Psychology

Zeynep Aycan and Michele J. Gelfand

Abstract

The chapter presents an overview of the cross-cultural organizational psychology literature with three specific aims: to provide future research direction based on a historical projection of the development of the field; to summarize the state-of-the-art literature in substantive areas, including recruitment and selection, nature of jobs, criteria for performance, work motivation, job attitudes, teamwork, leadership, conflict and negotiation; and to discuss challenges faced by cross-cultural researchers (e.g., level of analysis, interaction between cultural and organizational contingencies). Our review indicates that individualism-collectivism attracts the most research attention and accounts for substantial variation in organizational behavior across cultures. Our review also points out that the impact of cultural values on organizational phenomena vary depending on organizational and task-related contingencies. The need is identified to expand the cross-cultural industrial and organizational (I/O) psychology literature to include more research on cross-cultural interactions and culture-specific enactments of organizational behavior.

Key Words: culture, motivation, leadership, teamwork, negotiation, organizational attitudes, HRM practices, levels of analysis, cross-cultural interfaces.

Introduction

Organizational psychology has a long past and a short history. Although the founding of the discipline can be traced to the early twentieth century (Koppes, 2007), in fact, the importance of understanding human behavior at work can be found in ancient Chinese, Greek, and Egyptian writings. Predating modern selection theories by thousands of years, the Chinese were known use ability testing to match individuals to jobs (Bowman, 1989), as well as tests to detect faking. Likewise, Greek philosophers discussed the importance of matching individuals to their abilities (e.g., Plato's The Republic; Williamson, 2008). Even religious texts focused on modern-day organizational psychological questions—discussions of what constitutes a virtuous organization can be found in the Old Testament (Wright & Goodstein, 2007), and the characteristics of an effective leader are discussed widely in the Qur’an (Mohsen, 2007) and in later texts such as Sun Tzu’s The Art of War (Ko, 2003). Undoubtedly, as these examples attest, understanding the psychology of work behavior is a universal concern. Yet, despite the fact that questions regarding the psychology of work transcend history and cultures, the science of organizational psychology has only recently started to become more global in its scope.

The purpose of this chapter is to provide an overview of the field of cross-cultural organizational psychology. Below, we first provide a historical overview of how culture research has evolved in the field. We then discuss the functions of culture research in organizational psychology, what it can and should
do for the field, and critical definitional and levels of analysis issues. We then review selected topics on culture and organizational psychology. We start with culture and organizational entry, covering such topics as cultural influences on selection practices, the nature of jobs, and criteria for performance. We then move to culture and individual behavior in organizations, covering such topics as cultural influences on work motivation, job attitudes, and organizational justice. We then consider culture and the social animal in organizations, covering topics such as culture and teams, culture and leadership, and culture and negotiation. We conclude the chapter with frontiers of research in cross-cultural organizational psychology (for other reviews on this topic, see Aguinis & Henle, 2003; Earley & Erez, 1997; Gelfand, Erez, & Aycan, 2007; Gelfand, Leslie, & Fehr, 2008; Hofstede, 2001; Hofstede & Hofstede, 2005; Kirkman, Lowe, & Gibson, 2006; Leung, Bhagat, Buchan, Erez, & Gibson, 2005; Sparrow, 2006; Taras, Kirkman, & Steel, 2010; Tsui, Nifadkar, & Ou, 2007).

History of Cross-Cultural Organizational Psychology

Like many topics in science, the evolution of cross-cultural research in organizational psychology has been shaped by the societal context in which the field evolved and by key people and events (Kashima & Gelfand, 2010). Organizational psychology, born on American soil, paid very little attention to culture in the early and mid-twentieth century. With its focus on scientific management and standardized approach to management (Taylor, 1911), with its involvement in U.S. Army efforts in the selection and placement of American soldiers in both World War I and II, and with its later work emanating from such American events such as the civil rights movement, the field of organizational psychology remained largely culture bound (i.e., tested its theories only on American samples) and culture blind (i.e., did not consider culture as an important factor in organizational research; Bond & Smith, 1996). The fact that the United States as a society has supported a “melting pot” view of cultural differences also likely contributed to the lack of attention to culture in organizational psychology.

Later, in 1976, an important paper that began to put cross-cultural research on the industrial and organizational (I/O) psychology “map,” albeit far from its center, was Barrett and Bass’s (1976) chapter on “Cross-cultural Industrial and Organizational Psychology,” published in Dunette’s first Handbook of Industrial and Organizational Psychology. Barrett and Bass (1976) provided one of the first systematic reviews of cross-cultural research, and made (at least) two astute observations: first, cross-cultural research that was done was generally atheoretical, descriptive, and plagued with methodological problems. Second, they lamented that culture was largely ignored in mainstream organizational psychology, arguing that “most research in industrial and organizational psychology is done within one cultural context. This context puts constraints upon both our theories and our practical solutions to the organizational problems. Since we are seldom faced with a range and variation of our variables which adequately reflect the possibilities of human behavior, we tend to take a limited view of the field” (p. 1675).

Later, in the 1980s, attention to national culture began to steadily increase, both as a response to empirical and international developments. With the landmark publication of Hofstede’s (1980) study of national culture and advancement of scores on multiple cultural dimensions, the field now had a solid theoretical backbone to build upon. At the same time, research began to uncover the cultural boundaries of some Western organizational psychology models, which in some cases were not as applicable to the Far East. Likewise, Japanese models, such as quality control circles, were not successfully adopted in the West (Erez & Earley, 1993). Nonetheless, during this time period, cross-cultural research in organizational psychology was still more often the exception than the norm and was largely separate from mainstream research. It was, in essence, tolerated but was not particularly influential or widespread.

Now, almost a full century after the founding of the field, we are entering an era when culture research is beginning to gain momentum as an important and critical area of scholarly inquiry. On an optimistic note, a perusal of our journals illustrates that the field is considerably broadening its focus to use new taxonomies of cultural values (House, Hanges, Javidan, Dorfman, & Gupta, 2004, Schwartz, 1994, Smith, Dugan, & Trompenaars, 1996), beliefs (Bond, Leung, Au, Tong, & Chemonges-Nelson, 2004), norms (Gelfand, Nishii, & Raver, 2006), and sophisticated ways of combining emic (or culture-specific) with etic (or universal) perspectives on cultural differences (Farh, Earley, & Lin, 1997). The literature has considerably broadened its focus to include topics that span the scholarly discipline, from micro-studies of culture and motivation and
Cross-cultural research has much to offer the science of organizational psychology. Below, we briefly discuss four specific ways that culture enhances the field (Triandis, 1994). Cross-cultural research expands the range of organizational behavior that we study; it enables us to test the universality of our theories; it illuminates emic or culture-specific organizational phenomena; and it helps to reduce ethnocentrism and to increase the effectiveness of intercultural interactions.

Expanding the Range of Organizational Behavior

One important benefit of cross-cultural research in organizational behavior (OB) is that it can expand the range of variation on the phenomena that we study. As Berry (1980) pointed out, “Only when all variation is present can its underlying structure be detected; for with limited data, only partial structures may be discovered” (Berry, 1980, p. 5). In doing cross-cultural research, scholars may find that theories once thought to be comprehensive are in need of expansion in order to capture the diversity of human cultures. For example, Ryan and Gelfand (in press) show that only a small percentage of symposia (7.7%) and posters (5.7%) on culture are typically presented at the Society for Industrial and Organizational Psychology annual conference. Ryan and Gelfand (in press) also note that attention to culture in graduate and undergraduate training in the field is sorely lacking, with textbooks not giving in-depth attention to cultural issues, and syllabi devoting only minimal attention to cross-cultural research articles (3%). Other reviews also question whether the questions that are being asked, the constructs and theories that are being developed, and ultimately the knowledge that is being gleaned in cross-cultural organizational psychology are fundamentally infused with Western values and assumptions about the psychology of work (Gelfand et al., 2008). In all, while there is certainly a gradual global shift in the field, it can be characterized as reflecting small but steady incremental changes rather than catastrophic shifts. We return to ways to further globalize the field in the last section of this chapter.

With this historical backdrop in mind, we next turn to the value that cross-cultural research brings to the science and practice of organizational psychology.

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illustrated that while the five-factor model of personality does replicate in a number of cultures (e.g., Israel, Germany, Japan, Portugal, China, and Korea; Smith & Bond, 1999), there are also other dimensions of personality in other cultures that have not been found in the United States. For example, the dimension of pakikisama, or one’s involvement in one’s in-group, has been found to be an important component of personality in the Philippines (Smith & Bond, 1999). Along the same lines, in their study of organizational citizenship behavior (OCB) in China, Farh et al. (1997) found that while some dimensions of OCBs in China were similar to those found in the United States (e.g., civic virtue, altruism, conscientiousness), other dimensions found in the United States were not relevant in China (e.g., sportsmanship and courtesy) and at least one dimension found in China was not yet identified in the United States (interpersonal harmony, protecting company resources). At a more macro-level, Bond and the Chinese Culture Connection (1987) illuminated an additional cultural dimension of values—namely Confucian dynamism—that had not been discovered in previous research by Hofstede (1980), which originated in the West. This dimension, formerly unknown in the study of values, ultimately proved to be greatest predictor of gross national growth (GNG) \((r = .70, p < .001)\) across 22 Asian nations. Sometimes “going global” with our constructs can also identify neglected dimensions that are critical in a Western context. For example, Ramesh and Gelfand (2010) showed that family embeddedness—a construct that is critical for predicting actual turnover in India—is also an important predictor of turnover in the United States. In all, it is critical to broaden the construct space to capture non-Western voices, not only so that constructs are global in their comprehensiveness, but because neglected dimensions may be critical in predicting behavior in other cultures.

Expanding the range of variation also serves another important function in research, namely the ability to “unconfound variables.” In some cultures, two variables are so highly correlated (or confounded) that it is impossible to determine the independent influence of each variable on a third criterion variable. However, by doing cross-cultural research, one may be able to find cultures in which such variables are not correlated (are unconfounded), enabling one to assess each variable’s effect on other variables. An interesting example of this is found in the area of clinical psychology in understanding the Oedipal complex (Triandis, 1994). Freud’s theory originally proposed that at certain ages, boys will have animosity toward their father, as a result of their jealousy of the father’s role as their mother’s lover. Although the phenomenon of animosity has not been challenged, the cause of it has been subject to debate. Specifically, Malinowski, an anthropologist, argued that such animosity stems from the fact that the father is the disciplinarian, not as a result of his role as the mother’s lover. Unfortunately, in Austria (where most of Freud’s work was conducted), fathers serve in both roles, and it is impossible to determine the locus of the animosity (and thus the explanations are confounded). However, in the Trobriand Islands, where Malinowski did his research, the variables are unconfounded: uncles serve as disciplinarians, whereas fathers retain their role as mother’s lover. The natural question, then, is: Where is animosity directed in the Trobriand Islands? Malinowski’s research illustrated that it was directed at uncles—not fathers, as Freud’s theory had proposed. Although this example is not drawn from organizational research, it nevertheless illustrates that by extending the range of variation, cross-cultural research can expand (and correct, as in this case) our theories.

Testing the Universality of Organizational Theories

An important advantage of doing cultural research in OB is that it can help to illuminate what is universal, or etic, and what is culture-specific, or emic, in organizational phenomena.

There is already evidence that some of our theories, once assumed to be universal, are in fact, culturally contingent. For example, much research on procedural justice has illustrated that voice greatly enhances perceptions of fairness in organizations (Lind & Tyler, 1988). This line of inquiry has not only been highly productive in building theory on the role of justice in organizations, but has also been highly influential in the practice of management. Challenging this Western hegemony, Brockner and colleagues (2001) demonstrated that the benefits of voice were only found in cultures that had low power distance between supervisors and employees (i.e., the U.S.), as compared to high power distance cultures (i.e., China, Mexico, and Hong Kong). Similarly, research has shown that empowerment results in lower performance (Eylon & Au, 1999) and satisfaction (Robert, Probst, Martocchio, Dragos, & Lawler, 2000) among individuals from high distance cultures. This illustrates how cross-cultural research not only identified boundary conditions...
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note that accountability is a norm-enforcement mechan-
ism and would produce behavior that is norma-
tive in any particular cultural context. Consistent
with this, they showed that accountability produced cooperative behavior among collectivists but competitive behavior among individualists. Moreover, unaccountability (when individuals are released from norms) produced cooperative behavior among individualists but competitive behavior among collectivists. This illustrates how cross-cultural research can help to show when findings are not universal, and moreover, how cross-cultural research can add new insight into why certain patterns are found within Western contexts. Whether it the impact of
job characteristics such as autonomy on psychological states (Roe, Zinovieva, Dienes, & Ten Horn,
2000), what is considered a just and an appropriate contribution (Hundley & Kim, 1997), what is perceived as effective leadership (House et al., 2004), or
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core assumptions of our theories need to be tested for their universality in order to build a global science of organizational psychology.

To date, much of the work that is done in the field still makes the implicit assumption that the phenomena we study are universal (or etic), or that there is an underlying common (“true”) nature to all human beings (Adamopoulos & Lonner, 1994). A perusal through the major texts or journals in organizational psychology reveals that it is rare when a theory or a finding is qualified by the notion that “we need to examine whether the theory applies to other cultural contexts.” In this respect, we argue that the challenge for organizational science is not only in the low base-rates of cross-cultural research, but also in the assumption of universality of our theories. This often-unquestioned assumption limits the ultimate goal of our science: to be able to make generalizations to organizations and humankind.

Some might ask, why not begin with an assumption that our theories are universal? Along with others (Pepitone & Triandis, 1987; Wilson, 1980), we would argue that although universals exist, starting with this assumption is not logically tenable. An assumption of universality can only be credible to the extent that the variables that we study are influenced by factors that are common to all human beings. This includes, for example, variables that are closely related to biological factors that are shared among humans. It could also include variables that are linked to common ecological pressures or exposure to similar social structures (Pepitone & Triandis, 1987). However, given that many of the variables studied in the field are not of this nature, it is not safe to assume that theories and research generalize across cultures. Along the same lines, using an interesting metaphor, Wilson (1980) compared the issue of universality to the notion of behaviors being on “leashes” (as cited in Lonner & Malpass, 1994). Behaviors such as eating or sleeping are on “short and tight leashes,” since human biological and physical characteristics do not allow for much variability in behaviors. Other behaviors such as decision-making or choice of activities are on “long and flexible leashes” that allow for greater variability in behaviors. From this perspective, the role of culture should increase as behavior shifts from a physiological basis, to that which is grounded in perceptual, cognitive, or personality bases, and should increase even more as one examines behavior in social and organizational contexts (Lonner & Malpass, 1994; Poortinga, Kop, & van de Vijver, 1990). We would caution readers, however, that even basic physiologically based behaviors can be subject to wide cultural variation, as recent evidence in cultural neuroscience attests (Chiao, 2009). In sum, while there may be some universals in organizational psychology, the assumption of universality in the field is not easily defensible on logical grounds.

Illuminating Emic Phenomena

Another way in which cross-cultural research can expand organizational psychology is by illuminating emic, or culture-specific phenomena. As we will discuss throughout this chapter, it is possible that a construct that is found to be universal may be manifested differently in different cultures. For example, dating back to the Ohio State studies on leadership, researchers have consistently found two dimensions of leader behavior: initiating structure (task-oriented), and consideration (relationally oriented). Cross-cultural research has revealed that these general distinctions are found in other cultures (e.g., Misumi, 1985). However, the specific behaviors that are associated with these dimensions vary considerably across cultures (Peterson,
Smith, Bond, & Misumi, 1990). For example, talking about one’s subordinate behind his or her back is seen as considerate in Japan, yet is seen as inconsiderate in the United States (Smith, Misumi, Tayeb, Peterson, & Bond, 1989). Such findings not only help to expand organizational theory, but also have wide practical implications for intercultural interactions.

By studying a particular culture in depth, cross-cultural research may reveal phenomena that are highly emic and that are not found in other cultures. Indeed, a number of emically derived variables have been discussed in the organizational literature. Many of these research programs illustrate the importance of relational constructs as central to organizational life. For example, Kashima and Callan (1994) argue that in Japan, motivation is regulated through an amae-on-giri exchange between supervisors and subordinates. Within this system, subordinates seek to be accepted by and dependent upon their superiors, which is referred to as amae (Doi, 1973). When superiors fulfill amae, this produces obligations (giri) among subordinates to repay such favors (on) through hard work and high performance. Thus, motivation is highly relational, and is constructed through particular culture-specific scripts in the Japanese context. Kim (1999) notes, for instance, how indigenous Korean constructs such as kye involve a strong focus on helping other people achieve their goals and needs. Likewise, simpatia, or “a general orientation among Hispanics toward establishing and maintaining harmony in interpersonal relations” (Rosenfeld & Culbertson, 1992, p. 221), has critical implications for leadership, negotiation, and group dynamics throughout Latin America. Metaphors for the family in organizational contexts abound in non-Western cultures. For example, Iranian scholars have noted that “employees view their managers as sympathetic brothers and sisters or compassionate fathers and mothers who [are] frequently involved in their employees’ private lives and family matters” (Namazie & Tayeb, 2006, p. 29). (Davila & Elvira, 2005) (2005) similarly note that “family” is the metaphor used by management for leading Latin American firms. The concept of paternalistic leadership is similarly common in non-Western countries, where “the role of the superior is to provide care, protection, and guidance to the subordinate both in work and non-work domains” (Aycan, 2000, p. 446; see also Gibson & Zellmer-Bruhn, 2001, for metaphors for teamwork across cultures). The importance of the role of religion in organizational life is yet another example.

In many Islamic countries, the religious practice of shura requires managers to consult employees before making decisions (Mellahi, 2006). In Ghana, spiritual traditions affect forgiveness processes in organizations (Debrah, 2001). In Latin America, religious images, altars, and sculptures are commonplace in the workplace, and employees “expect freedom to express their faith in public” (Davila & Elvira, 2005, p. 10). Thus, whereas Western research generally treats religion as a private matter, and thus generally not relevant to organizational phenomena, religion has a major impact on organizational processes in some cultures. In sum, illuminating culture-specific phenomena is an important endeavor as we globalization our science.

Reducing Ethnocentrism and Improving Intercultural Interactions

All humans are ethnocentric (Triandis, 1994), which is to say that humans use their own cultural standards to judge what is right versus wrong, moral versus immoral, and so on. Such standards are imposed on others because they seem natural and because they are functional—in other words, they are adaptive in particular sociocultural contexts.

Shweder and colleagues provide a clear illustration that ethnocentric perspectives are found across cultures. Specifically, in his study of morality, Shweder asked people in both the United States and India about their judgments regarding a number of behaviors, including widows eating fish (Shweder, Mahapatra, & Miller, 1990). This included questions such as: Is this behavior a sin? Would it be better if all widows in the world did this? Would other countries that allow widows to eat fish be better off if they didn’t? What if people in your country wanted to change the rule about widows eating fish? Would you agree? Across both student and adult samples, he illustrated that individuals in India consistently believed that it was a sin for widows to eat fish; that other countries would be better off if widows were not allowed to eat fish; and that the rule should certainly not be changed within India. Likewise, in the United States, individuals thought it was not at all a sin, and that widows around the world should be allowed to eat fish. Changing the rule in the United States, according to these samples, was also wrong.

Thus, both Americans and Indians had ethnocentric views of the same behaviors. Importantly, these beliefs are adaptive in that they are based on enduring cultural practices in both cultures. Specifically, in India, such beliefs are supportive of cultural collectivism. In this cultural context, the bond between...
husband and wife is eternal and sacred. Yet experience also illustrates that fish can be sexually arousing, and thus could ultimately tempt a widow to break such bonds—which would violate important cultural standards. In contrast, the beliefs among Americans about widows reflect the importance of individualism and the natural right to choice. Among this group, legislating food choices would also violate important cultural standards.

