Cross-Cultural Organizational Behavior

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Abstract

This article reviews research on cross-cultural organizational behavior (OB). After a brief review of the history of cross-cultural OB, we review research on work motivation, or the factors that energize, direct, and sustain effort across cultures. We next consider the relationship between the individual and the organization, and review research on culture and organizational commitment, psychological contracts, justice, citizenship behavior, and person-environment fit. Thereafter, we consider how individuals manage their interdependence in organizations, and review research on culture and negotiation and disputing, teams, and leadership, followed by research on managing across borders and expatriation. The review shows that developmentally, cross-cultural research in OB is coming of age. Yet we also highlight critical challenges for future research, including moving beyond values to explain cultural differences, attending to levels of analysis issues, incorporating social and organizational context factors into cross-cultural research, taking indigenous perspectives seriously, and moving beyond intracultural comparisons to understand the dynamics of cross-cultural interfaces.
INTRODUCTION

Broadly construed, cross-cultural organizational behavior (OB) is the study of cross-cultural similarities and differences in processes and behavior at work and the dynamics of cross-cultural interfaces in multicultural domestic and international contexts. It encompasses how culture is related to micro organizational phenomena (e.g., motives, cognitions, emotions), meso organizational phenomena (e.g., teams, leadership, negotiation), macro organizational phenomena (e.g., organizational culture, structure), and the interrelationships among these levels. In this review, we focus on cross-cultural micro and meso OB, and provide an update to the MH Bond & Smith (1996) Annual Review of Psychology chapter. We briefly discuss the history of cross-cultural OB. Next, starting at the micro level, we review research on work motivation, or the factors that energize, direct, and sustain effort in
organizations across cultures. We then consider the nature of the relationship between the individual and the organization, and review research on culture and organizational commitment, psychological contracts, organizational justice, organizational citizenship behavior, and person-environment fit. Thereafter, we consider how individuals manage their interdependence in organizations, and review research on culture and negotiation and disputing, teams, and leadership, followed by research on managing across borders and expatriation. We conclude with some observations on the progress that has been made and with a critical assessment of the field.1

A BRIEF HISTORY OF CROSS-CULTURAL ORGANIZATIONAL BEHAVIOR

Cross-cultural OB has a long past but a short research history. Some of the earliest accounts of cultural differences at work can be found in writings by the Greek historian Herodotus, who observed differences in work behavior throughout the Persian Empire circa 400 BC (Herodotus et al. 2003). Trade between people of different cultures was also widespread along the Silk Road, which stretched from Rome and Syria in the West to China in the East and to Egypt and Iran in the Middle East dating from the second century BC (Elisseef 2000). Although globalization in the twenty-first century has certainly increased the ease and scope of cross-cultural interactions at work exponentially, this is clearly an ancient phenomenon.

It is only in the past two decades, however, that cross-cultural theory and research have started to take on a central role in the field of OB. In the 1960s and 1970s, culture was largely ignored in OB (Barrett & Bass 1976), and existing culture research was generally atheoretical, descriptive, and plagued with methodological problems. Most, if not all, OB theories were developed and tested on Western samples, without much regard for their potential global scope. The fact that OB research developed primarily in the United States, a society that historically has supported a melting pot view of cultural differences, also likely contributed to the lack of attention to culture in OB. Later, in the 1980s, with the advent of culture typologies (Hofstede 1980), attention to national culture increased in OB research and began to have more of a theoretical backbone. Research began to uncover the cultural boundaries of some Western OB models, which in some cases were not as applicable to the Far East. Reciprocally, Japanese models, such as quality control circles, were not successfully adopted in the West (Erez & Earley 1993). Nevertheless, cross-cultural research in OB was still more often the exception than the norm and was largely separate from mainstream OB research. It was, in essence, tolerated and not particularly influential or widespread.

DEFINITION OF CULTURE

A wide range of definitions have been used for the term “culture.” Culture has been defined as the human-made part of the environment (Herkovits 1955), including both objective and subjective elements (Triandis 1972); as a set of reinforcements (Skinner 1981); as the collective programming of the mind (Hofstede 1991); as a shared meaning system (Swedler & LeVine 1984); as patterned ways of thinking (Kluckhohn 1954); and as unstated standard operating procedures or ways of doing things (Triandis 1994). Although definitions of culture vary, many emphasize that culture is shared, is adaptive or has been adaptive at some point in the past, and is transmitted across time and generations (Triandis 1994). Although culture operates at multiple levels of analysis, this article is concerned primarily with national culture as it relates to organizational behavior.
EMIC AND ETIC

Emic and etic were originally discussed in linguistics. Phonemics referred to sounds used in a particular language and phonetics referred to sounds that are found across all languages (Pike 1967). These distinctions were later imported into cross-cultural psychology by Berry (1969), who referred to ideas and behaviors that are culture-specific as emics, and ideas and behaviors that are culture-general or universal as etics.

We are, however, entering a new era when culture research is beginning to be embraced in OB. Dramatic changes in the work context in response to globalization have increased the importance of cross-cultural research in OB, and as described below, we have witnessed a large wave of cross-cultural research across all areas of the field. Culture theory is more dynamic (Hong et al. 2000), more attentive to organizational context factors (Aycan et al. 2000), and more rich in what it offers to OB, as evidenced in new taxonomies of cultural values (House et al. 2004, Schwartz 1994, Smith et al. 1996), beliefs (Bond et al. 2004), norms (Gelfand et al. 2006b), and sophisticated ways of combining emic (or culture-specific) with etic (or universal) perspectives on cultural differences (Morris et al. 1999). Developmentally, cross-cultural research in OB is coming of age, and this review reflects this momentum. But as we discuss below, a number of fundamental issues and challenges for research in cross-cultural OB need attention if the field is to thrive in the coming decade.