While it is a natural process, ethnocentrism can be reduced through cultural knowledge and perspective taking. In organizational psychology, cross-cultural research is needed to help design training programs to help managers understand the nature of other cultural systems, including how people from other cultures view leadership, negotiation, conflict, motivation, and so on. By illuminating why such beliefs vary—in other words, how they link to dominant cultural meaning systems—will help managers gain perspective about cultural differences, reduce ethnocentrism, and, ultimately, make intercultural interactions more effective.

A Counterpoint: Does Globalization Inevitably Yield Cultural Similarity?

One may ask, however, whether cross-cultural perspectives in organizational psychology are becoming less important because of the homogenization of world cultures. In other words, globalization is causing more cultural similarity, rendering the issue of universality in organizational psychology a fait accompli. This counterargument often rests upon the notion that developments in technology and the globalization of business have resulted (or will result) in the widespread adaptation of American culture throughout the world. Indeed, already skeptics will argue that youth in many countries—from the United States to Japan to Zimbabwe—are all eating Big Macs, drinking Coca-Cola, and wearing jeans, which is causing a homogenization of world culture (Huntington, 1996). Within this perspective, the lack of attention to cultural factors in organizational psychology becomes not only unimportant, but unjustified.

As noted by Huntington (1996), however, this argument is missing the essence of culture—which includes, at the most basic level, deeply rooted assumptions, beliefs, and values (Triandis, 1972)—and not superficial culinary or clothing choices. Put simply, the “essence of Western civilization is the Magna Carta, not the Magna Mac. The fact that non-Westerners may bite into the later has no implications for their accepting of the former” (Huntington, 1996, p. 58). Indeed, research on cultural values first pioneered by Hofstede (1980), later refined in Schwartz (1994), and more recently replicated among the GLOBE research team (House et al., 2004) attests to the fact that variability in cultural values is alive and well. Furthermore, some have even argued that an emphasis on cultural identity is actually on the rise (Huntington, 1996) with the end of the superpower divide and the consequent emergence of age-old animosities and emerging cultural divides. As noted by Huntington (1996), “non-western societies can modernize and have modernized without abandoning their own cultures and adopting wholesale Western values, institutions, and practices” (p. 78). In sum, the argument that cultural differences are no longer important (or will cease to be important) in organizational psychology is not easily tenable.

In the remaining part of the chapter, we discuss extant research on culture and organizational psychology, from culture and organizational entry, to culture and individual behavior in organization, to culture and the social animal in organizations. Before we turn to these topics, we first consider critical distinctions and levels of analysis issues in the study of culture and organizations.

Developing Cross-Cultural Research Questions: Key Distinctions and Levels of Analysis

The definition of culture has long been a source of debate among anthropologists and cross-cultural psychologists (see Jahoda, 1984; Rohner 1984; Segall, 1984). Indeed, over 160 definitions of culture have been identified (Kroeber & Kluckhohn, 1952). Perhaps not surprisingly, definitions tend to reflect scholars’ training and experience. For instance, Geertz (1973), an anthropologist, defined culture as a “historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which people communicate, perpetuate, and develop knowledge about attitudes toward life.” Kluckhohn (1954) defined culture as consisting of “patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups.” Skinner (1981), a behaviorist, argued that “culture is a set of schedules of reinforcements.” Hofstede (1980), a psychologist, asserted that culture consists of “a set of mental programs that control an individual’s responses in a given context.” Definitions also vary in their scope. Shweder
and LeVine (1984) argued that culture is a “set of shared meaning systems.” Herskovits (1955), alternatively, provided a very broad definition of culture in arguing that culture is “the human-made part of the environment.” Triandis (1972) further differentiated aspects of this definition by distinguishing between objective elements (i.e., housing, roads, tools), and subjective elements, or a “group's characteristic way of perceiving its social environment” (Triandis, 1972, p.3).

Although there is no one “right” definition of culture, the level at which culture is defined and operationalized should be determined theoretically and made explicit in research. Below, we draw upon Chan’s (1998) terminology for understanding levels of analysis and illustrate the diversity at which culture can be theorized and assessed at different levels of analysis (Gelfand et al., 2008). We explicitly use different terminology at different levels in order to help reduce confusion and inconsistency regarding the level of culture.

### Individual Measures of Subjective Culture

At the individual level of analysis, one can differentiate a number of conceptualizations of culture. **Psychological culture** refers to individuals’ personal values, attitudes, or beliefs making the individual, not the culture, the referent (e.g., I value X). In this conceptualization, culture is treated as an individual-level construct, and is not aggregated to a higher level. This conception of culture is particularly relevant for research that is examining individuals who vary in their values, attitudes, or beliefs within a particular group, and, moreover, when values are not necessarily shared within subgroups of the sample (cf. Chao & Moon, 2005, on the notion of cultural mosaics). **Subjective cultural press** is another individual-level conceptualization of culture, which is defined as individual differences in perceptions of cultural values, attitudes, and/or norms (Gelfand et al. 2008). Like personal values, subjective cultural press is an individual-level definition of culture. Unlike personal values, however, subjective cultural press is measured using the culture as the referent (e.g., people in this culture value X). This measure of culture is particularly relevant for assessing culture for researchers who theorize that perceptions of the society serve as a motivational force, but that this varies by individuals. For example, individuals high on need for closure may be more attuned to the environment and therefore have more accurate knowledge of the culture. **Implicit measures of cultures** are subconscious differences in attitudes, values, beliefs, or norms across cultural groups that can reflect psychological culture or subjective cultural press. Implicit culture, by definition, is assessed through non-explicit means, such as the Implicit Association Test (Greenwald, McGhee, & Schwartz, 1998) or other unobtrusive methods. Given that researchers have argued that culture is best described as tacit knowledge, rather than explicit knowledge (cf. Kitayama & Uchida, 2005), this is a promising conceptualization and measure of culture (see Kim, Sarason, & Sarason, 2006). Finally, **cultural frog ponds** (Klein, Dansereau, & Hall, 1994) are also potential individual-level conceptualizations of culture, wherein individual values, attitudes, and beliefs are seen in comparison to the mean levels of such constructs in the members of the culture. Such effects are particularly relevant when one is interested in whether the congruence of one’s own values with the dominant values predicts organizational phenomena. For example, Van Vianen, Feij, Krausz, and Tarsis (2004) found that Schwartz’s cultural value of self-transcendence predicted work adjustment and interaction adjustment when operationalized as the congruence between an expatriate’s values and the perceived normative values of the host country (see Gelfand et al., 2008, for further discussion).

### Unit-Level Measures of Subjective Culture

At a higher level of analysis, one can view culture through an additive model of personal values, which are assessed by measuring individual values (e.g., I value X) and calculating the value average across members of a given culture. In additive models of culture, the mean of personal values is taken as an adequate representation of unit-level culture, regardless of the degree of variation in individual values within that culture. Many additive models of culture have been advanced (Bond et al., 2004; Hofstede, 1980; Schwartz, 1992). **Consensus culture**, which is based on the direct consensus compositional model described by Chan (1998), in contrast, conceptualizes culture as an aggregate of individuals in cultures where values are shared. Like additive culture, consensus culture is measured by assessing individual values (e.g., I value X) and aggregating them to the unit level, though in this case, aggregation statistics are typically utilized to justify that constructs are shared (e.g., $r_{yg}$). Another type of unit-level culture is **cultural descriptive norms**, which fit the referent-shift compositional model described by Chan (1998). Descriptive norm models differ from additive and consensus models by using the
culture, instead of the individual, as a referent when measuring values (e.g., *people in this culture* value X). Specifically, descriptive norms are measured by assessing individual perceptions of what is valued in the culture in general (i.e., subjective cultural press), and then averaging perceptions across members of a single culture. Like consensus models of culture, descriptive norm models of culture assume that perceptions of what is valued in a given society must be shared among members of that society in order for culture to be meaningful. Descriptive norm models are also comparatively rare, although the GLOBE study provides a notable exception (e.g., House et al., 1999). Finally, consistent with Chan’s (1998) compositional model terminology, one might examine dispersion in subjective culture at the unit level as a meaningful conceptualization of culture. Culture as dispersion departs from the three other forms of unit-level culture in that dispersion models define culture as variance instead of central tendency. Dispersion models of culture can be grounded in either personal values (e.g., *I value X*) or subjective cultural press (e.g., *people in this culture value X*) and can be measured as the variance or standard deviation of the individual variable of interest. Cross-cultural researchers generally have not taken a dispersion approach to culture, though this is a promising area for research (Gelfand, Smith Major, Raver, Nishii, & O’Brien, 2008).

**Unit Measures of Objective Culture**

Conceptualizations of culture need not be subjective in nature, as previously discussed, but rely on objective data that does not require explicit reports of values and/or norms. One alternative to subjective cultural ratings is *global culture*, which include objective artifacts, cultural practices, and behavioral patterns (e.g., Kozlowski & Klein, 2000; Triandis, 1972). Because they represent the culture in its entirety, these measures are unit-level definitions of culture. For example, Miyamoto, Nisbett, and Masuda (2006) coded street scenes from the United States and Japan in order to study cultural differences. Likewise, Levine and Norenzayan (1999) used walking speed, the speed at which postal workers complete a task, and the accuracy of public clocks to assess pace of life across cultures. One major advantage of objective measures of culture is that they are not grounded in the perceptions of individuals. Thus, factors that may bias response on surveys that measure cultural values (e.g., halo or central tendency rating biases) are less problematic. On the other hand, measures of objective culture are not free from human biases, and a given artifact may have more than one cultural interpretation.

In summary, we have discussed definition of culture as both objective and subjective, implicit and explicit, and a property of both individuals and units. While we do not advocate one “right” definition of culture, or suggest that all scholars agree upon the most appropriate level for defining the construct of culture, we believe that it is critical to carefully consider different options for defining culture, to use the definition that is most appropriate given the context of a research study, and to provide an explicit rationale for why culture is defined at a particular level of analysis in any organizational research. Such careful attention to defining culture at the appropriate level of analysis will not only increase our ability to compare similar findings across studies, but will also contribute to achieving a truly global organizational science by building a deeper understanding of where culture operates.

**Modeling Cultural Effects in Organizational Psychology**

With these distinctions in mind, we now turn to developing models of how culture affects organizational phenomena. As in the former discussion, we advocate that research is explicit in the model that is being tested in cross-cultural research, and, in particular, whether it is a single-level model, a cross-level direct model, or a cross-level moderator model (see Gelfand, Leslie, & Shyeinberg, 2007; Gelfand et al., 2008; Kozlowski & Klein, 2000).

Figure 33.1 shows numerous kinds of crossresearch questions that might be tested in organizational psychology, as per Gelfand et al, 2007. As depicted in the figure, Linkages A and B in Figure 33.1 reflect examples of *single level* models that examine the macro antecedents and consequences of national culture. For example, one might examine how factors such as temperature, natural resources, population density, economic structure, or history of conflict between nations affect societal values, norms, or beliefs, or how societal values, norms, or beliefs affect societal crime rates, conformity, or innovation (see Gelfand et al., 2011). Although not reflected in the figure, likewise one might examine single-level models of culture at the individual level, using the psychological definitions of culture discussed above.

Linkages C–E reflect *cross-level direct effect* models that examine the direct effect of societal culture on organizations and individuals. For example, Linkage C reflects cross-level research that examines...
the influence of societal culture on organizational culture (see the GLOBE research project; House et al., 2004). Other research at this level of analysis might examine how societal culture affects human resource practices—selection and job analysis techniques, performance appraisal methods, and/or training methods—that are implemented in organizations, as we will discuss extensively below. Research might also examine the indirect effect of societal culture on organizational outcomes, as mediated by cross-cultural differences in organizational culture and practices. For example, Gelfand et al. (2006) argued that organizations in tight societies would be better at implementation, whereas organizations in loose societies might be better at innovation, as mediated by differences in organizational cultures in constraint versus latitude. Linkage D in Figure 33.1 represents research that examines how societal culture has a cross-level direct effect on the institutional context of organizations. For example, it is possible that the prevalence of certain industries or ownership structures (e.g., private versus public) varies across societies.

While Linkages C and D represent societal cross-level effects on organizations, Linkage E represents research that examines how societal culture affects individual-level phenomena, such as cognitions, motives, or emotions. As reviewed below, research in organizational psychology, for example, has examined how societal culture affects employees’ achievement motivation, self-efficacy, job attitudes, and perceptions of effective leadership. Alternatively, one might be interested in the indirect effect of societal culture on individual behavior, as mediated by individual perceptions, motives, or emotions. For example, research might examine whether there are cross-cultural differences in attitudes toward teams work, perceptions of justice, or organizational citizenship, as mediated by cross-cultural differences in individuals’ perceptions, attitudes, and/or motives.

As seen in Figure 33.1, other research question might examine cross-level moderator effect models, wherein societal culture is expected to moderate relationships at the organizational and individual levels. Linkage F represents cross-level research that examines how societal culture interacts with features of...
the organizational context (e.g., industry, technology) to predict organizational culture and practices. For example, one might be interested in whether organizational cultures are more similar across societies within some industries (e.g., manufacturing) as compared to others (e.g., service). Linkage G illustrates that the relationship between organizational culture and practices and organizational outcomes can be moderated by societal culture. For example, research might address whether diversity in organizations is beneficial for organizational performance and how this relationship varies across societies. At lower levels of analysis, Linkage H represents research on how societal culture moderates the impact of organizational practices on individual cognitions, motives, or emotions. Research might address, for example, whether giving voice (an organizational justice practice) has similar effects on satisfaction in different societal cultures, or whether working in teams similarly affects motivation across cultures. Finally, Linkage I illustrates that societal culture might moderate the relationship between psychological states and behavior. For example, research might examine whether societal culture moderates the strength of attitudes as a predictor of behavior, or whether needs (e.g., need for closure) differentially affect behavior across cultures.

Figure 33.1 represents a heuristic for thinking about the kinds of research models that are tested in cross-cultural organizational psychology and the complexity of levels of analysis in cross-cultural research. Figure 33.1 does not represent all possible multilevel linkages that pertain to societal culture, yet it highlights the importance of making explicit the level and questions being addressed. What is not well represented in the figure are the numerous methodological challenges and judgment calls that are involved, once research questions have been developed. We refer the reader to a number of sources that deal with issues in sampling, translations, response biases, among other methodological concerns that are inherent to cross-cultural research (see, Gelfand, Raver, & Ehrhart, 2002; Van de Vijver & Leung, 1997, for reviews; see also Berry, 1969; Brett, Tinsley, Janssens, Barsness, & Lytle, 1997; Cheung, & Rensvold, 2000; Peng, Nisbett, & Wong, 1997).

With these distinctions in mind, we now turn to a selective review of research on cross-cultural organizational psychology. We first consider cultural differences at the stage of organizational entry, asking questions such as: How does culture influence selection practices? How does culture influence the nature of jobs and criteria for performance in organizations? While these issues of organizational entry have long been studied in organizational psychology, they have only recently received cross-cultural attention.

Culture and Organizational Entry

Culture and Staffing: Recruitment and Selection

One of the critical steps in organizational entry is staffing that involves recruitment and selection. Research over the last few decades has illustrated that culture influences the process of selection and recruitment in numerous ways, including the purpose of recruitment, the types of methods used to recruit and select employees, the criteria that are used to make recruitment and selection decisions, and the perceived fairness and appropriateness of methods used to recruit and select employees, all of which are reviewed in turn below.

Recruitment in the Western literature is often depicted as a process of attracting the right number of applicants with the right level of qualification to the organization. Hence it is a process that should follow a careful HR planning and job analysis. Organizations in North America typically adopt this model, wherein the purpose of recruitment and selection is to differentiate among candidates and to maximize individual performance and ultimately organizational profit. Yet these recruitment and selection goals are not necessarily universal. For example, in India and Eastern Europe, organizations hire more employees than needed in order to combat poverty and unemployment (Herriot & Anderson, 1997; Sinha, 1997). Asian organizations, valuing benevolence and paternalism, adopt practices such as long-term employment to benefit and protect the individual more than the organization. Similarly, in former socialist economies, the duty of government and organizations was to provide employment for life. In such sociocultural contexts, organizations are expected to meet societal needs. Hence, the recruitment practices do not necessarily emphasize the number and qualifications of applicants that are right for the organizations’ strategic needs.

Culture also influences methods used to recruit employees. Organizations striving to find the best-qualified applicants typically use widespread recruitment channels (e.g., online recruitment services, career fairs, newspaper ads), and these methods tend to be found in performance-oriented and individualistic cultures (Aycan, 2005). In contrast,
organizations striving to maintain interpersonal harmony prefer to use close social networks and word of mouth to announce job openings, as compared to widespread announcements, and these methods tend to be found in collectivistic cultures where there is in-group favoritism, and in high power distant and uncertainty avoiding cultures (Aycan, 2005). Using social networks for recruitment in such cultures is perceived according to different criteria from individual performance per se. For example, employees recruited through personal contacts are perceived to be more likely to stay loyal and committed to the organization (cf. Bian & Ang, 1997; Wasti, 2000). The use of social networks is also useful for assessing the perceived “personal” fit with the organization. For example, some Korean high-level executives personally conduct campus visits to universities of which they are the alumni, and call on their former professors to solicit recommendations for good candidates (Hak-Chong, 1998). For those organizations, good interpersonal relationships, ascribed status and sociopolitical connections are more important than individual merit and credentials (Budhwar & Khatri, 2001; see also Ma & Allen, 2009, who argued that cultural values can moderate the relationship between recruitment practices and recruitment outcomes).

Culture also influences the relative preference that organizations have for internal and external recruitment for managerial positions. According to the findings of Cranet research, (Parry, Tyson, & Brough, 2006), there are differences in the use of internal recruitment to fill middle-level managerial vacancies among European countries (lowest was Bulgaria: 54% of organizations using internal recruitment; highest was Czech Republic: 85%). However, the difference in using internal recruitment is even larger to fill senior-level managerial vacancies (lowest was 27.4% of organizations in Denmark; highest was Czech Republic: 68%). Internal recruitment and promotions may be preferred to ensure and reward loyalty to the organization in cultures that are high in collectivism and power distance (e.g., Björkman & Lu, 1999a; Budhwar & Khatri, 2001). It is difficult for externally recruited employees to enter into strong social networks in collectivistic cultures and to cope with the resentment and resistance caused by their appointment, especially if an internal candidate has been supported for a managerial position.

There is also a wide variation in the type of questions directed to job applicants in application forms. In individualistic cultures, personal questions that are not job-related are not asked; they are perceived as violation of privacy and are not permitted on legal (e.g., equal employment opportunity law) and/or ethical grounds. However, in collectivistic cultures, job applicants are primarily evaluated on the basis of how well they will fit into the social and cultural context of the organization. Accordingly, personal questions to predict that aspect are freely asked in the application forms, such as marital status, religious affiliation, ethnic and cultural background, city or region of birth, family background (e.g., spouse’s, father’s and mother’s occupation; number of siblings), socioeconomic status indicators (e.g., type of car driven, ownership of property), leisure time activities, and so on.

In sum, recruitment methods are not necessarily universal. At the same time, it is clear that differences across cultures in recruitment methods follow their own “cultural logic”—in other words, they are used to serve specific organizational goals, which themselves vary considerably across cultures.

Culture also influences the specific criteria being used in recruitment and selection. For example, in the United States, selection criteria are perceived to be relevant to the job as well as predictive of future performance. Some of the most commonly cited criteria for selection include education, past work experience, personality traits, and cognitive skills. Because of the equal employment opportunity laws in the United States, selection criteria should not discriminate against any particular ethnic, gender, or age group. In contrast, criteria for selection in collectivistic cultures are geared toward competence in interpersonal relationships more than competence in job-related areas (e.g., technical knowledge, skills, and abilities). Criteria used in employee selection include, for example: in Japan, team members’ favorable opinions about the candidate (Huo & Von Glinow, 1995) and right temperament and personality (Evans, 1993); in Islamic Arab countries, agreeableness, good interpersonal relations and trustworthiness (Ali, 1989); in India, belonging to the same in-group as the manager (e.g., the same family or homeland; Sinha, 1997); in Latin America, positive attitudes toward family life (cf. Barrett & Bass, 1976). Ryan and colleagues found that in cultures fostering interdependent self, selection tools that focus on job-related competencies are perceived to constrain the candidate’s ability to express his or her unique self vis-à-vis situational contingencies (Ryan et al., 2009). Others have indeed found that some of the criteria that successfully predict future performance in the United
States may fail to do so elsewhere. For example, the knowledge and skills that are acquired from formal education may not be the best predictors of performance in countries where the quality of formal education is low (e.g., Ingmar & Yuan, 1999; Rousseau & Tinsley, 1997).

Other research illustrates the notion that selection criteria match some important “cultural criterion” in the society in which organizations are embedded. In high power distant cultures, for example, selection criteria reflect the social order in the society. Organizations in high power distance cultures might feel pressure to recruit people who have a close relationship with influential government officers (Björkman & Lu, 1999a,b). Korea’s yon-go system (a special social relationship or special connection) puts emphasis on the applicants’ socio-economic background, including family ties, school, and birthplace (Hak-Chong, 1998); applicants having “proper” family background are clearly favored. Age and gender are also criteria that are emphasized in culture of high power distance. For example, in Korea, there is age restriction at the entry level to prevent potential conflicts between subordinates and superiors (Hak-Chong, 1998). Because age-based hierarchy and status is prevalent in Korea, it is assumed that if subordinates are older than their superiors, it is more likely that they will be disrespectful to their superiors or that superiors will have difficulty establishing their authority. With respect to gender, there is clear male preference in societies with salient gender role stereotypes (cf. Adler & Israeli, 1994; Davidson & Burke, 2004).

Consistent with the above discussion, the “Best Practices Project” (Von Glinow, Drost, & Teagarden, 2002) found wide cultural variability in the use of different selection criteria (Huo, Huang, & Napier, 2002). For instance, applicant’s ability to perform the technical requirements of the job is an important selection criterion in Australia, Canada, and the United States, whereas it is much less important in Japan. Wide variation was found in the selection criteria of “having the right connections” (e.g., school, family, friends), with the most consideration given to these factors in Mexico and the least in Australia. Von Glinow and colleagues (2002) indicated that selection practices were remarkably similar among the Anglo countries, and that technical skill and work experience were the most important selection criteria. Selection criteria were also similar among Asian countries of Japan, Korea, and Taiwan, in which proven work experience was deemphasized. As a point of convergence, authors concluded that “getting along with others” and “fitting well with the corporate values” were criteria that became as important as technical competence in the majority of countries included in the study.

Culture also influences the methods of employee selection. In some European countries, such as Italy, France, Sweden, and Portugal, the issue of testing (e.g., standardized tests of cognitive ability) has a negative connotation, because it is perceived as an invasion of privacy, a violation of an individual’s rights to control his or her own career, and a barrier to the holistic representation of oneself (Dany & Torchy, 1994; Levy-Leboyer, 1994; Ryan, McFarland, Baron, & Page, 1999; Shackleton & Newell, 1997; Shimmin, 1989; Sparrow & Hiltrop, 1994). Steiner and Gilliland (1996) found that French applicants, compared to American applicants, perceived written ability tests to be less impersonal and personality tests to be more offensive and more of a violation of their privacy. The authors argue that perceived fairness and appropriateness of a selection method by applicants is as important as its ability to predict future performance, and they refer to it as “social validity” (see also, Anderson & Witvliet, 2008). European countries also perceive selection as a process that maximizes the benefits of both employers and employees, and meets the needs of multiple stakeholders (e.g., employers, employees, labor unions, professional organizations) (e.g., Roe & Van den Berg, 2003).

As discussed above, organizations in collectivistic cultures attempt to ensure that the applicant fits the organization’s social and cultural environment. Meeting with the candidate and developing a subjective impression about the fit between the organization and the candidate is very important. Accordingly, it is perhaps not surprising that collectivistic countries in Europe are more likely to use one-on-one interviews to select employees (e.g., in Spain 92%, in Portugal 91%, in Italy 77%, in Greece 74% of organizations), as compared to less collectivistic cultures (e.g., in Norway 21.4%, in Denmark 30.6%, in UK 43% of organizations; Parry et al., 2006). In Korea several executives participate in the interviews to personally assess applicants’ personality with respect to working in harmony, having a sound moral character, and possessing the potential to become part of the team (Hak-Chong, 1998).

References or recommendations are used commonly in the majority of countries for different reasons and in varying degrees. For instance, in the United Kingdom, the United States, and Australia, recommendations are used as a final check,
whereas they are heavily relied upon in southeastern European countries and in India (Sinha, 1997; Triandis & Vassiliou, 1972). Countries relying on references use it as a tool to favor in-group members and to discriminate against out-group members (see, Khatri, Tsang, & Begley, 2006, for an excellent discussion on cronism).

Utility of the standardized selection tests and inventories developed in the United States (e.g., cognitive ability tests, personality inventories) in different cultural contexts has also been seriously questioned (e.g., Bartram, 2005; Greenfield, 1997; Sternberg, 2004), and reviews of the utility of certain assessment techniques has revealed significant variations across cultures (e.g., Bartram & Coyne, 1998; Oakland, 2004; Roe & Van den Berg, 2003). For example, Björkman and Lu (1999b) found that analytical problem-solving tests screen only a small portion of Chinese applicants because of their highly developed analytical thinking ability. To minimize such cultural misfits, there is a growing literature to guide international test users in the process of cultural adaptation and standardization for U.S.-ability tests and personality inventories (e.g., McCrae & Costa, 1997; International Test Commission, 2000; Van Hemert, van de Vijver, Poortinga, & Georgas, 2002).

Assessment center techniques (AC) are another popular tool in North America, but because cultural context determines the “success criteria,” their cross-cultural validity and utility are restricted (e.g., Briscoe, 1997; Dean, Roth, & Bobko, 2008). Depending on the cultural context, AC performance criteria and test contents must be modified. For instance, leaderless group discussion is less likely to work in high power distant cultures. Other situational exercises based on “what would you do if” scenarios are difficult to analyze for Chinese applicants, who are not used to thinking in hypothetical terms (Björkman & Lu, 1999a). Finally, while interviews are common in most cultural contexts (e.g., Ryan et al., 1999; Von Glinow et al., 2002), the way in which they are conducted (structured vs. unstructured) may be culture-specific (Huo et al., 2002).

In summary, this review makes clear that although recruitment and selection are universal processes, their purpose, methods, criteria, and implementation can be highly culture-specific.

**Culture and Nature of Jobs and Performance Criteria**

At organizational entry, employees must know about role requirements and criteria for high performance in their jobs. The process of defining job requirements, key performance indicators, and worker characteristics is generally referred to as job analysis. The ways in which cultural context influences job analysis, job design, performance criteria, and performance evaluation are discussed below.

First, culture influences the way in which jobs are defined, which is at the bedrock of all functions of job analysis, criteria, and evaluation (see Erez, 2010, for a review). For example, in highly individualistic cultures, jobs are defined in specific terms to highlight the unique characteristics of each job and the individual accountabilities of each job incumbent. In collectivistic cultures, jobs are defined for teams or work groups: individual accountabilities are blurred, and emphasis is placed on within-job activities among team members (e.g., Kashima & Callan, 1994; Sanchez & Levine, 1999). In high uncertainty avoiding cultures, jobs are defined in specific rather than broad terms to reduce role ambiguities (Wong & Birnbaum-More, 1994). Moreover, in cultures that avoid uncertainties, risks, and change, job definitions are detailed, narrow, and fixed, while in cultures that promote flexibility and change, job definitions are broad, flexible, and dynamic (Aycan, 2005). In diffuse, rather than specific cultural contexts, job boundaries are more likely to be permeable (Aycan, 2005). By contrast, in high power distance cultures, jobs are defined in broader terms, so that superiors have more latitude to ask employees to perform a variety of different tasks not included in their job descriptions. In high power distant cultures, there is heavy reliance on supervisory guidance in performing jobs and this may reduce the necessity to have specific job descriptions. As previously discussed, in collectivistic and high power distant cultures, in-group favoritism is common in recruitment and selection. This may imply that jobs are created and defined for particular individuals, rather than individuals being selected on the basis of specific job descriptions. This leads to greater flexibility in job descriptions and specifications to “accommodate” new recruits joining the organization through social networks.

Culture not only influences job descriptions but the design of work schedules, such as part-time work, shift work, temporary work, and telework. Raghuram, London, and Larsen (2001) conducted a cross-cultural study comparing work schedules of selected European countries that differ significantly on Hofstede’s four cultural dimensions. Results revealed that shift work and contract work were related to high uncertainty avoidance,
high power distance and high collectivism. They propose that shift work is preferred over telework, part-time work, or temporary work in high uncertainty avoidance cultures, because employers seek structured and predictable work arrangements to control the worker output. On the other hand, the flexible nature of telework, part-time work, or temporary work requires tolerance for ambiguities and uncertainties. It is easier to maintain the authority structure and monitor the workers closely in shift work, compared to part-time work or telework, where worker autonomy and discretion are high.

Hence, shift work is common in high power distance and high collectivism cultures, whereas flexible work arrangements are common in low power distant cultures. Because shift-work and contract work reinforce solidarity among work groups, it is preferred more in collectivistic rather than individualistic cultures. Work group cohesiveness is not strong in part-time or temporary work arrangements, which are appealing to employees in individualistic cultures. Finally, it was found that temporary work, telework, and part-time work are more common among countries scoring high on femininity rather than masculinity, because workers prefer to have work flexibility to be able to spend time with their families and to socialize with their acquaintances.

Employees must know not only the key requirements and work schedules of their jobs, but also the criteria that will be used to evaluate performance. The criterion problem (e.g., Campbell, Gasser, & Oswald, 1996) is exacerbated at the cross-cultural level, because what constitutes “good performance” is culture-bound. In individualistic cultures, for example, emphasis is placed on the individual and the work outcomes, rather than the group and team outcomes. Performance appraisal has the purpose of identifying individual differences, and individuals are held accountable for work outcomes (e.g., Milliman, Nason, Zhu, & De Cieri, 2002). In a recent multinational study, Chiang and Birch (2010) found that uncertainty avoidance and in-group collectivism were negatively associated with the use of performance appraisal as a formal way to evaluate employees. In such cultures, the primary purpose of performance appraisal is to provide feedback to employees to facilitate development.

Performance criteria in individualistic cultures tend to be objective, quantifiable, and observable, such as meeting objectives, productivity, timeliness, quality of output, and job-specific knowledge and proficiency (Harris & Moran, 1996). In collectivist cultures, individual differences are downplayed, and the primary purpose of performance evaluation is to justify decisions of compensation and promotion (e.g., Arthur, Woehr, Akande, & Strong, 1995; Triandis & Bhawuk, 1997). Employee loyalty to the in-group carries heavier weight than productivity in performance appraisal. In fact, high-performing employees who stand out in the group are disliked because this may disturb group harmony and invoke jealousy (Kovach, 1995; Vallance, 1999). Work outcomes are important, but social and relational criteria are weighted more heavily in evaluating employees. Such criteria include good human nature, harmony in interpersonal relations, trustworthiness, respectful attitude, loyalty and deference toward superiors, effort and willingness to work, awareness of duties and obligations, gratitude, organizational citizenship, conformity, and contribution to team maintenance (e.g., Blunt & Popoola, 1985; Kim, Park, & Suzuki, 1990; Negandhi, 1984; Singh, 1981; Sinha, 1990; Triandis, 1994; Tung, 1984). Seddon (1987) reports that in some African countries, employees’ off-the-job behaviors are also included in the appraisal process to protect the company image in public.

Collectivism involves strong in-group and out-group differentiation in employee treatment. This inevitably leads to favoritism. In countries where favoritism is common, performance criteria are not spelled out specifically, so that differential criteria can be used to evaluate employees (cf., Vallance, 1999). For example, low performers are protected and tolerated so long as they are favored by power holders. In Hong Kong, performance appraisal is perceived to be a way of legitimizing rewards to favored employees, whereas in the United Kingdom, it is considered as a crucial process in determining training and development needs, in assessing future potential, and in career planning (Snape, Thompson, Yan, & Redman, 1998).

In fatalistic and uncertainty avoiding cultures, performance criteria are not specifically articulated. In fatalistic cultures, it is believed that work outcomes are beyond the control of the employee, who cannot be penalized for failing to meet objectives (e.g., Aycan, 2005). In this context, employees are usually evaluated on the basis of the effort and willingness to perform, rather than the outcomes of the goal-directed behavior (Kovach, 1995; Tung, 1984).

Uncertainty avoiding cultures also refrain from specifying performance criteria (e.g., setting specific objectives), because employees feel nervous about the uncertainty of what would happen to
them if they could not meet performance criteria. For example, Russian managers avoid making plans and setting specific objectives, because if plans are not realized, they take it as a personal defeat (Michailova & Anisimova, 1999). There is also a danger of punishment by superiors. Therefore, failure to meet objectives carries personal risks for managers’ psychological well-being (e.g., loss of face and self-esteem) as well as career development. In countries with volatile socioeconomic and political environment, setting specific performance goals is not only a challenge but also a factor that could demotivate employees (e.g., Davila & Elvira, 2005).

“Performance criteria in Chinese organizations tend to be generic, broad, and focus on effort and behavior instead of/as much as outcome” (Cooke, 2008, p. 205). This holds true even in subsidiaries of U.S. multinational corporations (MNCs), which are supposed to be able to set specific performance goals and deploy them to all units. In a recent study, employees in U.S. subsidiaries in Taiwan reported to have lower clarity in performance goals and evaluation standards, compared to their counterparts in the parent company (Sauers, Lin, Kennedy, & Schrenkler, 2009).

In addition to cultural differences in criteria for performance, there is wide variation in the methods of performance evaluation and how individuals are given feedback about their performance. In high power distant cultures, performance is usually evaluated by superiors only (immediate supervisor, manager and/or several levels up; Chiang & Birch, 2010; Davis, 1998; Harris & Moran, 1996), and performance appraisal serves the purpose of reinforcing the authority structure and loyalty (Sinha, 1994). Performance criteria are not defined in specific terms, so that power holders have discretion to evaluate employees in a way that they see fit. Employees experience a tension between satisfying their superiors’ demands on the one hand and meeting the performance standards set by the organization on the other (Davila & Elvira, 2005). Performance criteria and ratings may be highly subjective and biased, reflecting the nature of the relationship between the rater and ratee (e.g., Sharma, Budhwar & Varma, 2008).

Organizations also indicate, implicitly or explicitly, promotion criteria to their employees when they enter the organization. Evans (1993) reports that “seniority” is the most important promotion criterion followed by performance in Japanese enterprises. This not only reflects the collectivistic nature of the Japanese culture (i.e., honoring and rewarding the commitment to the organization—in-group—for many years). However, Japanese organizations face the tension between seniority and merit in promotion decisions (Shadur, Rodwell, & Bamber, 1995). In China the most important promotion criteria are loyalty to the Party (or the government or the organization), good interpersonal relationships, hard working, and good moral practices (Easterby-Smith, Malina, & Yuan, 1995). In an excellent analysis of employee categorization and promotion likelihood in Chinese organizations, Cheng (1999) described the process in which promotion decisions are made. The first criterion is the “relationship” of the candidate to the top manager (whether or not an in-group or an out-group member, based on kinship or other salient factors); next comes the “loyalty” criterion; this is followed by the “competence” criterion. According to this categorization, an employee even with high competence and high loyalty is not able to make it to the top if he or she is not related to the person at the top.

Schaubroeck and Lam (2002) found that similarity in personality and good relationships with peers was a significant predictor of the promotion decision in individualistic cultures, while similarity in personality and good relationships with superiors was a significant predictor of the promotion decision in collectivistic cultures. The authors reasoned that in individualistic cultures, peer integration is less likely and less naturally occurring than it is in collectivistic cultures. When it occurs, it is an important and positive indicator of the person’s potential for a managerial position. On the other hand, in collectivistic cultures, superiors favor those employees who are similar to them with respect to personality, and who maintain good interpersonal relationships with them, for promotions. Such candidates are perceived as “in-group” members who are likely to remain loyal and deferent to their superiors when promoted.

Cross-cultural differences not only impact the nature of criteria (i.e., type of criteria and level of specificity in their definition), but also the interpretation of the same criteria. The same performance criteria may be interpreted differently by evaluators in diverse subsidiaries of MNCs. For example, organizational commitment may imply years in the organization in Japan, or expansion of extra effort in Singapore; leadership may imply cooperation and teamwork in Asia, or assertiveness and independence in the United States (Caligiuri, 2006). The same challenge is evident in culturally diverse organizations; that is, managers from diverse cultural
backgrounds use different interpretations of performance criteria in evaluating employees (DeCieri & Sheehan, 2008).

We next turn to culture and individual behavior in organizations, asking such questions as: What directs and sustains goal-directed behavior in organizations and how does this vary across cultures? How does culture influence organizational attitudes, such as job satisfaction and organizational commitment?

**Culture and Individual Behavior in Organizations**

**Culture and Motivation**

Theories of work motivation can generally be grouped into content and process theories. Content theories attempt to answer the question of “what motivates people at work,” whereas process theories attempt to answer the question of “how people are motivated.” To preface the review below, research on culture and motivation suggests that the applicability of American theories in other cultural contexts is limited, because these theories are based on the following assumptions: (a) employees are primarily motivated by rewards and practices that satisfy and enhance their *individual self*; (b) it is the *individual* whose effort is important for high performance; (c) the individual has control of events in life—it is therefore *up to* him or her to meet high performance standards; and (d) the individual rationally evaluates the likelihood of achieving performance goals and *chooses* the ones that will be worth spending the effort. These assumptions reflect the cultural value orientations of individualism, low power distance, masculinity, uncertainty tolerance, and self determination. However, such assumptions underlying motivational theories are not as valid in cultures characterized by collectivism, power distance, fatalism, uncertainty avoidance, or femininity.

As a general principle, motivational practices that are congruent with the nature of the self that is emphasized in particular cultural contexts lead to greater goal-directed behavior in organizations (Erez & Earley, 1993). For example, in individualistic cultures, such as the United States, independent self-construals become highly developed (Markus & Kitayama, 1991; Triandis, 1989), and the self is defined in terms of specific accomplishments, attitudes, and abilities and is perceived as detached from collectives. The cultural ideal is to be separate from others, to express one’s uniqueness, and to feel “good” about oneself (Markus & Kitayama, 1991). In such cultural systems, the self is conceived to be a free agent (i.e., is entitled to do what one wishes) and there is a strong emphasis on values of self-determination, self-actualization, freedom, and *individual* responsibility (Triandis, 1989). In contrast, in collectivistic cultures, the self is represented as the interdependent self, guided by the desire to achieve goals of the social group (e.g., family, organization) and to fulfill obligations to the group to which one belongs (Markus & Kitayama, 1991). For the interdependent self, achievement in one’s job means getting the approval and recognition of the esteemed and beloved people in one’s life (e.g., family members, the employer), fulfilling their expectations, and not losing one’s own “face” or that of others (Markus & Kitayama, 1991). Self-enhancement and self-promotion are perceived highly negatively in collectivistic cultures (e.g., Gelfand et al., 2002; Heine, Lehman, Markus, & Kitayama, 1999; Yoshida, Kojo, & Kaku, 1982). In such cultural systems, there is a strong emphasis on values of harmony, conformity, and *collective* responsibility (Triandis 1989). Motivational practices (e.g., sense of achievement, individual-based rewards, job enrichment) that would *primarily* enhance the individual’s own self have limited utility to motivate employees, if not backfire, in collectivistic cultures. These themes become evident in much of the research on culture and motivation below.