CULTURE AND WORK MOTIVATION

In this section, we consider both personal (e.g., motives, goals) and situational (e.g., feedback, rewards, job characteristics) factors that predict work motivation across cultures.

Culture and Personal Motives

There is some evidence that motives such as self-efficacy, need for achievement, and intrinsic needs for competence are universal (Bandura 2002, Erez & Earley 1993). Yet the specific factors that drive such motives vary across cultures. Earley et al. (1999) showed that personal feedback influenced self-efficacy beliefs in individualistic cultures, whereas group feedback also influenced self-efficacy beliefs in collectivistic cultures. Likewise, while the need for control seems to be universal, personal control is critical in individualistic cultures, and collective control is more critical in collectivistic cultures (Yamaguchi et al. 2005). Although some have argued that achievement motivation is stronger in individualistic than in collectivistic cultures (Sagie et al. 1996), the meaning of it varies across cultures. Collectivists believe that positive outcomes result from collective efforts, and not only from individual efforts (Niles 1998).

Intrinsic motives for autonomy, competence, and relatedness are important for well-being across cultures (Ryan & Deci 2000), yet antecedents to such motivation vary cross-culturally. Iyengar & Lepper (1999) found that while personal choice was critical for intrinsic motivation among Anglo Americans, Asian Americans were more intrinsically motivated when trusted authority figures or peers made choices for them. By contrast, exploration, curiosity, and variety seeking are more associated with intrinsic motivation in individualistic cultures than in cultures where conformity is highly valued (Kim & Drolet 2003). Also, the negative effects of extrinsic motivation are weaker in non-Western cultures (Ryan et al. 1999).2

Research has also shown that a promotion motive to achieve desired outcomes

2The authors acknowledge that the terms “Western” and “Eastern” create a superficial dichotomy, which does not reflect the complexity and heterogeneity within each cluster. The terms are used heuristically and for purpose of communication convenience in this article. Likewise, although many studies present findings from one particular sample in a culture, cultures are complex and heterogeneous, and therefore findings might change with other samples and/or in different situations.
motivates employees with independent selves, whereas the prevention motive to avoid negative consequences motivates individuals with interdependent selves (Heine et al. 2001, Lee et al. 2000). Similarly, Lockwood et al. (2005) showed that role models who conveyed a prevention focus of avoiding failures motivated Asian Canadians, whereas role models who highlighted a strategy for promoting success had a stronger impact on Anglo-Canadians. Experiencing shame in organizational contexts had a negative effect on adaptive behavior and performance among Dutch samples who experienced shame as a threat to the independent self, whereas it had a positive effect on outcomes among Philippinos, who experienced shame as a threat to harmony that needed to be restored (Bagozzi et al. 2003; see also Earley 1997).

Culture also affects performance and learning motivational orientations. In Confucian philosophy, there is an emphasis on the need to perfect oneself, and as a result, in the Chinese culture, learning appears more fundamental than achievement per se (Li 2002). Learning and performance orientation were highly correlated and both were associated with performance among Hong Kong students, whereas they were more distinct among American students (Lee et al. 2003).

**Culture and Goals**

Several studies suggest that elements of goal setting theory do not necessarily generalize across cultures. Kurman (2001) found that in collectivistic and high-power-distance cultures, choosing achievable moderate goals was more highly motivating than choosing difficult goals. Sue-Chan & Ong (2002) found that power distance moderated the effect of assigned versus participative goal setting on goal commitment and performance, with higher commitment and performance for assigned goals in high- rather than low-power-distance cultures. Self-efficacy mediated the goal-assignment commitment, and performance relationships only in low-power-distance cultures. Lam et al. (2002a) showed that the relationship between participation and individual performance is the highest for idiocentrics with high self-efficacy, and the relationship between participation and group performance is the highest for allocentrics with high collective efficacy.

**Culture and Feedback**

Feedback giving and feedback seeking are theorized to vary across cultures (De Luque & Sommer 2000). For example, Morrison et al. (2004) showed that individuals from the United States reported more newcomer feedback seeking than did individuals from Hong Kong, which was related to cultural differences in assertiveness and power distance. Culture also influences the effect of feedback sign on behavior. Positive feedback is universally perceived to be of higher quality than negative feedback, and even more so in collectivistic cultures (e.g., Van de Vliert et al. 2004). Japanese had stronger emotional reactions to negative feedback (Kurman et al. 2003), yet were more responsive to it than are Americans, who tended to engage in compensatory self-enhancement (Brockner & Chen 1996, Heine et al. 2001, Kitayama et al. 1997). Van de Vliert et al. (2004) also showed that the target of the feedback matters: Individual versus group performance induced more positive evaluations from individualists and collectivists, respectively. Little research, however, has been done on feedback in intercultural settings. Matsumoto (2004) found that Japanese managers provide implicit and informal feedback, which caused frustration among Americans.

**Culture and Rewards**

Cultural values shape the preferences for organizational rewards and their implementation across cultures (Erez & Earley 1993). Good pay and bonuses were the most preferred rewards for students in Chile and China, whereas promotion and interesting
work were the most preferred rewards for American students, which may be attributable to cultural and economic conditions (Corney & Richards 2005, King & Bu 2005). Regardless of the strength of money as a motivator, work appears to be valued beyond just monetary rewards in developing as well as developed countries (Adigun 1997).

At a more macro level, cultures differ in their dominant reward systems. Brown & Reich (1997) showed that U.S. firms implemented payment-by-result systems, congruent with individualistic values, whereas Japanese firms endorsed seniority-based pay systems, congruent with respect for seniority. Tosi & Greckhamer (2004) found that CEO pay was related to power distance. The market reform in China has strengthened the preference for differential rewards among Chinese who emphasize vertical collectivism but not among those who emphasize horizontal collectivism (Chen et al. 1997). Group-based profit sharing and saving plans are effective motivators for reducing turnover rates in maquiladoras—American-owned plants in Mexico—as they fit with the strong collectivistic Mexican culture (Miller et al. 2001). Culture affects incentives in multinationals, with higher incentives in subsidiaries that are culturally close to the headquarters (Roth & O’Donnell 1996).