**CONTENT THEORIES OF MOTIVATION**

One of the most highly cited content theories of motivation is Maslow’s *theory of hierarchy of needs*. Maslow’s theory was developed in the context of the Cold War, when the essence of American culture emphasized individualism and individual achievement (Cooke, Mills, & Kelley, 2005). Although by now many Western authors have also critiqued various theoretical and psychometric aspects of his theory, it is worth also noting that the theory has also received mixed support beyond Western borders. For example, earlier studies demonstrated similar but not identical ordering of needs in countries such as India (Jaggi, 1979), Libya (Buera & Gueuck, 1979), and Peru (Stephens, Kedia, & Ezell, 1979), and in the Middle East (Badawy, 1980). However, as early as 1966, Haire and colleagues found that while *need satisfaction* (i.e., safety was the most satisfied need and self-actualization was the least) followed the hierarchy proposed by Maslow in the majority of countries, rankings of *need importance* did not. Social needs were more important for employees in cultures valuing maintenance of good interpersonal relationships and quality of life (i.e., collectivistic
or feminine cultures) than those in cultures valuing achievement and accumulation of wealth (i.e., individualistic or masculine cultures; cf. Adler, 1991). As well, having a sense of belonging to the organization that is perceived as an extended family and the sense of contribution to society have been found to be more important needs than the sense of personal accomplishment for African managers (Jackson, 2004).

Others have taken *emic* perspectives to hierarchies of needs that are unique to particular cultural contexts (Nevis, 1983). Assumptions underlying individualistic (mainly the United States) management concepts endorse self-determination (i.e., mastery of individual of his or her fate), freedom of thought and expression, individual right to excel and independence; assumptions underlying collectivistic (mainly Chinese) management concepts include the priority of nation and loyalty to it, consideration for the family, respect for age and wisdom, respect for traditional ways, and importance of communal property over private possessions. Based on these differences, Nevis (1983) proposed a hierarchy of needs applicable for Chinese employees. In this model, belonging (social needs) are the most basic needs at the bottom of the hierarchy, followed by physiological needs and safety needs. At the top, there is *self-actualization in the service of society*, which is defined as the “highest order of attainment of individual competence for reasons related to superordinate goals” (Nevis, 1983, p. 261). Nevis did not include "self-esteem need" in his model because individualism is de-emphasized and the self is defined in terms of group (Gambrel & Cianci, 2003).

Others have also illustrated that Maslow’s original theory was laden with cultural values. For example, Hofstede (1983) argued that Maslow’s hierarchy also reflects low uncertainty avoidance. In cultures with high uncertainty avoidance, employees are more strongly motivated by satisfying safety and security needs than self-actualization needs. For example, Blunt and Jones (1992) observed that African managers placed higher importance on security other than higher order needs. Adigun and Stephenson (1992) also found that Nigerian workers were motivated by satisfaction of lower order needs (e.g., pay, fringe benefits, working conditions), whereas British workers were motivated by satisfaction of higher order need (e.g., achievement, interesting work, recognition).

The needs in Maslow’s hierarchy do not necessarily predict behavior in similar ways across cultures. For example, Huang and Van de Vliert (2003) found that satisfying higher order needs exerted different effects across 49 nations. Job characteristics that satisfy higher order needs (e.g., autonomy, challenge) are associated with high job satisfaction only in economically developed countries with a strong social security system and low power distance. In another recent study, Russians were found to be motivated more than Swedes when their salary increased (Fey, 2005). Russia is a country where the social security system functions poorly and earnings are shared with aging parents; thus increased salary is the key to satisfy survival and safety needs for employees.

Schwartz’s typology of motivational domains of values (Schwartz & Bilsky, 1990) draws parallel to Maslow’s classification of needs. The security domain of values (e.g., safety, stability, harmony) corresponds to Maslow’s physiological and safety needs; the achievement domain of values (e.g., competence, achievement) corresponds to Maslow’s esteem need; the pro-social value domain (e.g., altruism, benevolence, kindness) corresponds to Maslow’s need for affiliation; and the maturity domain (e.g., learning, growth, attainment of goals) corresponds to Maslow’s self-actualization need category (Gambrel & Cianci, 2003). It would be possible to predict cross-cultural differences in work motivation using Schwartz’s framework, and this would be a fruitful avenue for future research.

Another content theory is Herzberg’s motivation-hygiene theory. Factors related to the job content (e.g., autonomy, challenge, opportunity to learn and grow) are generally referred to as "intrinsic factors" and are associated with high motivation and job satisfaction. Factors related to the job-context (e.g., safe work environment, pay, compensation package, supervision), which are generally referred to as "extrinsic factors" or hygiene factors, are those taken for granted, and are generally unrelated to motivation and job satisfaction. Hygiene factors (i.e., extrinsic factors) largely correspond to Maslow’s lower order needs, whereas motivators (i.e., intrinsic factors) correspond to higher order needs. Although some have found support for components of the theory cross-culturally (Brilslin and colleagues, 2005), based on the parallels between this theory and Maslow’s, one can predict that Herzberg’s theory has similar limitations in cross-cultural settings.

More recent research has examined the factors that promote intrinsic motivation across cultures. In the West, freedom and autonomy in one’s job are...
considered to be critical intrinsic factors motivating employees. However, Iyengar and Lepper (1999) showed that Asian Americans’ intrinsic motivation and performance were highest when valued and trusted in-group members made choices for them. In contrast, Anglo Americans had the highest intrinsic motivation when they had the autonomy to make choices themselves. Moneta (2004) found that Chinese experienced the highest level of intrinsic motivation in conditions requiring low challenge and high skill level, rather than high challenge and high skill level. The author attributes this to the endorsement of Taoism in the Chinese cultural system emphasizing prudence, interconnectedness, and emotional moderation. More generally, exploration, curiosity, and variety are associated less with intrinsic motivation in collectivistic cultures where conformity to the norm is valued (Kim & Drolet, 2003; Kim & Markus, 1999).

Research has also shown that the relative importance of intrinsic versus extrinsic motivation in prediction motivation varies across cultures. Furnham and colleagues (1994) reported cross-cultural variations in 41 countries in the factors that were considered to be extrinsically or intrinsically motivating. Participants from the Americas (e.g., Argentina, Mexico, Chile, the United States) placed high importance on mastery, hard work, and savings, whereas those from Asian/Eastern countries (e.g., Bangladesh, China, India, Israel) placed high importance on competitiveness and money. The authors explain these differences by culture as well as level of economic development of countries (see also Adigun & Stephenson, 1992). Huang and Van de Vliert (2003) found that in collectivistic and high power distant cultures, intrinsic job characteristics (e.g., challenge, recognition, autonomy, feedback) were less closely related to job satisfaction than were extrinsic job characteristics (e.g., pay, job security, working conditions). However, other studies reported the importance of both intrinsic and extrinsic factors for work motivation and job satisfaction (e.g., Aycan & Fikret-Pasa, 2003).

DeVoe and Iyengar (2004) examined the relationship between managerial perceptions of employee motivation and their evaluation of employee performance. North American managers assigned high performance evaluation scores to those employees who they believed to be intrinsically motivated, whereas Asian managers assigned high scores to those who they believed to be both intrinsically and extrinsically motivated. North American managers positively evaluated those who stand out for their uniqueness (i.e., working mainly for intrinsic reasons), whereas Asian managers valued conformity to the norm and did not punish employees who were like others (i.e., working for extrinsic reasons).

Another content theory focusing on needs is McClelland’s typology of needs. McClelland (1985) suggested that among the three motives (i.e., achievement, affiliation, power), achievement motivation had the strongest association with performance. An early study provided supporting evidence to the theory in New Zealand (Hines, 1973). This is not surprising, Hofstede argued that need for achievement implied a willingness to take risks (i.e., low uncertainty avoidance) and a desire to achieve a visible success (i.e., masculinity). The countries at the junction of low uncertainty avoidance and masculinity in Hofstede’s study were all English-speaking Anglo-Saxon countries, plus a number of their former colonies (1983, p. 67). Sagie, Elizur, and Yamauchi (1996) investigated achievement orientation in five countries, the United States, the Netherlands, Israel, Hungary, and Japan. They found similarities regarding the structure of achievement motivation but differences regarding the strength of it. People with more individualistic orientations had higher achievement motivation tendencies. The findings of the study, however, suggested two types of achievement motivation: personal and collective. The individualistic perspective to achievement motivation emphasizes the need for personal success, whereas the collectivistic perspective emphasizes the need for group success, which cannot be achieved without teamwork (see also Stewart, Carland, Carland, Watson & Sweo, 2003).

Other work illustrates that the very meaning of achievement carries different connotations across cultures. Yu and Yang (1994) reviewed studies examining different meanings of success and failure and reported that for Thais, for example, success was closely related to respect for others and tradition, and for Americans it was related to free will and realism. Early studies in Japan also showed that continuity in family tradition was more highly praised than attainment of individual achievements (DeVos, 1973). Chinese emphasize the importance of contribution to the social group and fulfilling the expectations of the family and social group when explaining achievement motivation (Wilson & Pusey, 1982). Yu and Yang (1994) proposed a new term, social-oriented achievement motivation, and developed a scale to measure it that contained items such as “the major goal in my life is to work hard.
to achieve something which will make my parents proud of me.”

**PROCESS THEORIES OF MOTIVATION**

*Equity theory* is one of the few process theories of motivation that has been subjected to extensive cross-cultural replications. Early studies asserted that equity principle in distributing rewards had limited motivating utility in non-U.S. contexts (e.g., Gergen, Morse & Gergen, 1980), and that employees had a tendency to prefer equality and need principles more than they did equity principle (e.g., Chen, 1995). However, studies in recent years yielded mixed results. A meta-analysis by Sama and Papamarcos (2000) suggested that equity was preferred by employees in individualistic cultures, whereas equality was preferred by those in collectivistic cultures, especially toward in-group members. However, the meta-analysis by Fischer and Smith (2003) demonstrated that individualism and collectivism were not related to reward allocation preference. These contradictory findings may be explained by the contextual factors (e.g., see, Chen, Meindl, & Hui, 1998). For example, Leung (1997) found that when the reward allocator was also a recipient of rewards, there was a preference for equality in collectivistic cultures, whereas if the reward allocator was not a recipient of rewards (e.g., an external agent), equity was preferred in both individualistic and collectivistic cultures.

Power distance was shown to be more important than individualism-collectivism to predict individuals’ preferences of equity over equality (Fey, 2005; Fischer & Smith, 2003). Equity is preferred in high power distance cultures, whereas equality is preferred in low power distance cultures. Fischer and Smith (2003) also found that Hofstede’s masculinity dimension was correlated strongly with the preference of equity, while femininity was correlated strongly with the preference for equality.

Only a few studies focused on need as a distribution criterion. Fischer (2004) reported cross-cultural differences in the need-based allocation of rewards and resources. People had a preference for need-based distribution in conditions of high unemployment and high collectivism. Giacobbe-Miller, Miller, and Victorov (1998) used a scenario approach to assess the importance placed on need: Russian subjects were much more likely to state that need should be the sole criterion, as compared to Americans.

There are important cross-cultural differences in the ways in which people consider what constitutes inputs, outputs, and referent groups. Seniority and education are emphasized more than performance as important inputs in Korea (Hundley & Kim, 1997). Gómez, Kirkman, and Shapiro (2000) found that collectivistic cultures value employee’s behaviors that contribute to the maintenance of harmony and enhancement of team environment more than individualistic cultures do. Accordingly, behaviors geared toward helping others and maintaining good interpersonal relationships are inputs that are more important than job performance in collectivistic cultures (Bolino & Turnley, 2008). In high power distance cultures, seniority, age, and social class are considered as inputs that deserve valued organizational outcomes (e.g., promotion). Loyalty, respect, and adherence to social norms are also considered to be inputs in the exchange relationship (Fadil, Williams, Limpaphayom, & Smatt, 2005).

In collectivistic cultures, valued outcomes include long-term employment, and respect and recognition from the supervisor, and good interpersonal relationships (Fadil et al., 2005). In high power distance cultures, people expect to earn status symbols (e.g., a bigger office, company car, job title) in exchange for inputs (e.g., hard work or loyalty).

According to Bolino and Turnley (2008), cross-cultural variations in referent group preferences can be summarized in three ways. First, in high power distant cultures, employees are unlikely to compare themselves with high-level managers because it is acceptable that those managers have privileges due to their high status. Second, in individualistic cultures, the referent group is made up of employees who are holding similar jobs and others with whom they share the most similarity. In collectivistic cultures, employees are also concerned with the fair treatment of their in-groups (e.g., the team members in the work unit), and may be involved in comparisons between their groups and other groups in or outside the organization.

Compared to individualistic cultures, people in collectivistic cultures are more concerned with restoring equity to save the relationship (Allen, Takeda, & White, 2005; Fok, Hartman, Villere, & Freibert, 1996; Westman, Park, & Lee, 2007; Wheeler, 2002). It is also possible that in collectivistic cultures, people may resort to cognitive restoration of equity (i.e., thinking that the outcome must have been deserved for reasons that are not apparent to the individual), rather than taking an action to actually correct it, especially if there is a concern that taking any action would harm the relationship (Bolino & Turnley, 2008). Fatalistic beliefs in a culture would lead to accepting the inequities as they
are (Bolino & Turnley, 2008), and expecting that employees are motivated when they believe that their behavior will enhance the probability of desired outcomes. The magnitude of motivation is determined by the product of the expectancy, instrumentality, and valence. An early test of the theory showed that the motivational force score predicted by the theory was associated with effort and performance outcomes of sales personnel in both the United States and Japan (Matsui & Terai, 1975). However, more recent research shed doubt about the cross-cultural validity of the original theory and its three elements.

For example, Geiger and colleagues (1998) tested components of expectancy theory in ten cultures: Australia, Canada, Hong Kong, India, Indonesia, Malaysia, Mexico, Oman, Singapore, and the United States. They found that individualism and long-term orientation (i.e., importance of planning) were positively associated with expectancy beliefs, whereas power distance and uncertainty avoidance orientation were negatively associated with expectancy beliefs. Emery and Oertel (2006) found that there was a strong correlation between German employees’ belief that it was possible to perform well if they exerted effort (i.e., expectancy) and if they work closely with their supervisor. German employees, coming from a high power distant culture, believe that effort would lead to performance when they had close working relationships with their supervisors.

Culture also plays a key role in the instrumentality component of the theory. Research showed that performance-reward contingency is low in cultures that are high in power distance and high in fatalism (Aycan et al., 2000). As discussed earlier, in high power distance cultures, reward allocation is based on criteria other than performance, such as seniority or good relationships with top management (e.g., Brown & Reich, 1997; Hui & Luk, 1997; Leung, 1997; Smith & Bond, 1993). Schuler and Rogovsky (1998) also found that seniority-based compensation systems were preferred in countries with high levels of uncertainty avoidance, because such practices emphasize predictability and certainty, whereas performance and skill-based compensation systems were preferred in countries with low uncertainty avoidance. Pay-for-performance schemes are used widely in individualistic cultures, whereas group-based rewards are preferred in collectivistic cultures (Gluskinos, 1988). More generally, individual differences are downplayed in collectivistic cultures and the “equality” principle in compensation and reward system reflects that. Wage differentials are narrow, even among the lowest and highest ranking officials in collectivistic cultures, whereas they are very high in individualistic and performance-oriented cultures (Easterby-Smith et al., 1995; Huo & Von Glinow, 1995).

Cross-cultural variations in what are considered to be valued outcomes (i.e., the “valence” component in the expectancy theory) are well-documented in the literature (e.g., Erez, 1997; Gelfand et al., 200, 2007; Kim et al., 1990; Mendonca & Kanungo, 1994; Miller, Hom, & Gomez-Mejia, 2001) and were discussed above in content theories of motivation. For example, promotion is usually considered to be an important outcome of good performance. However, promotion of an individual to a higher position may mean separating the individual from his or her work team, increasing the jealousies of others who did not get the promotion, having extra responsibilities, and therefore working longer hours and taking risks in one’s job. Thus, “promotion” can have negative connotations for employees in collectivistic, high power distant, or uncertainty avoidant cultures (Adler, 1991). Corney and Richards (2005) reported that promotion was the most preferred reward for American students, while good pay and bonuses were the most preferred rewards for Chilean and Chinese students.

Goal-setting theory, which also received cross-cultural research attention, postulates that employees are motivated when they have clearly set goals that are specific, challenging, and acceptable. Compared to the “do your best” condition, goals are found to increase performance in a variety of countries such as the Caribbean, Australia, Israel, and Sri Lanka (cf. Punnett, 2004). As a general principle, people who have strong achievement needs are more likely to be motivated by specific and challenging goals. However, people with strong affiliation needs (e.g., as is found in many collectivistic cultures) are less likely to be motivated by specific and challenging goals because such goals have the potential to increase competition in the workplace as well as the possibility of failure, which will cause embarrassment and loss of face. People in collectivistic cultures may also resent individually set goals, as they may surface individual differences and give people individual accountabilities. Indeed, Kurman (2001) found that in collectivistic and high power distance cultures, ensuring high
performance by setting goals with moderate difficulty was more motivating than setting goals that are challenging. Hard and specific goals may also be less motivating in cultures high on fatalism. Punnett (2004) argued that “where people feel that they have little control over their environment, the idea of setting a specific target may seem foolish at best and possibly thought of as going against God’s will” (p. 150).

In a recent study, Grouzet and colleagues (2005) compared the types of goals that were preferred among employees in 15 different countries. The goals were classified in four categories driven from the combination of two dimensions: intrinsic versus extrinsic dimension, and self-transcendence versus physical self-dimension. For example, in the category of self-transcendent and intrinsic goals, there are spirituality and service to community, whereas in the category of physical self and extrinsic goals, there is financial success. The structure of goal categorization was similar across cultures; however, the placement of goals was different. For instance, financial success as a goal in life was further from hedonism and closer to safety-physical health goals in poorer cultures than in the wealthier cultures. In another cross-cultural study comparing employees from Singapore, Malaysia, India, Thailand, Brunei, and Mongolia, Chatterjee and Pearson (2002) found that there were wide variations among Asian employees in their work goals (e.g., autonomy, variety, promotion, learning, salary). For example, having an interesting work and autonomy in decision making were important goals for all Asian countries except for Malaysia; job security was a valued goal in all Asian countries except Thailand. The findings suggested that cross-cultural variations within the Asian region should be taken into consideration in goal setting, especially in multinational corporations with a diverse workforce.

Research has also examined the question of whether participative goal setting motivates employees to a greater extent than assigned goals. Participative goal setting increases the motivation of people in egalitarian cultural contexts; however, in high power distance cultures, people do not have difficulty accepting and committing to assigned goals (Sue-Chan & Ong, 2002). A comparative study between Israeli and U.S. employees demonstrated that Israelis performed lower than Americans under the assigned, rather than participative goal setting condition (Erez & Earley, 1987). The authors replicated their findings with different samples and found that lack of participation in goal setting led to a lower level of commitment among the Israelis than among Americans (Latham, Erez, & Locke, 1988). Overall, Americans were found to be committed to goals that were either assigned or participatively set, whereas Israelis were committed to goals only when they were participatively set. The authors argued that the difference between U.S. and Israeli workers was caused by the power distance experienced in these cultures. According to Hofstede’s and GLOBE’s data, Americans are higher than Israelis on power distance, and therefore find it easier than Israelis to commit to goals assigned by their supervisors.

According to another process theory of motivation, job characteristics theory, employees are motivated to the extent that their jobs are enriched. Job enrichment involves increasing autonomy, feedback, skill variety, task significance and task identity. Roe and colleagues (2000) discovered that characteristics of enriched jobs have differential impacts on psychological states and organizational attitudes of employees in Bulgaria, Hungary, and the Netherlands. For example, autonomy, feedback, and skill variety had positive impacts on psychological and work outcomes in the Netherlands (an individualistic culture), but had no or marginal impact in Bulgaria and Hungary (collectivistic cultures). Fey (2005) found that feedback had a marginally positive impact on employee performance in Russia but not in Sweden, probably due to the fact that feedback was considered to be a hygiene factor in Sweden but a motivator in Russia, where it was uncommon. Lee-Ross (2005) compared employees in Australia and Mauritius (an island in the Indian Ocean) and found that Australian employees feel empowered by the presence of all five characteristics of enriched jobs to a greater extent than those in Mauritius. Aycan and colleagues (2000) found that in fatalistic cultures, managers assumed that employees’ nature could not change or improve. As a result, they did not provide enriched jobs to their employees. Managers in collectivistic cultures implemented job enrichment, because they considered it an obligation to their employees.