Culture and Job and Organizational Characteristics

Several studies have shown that the meaning of job content (e.g., autonomy) is similar across cultures (e.g., Sadler-Smith et al. 2003). Frese et al. (1996) found that job autonomy and task complexity increased initiative behaviors in both East and West Germany. Likewise, Roe et al. (2000) found that job characteristics had similar effects on motivation and commitment in the Netherlands, Bulgaria, and Hungary. Yet, autonomy had a more powerful effect on critical psychological states in the Netherlands, an individualistic culture (see also Deci et al. 2001). Empowerment resulted in lower performance for individuals from high-power-distance (i.e., Asians) compared with low-power-distance (i.e., Canada) cultures (Eylon & Au 1999) and was negatively associated with satisfaction in India, a high-power-distance culture, in comparison with the United States, Poland, and Mexico (Robert et al. 2000). However, empowering employees to implement change can be effective when it is congruent with values in the cultural context. For example, in Morocco, a successful implementation of Total Quality Management occurred by associating it with Islamic norms and values, and using authority figures as role models. In Mexico, an emphasis on norms and values regarding the family and the community helped to enhance cooperation (d’Iribarne 2002).

Job demands have universal negative effects on employees’ health and well-being, yet their effect on intentions to leave was the lowest in Hungary, reflecting lower alternative job opportunities as compared with Italy, the United States, and the United Kingdom (Glazer & Beehr 2005). In China, similar to the West, high job demands and low control increased anxiety and lowered satisfaction (Xie 1996). However, different factors mitigate stress in different cultures. Self-efficacy served as a buffer of job demands for Americans, but collective efficacy served this function in Hong Kong (Schaubroeck et al. 2000).

Culture and Job Satisfaction

Culture significantly influences job and pay satisfaction (Diener et al. 2003). In general, employees in Western and in capitalistic developed cultures have higher job satisfaction than those in Eastern cultures and in socialist developing cultures (Vecernik 2003). Research has shown 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).
Positive self-concepts and internal locus of control are related to job satisfaction across cultures (Piccolo et al. 2005, Spector et al. 2002). As well, social comparisons are universally related to pay satisfaction across cultures (Sweeney & McFarlin 2004). Yet the factors that contribute to satisfaction also vary across cultures. A 42-nation study revealed a positive link between satisfaction and self-referent motivation, and a negative link between satisfaction and other-referent motivation, which were pronounced in countries of high income levels, education, and life expectancy (Van de Vliert & Janssens 2002). Work group and job characteristics differentially affect satisfaction across cultures: A warm and congenial work group produced higher satisfaction among collectivists but lower satisfaction among individualists (Hui & Yee 1999). Although extrinsic job characteristics were positively related to job satisfaction across cultures, intrinsic job characteristics were more strongly associated with job satisfaction in rich countries dominated by individualistic and low-power-distance values (Huang & Van de Vliert 2003, Hui et al. 2004). Job level is related to job satisfaction in individualistic cultures but not in collectivistic cultures (Huang & Van de Vliert 2004). Finally, research has also found that culture moderates the impact of job satisfaction on withdrawal behaviors; a stronger relationship exists in individualistic cultures as compared with collectivistic and low-power-distance and high-power-distance cultures (Posthuma et al. 2005, Thomas & Au 2002, Thomas & Pekerti 2003).

CULTURE AND THE NATURE OF THE RELATIONSHIP BETWEEN THE INDIVIDUAL AND ORGANIZATION

Culture and Organizational Commitment

Research has demonstrated that existing measures of organizational commitment (OC) have construct validity in numerous European countries (e.g., Vandenberghe et al. 2001), yet others have questioned the factor validity of OC measures, particularly in East Asian samples (e.g., Ko et al. 1997). A key question is whether differences in factor validity are due to translation problems or to cultural differences in the OC construct. Lee et al. (2001) argued for the former and showed that when using general items that minimize translation problems, factor structures are similar across cultures. Others, however, have shown the importance of developing emic (culture-specific) items when assessing etic (culture-general) OC constructs (e.g., Wasti 2002).

Research has examined whether the antecedents of OC are similar across cultures. A meta-analysis (Meyer et al. 2002) found that normative commitment (NC) 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 U.S. 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 (AC). Wasti (2003) similarly found that satisfaction with work and promotions were the strongest predictors of OC among individualists, whereas satisfaction with supervisor was an important predictor of OC among collectivists. Across seven nations, Andolsek & Stebe (2004) also found that material job values (e.g., job quality) were more predictive of OC in individualistic societies, whereas postmaterialistic job values (e.g., helping others) were more predictive of OC in collectivistic societies. Others have shown the importance of examining emic predictors of OC, such as in-group opinions (Wasti 2002), subjective norms (Abrams et al. 1998), and the Islamic work ethic (Yousef 2000).

Consequences of OC vary across cultures. A meta-analysis (Meyer et al. 2002) found that AC is a more powerful predictor of job outcomes in the United States, whereas NC was more important for job outcomes in studies outside of the United States (cf. Wasti 2003).
Dimensions of OC also interact in distinct ways to predict outcomes across cultures. In China, Cheng & Stockdale (2003) found that NC reduced the relationship between continuance commitment and job satisfaction, and Chen & Francesco (2003) found that NC moderated the impact of AC on organizational citizenship behavior and performance, providing further support for the primacy of NC in non-Western cultures.