Compared to other job characteristics, feedback has attracted the most attention from cross-cultural researchers. Although feedback is very important to motivate employees, there are significant cross-cultural differences in the prevalence and method of giving and receiving feedback. For example, in collectivistic and high power distant cultures, there is reluctance to seek feedback (Morrison, Chen, & Salgado, 2004). The process is usually initiated by
the superior, who is trusted for his or her expertise and wisdom (Huo & Von Glinow, 1995). In collectivistic cultures, feedback is indirect, non-confrontational, subtle, and private (Fletcher & Perry, 2001); face-to-face performance interviews are extremely rare (Elenkov, 1998). In individualistic cultures, self-efficacy beliefs are enhanced by feedback to the individual, whereas in collectivistic cultures, self-efficacy beliefs are enhanced by feedback to the group as well (Earley, Gibson, & Chen, 1999). In cultures where the distinction between life and work space is blurred (i.e., diffuse cultures; Trompenaars, 1993), negative feedback on one's job performance is perceived as attacking the person's personality. Therefore, there is a tendency to avoid giving negative feedback to save the employee from losing face (e.g., Seddon, 1987). Vallance (1999) reports that in some organizations in the Philippines, two forms are submitted, one to the HR department and the other to the employee—the latter has a more positive tone.

In collectivistic cultures, positive feedback on performance is not well-received, either. Positive feedback to individual performance could disturb group harmony, as it may induce jealousy and resentment among those who did not receive such feedback. Also, in collectivist cultures, positive feedback is expected to come from the outside. When a manager praises his or her own employees, it is perceived as self-serving (Triandis, 1994). Bailey, Chen, and Dou (1997) showed that Japanese and Chinese employees did not take any initiative to seek feedback on individual performance. Seeking feedback on individual performance was perceived as "...vulgar self-centeredness" (Bailey et al., 1997, p. 611). Feedback on group performance is more acceptable than that on individual performance. Moreover, in collectivist cultures, high-context communication patterns prevail (Gibson, 1997). Feedback on performance can be embedded in contextual cues. As such, contextual cues provide indirect, implicit and subtle messages about performance to prevent tension and conflicts that may arise as a result of direct and confrontational communication.

It is work mentioning that job enrichment for the group, rather than the individual employee enhances motivation in collectivistic cultures (Erez, 2000). The socio-technical system and autonomous work groups popular in northern Europe involve job enrichment at the group level by enhancing team autonomy, team responsibility, feedback on team performance, and task meaningfulness.

In sum, the above review illustrates that the factors that direct and sustain goal-directed behavior in organizations are highly culturally contingent. It is clear from this review that many, if not all, motivational theories have been developed in the West, making it critical to examine whether their underlying general principles hold across cultures. The above review also illustrates that the meaning of motivational concepts (e.g., achievement) can be highly culture-specific, making it critical to examine how affiliation, power, input, output, referent group, or autonomy are defined in different cultural contexts. There also might be culture-specific motivational practices or themes (e.g., needs, expectations) related to work motivation that await empirical investigation. For example, Murray (1938; cited in Markus & Kitayama, 1991) proposed a list of dominant needs in collectivistic cultures, including deference (the need to admire and willingly follow a superior), similance (the need to imitate and emulate others), affiliation (the need to form friendships and associations), nurturance (the need to nourish, aid, and protect), and avoidance of blame (the need to avoid blame and punishment; see also Lockwood, Marshall, & Sadler, 2005, for a discussion on the motivation to avoid failure among Asian-Canadians). In the Confucian tradition, the emphasis placed on morality is associated with “learning,” rather than “achievement” motivation (Li, 2002; Stevenson, Hofer, & Randel, 2000). Self-improvement (awareness of weakness and desire to improve oneself) is a stronger motivator for employees in collectivistic cultures than self-enhancement (see Heine and his colleagues, 2001; Kitayama, Markus, Matsumoto, & Norasakkunkit, 1997). More generally, understanding the nature of goals, how they should be set, how one monitors progress, and how one adapts to discrepancies is a critical direction for culture and motivation research. As the above review attests, culture also plays a role in the relationship between motivational practices and organizational outcomes. For example, satisfying high-order needs was not found to increase job satisfaction and work performance in cultures with strong power hierarchies, such as China (Eylon & Au, 1999) and India (Robert et al., 2000). The above review also illustrates that research is sorely needed on dimensions in addition to individualism-collectivism and power distance. Cultural dimensions that are particularly meaningful in relation to work motivation are fatalism (Aycan et al., 2000), performance-orientation (House et al., 2004), and uncertainty avoidance (Hoftede, 1980).

AYCAN, GELFAND
ORGANIZATIONAL ATTITUDES

Job satisfaction is one of the most well researched topics in organizational psychology, perhaps due to the role that happiness takes in Western contexts more generally, where much of the theories and research on job satisfaction originate. Cross-cultural research on job satisfaction focuses on a number of questions, such as whether there are differences across cultures in levels of job satisfaction, whether there are similar predictors of job satisfaction, and whether there are similar consequences of job satisfaction across cultures.

For example, research has illustrated that job satisfaction is higher in Western and in capitalistic developed cultures, as compared to Eastern cultures and socialist developing cultures (Vecernik, 2003). An important question is whether the meaning of job satisfaction, however, is equivalent across cultures. Liu, Borg, and Spector (2004) showed that the meaning of job satisfaction is equivalent across countries speaking the same language and sharing similar cultural backgrounds, yet its equivalence decreases with increasing cultural distance (Liu et al., 2004).

There are some universal predictors of job satisfaction. For example, positive self-concepts and internal locus of control are related to job satisfaction across a wide range of cultures (Piccolo, Judge, Takahashi, Watanabe, & Locke, 2005; Spector et al., 2002). Sweeney and McFarlin (2004) found that making social comparisons is universally related to pay satisfaction across cultures. Yet the factors that contribute to satisfaction also vary across cultures. Extrinsic job characteristics tend to be positively related to job satisfaction across cultures, yet intrinsic job characteristics are more strongly associated with job satisfaction in rich countries dominated by individualistic and low power distance values (Huang & Van de Vliert, 2003; Hui, Lee, & Rousseau, 2004). In a 42-nation study, Van de Vliert and Janssens (2002) also showed that satisfaction is highly correlated with self-referent motivation and negatively related to other-referent motivation, and these effects were pronounced in countries of high income levels, education, and life expectancy (Van de Vliert & Janssens, 2002). Contextual factors can also differentially affect job satisfaction across cultures. For example, a warm and congenial work group facilitates high satisfaction among collectivists but low satisfaction among individualists (Hui & Yee, 1999).

An interesting question is whether culture moderates the impact of job satisfaction on employee outcomes. Much of the impetus for job satisfaction research is tied to the fact that being satisfied (or dissatisfied) with one’s job has important consequences, and there is widespread evidence that dissatisfaction leads to a host of withdrawal behaviors in organizations (Hulin, 1991). At the same time, research in cross-cultural psychology would suggest that individuals do not necessarily believe that attitudes and behavior are related across cultures (Kashima, Siegal, Tanaka, & Kashima, 1992). Work is perceived more as a “duty” than as “right” in collectivistic cultures (Ramesh & Gelfand, 2010), raising the possibility that job satisfaction exerts smaller effects than in individualistic cultures. Indeed, growing evidence shows that culture moderates the impact of job satisfaction on withdrawal behaviors; a stronger relationship exists in individualistic cultures, as compared to collectivistic cultures (Posthuma, Joplin, & Maetz, 2005; Thomas & Au, 2002; Thomas & Pekerti, 2003). Chiu & Kosinski (1999) similarly noted that while Chinese experienced less job satisfaction than did Westerners, they complained less about it and accepted the situation as it was.

While satisfaction drives many employee outcomes such as withdrawal in the West, factors other than satisfaction might be important for withdrawal in non-Western cultures. For example, Ramesh and Gelfand (2010) found that turnover in India was predicted by employees’ links and their fit with the organization, whereas turnover in the United States was more highly predicted by one’s perception that one’s skills matched those of the job. Overall, the nature, antecedents, and consequences of job satisfaction can vary widely across cultures.

Research on other attitudes, such as organizational commitment, shows considerable cultural variation. For example, the meaning of organizational commitment can vary across cultures. Several studies have shown construct validity for existing measures of organizational commitment across a wide variety of countries (Gautam, van Dick, Wagner, Upadhyay, & Davis, 2005; Vandenberghhe, 1996; Vandenberghhe, Stinglhamber, Bentein, & Delhaise, 2001; Yousef, 2003). Yet others have questioned whether existing organizational commitment constructs and measures can simply be applied to other cultures. Cheng and Stockdale (2003) and Chen and Francesco (2003) found that the three-factor model of commitment (normative, affective, and continuance) was not optimal in Chinese samples, and others have questioned the validity of existing commitment scales in Korea (Ko, Price, & Mueller, 2001; Yousef, 2003). Yet others have questioned whether existing organizational commitment constructs and measures can simply be applied to other cultures. Cheng and Stockdale (2003) and Chen and Francesco (2003) found that the three-factor model of commitment (normative, affective, and continuance) was not optimal in Chinese samples, and others have questioned the validity of existing commitment scales in Korea (Ko, Price, & Mueller, 2003).
1997; Lee, Allen, Meyer, & Rhee, 2001. These differing conclusions raise the question of whether differences in factor validity are due to translation problems, or whether they are due to differences in the organizational commitment construct in other cultures (e.g., construct contamination or deficiency). On the one hand, Lee et al. (2001) argued that if one adopts general items that minimize differences in translation problems, factor structures are similar in Korea. Others, however, have shown that it is important to develop emic, or culture-specific, items for organizational commitment in the Turkish context (see Wasti, 1999). This research suggests caution in simply importing translated measures of existing organizational commitment across cultures.

Another central question examined in culture and organizational commitment (OC) research is whether demographic and situational predictors of commitment are similar across cultures. In a meta-analysis, Meyer, Stanley, Herscovitch, and Topolnytsky (2002) found that normative commitment was more strongly associated with perceived organizational support and less strongly associated with demographics (e.g., age and tenure) in studies outside versus inside the United States. By contrast, job-related factors such as role conflict and role ambiguity were stronger predictors of OC within the United States, particularly for affective commitment. These results are consistent with some more recent studies that examined how individual values moderate the impact of situational factors on organizational commitment. Wasti (2003) similarly found that satisfaction with work and promotions were the strongest predictors of organizational commitment among individualists, whereas satisfaction with supervisor was an important predictor of organizational commitment among collectivists. Andolsek and Stebe (2004) also found that material job values (e.g., job quality) were more predictive of organizational commitment in individualistic societies, whereas post-materialistic job values (e.g., helping others) were more predictive of organizational commitment in collectivistic societies. Other studies have shown the importance of examining emic predictors of commitment. In the Turkish context, Wasti (1999) found that in-group opinions about the organization were strongly linked to continuance commitment, particularly among individuals who emphasized collectivistic values (see also Abrams, Ando, & Hinkle, 1998, on the importance of subjective norms for commitment in Japan; Ramesh & Gelfand, 2010, on the importance of links and fit for turnover in India; and Yousef, 2000, on the importance of the Islamic work ethic for commitment in Middle Eastern samples).

Cross-cultural research has also examined the consequences of organizational commitment. A meta-analysis by Jaramillo, Mulki, and Marshall (2005) found that organizational commitment is a more powerful predictor of job performance in nations scoring high on collectivism than those scoring high on individualism (but see Francesco & Chen, 2004, who found the opposite when examining values at the individual level in the Chinese context). Another meta-analysis (Meyer et al., 2002) found that affective commitment is a more powerful predictor of job outcomes (e.g., job satisfaction, withdrawal cognitions) in the United States. In contrast, normative commitment was more important for job outcomes (e.g., work withdrawal, performance, OCBs) in studies outside the United States. Finally, although the organization is the focus of cross-cultural research on commitment, there is emerging work that suggests that other foci of commitment, such as commitment to one’s group and to one’s supervisor, are influenced by cultural values. Clugston, Howell, and Dorfman (2000) found that individual-level measures of power distance were related to normative commitment across multiple foci (e.g., organization, supervisor, and workgroup), power distance was related to continuance commitment across all foci, and collectivism was related to work group commitment, suggesting the need to move beyond simply the organization as the foci commitment in studies across cultures.

**Culture and the Social Animal in Organizations**

In this section, we now turn to how culture affects social behavior in organizations. As many core theories in the field attest, individuals do not exist in isolation in organizations; rather they must manage and coordinate their interdependence with others. Below we consider how culture affects the process of teamwork, conflict and negotiation, and leadership.

**Culture and Teams**

Given the flattening of organizations and increased competition to produce valued goods and services, as compared to a century ago, many organizations rely on teams to work together to produce superior performance. Teams have been characterized as being composed of two or more individuals who interact adaptively and interdependently
toward a common goal (Salas, Dickinson, Converse, & Tannenbaum, 1992). Questions abound regarding cultural influence on teams, including: (a) How do individuals react to team situations and does this vary across cultures? (b) Do teams organize and get work done in similar ways across cultures? (c) How does cultural diversity within a team affect team processes and outcomes? Each of these questions is reviewed in turn.

With respect to the first question, research has illustrated that there are cultural differences in cognitive team processes (Kozlowski & Bell, 2003). People across cultures have very different perceptions of what constitutes “teamwork.” For example, Gibson and Zellmer-Bruhn (2001) found that employees construe teamwork through different metaphors (military, sports, community, family, and associates) across national cultures, which leads to divergent expectations of team roles, scope, membership, and team objectives. For example, participants from individualist cultures tended to describe teamwork with sports metaphors, which was associated where roles and objectives are explicitly defined, there is little expectation of hierarchy, membership is largely voluntary, and the scope of activity is narrow. Associate metaphors were also common in individualistic cultures, where the scope of activity was narrow, there was little role definition, and objectives were explicit. In contrast, participants from collectivistic cultures tended to conceptualize teamwork through family metaphors, wherein the scope of activity was broad, objectives were social in nature, and there was the expectation of a paternalistic hierarchy. They also tended to conceive of teamwork through community metaphors, wherein roles were shared and informal, and activities and objectives were broad in scope and ambiguous. Power distance, in contrast, was correlated with military metaphors, wherein there was a hierarchical structure, task-focused outcomes, and roles of a limited scope. Similar to this metaphorical analysis, Sanchez-Burks and colleagues have shown that schemas for what constitutes “successful” work groups also vary across cultures. For example, consistent with a family metaphor, Mexicans perceived that socio-emotional behaviors were important for group success, whereas consistent with a sports metaphor, Anglos perceived that high task orientation and low socio-emotional behaviors were important for group success (Sanchez-Burks, Nisbett, & Ybarra, 2000). Overall, Gibson and Zellmer-Bruhn (2001) and Sanchez-Burks et al. (2000) illustrate that the very definition of teamwork varies considerably around the globe, with implications for how work is to be coordinated, accomplished, and evaluated for its success.

Culture also affects motivational processes in teams. A natural question that arises is whether individuals are motivated to work in teams more or less in different cultures. Earley (1989) demonstrated that social loafing occurred more in individualistic samples (Americans) as compared to collectivistic samples (Chinese). In a later study, Earley (1993) showed that social loafing was a function of both culture and situational conditions, particularly when people were working alone versus working with in-group members versus working with out-group members. Interestingly, individualists performed much better when working alone compared to when they worked in groups (whether with in-groups or out-groups). In contrast, collectivists performed much worse when they worked alone or in out-groups, and performed the best when working with in-group members. These results were partially explained in terms of self- and group efficacy that individualists and collectivists had in these respective conditions. For example, collectivists had much greater efficacy in in-group conditions, whereas individualists had much greater efficacy in the individual condition, explaining their respective performance boosts in each condition. In a later study, Gibson (1999) found that when collectivism in teams was high, group efficacy was more strongly related to group effectiveness (see also Katz & Erez, 2005). Earley (1999) also showed that what contributes to efficacy judgments in teams can vary dramatically across cultures. For example, in high power distance cultures, group efficacy judgments were more strongly tied to higher rather than lower status group judgments, whereas in low power distance cultures, members contributed equally to collective efficacy judgments.

More recent work has also linked cultural values to resistance to team work. Consistent with Earley’s (1989, 1993) results, Kirkman and Shapiro and colleagues have shown that values of individualism are associated with general resistance to teams (Kirkman & Shapiro, 1997, 2001a), and less support for team-based rewards (Kirkman & Shapiro, 2000). Similarly, Ramamooorthy and Flood (2004) linked individualism to lower team loyalty. Other cultural values have been shown to relate to resistance to other aspects of teamwork, particularly to self-managing teams. For example, values of high power distance, being-orientation, and determinism are related to resistance to self-management in
teams (Kirkman & Shapiro, 1997, 2001a). Similarly, at the team level, Kirkman and Shapiro (2001b) found that collectivism and doing-orientation were related to lower resistance to teams and lower resistance to self-management, respectively, which in turn increased team effectiveness. However, it is also important to note that cultural influences on reactions to teams are highly dynamic, and situational conditions can moderate attitudes and efficacy related to teamwork. For example, Chen, Brockner, and Katz (1998) showed that Americans have particularly negative attitudes toward teams when they perform well individually but their teams perform poorly. Erez and Somach (1996) found that individualist samples performed quite poorly when only given a “do your best goal” for their team (perhaps suggesting a diffusion of responsibility), whereas collectivistic samples in Israel experienced fewer group performance losses regardless of the type of group goal. Individualists might also feel more obligated to teams when they feel they have high pay equity (pay related to individual performance), yet collectivists felt less obligated under these conditions (Ramamoorthy & Flood, 2002). Taiwanese had more negative attitudes when teams had a highly fluid, changing membership as compared to Australians, in part due to differences in the perceived importance of maintaining relationships in groups (Harrison, McKinnon, Wu, & Chow, 2000).

Given the importance of trust for teamwork, a critical question is whether the same conditions create trust in different cultures. The answer to this is decidedly no, as several authors have shown that different conditions create feelings of attraction and trust toward group members across cultures. For example, Yuki and his colleagues (Yuki, 2003; Yuki et al., 2005) showed that trust is developed through different relational bases across cultures: having indirect personal ties with other group members is an important basis for trust in Japan, whereas having a strong identification based on a shared category membership (e.g., being from the same school) is an important basis for trust in the United States. Branzei et al. (2007) showed that people rely on different signs when trusting others: individualists tend to trust based on their perception of a trustee’s perceived ability and integrity, whereas collectivists tend to trust based on their perception of a trustee’s benevolence. Situational conditions also differentially affect attraction in groups. Man and Lam (2003) found that job complexity and autonomy were much more important for group cohesiveness in the United States than in Taiwan. Likewise, Tata (2000) similarly argued that high levels of autonomy are critical for teams in low versus high power distance and low versus high uncertainty avoidance cultures. At the same time, some conditions that have been argued to be empowering in the United States, such as task identity and flexibility, have been found to have negative effects on teams in high power distance groups (Drach-Zahavy, 2004).

Culture affects behavioral team processes, most notably cooperation. Eby and Dobbins (1997) found that teams with a high percentage of collectivistic members exhibited higher levels of cooperation, which in turn was related to higher performance (see also Oetzel, 1998). As with our former review, situational conditions likely affect cooperation in groups in different cultures. For example, Chen, Chen, and Meindl (1998) theorized that instrumental factors such as high goal interdependence, enhancement of personal identity, and cognitive-based trust foster cooperation in individualistic cultures, whereas in collectivistic cultures, socio-emotional factors such as goal sharing, enhancement of group identity, and affect-based trust foster cooperation in collectivistic cultures. Yamagishi (2003) also argued that cooperation is a function of mutual monitoring in cultures such as Japan and showed that teams with mutual monitoring are much more cooperative than those without monitoring in the Japanese context. Nguyen, Le, and Boles (2010) found that the relationship cooperation was much higher in collectivistic organizational cultures, yet this relationships was much stronger in individualistic cultures (e.g., the U.S.) than collectivistic cultures (e.g., Vietnam).