Culture and Psychological Contracts

The construct of psychological contracts (PCs), or perceptions of the mutual obligations that exist between employers and employees (Rousseau 1989), is applicable across cultures (e.g., Hui et al. 2004), yet the nature of PCs may vary across cultures (see Rousseau & Schalk 2000). Taking a bottom-up approach, Thomas et al. (2003) theorized that individualistic employees form transactional PCs to enhance the independent self, whereas collectivistic employees form relational PCs to enhance the interdependent self. Others take a more macro, top-down approach, suggesting that human resources practices and institutional factors cause divergence in PCs across cultures. Sels et al. (2004) showed that the nature of human resources practices (e.g., participation) and the nature of formal contracts (e.g., blue collar versus white collar) predicted differences in PCs in Belgium (see also King & Bu 2005). Thomas et al. (2003) theorized that employees with collectivistic values have a higher threshold for the perception of PC violations, yet once violations are perceived, they experience more negative affective reactions. Kickul et al. (2004) found that violations to extrinsic contracts (e.g., pay) had more of a negative impact on attitudes among Hong Kong employees, whereas violations to intrinsic contracts (e.g., job autonomy) had more of a negative impact in the United States.

Culture and Organizational Justice

Research on culture and reward allocation preferences has yielded mixed results. On the one hand, a meta-analysis by Sama & Papamarcos (2000) showed that equity was preferred in individualistic cultures, while equality was preferred in collectivistic cultures (particularly in situations with in-group members). However, another meta-analysis by Fischer & Smith (2003) showed that IC at the national level was unrelated to reward allocation preferences. The discrepancy in these findings is likely due to contextual factors, namely the differential role of the allocator across the two meta-analyses. More specifically, Leung (1997) argued that when the allocator was also a recipient of rewards, individuals in collectivistic cultures would prefer equality with in-groups (consistent with the studies reviewed in Sama & Papamarcos). However, if the allocator is not a recipient of rewards (i.e., is dividing resources among others), equity would be preferred across individualistic and collectivistic cultures (consistent with the studies reviewed in Fischer & Smith). Interestingly, Fischer & Smith (2003) also showed that power distance is a more important explanatory dimension in situations where the allocator is not a recipient of rewards: Cultures high on power distance and hierarchy preferred equity, whereas cultures low on power distance and with egalitarian values preferred equality (Chen et al. 1997, 1998b). Research has also shown that equity preferences vary depending on industry even within the same cultural context (e.g., He et al. 2004), further illustrating the importance of the situational context in reward allocation preferences across cultures.

Research has shown that even when individuals value the same justice rule (e.g., equity), people in different cultures may use different criteria in implementing these rules (Morris et al. 1999). For example, what counts in terms of contributions or inputs when making reward allocation decisions varies across cultures (Fischer & Smith 2004, Gomez et al. 2000, Hundley & Kim 1997, Zhou & Martocchio 2001). Hundley & Kim (1997) found that Koreans weighed seniority, education, and family size more than Americans.
in making judgments about pay fairness. Zhou & Martocchio (2001) found that Chinese were more likely than Americans to weigh the relationship that employees had with others when making nonmonetary decisions, and to weigh work performance less and needs more when making monetary decisions. Gomez et al. (2000) found that collectivists valued maintenance contributions of their teammates more than did individualists, whereas individualists valued task contributions of their teammates more than did collectivists. Other research has similarly shown that people in different cultures may weigh their outcomes differently in forming distributive justice (DJ) perceptions. Mueller et al. (1999) found that met expectations about autonomy were more important for perceived distributive justice in the United States, whereas met expectations about advancement were more important in Korea.

Research has found that procedural justice (PJ) has consequences for fairness and trust across numerous cultures (e.g., Lind et al. 1997, Pearce et al. 1998). PJ's effects have consistently been shown to depend on levels of power distance (PD) both at the individual and culture level. Lam et al. (2002b) found that the influence of PJ (as well as DJ) on satisfaction, performance, and absenteeism was stronger for individuals who endorsed low, rather than high, PD values (see also Farh et al. 1997, Fischer & Smith 2006, Lee et al. 2000). Brockner et al. (2001) found that the effect of voice on organizational commitment and performance was more pronounced in low- as compared with high-PD nations; the effect was mediated by individual-level measures of PD (see also Price et al. 2001). PJ and DJ also interact to affect outcomes differently across cultures (Fields et al. 2000). Brockner et al. (2000) showed that a tendency for high PJ to mitigate low DJ is pronounced in cultures that emphasize collectivism, and that interdependent self-construals mediated country effects. Unlike in the DJ literature, however, there is scant attention to contextual moderators (e.g., industry, situational context) in culture and PJ research.

Finally, there is a dearth of research on culture and justice in intercultural contexts. Shared perceptions of justice are critical for the effectiveness of intercultural alliances, especially when cultural distance between the parties is high (Luo 2005). Yet intercultural settings are precisely where there may be conflict due to differences in perceptions of justice (Ang et al. 2003, CC Chen et al. 2002, Leung et al. 2001). Moreover, surprisingly little research has been done on culture and interactional justice. Although this form of justice may be universally important, the specific practices through which it is implemented are likely to vary across cultures (Leung & Tong 2004).

### Culture and Organizational Citizenship Behavior

Conceptions of what constitutes extra role (or citizenship) behavior vary across cultures. Lam et al. (1999) found that a five-factor structure of organizational citizenship behaviors (OCBs)—altruism, conscientiousness, civic virtue, courtesy, and sportsmanship—was replicated in Japan, Australia, and Hong Kong. However, Japanese and Hong Kong employees were more likely to define some categories of OCBs (e.g., courtesy, sportsmanship) as part of “in-role” performance as compared with Australian and U.S. employees. Similarly, Farh et al. (1997) developed an indigenous OCB measure in Taiwan and found that although altruism, conscientiousness, and identification qualified as etic dimensions of OCB, sportsmanship and courtesy were not found to be part of the OCB construct in the Taiwanese sample. There were also emic dimensions, such as interpersonal harmony and protecting company resources, that were not previously identified in the West.