Culture also affects social influence processes in teams. In a meta-analysis, Bond and Smith (1996) found that national collectivism scores predicted rates of conformity in Asch-type influence experiments. Values at the individual level also affect influence processes. Ng and Van Dyne (2001) found that decision quality improved for individuals exposed to a minority perspective, yet this was particularly the case for targets that were high on horizontal individualism and low on horizontal collectivism. Influence targets with high vertical collectivism also demonstrated higher quality decisions, but only when the influence agent held a high status position in the group. An interesting question is whether culture affects debate and dissent processes. While some have been shown that debate results in higher productivity across Chinese, French, and U.S. cultural groups (Nemeth, Personnaz, Personnaz, & Goncalo, 2004; Tjosvold, Law, &
Sun, 2003), others have shown that high levels of debate may benefit U.S. but not Chinese groups (Nibler & Harris, 2003).

Finally, numerous studies have examined processes and performance associated with multicultural teams. Several authors have argued that multicultural teams (MCTs) can provide strategic advantages for organizations (Subramaniam & Venkatraman, 2001; see reviews by Earley & Gibson, 2002; Gibson & Cohen, 2003; Shapiro, Von Glinow, & Cheng, 2005). However, cultural differences, combined with other features of group work (e.g., virtuality) can produce a number of negative effects for teamwork. Numerous studies have shown that multicultural teams can be fraught with high levels of conflict (Ayoko & Härtel, 2003; Crampton & Hinds, 2005; Elron, 1997; Jehn & Weldon, 1997; Joshi, Labianca & Caligiuri, 2002; Li, Xin, & Pillutla, 2002; Von Glinow, Shapiro, & Brett, 2004), ethnocentrism (Crampton & Hinds, 2005), and in-group biases (Salk & Brannen, 2000). Very little work has been done to examine what might mitigate such effects (see Chao & Moon, 2005, for a theoretical analysis). Extant theorizing would suggest that leaders who are transformational in their approach can help diverse teams. Culturally heterogeneous teams can perform as or more effectively than homogeneous teams when leaders or other third parties provide directive advice (Gibson & Saxton, 2005), help to prevent communication breakdowns (Ayoko, Härtel, & Callan, 2002), and broker hidden knowledge between culturally diverse members (Baba, Gluesing, Ratner, & Wagner, 2004). Others have advocated implementing structural interventions, such as formal temporal coordinating mechanisms (Montoya-Weiss, Massey, & Song, 2001) and internal norms for meaningful participation (Janssen & Brett, 1997) to help multicultural teams. Other research suggests that helping to preserve yet respecting cultural differences (Janssen & Brett, 2006) as well as developing a strong team identity (Van Der Zee, Atsma, & Brodbeck, 2004) help to increase positive outcomes among multicultural teams. Time is also an important moderator of processes in multicultural teams. Although some research shows that culturally diverse teams generally have lower performance than homogeneous teams and take longer to make decisions (Punnett & Clemens, 1999; Thomas, 1999), culturally heterogeneous teams perform as well as homogeneous groups over time (Earley & Mosakowski, 2000; Watson, Johnson, Kumar, & Critelli, 1998; see also Watson, BarNir, & Pavur, 2005; Watson, Johnson, & Merritt, 1998). Demographic composition of teams also moderates effects. For example, Earley and Mosakowski (2000) showed that highly heterogeneous teams also outperform moderately heterogeneous teams because they avert subgroup fractionalization and fault lines.

In conclusion, the above review of research on culture and teams also suggests that the applicability of the American theories in other cultural contexts may not always generalize to other cultures. Like research on motivation, individuals in the United States and other Western contexts tend to approach teamwork in ways that are consistent with values of individualism and low power distance, and tend to: (a) perceive teamwork through metaphors that are consistent with American and Western practices, including sports; (b) be resistant to teamwork and “loaf” in such contexts as compared to other cultures; and (c) be less cooperative and less subject to social influence in teams. Not surprisingly, such cultural differences make multicultural teamwork more difficult, though, as noted above, with the right situational interventions such teams can be as productive as homogenous teams.

**Culture and Conflict/Negotiation**

Organizational life is replete with negotiations. Negotiations are frequently conducted in formal arenas, such as industrial relations and joint ventures, as well as informal arenas, such as between supervisors and among peers (Pruitt & Carnevale, 1993). It also increasingly occurs very frequently across cultural borders, making it critical to understand how and when culture influences negotiation processes and outcomes.

Much research on negotiation over the last several decades has focused on negotiators’ psychological processes, including negotiator cognition (how negotiators think and their deviations from rationality); motivation (what motivates negotiators and how this influences their strategic choices); and emotion (how emotions of both the self and others influence negotiation processes). Much of the cognitive tradition in negotiation is predicated upon the seminal work of March and Simon (1958) and the notion that decision makers have bounded rationality (Kahneman & Tversky, 1973, 1979) and fall victim to a wider range of decision biases, particularly related to the negotiation context. A wide range of classic information-processing biases, such as framing, anchoring, and availability, as well as social perception biases, such as competitive fixed-pie perceptions, attributional biases, and reactive
devaluation, have been found among Western samples in negotiation (see Gelfand, Fulmer, & Severance, in press, for a review). Research on culture and negotiation has shown cultural variability in a wide range of these biases.

For example, anchoring is a classic bias identified by Tversky and Kahneman (1974) wherein individuals rely on irrelevant values (i.e., an “anchor”) and fail to adjust their evaluations sufficiently in subsequent decision making. Research has found that information provided prior to or at the beginning of negotiations has been found to influence negotiators’ initial offers, aspiration levels, bottom lines, and estimates of opponent’s bottom lines (Kristensen & Gärling, 1997; Whyte & Sebenius, 1997). As compared with previous research, research has found that anchoring biases are not necessarily universal. Instead of producing an anchoring effect, Adair, Weingart, and Brett (2007) found that opening offers facilitate information exchange and increase joint gains for Japanese negotiators. The authors attributed the cross-cultural differences to divergence in communication styles. The U.S. negotiators, accustomed to direct communication, see opening offers as a signal of the opponent’s strong stance. In contrast, Japanese negotiators commonly use indirect methods of communication and see opening offers as a subtle way to engage in information exchange. At the same time, anchoring effects among Asian samples have also not been uniform. For example, Liu, Friedman, and Chi (2005) found that Chinese negotiators are more susceptible to the influence of others’ first offers as compared to Americans.

A decision bias unique to the negotiation context is the phenomenon wherein negotiators assume negotiations to be a fixed-pie perception and zero-sum situation (Bazerman & Neale, 1983; Pruitt, 1981; Pruitt & Lewis, 1975; Schelling, 1960). The fixed-pie bias occurs when negotiators erroneously perceive the opponent’s interests to be opposite to their own and, thus, underestimate the bargaining zone (Bazerman & Neale, 1983; Larrick & Wu, 2007; Thompson & Hastie, 1990). This perception is a result of the false consensus effect, in which people believe that others share the same views and desire the same things as themselves (Sherman, Judd, & Park, 1989). Again, as with other work, there is cross-cultural variability in this decision bias. Gelfand and Christakopoulou (1999) found that American negotiators had much more fixed-pie perceptions (were less accurate in reporting the priorities of their counterparts) as compared to their Greek counterparts, even after the same priority information was exchanged within dyads. Americans, interestingly, were more (over)confident that they understood their counterparts’ interests as compared to Greeks.

Research in the United States has shown that negotiators often make a fundamental attribution error, in that they attribute opponents’ behaviors to internal factors as compared to situational factors. Morris, Larrick, and Su (1999), for example, found that negotiators tend to see others’ actions as a result of their personality, such as disagreeableness and emotional instability, which can lead to a self-fulfilling prophecy in which negotiators’ behaviors confirm responses from their opponents (Morris et al., 1999). Americans are more prone to the fundamental attribution error in negotiations; they tend to make more internal attributions to their counterparts’ behavior than negotiators in other cultures, such as Korea and Hong Kong (Morris et al., 1999; Valenzuela, Srivastava, & Lee, 2005).

Other research on negotiator cognition has examined how negotiators’ schemas, perceptual frames, and mental models can dramatically affect negotiation processes and outcomes. Because negotiators generally do not have complete information, they need to rely on their prior knowledge and perceptions of the situations. Klar, Bar-Tal, and Kruglanski (1987) stated that individuals develop conflict schemata from past experience and socialization, and use them to approach current conflicts. Culture is one source of experience on negotiator schemas. Using multidimensional scaling, Gelfand et al. (2001) showed that while individuals in both the United States and Japan viewed conflicts in terms of whether they were about mutual blame (cooperation) or unilateral blame (competition), there were culture-specific dimensions through which they perceived identical conflict episodes. For example, Americans perceived more findings to be about winning (with one party to blame) and Japanese perceived the identical conflicts to be more about compromise (with both parties to blame). Americans also perceived conflicts to be concerned with individual rights and autonomy, whereas Japanese perceived the same conflicts to be concerned with violations of duties and obligations (or giri violations in Japanese terminology). As with previous findings in the domain of teams, these findings suggest that the very definition of conflicts can vary dramatically across cultures, suggesting that people are playing a “different game” at the outset.

Culture also influences motivation in negotiation. Cai (1998) found that U.S. negotiators focused
more on achieving short-term, instrumental goals, whereas Taiwanese focused on long-term, global goals. Other research has focused on motivational biases, such as the tendency to have self-serving biases in negotiation. In the United States, Thompson and Loewenstein (1992) found that negotiators had self-serving conceptions of fairness and that such biases were related to the length of strikes during simulated negotiations. Self-serving biases have been linked to impasses (Loewenstein, Issacharoff, Camerer, & Babcock, 1993), length of strikes (Babcock, Wang, & Loewenstein, 1996), and reduced problem solving and feelings of frustration (De Dreu, Nauta, & Van de Vliert, 1995). Gelfand et al. (2002) predicted that disputants’ self-serving biases of fairness would be more prevalent in individualistic cultures, such as the United States, in which the self is served by focusing on one’s positive attributes to “stand out” and be better than others, yet would be attenuated in collectivistic cultures, such as Japan, where the self is served by focusing on one’s negative characteristics to “blend in” (cf. Heine et al., 1999). Results from numerous studies were consistent with this prediction. Americans associated themselves with fair behaviors and others with unfair behaviors to a much greater extent than Japanese. They also found, in the domain of conflict, that American disputants believed that an “objective third party” would judge their behavior as more fair, judge offers from the counterpart as unfair, and would reject these offers more, as compared to Japanese disputants. And consistent with our argument, they found that Americans had greater independent self-consturals, and that these construals were related to greater egocentric bias and lower outcomes in a negotiation simulation. In sum, egocentric bias in judging fairness varies across cultures as a function of underlying differences in self-conception. More recent work also shows that self-enhancement among Americans promotes endowment effects (i.e., the tendency to overvalue objects that one owns) as compared to East Asians (Maddux et al., 2010).

A number of studies have begun to examine cultural influences on emotions in negotiation. Chinese negotiators reported more anxiety and uncertainty than Dutch negotiators, whereas Dutch negotiators reported more irritation and less friendliness than Chinese negotiators (Ulijn, Rutkowski, Kumar, & Zhu, 2005). Kopelman and Rosette (2008) found that compared to Israeli negotiators, East Asian negotiators are more likely to accept an offer from an opponent who displays positive emotion (e.g., smiling, nodding, and appearing cordial) and are less likely to accept an offer from an opponent who displays negative emotion (e.g., appearing intimidating and irritated). The researchers proposed that East Asians value positive emotional display more because of their cultural emphasis on “face” and respect. For the same reason, negative emotional display is more incongruent with East Asian culture values than Israeli cultural values. Hajo, Shirako, and Maddux (2010) similarly found that Asians made much smaller concessions when negotiating with angry opponents as compared to Caucasians, and this was due to different cultural norms regarding the appropriateness of anger expressions in negotiations.

Moving beyond the individual level of analysis, research has shown that culture affects the dynamics of how parties communicate and sequence their actions when negotiating. A consistent finding is that information tends to be shared directly (e.g., through questions about preferences) in the individualistic, low context cultures, whereas it tends to be shared indirectly (through offer behavior) in high context, collectivistic cultures such as Japan, Russia, Hong Kong, and Brazil (Adair, Okumura, & Brett, 2001, Adair et al., 2004). Moreover, the path to obtaining joint gains in negotiation is culturally contingent. For example, U.S. negotiators achieve higher joint gains when they share information directly, whereas Japanese negotiators achieve higher joint gains when they share information indirectly (Adair et al., 2001). Culture also affects communication sequences. Negotiators from collectivistic cultures are better able to use both direct and indirect forms of information exchange, as compared to negotiators from individualistic cultures. In effect, collectivistic negotiators are shown to be more flexible in their use of different information exchange tactics, whereas individualistic negotiators are primarily skilled in direct information sharing (Adair & Brett, 2005; Adair et al., 2001).

Situational conditions can dramatically affect negotiation processes and outcomes. The relationship that one has with one’s opponent is a case in point. Chan (1992) found that negotiators in collectivistic cultures (e.g., Hong Kong) were much more cooperative with friends and much more competitive with strangers, whereas individualists did not differentiate between strangers and friends as much (see also Chen & Li, 2005; Probst, Carnevale, & Triandis, 1999; Triandis et al., 2001). Triandis et al. (2001) also found that collectivists were much more likely to engage in deception with out-groups in negotiations as compared to individualists. Cooperation...
and competition is also a function of external monitoring, as was discussed in the teams section above. For example, Gelfand and Realo (1999) argued that accountability is a norm enforcement mechanism, essentially amplifying whatever norm is salient in a particular cultural context. Because norms vary across cultures, accountability was theorized to have divergent cultural effects. Consistent with previous research that showed accountability related to competition, they found that accountability activated competitive construals and behaviors, and resulted in lower negotiation outcomes for individualistic samples. By contrast, among collectivists, accountability activated cooperative construals and behaviors, and resulted in higher negotiation outcomes. These effects were reversed in unaccountable negotiations, when, in effect, negotiators were released from normative pressures to do what is expected. In unaccountable conditions, collectivists were more competitive and achieved lower negotiation outcomes, as compared to individualists, who were more cooperative and achieved higher negotiation outcomes (see also Rosette, Brett, Barsness, & Lytle, 2006, who found that Hong Kong Chinese were more aggressive in lean media such as e-mail where there is less constraint, as compared to face-to-face negotiations). Overall, these results indicate that the same “objective” condition (e.g., relationships, accountability, and technology) can produce very different dynamics in negotiations in different cultures.

Situational factors also exacerbate cultural differences to the extent that they cause individuals to engage in automatic processing and rely on well learned cultural tendencies. For example, research has also shown that need for closure exacerbates base-line cultural tendencies (Fu et al., 2007, Morris & Fu, 2001). For example, America disputants who are high in NFC prefer relationally unconnected mediators, whereas Chinese disputants who are high in NFC tend to seek relationally connected mediators, illustrating a positive relationship of NFC with conformity to cultural norms (Fu et al., 2007). Similarly, cultural differences have been found to be exacerbated in situations of high ambiguity, which also tends to cause people to rely on automatic tendencies (Morris, Leung, & Iyengar, 2004).

As with other areas within organizational psychology, there has been little attention to negotiation at the cultural interface—in other words, the processes and outcomes, and situational conditions that affect intercultural negotiations. As with multicultural teams, effects that are cited are quite negative—intercultural dyads have been found to be less cooperative (Graham, 1985) and to achieve lower joint profits, as compared to intracultural dyads (Brett & Okumura, 1998; Natlandsmyr & Rognes, 1995). In an insightful analysis, Brett and Okumura (1998) found that lower joint gains were lower in intercultural negotiations between U.S. and Japanese negotiators, based in part on less accuracy in understanding of others’ priorities and conflicting styles of information exchange in intercultural negotiations (Adair et al., 2001).

Some emerging research suggests that socially shared cognition is lower in intercultural negotiations, causing resultant lower outcomes. Gelfand and McCusker (2002) argued that different metaphoric mappings of negotiation (e.g. sports in the United States and the Japanese ie metaphor in Japan) create different goals, scripts, and feelings in negotiation in intercultural contexts, making it difficult to organize social action (Weick, [1969] 1979) and arrive at a common understanding of the task. In a laboratory simulation, Gelfand, Nishii, Godfrey, and Raver (2003) found that metaphoric similarity in negotiation (i.e., agreement on the domain to which negotiation was mapped) was indeed an important predictor of joint gains. More recent evidence using network scaling has shown that negotiators in intercultural negotiations are much more likely to have different mental models of the negotiation at the start, and to have less convergence at the end of negotiations, as compared to intracultural negotiations (Liu, Friedman, Barry, Gelfand, & Zheng, under review). This was particularly the case for negotiators who had high need for closure, consistent with the evidence discussed above. Adair, Taylor, and Tinsley (2009) found that American and Japanese negotiation schemas were highly discrepant in intercultural negotiators and this was due to the fact that they were trying to adjust to their counterpart’s assumptions and therefore overcompensated in their expectations of what was appropriate. In all, these studies suggest that in intercultural negotiations, negotiators need to negotiate the negotiation—or come to a common metaphor about the task—prior to negotiating (see also George, Jones, & Gonzalez, 1998; Kumar, 1999).

Despite the practical need, there is little research on the factors that predict intercultural negotiation effectiveness. Imai and Gelfand (2010) showed that cultural intelligence, or a “person’s capability for successful adaptation to new cultural settings” (Earley & Ang, 2003, p. 9) is a predictor of effective integrative bargaining sequences in intercultural
negotiation. Cultural intelligence (CQ) also predicted processes and outcomes over and above other personality constructs (i.e., openness, extraversion), other forms of intelligence (e.g., IQ, emotional intelligence), and international travel and living experience. Interestingly, the minimum CQ score within the dyad was enough to predict behavioral sequences, showing that it takes only one, not two high-CQ negotiators in order to become in-sync.

In conclusion, the review of research on culture and negotiation again suggests that applicability of American theories in other cultural contexts needs to be questioned. Much research on negotiation in the United States rests on a number of individualistic assumptions, including that: (a) negotiators will be victim to competitive decision biases and construals and dispositional attributions in negotiation; (b) direct communication strategies and rational argumentation are the way to “get to yes”; (c) the same situational conditions (e.g., accountability) will exert similar effects across cultures. At a more meta-level, the negotiation literature focuses largely on economic capital and short-term agreements, as compared to relational capital and long-term agreements, which might be more important in non-Western cultures (Brett & Gelfand, 2006).

**Culture and Leadership**

Culture’s consequences for leadership have been one of the most widely researched topics in cross-cultural organizational literature. This is evident from a number of reviews on the topic (e.g., Aycan, 2008; Ayman, 2004; Bass, 1997; Dickson, Den Hartog, & Mitchelson, 2003; Dorfman, 2004; House, Wright, & Aditya, 1997; Scandura & Dorfman, 2004; Smith & Peterson, 2002), including a special issue (Hunt & Peterson, 1997). Furthermore, one of the most ambitious projects in the cross-cultural I/O literature was conducted on leadership (Project GLOBE; House et al., 2004). We will use the main theoretical perspectives to leadership to summarize the cross-cultural literature.