Antecedents of OCBs also vary across cultures. Meyer et al. (2002) found that normative commitment was more strongly associated with OCBs in non-Western contexts, whereas affective commitment is...
particularly important for OCBs in the United States. Organizational-based self-esteem has been found to mediate the effect of collectivism on OCBs (Van Dyne et al. 2000). Studies have shown that commitment to one's supervisor is a more powerful predictor of OCBs than are organizational attitudes in the Chinese context (ZX Chen et al. 2002, Cheng et al. 2003). Research has also found that fulfillment of psychological contracts predicts OCBs in non-Western cultures such as China (Hui et al. 2004) and Hong Kong (Kickul et al. 2004).

**CULTURE AND NEGOTIATION/DISPUTING**

**Culture and Negotiation**

Culture affects negotiators' frames, or cognitive representations of conflicts. Gelfand et al. (2001) found that Americans perceived conflicts to be more about winning and violations to individual rights, whereas Japanese perceived the same conflicts to be about compromise and violations to duties. Research has also examined whether negotiators' judgment biases, which have consistently been found in the West, are found in non-Western cultures. Negotiators in the United States are particularly susceptible to competitive judgment biases, such as fixed pie biases (Gelfand & Christakopolou 1999) and self-serving biases (Gelfand et al. 2002, Wade-Benzoni et al. 2002), and are more likely to make internal attributions of other negotiators' behavior (Morris et al. 2004, Valenzuela et al. 2005). Negotiators' judgments in non-Western cultures, by contrast, are more affected by relational concerns. Japanese base their fairness assessments on obligations to others, whereas Americans base their fairness assessments on their alternative economic options (Buchan et al. 2004). Chinese negotiators are more susceptible to the influence of others (e.g., anchoring effects) than are Americans (Liu et al. 2005).

Culture also affects negotiation processes and outcomes (Brett 2001, Gelfand & Brett 2004). Although the stages that negotiators go through may be etic, there is cultural variation in the types of strategies used across different stages (Adair & Brett 2005). U.S. negotiators are more likely to share information directly and achieve high joint gains through this strategy, whereas Japanese, Russian, and Hong Kong negotiators are more likely to share information indirectly through their patterns of offers and achieve high joint gains.
through this strategy (Adair et al. 2001). Culture also affects persuasion and concession making in negotiations. Emotional appeals are theorized to be more common in collectivistic cultures, whereas rational appeals are more common in individualistic cultures (Gelfand & Dyer 2000). Hendon et al. (2003) showed that preferred concession patterns varied across nine nations. Samples from the United States preferred to concede at the end of negotiations, whereas samples from Latin America and developed Asia preferred “de-escalating” sequences, with generous concessions at first and gradual reductions of concessions with few concessions at later stages. There are also cultural differences in the perceived appropriateness of bargaining tactics. For example, at the national level, Volkema (2004) found that power distance was negatively related to perceived appropriateness of competitive bargaining tactics and that uncertainty avoidance was negatively related to perceived appropriateness of inappropriate information collection and influencing others’ professional networks to gain concessions.

The factors that contribute to satisfaction in negotiation also vary across cultures. Satisfaction is related to maximizing economic gains among U.S. samples and to the use of integrative tactics and equalization of outcomes in East Asian samples (Ma et al. 2002, Tinsley & Pillutla 1998). Relational capital is theorized to be critical for the implementation of agreements in cultures where the relational self is highly accessible (Gelfand et al. 2006a).3

Situational and personal factors also moderate cultural effects in negotiation. Cultural tendencies in negotiation tend to be exacerbated in conditions of high accountability (Gelfand & Realo 1999), high need for closure (Morris & Fu 2001), and high ambiguity (Morris et al. 2004). Negotiator roles are more important for negotiation outcomes in hierarchical cultures (e.g., Japan) than in egalitarian cultures (Kamins et al. 1998; see also Cai et al. 2000). By contrast, negotiator personality (e.g., extraversion and agreeableness) has a greater impact in the United States than in China (Liu et al. 2005). Competitive processes have been found among collectivistic samples in certain conditions, including intergroup or outgroup negotiations (Chen & Li 2005, Probst et al. 1999, Triandis et al. 2001), negotiations with little external monitoring (Gelfand & Realo 1999), and in situations in which negotiators have strong egoistic motives (Chen et al. 2003).

There has been a dearth of attention to the dynamics of intercultural negotiations. Brett & Okumura (1998) found that joint gains were lower in U.S.-Japanese intercultural negotiations than in either United States or Japanese intracultural negotiations, in part because of lower judgment accuracy and conflicting styles of information exchange in intercultural negotiations (Adair et al. 2001). Cultural incongruence in negotiator scripts has been theorized to lead to less organized social action (Gelfand & McCusker 2002) and high levels of negative affect (George et al. 1998, Kumar 1999) in intercultural negotiations. Little research, however, has examined situational or personal factors that moderate intercultural negotiation effectiveness (cf. Drake 2001).

**Culture and Disputing**

Kozan (1997) differentiated three models of conflict resolution used across cultures: a direct confrontational model, a regulative model, and a harmony model (see also Tinsley 1998). Consistent with a direct confrontational model, individuals in individualistic nations prefer to resolve conflicts using their own expertise and training (Smith et al. 1998), prefer forcing conflict resolution styles (Holt & DeVore 2005), and tend to focus

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3Relational self: the extent to which individuals regard themselves as connected to other individuals; the relational self has been empirically differentiated from the independent self and the collective self across five nations (Kashima et al. 1995).
on integrating interests (Tinsley 1998, 2001). Germans endorse a regulative model, in part due to values for explicit contracting (Tinsley 1998, 2001). By contrast, individuals in collectivistic cultures prefer styles of avoidance and withdrawal (Holt & DeVore 2005, Ohbuchi et al. 1999), and this preference has been explained in terms of differences in conservation values (Morris et al. 1998), the interdependent self (Oetzel et al. 2001), and/or expectations that avoidance leads to better outcomes (Friedman et al. 2006).

Research has shown, however, that avoidance does not necessarily mean the same thing across cultures. Contrary to Western theory, avoidance can reflect a concern for others rather than a lack of concern for others (Gabrielidis et al. 1997). Tjosvold & Sun (2002) showed that there are a wide range of motives and strategies for avoidance in East Asian cultures, ranging from passive strategies to highly proactive strategies that often involve working through third parties (see also Tinsley & Brett 2001). Situational context is also critical for predicting avoidance. Avoidance and nonconfrontational strategies are preferred in collectivistic cultures in disputes of high intensity (Leung 1997), with in-group members (Derlega et al. 2002, Pearson & Stephan 1998), and with superiors (Brew & Cairns 2004, Friedman et al. 2006). In all, avoidance is a multifaceted construct and more nuanced in Asia than is typically understood in the West.

CULTURE AND TEAMS

Culture and Attitudes About Teams

Employee values of individualism are associated with general resistance to teams, whereas employee 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 & 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. Situational conditions, however, are important moderators of team attitudes across cultures. Americans had particularly negative attitudes toward teams when they perform well individually but their teams perform poorly, whereas Chinese demonstrated more in-group favoritism in these conditions (YR Chen et al. 1998). Ramamoorthy & Flood (2002) found that individualists felt more obligated to teamwork when they had high pay equity (pay related to individual performance), yet collectivists felt less obligated under these conditions. In comparison with Australians, Taiwanese had more negative attitudes when teams had a highly fluid, changing membership, in part due to differences in the perceived importance of maintaining relationships in groups (Harrison et al. 2000).

Culture and Team Processes

With respect to cognitive team processes, research has found that individuals in collectivistic cultures are more likely than are those in individualistic cultures to see groups as “entities” that have agentic qualities and dispositions (e.g., Chiu et al. 2000, Kashima et al. 2005, Morris et al. 2001). Gibson & Zellmer-Bruhn (2001) found that employees in different national cultures construe teamwork through different metaphors (military, sports, community, family, and associates), which leads to divergent expectations of team roles, scope, membership, and team objectives. Schemas for what constitutes “successful” workgroups also vary across cultures. Mexicans perceived that socioemotional behaviors were important for group success, whereas Anglos perceived that high task orientation and low socioemotional behaviors were important for group success (Sanchez-Burks et al. 2000).

Research has shown that culture affects motivational/affective processes in teams. Collectivism predicts self-efficacy for
teamwork (Eby & Dobbins 1997) and moderates the impact of group goals and group efficacy on performance. Erez & Somech (1996) found that collectivistic samples in Israel experienced fewer group performance losses regardless of the type of group goal, whereas individualistic samples performed quite poorly when only given a “do your best goal” for their team. In a field study, Gibson (1999) found that when collectivism in teams was high, group efficacy was more strongly related to group effectiveness. Earley (1999) examined the role of power distance and group efficacy. In high-status groups, group efficacy judgments were more strongly tied to higher-status rather than to lower-status group judgments, whereas in low-power-distance cultures, members contributed equally to collective efficacy judgments.

Different conditions create feelings of attraction and trust toward group members in different cultures. Man & Lam (2003) found that job complexity and autonomy were much more important for group cohesiveness in the United States than in Taiwan. Drach-Zahavy (2004) similarly showed that job enrichment (i.e., high task identity and flexibility) had a negative effect on team support in high-power-distance groups. Yuki et al. (2005) showed that trust is developed through different relational bases across cultures: In Japan, an important basis for trust is having indirect personal ties with other group members, whereas in the United States, an important basis for trust is having a strong identification based on a shared category membership (e.g., being from the same school) (see also Yuki 2003 and Doney et al. 1998 for additional discussions of culture and trust).

Culture also affects behavioral team processes. Eby & 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. Taking a more contextual perspective, CC Chen et al. (1998a) theorized that different situational conditions lead to cooperation in individualistic and collectivistic cultures. In individualistic cultures, instrumental factors such as high goal interdependence, enhancement of personal identity, and cognitive-based trust foster cooperation, whereas in collectivistic cultures, socioemotional factors such as goal sharing, enhancement of group identity, and affect-based trust foster cooperation.

Finally, social influence processes in teams also vary across cultures. Collectivism affects rates of conformity in groups at the national level (R. Bond & Smith 1996). Values at the individual level also affect influence processes. Ng & 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. At the team level, Goncalo & Staw (2006) found that individualistic groups were more creative than collectivistic groups, especially when given explicit instructions to be creative.

Multicultural Teams

Several authors have argued that multicultural teams (MCTs) can provide strategic advantages for organizations (see Earley & Gibson 2002, Shapiro et al. 2005). By far, however, most theory and research cites the negative processes that occur in MCTs. Shapiro et al. (2002) argued that characteristics of transnational teams (cultural differences, electronic communication, and lack of monitoring) reduce the salience of team identity, which leads to effort-withholding behaviors. MCTs may have high levels of ethnocentrism (Cramton & Hinds 2005), in-group biases (Salk & Brannon 2000), and high levels of task and/or emotional conflict (Elron 1997, Von Glinow et al. 2004).
However, some factors help MCTs to be more effective. Culturally heterogeneous teams performed as or more effectively as homogeneous teams when leaders help to prevent communication breakdowns (Ayoko et al. 2002) and help to broker hidden knowledge between culturally diverse members (Baba et al. 2004). Global virtual teams are more effective when they impose formal temporal coordinating mechanisms (Montoya-Weiss et al. 2001), develop temporal rhythms around periods of high interdependence (Maznevski & Chudoba 2000), develop norms for meaningful participation (Janssens & Brett 1997), develop a strong team identity (Van Der Zee et al. 2004), and have an integration and learning perspective (Ely & Thomas 2001).