In line with the *trait approach*, the majority of culture and leadership research has investigated cross-cultural differences in attributes of effective leaders. Robie, Johnson, Nilsen, & Hazуча (2001) compared the United States and seven European countries and found that intelligence, conscientiousness, and ability to motivate subordinates were reported as characteristics of effective leaders in all countries, while less agreement was evident on other characteristics, such as ability to act with integrity and criticality. For Confucian Asian nations (e.g., Gupta, MacMillan, & Surie, 2004; Leung, 2005; Silverthorne, 2001), conscientiousness and agreeableness were attributes of effective leaders, whereas openness to new experiences was not. Geletkanycz (1997) found that strategic orientation as an attribute of effective leadership was associated with individualism, low uncertainty avoidance, low power distance, and short-term orientation. Perception of effectiveness has also been associated with different non-verbal cues in different cultures. For example, a strong voice with ups and downs was associated with the perception of enthusiasm in Latin American cultures, whereas a monotonous tone is a way to display respect and self-control in East Asian cultures (Den Hartog & Verburg, 1997). Charisma is one of the attributes of effective leaders. In individualistic cultures, leaders were perceived as charismatic when they fit the prototype of “good” and “effective” leader, whereas in collectivistic cultures they were perceived charismatic when they produced high performance outcomes (Ensari & Murphy, 2003; see also, Valikangas & Okumura, 1997).

One of the largest projects in the cross-cultural organizational literature investigated the effects of culture on the perceived attributes of effective leaders. The data for the GLOBE Project (House et al., 2004) were gathered from 17,000 middle-managers and employees from 62 cultural groups. The theoretical foundation of the project is rooted in the implicit leadership theory (Lord & Maher, 1990). The term *culturally endorsed implicit leadership theories* coined in this project denoted shared role schemes and prototypical attributes concerning leadership embedded in the cultural context. Two leadership attributes that were universally endorsed were charisma/value-based leadership and team orientation. Leadership attributes that were universally considered as representing ineffective leadership were asocial, non-cooperative, irritable, non-explicit, egocentric, ruthless, and dictatorial. The largest cross-cultural variations were detected in perceived effectiveness of participative, humane, autonomous, and narcissistic leadership.

Culturally endorsed leadership attributes were found to be associated with cultural values and practices at societal and organizational levels. For example, societal and organizational level collectivism was associated with preference for charismatic and team-oriented leadership; gender egalitarianism was associated with preference for participative leadership; power distance was associated with preference for self-protective leadership (Dorfman,
Indian employees was associated with leaders’ consideration behavior, whereas that of U.S. employees was associated with both consideration and initiating structure. Smith et al. (1989) found that task and social roles were manifested in different ways, depending on the cultural context. For example, a culturally-specific item associated with task role in Japan described the supervisor as speaking about a subordinate’s personal difficulties with others in his or her absence. In contrast, the item for the task role in the United States described the supervisor as being consultative and participative, and not dealing with the problem through written memos.

Research investigating cross-cultural differences in leadership behaviors, practices and roles revealed that differences outweigh similarities. The applicability of a commonly used measurement of leadership, the Leadership Practices Inventory (LPI; Kousez & Posner, 1993), to non-Western cultural contexts was questioned by researchers reporting different factor structures (e.g., Littrell, 2002; Schneider, & Littrell, 2003). Zagorsek, Jaklic, and Stough (2004) compared leadership practices in the United States, Nigeria, and Slovenia using another popular measure, the Leadership Practices Inventory (LPI). Zagorsek et al. (1999) further reported variations in leadership behaviors, practices and roles depending on the cultural context. For example, a culturally-specific item associated with task role in Japan described the supervisor as speaking about a subordinate’s personal difficulties with others in his or her absence. In contrast, the item for the task role in the United States described the supervisor as being consultative and participative, and not dealing with the problem through written memos.

The behavioral approach to leadership asserts that the key to differentiating effective leaders from ineffective ones is the type of behaviors that they display. As early as 1966, comparative research by Haire et al., conducted in 13 countries in Europe, Asia, and Latin America, as well as the United States, showed that national differences accounted for almost one-third of the variance in leadership behaviors. The most highly cited two-dimensional model of leadership behavior (e.g., Fleishman, 1953), namely consideration versus initiating structure, has found cross-cultural research support (Ayman & Chemers, 1983; Bond & Hwang, 1986; Drost & Von Glinow, 1998; Misumi & Peterson, 1985; Shenkar, Ronen, Shefy, & Hau-Siu Chow, 1998). Additional behavioral dimensions other than consideration versus initiating structure, however, have been found to characterize effective leadership in China—most notably modeling a moral character (e.g., fairness to all employees, remaining within the law, and resisting the temptation for personal gain; Xu, 1987), and political behavior (Shenkar et al., 1998).

The effects of leaders’ consideration and initiating structure behavior can vary across cultures. Lok and Crawford (2004) showed that consideration was more strongly related to commitment in collectivistic than individualistic cultures. Agarwal, DeCarlo, and Vyas (1999) found that task and social roles (i.e., initiating structure and consideration, respectively) had different effects on employees’ organizational attitudes. Organizational commitment of...
leadership roles on employee job satisfaction, organizational commitment, and job performance. They found that directive leadership behavior (low participation and high close monitoring) was more effective in large power distance and collectivistic cultures. In a later study, Dorfman et al. (1997) found that directive leadership had a strong positive impact in Taiwan and Mexico on job performance, but had no impact in the United States, Japan, and South Korea. In a study conducted in Hong Kong, directive leadership was found to enhance employee performance, morale, and satisfaction in large, compared to small power distance contexts (Fellows, Liu, & Fong, 2003). Similarly, managers in collectivistic cultures used directive and supportive leadership more than those in individualistic cultures (Wendt, Euwema, & van Emmerik, 2009). Leader participative behaviors were found to be counterproductive in Russia, a large power distance culture (e.g., Welsh, Luthans, & Sommer, 1993). In a study including 176 work units of a large U.S.-based multinational operating in 18 European and Asian countries (including Australia, Belgium, Denmark, France, Turkey, Hong Kong, and Japan), Newman and Nollen (1996) found that participative leadership practices improved the profitability of work units in small power distance, but not in large power distance cultures. Lam, Chen, and Schaubroeck (2002) found that idiocentrism and allocentrism explained cultural differences in how participative decision making and efficacy perceptions interacted to predict employee performance.

Sagie and Aycan (2003) argued that power distance and individualism/collectivism were the two cultural dimensions related to how well participative decision making (PDM) behavior of leaders works in organizations. One of the reasons that participative behavior does not result in uniform employee reactions may be the way in which participation is construed in different cultures. For example, having asked employees’ opinions, despite the fact that the final decision is contrary to the one provided by the employees, may be perceived as participative leadership in large power distance cultures, but as non-participative in small power distance cultures. There are three ways to explain the effects of power distance on PDM. First, in high power distant cultures, responsibility of and authority in decision making is vested in the hands of a few at the top, and delegation is avoided (Sagie & Koslowsky, 2000). Those higher in the hierarchy are assumed to be more knowledgeable and experienced than the rest of the people in the organization, and therefore must be respected and trusted to give the right decision (Miles, 1975). Second, in high power distance cultures, decision making is perceived as a privilege of management, and participation is considered as an infringement on management prerogatives. Finally, in high power distance cultures, the “inequality” belief creates not only dependency of subordinates on their superiors, but also fear of punishment if employees question, challenge, or disagree with their management’s decisions.

According to Sagie and Aycan (2003), while power distance influences the level of employee participation, individualism and collectivism influence the person or group involved in making decisions. In collectivistic cultures, joint effort is perceived as the only feasible way to bring about change, whereas in individualistic cultures, it is believed that individuals have the potential and power to change things. As such, in individualistic cultures, participation is mostly relevant to individuals, whereas in collectivistic cultures, it is relevant to entire groups. Additionally, in collectivistic cultures, the entire group may be held responsible for the actions of its individual members. Therefore, no one is allowed to make decisions alone without the approval of the entire group. Conversely, as each member in an individualistic society is responsible for his or her actions, one’s participation in decision making is not the business of everyone else.

The prevalence of participative and consultative leadership has been compared in different countries. In a recent study, Hong Kong Chinese managers were found to invite subordinates’ participation in problem solving, whereas Australian managers were found to engage in consensus-checking before arriving at a final decision (Yeung, 2003). U.S. leaders scored higher on consensus-based leadership style compared to Turkish leaders, whereas Turkish leaders scored higher on autocratic leadership style compared to U.S. leaders (Marcoulides, Yavas, Bilgin and Gibson, 1998).

The Event Management Project (Smith, Peterson, & Schwartz, 2002) is among the most comprehensive investigations of leadership behaviors and practices in 47 countries. In this research, middle managers reported the ways in which they handled work events by using different sources of guidance. The events were: (a) when a vacancy arises that requires appointment of a new subordinate in your department; (b) when one of your subordinates does consistently good work; (c) when one of your subordinates does consistently poor work;
(d) when some of the equipment or machinery in your department seems to need replacement; (e) when another department does not provide the resources or support you require; (f) when there are differing opinions within your department; (g) when you see the need to introduce new work procedures into your department; and (h) when the time comes to evaluate the success of new work procedures.

The eight sources of guidance were listed in turn and described as follows: (a) formal rules and procedures; (b) unwritten rules as to “how things are usually done around here”; (c) my subordinates; (d) specialists outside my department; (e) other people at my level; (f) my superior; (g) opinions based on my own experience and training; and (h) beliefs that are widely accepted in my country as to what is right. The findings confirmed that large power distance was the strongest predictor of reliance on vertical sources of guidance, that is, superiors and rules within organizations. Small power distance, on the other hand, predicted reliance on one’s own experience and on subordinates to solve problems (Smith, Peterson, et al., 2005).

The power and influence approach to leadership suggests that leaders’ effectiveness is influenced by the type of power source and influence tactics used. There is limited attention to the power and influence tactics used by leaders and their effectiveness in different cultural contexts. In an early study, US managers were found to rely on resource-based influence strategies (e.g., use of reward and punishment), whereas Japanese managers were found to rely on altruism and rational persuasion strategies (Hirokawa & Miyahara, 1986). Rahim and Magner (1995) found that the factor structure of Rahim’s Leader Power Inventory was replicated in individualistic and collectivistic cultures (the U.S., Bangladesh, S. Korea), and that there was strong emphasis on coercive power in individualistic and expert power in collectivistic cultures (see also, Montesino, 2003). Another popular measure, the Profile of Organizational Influence (POIS; Kipnis & Schmidt, 1982) was administered to Japanese managers (Rao, Hashimoto & Rao, 1997) to find both commonalities with the U.S. findings in the use of some influence strategies (i.e., assertiveness, sanctions, and appeals to higher authority) as well as culture-specific strategies (i.e., socialization and personal development in Japan). In a 6-country comparison,Ralston and Pearson (2003) found that U.S. and Dutch managers favored “hard” influence tactics (e.g., rational persuasion, willingness to put in extra work), whereas Mexican and Hong Kong managers favored “soft” influence tactics (e.g., withholding information; see also Rahim, Antonioni, Krumov, & Ilieva, 2000). Fu and Liu (2008) proposed another type of power to the typology in the literature: relational power driving from the relationship between the agent and the target person (as in guanxi). The authors argue that this type of power is common and effective in Eastern Asian cultures.

Rahim et al. (2000) provided evidence for the differential effect of power types on employee effectiveness: effectiveness was associated with leaders’ referent power in the United States and legitimate power in Bulgaria. Afza (2005) further demonstrated that in Indian performance-contingent reward, expert and referent power bases were strongly associated with employees’ higher organizational commitment, higher job satisfaction, and lower turnover intention. Legitimate power base was effective to solicit compliance, but performance-contingent coercive power was ineffective in yielding positive employee attitudes. Fu et al. (2004) found that persuasive tactics were rated to be more effective by managers who endorsed the belief in reward for application, whereas assertive and relationship-based tactics were rated to be effective by those endorsing social cynicism, fate control, and religiosity.

Contingency theories of leadership assert that leaders are effective to the extent that they behave in accordance to mainly two types of contingencies: the task characteristics and follower characteristics. Interestingly, there are almost no studies directly testing the validity of any of the four key contingency theories (i.e., Fiedler’s LPC, Vroom & Jago’s normative decision theory, House’s path-goal theory, and Graen’s LMX) across cultures. This void must be filled in future cross-cultural research. Only a few studies focused on the effect of leader-member exchange (LMX) and showed that it was associated with positive employee attitudes in different cultural contexts. For example, LMX was correlated with positive evaluation of leadership in both India and the United States (Varma, Srinivas & Stroh, 2005). In another study, LMX was associated with job satisfaction in Columbia (Pillai, Scandura, & Williams, 1999).

In the leadership literature, few studies highlight the importance of follower characteristics, including value orientations (e.g., Ehrhart & Klein, 2001; Jung, Yammarmino, & Lee, 2009; Parker, 1996), personality (e.g., Ehrhart & Klein, 2001; Ergin & Kozan, 2004), demographic characteristics (e.g., Yu & Miller, 2005), occupational grouping (e.g., Zander, 2008), and work experience.
& Romani, 2004), and motives (e.g., Valikangas & Okumura, 1997), as factors accounting for variance across as well as within cultures. The findings suggest that across-country variance accounts more in leadership preferences than within-country variance.

The final approach to leadership suggests that leadership effectiveness is associated with the extent to which leaders are transformational and charismatic. The universality of Bass’s two-dimensional structure of leadership—transformational and transactional—and the effectiveness of the former, compared to the latter, has been supported by much research (see Bass, 1997, for a review of international research; Dorfman et al., 1997; Littrell & Valentín, 2005; Drost & Von Glinow, 1998; Shenkar et al., 1998; Walumbwa, Orwa, Wang, & Lawler, 2005). Other studies found culture-specific enactment of transformational leadership and proposed new dimensions of leadership (in addition to transactional and transformational) in non-Western cultures. For example, important aspects of transformational leadership included social integration in Egypt (Shahin & Wright, 2004); good moral character, belief in relationships, and a naturalistic approach in China (Wah, 2004); and svadharma-orientation (following one’s own Dharma or duty) in India (Mehra & Krishnan, 2005; see also Ardichvili, 2001; Kuchinke, 1999; Sarris & Santora, 2001).

The combined effect of organizational structure (i.e., organic structure) and unit-level culture (i.e., collectivism) was found to be associated with emergence of charismatic leadership (Pillai & Meindl, 1998). Executives in Taiwan and Canada showed similarities in charismatic leadership, but the specific items on which they score highly were different (Javidan, & Carl, 2005; see also, Javidan & Carl, 2004 for questions about charismatic leadership manifestations in Iran).

Transformational leadership had a more positive influence on employees’ organizational attitudes in high, rather than low levels of collectivism (e.g., Jung & Avolio, 1999; Jung et al., 2009; Spreitzer, Perrasula, & Xin, 2005; Walumbwa & Lawler, 2003). However, contrary to the above research, Pillai et al. (1999) showed that transformational leadership was not associated with job satisfaction, but was associated with perception of justice in collectivistic countries in the Middle East, India, and Columbia. This was further elaborated by a recent research showing that followers with high power distance orientation perceived the decisions of transformational leaders as fair more so than those with low power distance orientation (Kirkman, Chen, Farh, Chen, & Lowe, 2009). Among other organizational outcomes, employees’ innovation was facilitated by charisma, demonstration of confidence, idealized influence (dimensions of transformational leadership), as well as active and passive management by exception (dimensions of transactional leadership) in Russia, whereas it was facilitated by inspirational motivation and intellectual stimulation (Elenkov & Manev, 2005).

In recent years, paternalistic leadership started to attract the attention of researchers. Paternalistic leadership is common in cultures that are characterized by high power distance and high collectivism, including Asian, Latin American, Middle Eastern, and African nations (e.g., Aycan, Kanungo, et al., 2000; Farh & Cheng, 2000; Jackson, Amaeshi, & Yavuz, 2008; Ogbor & Williams, 2003; Rousseau, 1998; Saini & Budhwar, 2008; Sinha, 1997; Westwood, 1997). Aycan (2006) developed and validated the Paternalistic Leadership Questionnaire (PLQ) that included 21 items in five dimensions: creating a family atmosphere at work, establishing individualized relationships with subordinates, involving in subordinates’ non-work lives (e.g., attending their weddings or funerals, acting as a mediator in family disputes), expecting loyalty from subordinates, and maintaining status hierarchy and authority in their relationship with subordinates. The first three dimensions outline the role prescriptions for paternalistic leaders (i.e., guidance and nurturance in subordinates’ professional and professional lives), whereas the last two dimensions allude to leaders’ expectations from subordinates (i.e., loyalty and deference). Pellegrini and Scandura (2008) concluded that the empirical research they conducted using the initial item pool of Aycan (2006) showed that paternalistic leadership was correlated positively with LMX, job satisfaction, and organizational commitment in both collectivist (e.g., Turkey) and individualistic (e.g., the U.S.) countries (see also, Pellegrini, Scandura & Jayaraman, 2010). Similar findings have been reported by Chen and colleagues for Chinese employees (e.g., Cheng, Chou, Wu, Huang, & Farh, 2004).

**LEADERSHIP IN MULTICULTURAL CONTEXT**

Leadership in the context of expatriate-local interaction received research attention in the last decade. There were studies comparing leadership styles of expatriate and local managers (e.g., Deng & Gibson, 2009; Howell, Romero, Dorfman, Paul, & Bautista, 2003; Quang, Swierczek, Chi, 1998; Suutari, 1996; Suutari & Riusala, 2001;
Wilson, Callaghan, & Wright, 1996) as well as those investigating the extent to which expatriates change their leadership style to fit to the local context (e.g., Hui & Graen, 1997; Smith, Wang, & Leung, 1997; Suutari, 1996; Suutari, Raharjo, & Riikkila, 2002). Setting cooperative (rather than competitive) goals (Chen & Tjosvold, 2005), effective management of relationship (Bhawuk, 1997; Li & Tsui, 1999; Makilouko, 2004), and adopting a consultative style and team leadership (Darwish, 1998) were identified as factors fostering leadership effectiveness in cross-cultural interactions. Leader-follower match in ethnicity is positively associated with follower satisfaction, and commitment and trust toward the leader in multicultural work settings (Chong & Thomas, 1997; Testa, 2002).

Aycan (2008) recently proposed the Dynamic Model of Leader-Follower Interaction to study leadership effectiveness in contexts requiring cross-cultural interactions (e.g., expatriation). Borrowing from the LMX, the model acknowledges the importance of leaders’ and followers’ cultural backgrounds in their interaction. According to the model, leaders behave in accordance with their values, beliefs, and assumptions about the task and the nature of employees. Based on social cognitive information processing theory, followers observe and evaluate the leader’s behaviors, and make attributions about the leader’s behavior. Followers’ attributions are also based on their own cultural values, beliefs, assumptions, and CLTs. In turn, followers react in particular ways towards the leader’s behavior. If followers’ behaviors or reactions reinforce the leader’s initial values, beliefs, and assumptions, then there is a culture fit, which leads to leader acceptance and effectiveness. While the most important contingency in this model is “culture,” the author also includes non-cultural contingencies that influence leader-member interaction (e.g., organizational contingencies and structural elements, individuals’ demographic characteristics and competencies).