Attention also needs to be given to when cultural identities become salient in MCTs. Randel (2003) showed that cultural identities were particularly salient when either most or very few of their fellow members had the same country of origin. Moreover, although culturally diverse teams generally have lower performance than homogeneous teams (Thomas 1999), they tend to perform as well as homogeneous teams over time (Harrison et al. 2002, Watson et al. 1998). Highly heterogeneous teams also outperform moderately heterogeneous teams because they avert subgroup fractionalization and faultlines (Earley & Mosakowski 2000).

CULTURE AND LEADERSHIP

Culture as a Main Effect on Leaders and Followers

One of the most influential studies investigating cultural variations in perceptions of what traits are effective was the Global Leadership and Organizational Behavior Effectiveness Project (House et al. 2004). In this project, the relationships between societal culture, organizational culture, and leadership prototypes were investigated in 62 cultural societies involving approximately 17,000 middle managers. Findings revealed that two leadership attributes were universally endorsed: charismatic leadership and team-oriented leadership. Both organizational and societal values, rather than practices, were significantly related to leadership prototypes. For example, power distance was positively associated with self-protective leadership and negatively associated with charismatic and participative leadership. Significant variations in leadership prototypes or behavioral manifestations of the prototypes were found across and within cultural clusters (Brodbeck et. al. 2000) as well as across hierarchical positions (Den Hartog et al. 1999). For example, for top managers, effective leader attributes included being innovative, visionary, and courageous, whereas for lower-level managers effective leader attributes included attention to subordinates, team building, and participation.

Ensari & Murphy (2003) found that in individualistic cultures, perception of charisma is based on recognition-based perceptions (i.e., leadership effectiveness is a perception that is based on how well a person fits the characteristics of a “good” or “effective” leader), whereas in collectivistic cultures, it is based on inference-based perceptions (i.e., leadership effectiveness is an inference based on group/organizational performance outcomes). On the other hand, Valikangas & Okumura (1997) showed that Japanese employees follow a “logic of appropriateness” model, whereas U.S. employees follow a “logic of consequence” model. Other studies on followers’ preference of leadership have found that across-country variance accounts for more variance in leadership preferences than within-country variance (e.g., across demographics and occupational grouping) (Zander & Romani 2004).

Beyond culture’s influence on leadership prototypes, there are important cross-cultural differences in leadership behaviors and practices. In a study of how middle managers in 47 countries handle work events, Smith et al. (2002) found that cultural values (e.g., high collectivism, power distance, conservatism, and loyal involvement) were related...
to reliance on vertical sources of guidance (i.e., formal rules and superiors), rather than reliance on peers or tacit sources of guidance. Geletkanycz (1997) compared executives’ strategic orientations in 20 countries and showed that individualism, low uncertainty avoidance, low power distance, and short-term orientation were associated with executives’ adherence to existing strategy. Similarly, in a study on leaders’ goal priorities, Hofstede et al. (2002) found that individualism and long-term orientation correlated positively with importance of profits in upcoming years, and power distance correlated negatively with staying within the law.

Research has shown that culture affects the use of power and influence tactics. Rahim & Magner (1996) found that there is greater emphasis on coercive power in individualistic cultures (e.g., the United States), whereas there is greater emphasis on expert power in collectivistic cultures (e.g., Bangladesh and South Korea; but see Ralston et al. 2001). Rao et al. (1997) showed that Japanese managers were similar to U.S. managers in their use of assertiveness, sanctions, and appeals to third parties, yet Japanese managers also used some culture-specific influence strategies (i.e., appeals to firm’s authority, personal development). In an innovative study of 12 nations, Fu et al. (2004) found that the perceived effectiveness of influence strategies is influenced by both individual-level variables (e.g., beliefs) and macro-level variables (e.g., national culture values). For example, individuals who believed in fate control were more likely to use assertive and relationship-based influence strategies, particularly in societies that were high on future orientation, in-group collectivism, and uncertainty avoidance.

Bass (1997) argued that transformational and transactional leadership are universal dimensions, with the former being more effective than the latter (see also Dorfman et al. 1997 and Shenkar et al. 1998). Yet there is evidence for the culture-specific enactment of these dimensions and/or additional leadership dimensions in other cultures. For example, Mehra & Krishnan (2005) found that Indian svadharma orientation (following one’s own dharma, or duty) is an important component of transformational leaders in India. Charismatic leadership is predicted by collectivism and organic organizational structures (Pillai & Meindl 1998), yet the manifestations of charisma vary across cultures. Through a discourse analysis of speeches of global leaders, Den Hartog & Verburg (1997) found that a strong voice with ups and downs was associated with the perception of enthusiasm in Latin American cultures, whereas a monotonous tone was associated with the perception of respect and self-control in Asian cultures. Similarly, although the structure of task- and relationship-oriented leadership behaviors is replicable in China, an additional set of role-related behaviors (i.e., political role) emerged as critical in this context (Shenkar et al. 1998).