**Frontiers of Research in Cross-Cultural Organizational Psychology**

As can be seen from the review of the literature summarized in Table 33.1 cross-cultural research in I/O psychology is thriving and developing as a legitimate field of its own right. Thanks to the contributions of cross-cultural research, theories in I/O have been broader, more global, and

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<th>Table 33.1 Summary Findings</th>
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<td><strong>Recruitment and selection</strong></td>
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<td>• Cultural collectivism and/or power distance are positively associated with: (1) reliance on social networks and informal channels in recruitment, (2) focus on characteristics (e.g., personality, age, gender) and competencies leading to harmonious interpersonal relationships and loyalty as selection criteria. Cultural individualism, egalitarianism, and/or performance-orientation are positively associated with: (1) reliance on wide-spread recruitment channels, (2) focus on job-related technical and social competencies and their “objective” assessment (e.g., cognitive ability test, personality inventories) in selection.</td>
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<td><strong>Nature of jobs and performance criteria</strong></td>
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<td>• Cultural collectivism and power distance are positively associated with: (1) job definitions for teams or workgroups, rather than individuals, (2) broad and vague job descriptions allowing supervisors to exercise power to decide what needs to be done and how, (3) stronger preference for shift work in job design, compared to telework, part-time, or temporary work.</td>
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<td>• Performance and promotion criteria in individualistic or performance-oriented cultures tend to be objective, quantifiable and observable (e.g., meeting task objectives, productivity, timeliness and quality of output, job-specific knowledge and proficiency). In collectivistic or high power distance cultures, performance criteria and ratings may be subjective and biased, reflecting the nature of the relationship between the rater and ratee. Social and relational criteria (e.g., good human nature, harmony in interpersonal relations, trustworthiness, respectful attitude, loyalty and deference toward superiors, effort and willingness to work, awareness of duties and obligations, organizational citizenship, conformity, and contribution to team maintenance) carry more weight in evaluating employees than objective work outcomes.</td>
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<td>• Setting specific performance goals or criteria are avoided in fatalistic and uncertainty avoiding cultures, while it is preferred in goal- and performance-oriented cultures.</td>
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(Continued)
Table 33.1 (Continued)

Motivation

- Cultural individualism, low power distance, masculinity, uncertainty tolerance or self determination are positively associated with motivation techniques focusing on: (1) allocating rewards or designing practices (e.g., job enrichment) to satisfy and enhance the independent “self” (e.g., fulfill individual expectations and growth needs), (2) empowering individuals to exercise control on work outcomes (e.g., performance-reward contingency), and (3) enhancing rational decision making in setting performance goals and determining the ways to achieve them (e.g., participation in decisions, self-regulatory techniques).

- Cultural collectivism, high power distance, femininity or fatalism are associated with motivational techniques focusing on: (1) allocating rewards or designing practices to satisfy and enhance the interdependent “self” (e.g., achieve group goals, fulfill obligations to the family, organization or nation), (2) enhancing work-life integration, (3) fulfilling safety and security needs (e.g., guaranteed salary that is not contingent upon performance).

Teams

- Individualism and low power distance are associated with: (1) preference to work individually rather than in teams (especially when they perform well individually but their teams perform poorly), (2) explicit definition of roles and objectives in the team, (3) narrow scope of activity, (4) low level of hierarchy and high level of autonomy in team structure, (5) voluntary membership, (6) emphasis on task-related behavior as key to team success, and (7) goal interdependence, enhancement of personal identity, and cognitive-based trust as conditions fostering trust and cooperation.

- Collectivism and high power distance are associated with: (1) preference to and efficiency in working in teams consisting of a leader and in-group members, (2) broadly defined goals that are social in nature, (3) paternalistic hierarchy in team structure, (4) broadly defined scope of activities, (5) emphasis on socio-emotional behaviors as key to team success, and (6) goal sharing, enhancement of group identity, and affect-based trust as conditions fostering trust and cooperation.

- Culturally heterogeneous teams can outperform homogeneous teams when: (1) leaders provide close supervision to prevent communication breakdowns and surface hidden knowledge between culturally diverse members, (2) formal temporal coordinating mechanisms and internal norms for meaningful participation are formed, (3) strong team identity is fostered, and (4) sufficient time to overcome process loses are allowed.

Conflict and negotiation

- Individualism is associated with: (1) perception of conflict and negotiation as a way to enhance personal benefits, (2) a focus on short-term, instrumental goals in negotiations, (3) high likelihood of self-serving bias, (4) acceptance of negative emotions in negotiation (5) use of direct communication style in negotiation (i.e., information sharing in an open and direct way), (6) preference of relationally unconnected mediators.

- Collectivism is associated with: (1) perception of conflict and negotiation as a possible threat to group harmony unless benefits of both parties (esp. if the opposite party comprised in-group members) are enhanced, (2) a focus on long-term, holistic goals in negotiation, (3) display of positive emotions in negotiations, (4) use of both indirect and direct communication style in negotiation, (5) preference of relationally-connected mediators.

Leadership

- Collectivism increases the likelihood of preference for transformational/charismatic and team-oriented leaders and their effectiveness in producing work outcomes and enhancing positive employee attitudes. Collectivism is also associated with leader’s use of expert, legitimate, and referent power.

- Confucianism is associated with endorsement of leaders with high moral character.

- Power distance is negatively associated with preference for participative leadership, whereas performance orientation is positively associated with it.

- Collectivism and power distance are associated with endorsement and effectiveness of paternalistic leadership.
The Role of Cultural Versus Contextual Influences

Organizations are complex systems that operate under multiple environmental forces that are both internal and external to the organization. The challenge for the cross-cultural researchers is to disentangle the contribution of culture (i.e., sociocultural context) vis-à-vis other contextual factors both internal and external to the organization (cf. Aycan, 2005). At the national level, contextual factors include factors such as political, economic, legal, educational systems, climate, resources, level of technological advancement, and demographic composition; at the organizational level, contextual factors include industry, size, ownership, life stage, strategy, technology, workforce characteristics; at the team level, contextual factors include team structure and processes, team member composition, task characteristics; and at the individual level, include such factors as personality and demographics (Gelfand, Erez, & Aycan, 2007). Global context at the macro-level also influences organizational behavior across cultures. In the present state of cross-cultural research, we have passed beyond the point of questioning “whether or not” culture influences organizational phenomena; the more relevant questions now are “to what extent” and “in what ways” culture influences organizations and their practices.

Based on such theoretical foundations, future cross-cultural research should identify the “cultural” and “non-cultural” contextual forces influencing organizational behavior. Tayeb warns us against cultural reductionism by stating that “…socio-cultural context should not be viewed as a strait-jacket, stifling organizations’ deviation and initiatives” (1995, p. 591). In designing and testing hypotheses on cross-cultural differences, researchers must pay attention to the factors other than the cultural context, so that the “external validity” of their findings is tested by considering a host of alternative explanations (cf. van de Vijver & Leung, 1997). For instance, organizations in collectivistic cultures may prefer internal (rather than external) recruitment. Suppose also that small (rather than large) size organizations prefer internal sources in recruitment (see, for example, Ryan et al., 2009, for the effect of interaction between culture and GDP on recruitment and selection practices). To focus on the impact of the cultural context, we may control organization size either in sampling or in conducting analysis (assigning size as a covariate). This way, it would be possible to study the “extent to which” cultural collectivism influences recruitment vis-à-vis size.

Alternatively, cross-cultural I/O researchers should study the interaction between the sociocultural context and other contextual factors to examine whether the sociocultural context is a main predictor of various organizational behavior and practices or a moderator in the relationship between the contextual factors and organizational behavior and practices. In the majority of research reviewed in this chapter, culture is treated as the main effect (Type I hypothesis; Lytle, Brett, Barsness, Tinsley, & Janssens, 1995). Culture is conceptualized as an antecedent predicting certain behavior or attitudes in a particular group. Researchers who adopt this perspective attribute differences in observed phenomena to cultural variations. This perspective has limitations, as it overlooks alternative hypotheses that may be based on differential interpretation, functioning, and/or structuring of constructs under study, and their relationships among one another. In the second approach, culture is treated as the moderator (Type II hypothesis). This approach acknowledges that constructs may be related in a non-uniform way across cultures. However, the assumption still remains that constructs mean and function in similar ways in different cultural groups. Type II research attributes differences in the strength and magnitude of relationships among constructs to cultural variations. Finally, in the third approach, culture is treated as the source of meaning (Type III hypothesis). This approach is very different from the others in that the research starts out by examining the culture-specific meanings of constructs. Conceptual, structural, and functional equivalences across cultures are not assumed but tested. Culture is not treated as external to the individual or to the practice; it is treated as the individual, the practice. Frontiers of cross-cultural organizational psychology should work on theory development in which conceptualization of culture (i.e., as a predictor, moderator, or source of meaning) is explicitly stated and justified.

Top-down and Bottom-up Influence Processes

Organizational phenomena emerge out of the reciprocal interaction between top-down and bottom-up influence processes (Kozlowski & Klein, 2000). Top-down process occurs when the higher level contextual factors (especially culture) influence the system at lower levels (e.g., organizations...
and employees). Bottom-up process, in contrast, emerges at lower levels (e.g., individuals, groups) and, through the interactions among individuals and groups, transforms into shared phenomenon at the higher, collective level (i.e., culture).

The literature reviewed in this chapter mainly focused on the top-down process, namely the impact of culture on various aspects of organizational behavior. Bottom-up processes can also emerge as a result of employees interacting with counterparts around the world and facilitating culture change. In the age of technology, it is impossible to keep people away from accessing information on practices in other organizations. Through business interactions with colleagues and customers, employees become aware of managerial practices and organizational dynamics, and may pressure their organizations to adopt them. In the long run, such practices may become commonplace and may lead to changes in cultural values, assumptions, and behavioral patterns. For example, the presence of multinational corporations in developing countries pressures local organizations to change their practices toward more participation and more professionalism. Transformations in organizational cultures may result in changes in sociocultural values, assumptions, and practices. Future research should also study bottom-up processes across various levels of analysis, and should pay special attention to changes in the sociocultural environment stimulated by individuals and organizations.

Levels of Analysis

“Culture is everywhere and always relevant in organizational life, but there is no obvious or natural level of analysis from which to observe it” (Van Maanen & Laurent, 1992, p. 23). The challenge for researchers at the frontiers of cross-cultural I/O psychology is to capture culture at the appropriate level of analysis. In the majority of research reviewed in this chapter, culture is captured at the national level. However, this approach has limitations. Most notably, it assumes that national cultures are homogenous, which is frequently challenged (e.g., Au, 2001). It also assumes that people in a national culture hold single cultural identities, whereas the most recent literature suggests that individuals may hold multiple cultural identities (Hong, Morris, Chiu, & Benet-Martinez, 2000; Brannen & Thomas, 2010). And it assumes that within-culture variability is smaller than between-culture variability, but this may not apply to some countries whose national borders arbitrarily divide people of the same cultural heritage. Capturing culture at a higher level of analysis is also problematic because of the risk of falling into ecological fallacy (Hofstede, 1980). For example, the term North American culture wrongly assumes that the United States and Canada have similar cultural characteristics, or the term developing country culture wrongly assumes that homogeneity among these countries is larger than heterogeneity.

The frontiers should capture culture at the right level of analysis depending on the phenomenon under study. For example, research on teamwork or OCBs benefits from focusing on both national and organizational level of cultural contexts. Figure 33.1 represents the various cross-level effects that future research must also take into account.

Capturing Cultural Differences

Our review suggests that the literature is dominated by research examining cross-cultural differences mainly through cultural values. Among values, individualism-collectivism has received the most attention, despite the difficulty capturing it (e.g., Oyserman & Lee, 2008). Frontiers of cross-cultural I/O research should capture culture, a highly complex construct, by going beyond individualism and collectivism. For example, Aycan (2005) related a large number of cultural dimensions to variations in HRM practices, such as fatalism, paternalism, high (vs. low) context, universalism (vs. particularism), performance orientation, future orientation, and specificity (vs. diffuseness). Advances in the cross-cultural psychology literature enable us to include norms (Gelfand et al., 2006), roles (Peterson & Smith, 2000), and beliefs (Leung et al., 2005). The choice of constructs to capture culture should allow us to conduct analyses at and across individual, dyadic, team, unit, and organizational levels (Gelfand et al., 2007). For example, Robert and Wasti (2002) developed a measure to capture individualism and collectivism at the organizational level. Similarly, Aycan and Kabasakal (2006) described paternalism at societal, organizational, and dyadic levels (i.e., in leader-follower relationship).

Measurement of cultural constructs has been and still is a problem. Due to space limitations, we cannot discuss methodological pitfalls in cross-
cultural research and recommendations to overcome them (See Gelfand, Raver, & Ehrhart, 2002). However, we would recommend that the field complement its current “tool kit,” which consists mainly of measures of personal values to use additional innovative methodologies. Emerging evidence illustrates that descriptive norm measures of culture (e.g., what others do in the cultural context) can help to explain cultural differences (Chiu, Gelfand, Yamagishi, Shteynberg, & Wan, 2010; Fischer et al., 2009; Shteynberg, Gelfand, & Kim, 2009; Wan et al., 2007; Zou et al., 2009). Implicit measures of culture are also fruitful for understanding behavior in organizations. Qualitative measures are sorely needed in the field of cross-cultural organizational psychology. For example, one methodology to capture cultural differences could be “strangification”—that is, looking at the phenomenon from the outside:

[S]trangification is a set of strategies having one point in common: transferring one (logical) system of propositions from their original context into another context and judging this system out of this context. Strangification is the central methodological proposal of Constructive Realism. Changing the context enables us to get new insights, perspectives and views in the system of the system of propositions. If we look at these contexts where the system of propositions gets absurd, we will notice the implicit assumptions and considerations of this system—i.e. we investigate its tacit knowledge. (Wallner & Jandl, 2006)

For example, expatriates have a unique perspective to narrate the cultural characteristics of their home culture, as they “take them out” from their context and test them.

**Cross-cultural Interfaces**

One of the most important mandates of cross-cultural I/O psychology research is to understand dynamics of cross-cultural interactions and produce scientific knowledge to guide practitioners to successfully manage them (Adler, 1991; Imai & Gelfand, 2010; Jackson & Aycan, 2006). Our review in this chapter suggests that the majority of research focuses on comparisons among cultural groups in organizational behavior and practices. Frontiers of cross-cultural I/O research should pay much more attention to understanding the interfaces at the juncture where cultures meet. The literature on expatriate management and on multicultural teams are one of the best examples of the research specifically focusing on cross-cultural interfaces. Similarly, a growing body of literature on HRM practices of multinational corporations examines how they deal with the challenge of balancing between global integration and local responsiveness in HRM practices (cf. Prahalad & Doz, 1987). Erez and Gati (2004) also advocate the study of cross-cultural interfaces in relation to the effects of globalization at the individual (e.g., formation of a sense of global identity), organizational (e.g., globalization vs. hybridization of organizational practices), and national levels (e.g., regulations and labor trends).

Jackson and Aycan (2006) advocated research on interfaces to advance theory in cross-cultural I/O psychology and proposed the following avenues for future research:

1. Cross-cultural interactions and interfaces at multiple levels including inter-continental, inter-national, inter-ethnic, inter-group, inter-organizational levels.
2. Interactions at the interface of cultural units at different levels of analysis, for example the relationship between a foreign company and a local community (e.g., the harm or contribution of multinationals to the local community in developing countries).
3. The products and processes of cultural convergence, divergence and crossvergence, including cultural fusion, adaptations and hybridization (e.g., hybridization of HRM practices in multinational corporations).
4. Power relations in the diffusion, interaction, fusion, adaptation and hybridization of cultures such as in post- and neo-colonialism, and the political, business or occupational dominance of one ethnic group over another (e.g., the dominance of white South-Africans over black workers in work settings, and the reversal of these relationships in the post-Apartheid period).
5. Cross-cultural analysis in the context of shifting and varying cultural units of analysis such as political realignment of ethnic allegiances, intermarrying across ethnic and cultural groups, urbanization and cosmopolitanization. Studies examining the effect of a countries’ changing demographic structure (e.g., unity of West and East Germany
Indigenous Perspectives

Frontiers of cross-cultural I/O research should focus on the meanings of organizational phenomena and the relationships among them within their own cultural context. As stated by Holden (2002): “Cross-cultural impacts cannot be anticipated or meaningfully analyzed solely by the application of cultural categories such as values, language differences, or Hofstedian mental programs without an appreciation of the peculiarities—even the idiosyncrasies—of contextual embedding” (p. 14).

Our review reveals that a number of constructs indeed have culture-specific meanings, such as leadership, achievement, teamwork, OCB, and negotiation. Studying culture-specific or indigenous phenomena brings us closer to developing universal theories in three ways. First, because all behaviors exist in all cultural contexts to a varying degree, a dominant phenomenon (e.g., paternalistic leadership or guanxi) in a particular context may be a recessive phenomenon in another. Therefore, by studying culture-specific or indigenous phenomena, we will be able to capture the characteristics that are recessive to the culture of our own: “…By studying other societies where these features are dominant, they can develop concepts and theories that will eventually be useful for understanding their own” (Pruitt, 2004, xii). Second, by studying culture-specific or indigenous phenomena, we can capture the different enactment of the same constructs (“variform universals”; Bass, 1997) and the varying degree of relationships among them, depending on the cultural context (“variform functional universals”; Bass, 1997). Finally, as our reviews on motivation, teamwork, and negotiation have demonstrated, studying the same phenomena in other cultures enables us to discover the assumptions underlying theories driven from West. These assumptions provide the boundary conditions of theories and make them more universal.

It is worth noting that we believe every research on organizational behavior and practices is “indigenous” because it occurs in a specific cultural context. Therefore, we object to the naming of research as “indigenous” only when it is conducted in non-Western (or Anglo-Saxon) cultural contexts. We also object to journal reviewers asking for explanation of cultural context only when research is conducted in non-Western countries. To us, research in Western and Anglo-Saxon cultural contexts also reflects the indigenous cultural characteristics of the countries, which requires explanation in publications. Otherwise, it is implicitly assumed that findings from Western cultures are universal.

Conclusion

Cross-cultural organizational psychology has emerged as a field that has much to offer to building universal theories and guiding practice to manage cross-cultural relationships in the era of globalization. Our review of the cross-cultural literature points to a number of exciting directions to be taken by the next generation of cross-cultural I/O psychologists (cf. Gelfand, Erez, & Aycan, 2007): (a) cross-cultural interfaces in expatriation, teamwork, negotiation, and mergers and acquisitions; (b) interaction between cultural and contextual factors; (c) cultural values beyond individualism and collectivism captured at multiple levels; (d) multilevel analysis at theory, methodology, and data analysis; (e) top-down and bottom-up processes of cultural influence on organizational behavior and practices; and (f) culture-specific or indigenous constructs and culture-specific relationships among constructs. Some of the research directions are summarized in Table 33.2. The field of cross-cultural organizational psychology has come a long way over the last several decades, and it confirms what Herodotus—arguably the first cross-cultural psychologist—first noted thousands of years ago, namely, the marked human diversity that exists across the globe.

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Table 33.2 Future Research Questions in Cross-Cultural Organizational Psychology

- **HRM.** How are HRM practices influenced by the interplay of cultural (e.g., values and assumptions) and institutional context (e.g., size, industry, ownership status)?

- **Motivation.** (1) What are the culture-specific construals of key elements in motivational theories, such as achievement, affiliation, power, input, output, referent group, or autonomy? (2) How does culture moderate the relationship between motivational practices (e.g., job enrichment) and organizational outcomes (e.g., performance, job satisfaction)? (3) What are the culture-specific motivation techniques effective to enhance individual and organizational outcomes?

- **Teams.** (1) How does the interaction between cultural and situational contexts (e.g., size of the team, task and membership structure, duration of teamwork) influence team performance (e.g., task performance and member satisfaction)? (2) What are the conditions under which culturally diverse teams perform as good as homogeneous teams?

- **Conflict & negotiation.** (1) What role do salient cultural values in collectivistic and high power distance cultures, such as face, honor, and modesty, play in negotiations? (2) What are the causes and consequences of conflict in work contexts across cultures? (3) What factors amplify, reduce, or suppress cultural differences in conflict and negotiation? (4) How does negotiation vary in culturally diverse teams (i.e., intercultural negotiation) versus homogeneous teams, and what moderates such effects? (5) What are the individual (e.g., cultural intelligence) and situational characteristics (e.g., task structure, social support) enhancing success in intercultural negotiations?

- **Leadership.** (1) What are the contingencies (e.g., task and follower characteristics) under which different leadership approaches (e.g., participative, transformational, paternalistic) yield positive work and employee outcomes in different cultural contexts? (2) What are the culture-specific enactments of different leadership styles (e.g., how do participative leaders behave in high vs. low power distance cultures)? (3) What are the leadership competencies required to manage culturally diverse teams?

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