Culture as a Moderator of Leadership

Research has shown that culture moderates the relationship between leadership and employees’ outcomes. Walumbwa & Lawler (2003) found that collectivism strengthens the effect of transformational leadership on employees’ job satisfaction, organizational attitudes, and turnover intentions (Jung & Avolio 1999, Spreitzer et al. 2005; see Pillai et al. 1999). Similarly, Shin & Zhou (2003) found that transformational leadership enhanced creativity in followers with high, rather than low, conservatism values in Korea. Newman & Nollen (1996) found that participative leadership practices improved profitability of work units in countries with relatively low power distance but did not affect profitability in high-power-distance ones. Dorfman & Howell (1997) showed that three leadership behaviors (leader supportiveness, contingent reward, and charismatic) had a positive impact on employee outcomes across five countries, but three leader behaviors

Paternalistic leadership: hierarchical relationship in which a leader guides professional and personal lives of subordinates in a manner resembling a parent, and in exchange expects loyalty and deference.
(participation, directive leadership, and contingent punishment) had differential impact. For example, contingent punishment only had a positive effect in the United States, and directive leadership only had a positive effect in Taiwan and Mexico. Elenkov & Manev (2005) showed that level of innovation in Russian culture is facilitated by charisma, demonstration of confidence, and idealized influence as well as active and passive management by exception, whereas in Sweden it is facilitated by inspirational motivation and intellectual stimulation. Finally, Agarwal et al. (1999) found that initiating structure decreased role stress and role ambiguity in the United States but not in India, whereas consideration decreased these negative experiences and enhanced organizational commitment in both cultures.

Emic Dimensions of Leadership and Leadership in a Multicultural Context

During the period examined in this review, scales for paternalistic leadership were developed and validated by two independent groups of researchers: Aycan and colleagues (Aycan et al. 2000, Aycan 2006) and Farh & Cheng (2000), both of whom showed that paternalistic leadership has a positive impact on employee attitudes in collectivistic and high-power-distance cultures (see also Pellegrini & Scandura 2006, Sinha 1997, Westwood 1997). Law et al. (2000) showed that supervisor-subordinate guanxi is a concept distinct from LMX and commitment to the supervisor and has explanatory power for supervisory decisions on promotion and reward allocation after controlling for performance (see also Chen et al. 2004).

Research has increasingly compared leadership styles of expatriate and local managers (e.g., Howell et al. 2003, Suutari 1996) and has investigated if and how expatriates change their leadership style to fit to the local context (e.g., Hui & Graen 1997, Smith et al. 1997). Setting cooperative goals and using cooperative conflict management strategies (Chen et al. 2006) and having a leader-follower match in ethnicity (Chong & Thomas 1997) fosters positive leadership outcomes in multicultural work settings.

EXPATRIATE MANAGEMENT

Expatriate Adjustment

Several recent meta-analyses (Bhaskar-Shrinivas et al. 2005, Hechanova et al. 2003) support a tripartite conceptualization of expatriate adjustment: general or cultural adjustment, work adjustment, and interaction adjustment (Black et al. 1991). Factors that predict all facets of adjustment include personal factors, such as learning orientation and self-efficacy (e.g., Palthe 2004), and job and organizational factors, such as support from coworkers, available resources (Bhaskar-Shrinivas et al. 2005, Gilley et al. 1999), and supervisory support, especially when expatriates had prior international experience (Gilley et al. 1999). Among nonwork factors, spousal adjustment is a predictor of all facets of adjustment (e.g., Caligiuri et al. 1998, Takeuchi et al. 2002b). As well, the amount of time spent in the host country affects adjustment. Generally, the U-curve hypothesis received support, but a sideways S (i.e., initial U-curve of adjustment followed by a reverse U-curve) appeared to be a better-fitting model to explain the process of adjustment (Bhaskar-Shrinivas et al. 2005).

In addition, there are unique predictors of each facet of adjustment. Work adjustment was found to be enhanced by low role ambiguity, role conflict, and role novelty (e.g., Gilley et al. 1999, Takeuchi et al. 2002a); high role clarity and discretion (Bhaskar-Shrinivas et al. 2005, Gilley et al. 1999, Palhe 2004); number of months on the assignment and amount

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4 Guaixi can be defined as the social connections between people that are based implicitly on mutual interest and benefits. When guanxi is established, people can ask a favor from each other with the expectation that the debt incurred will be repaid sometime in the future (Yang 1994, pp. 1–2).
of interaction with host nationals (Caligiuri 2000, Hechanova et al. 2003); and openness to new experiences (Huang et al. 2005). Shaffer et al. (1999) reported some interesting moderators; they demonstrated that role discretion had a stronger influence on work adjustment for expatriates at higher versus lower managerial levels. Native-language competence was more useful for nonnative speakers of English going to English-speaking Anglo-Saxon countries than for English speaking expatriates going to non–English speaking countries (Bhaskar-Shrinivas et al. 2005).

Interaction adjustment and general/cultural adjustment were found to be positively correlated with extraversion, agreeableness, openness to new experiences (Huang et al. 2005), and native language competence (Bhaskar-Shrinivas et al. 2005). Psychological barriers (e.g., perceived inability to adjust) and unwillingness to communicate with host nationals hampered both types of adjustment (e.g., Bhaskar-Shrinivas et al. 2005, Russell et al. 2002; see also Aycan 1997). Women expatriates were reported to have better interaction adjustment than men (cf. Hechanova et al. 2003), despite having experienced disadvantages in the selection for overseas assignments (see, e.g., Paik & Vance 2002). Although perceived organizational support was positively associated with general adjustment, cross-cultural training had a low but negative relationship with general adjustment, presumably due to poor quality of cross-cultural trainings (Hechanova et al. 2003). Prior experience with a similar culture moderated the relationship between tenure (i.e., length of time in the current assignment) and general adjustment, whereas culture-general prior experience moderated the relationship between tenure and work adjustment (Palthe 2004, Takeuchi et al. 2005a).

Grounded in the acculturation literature, Aycan’s (1997) process theory of expatriate adjustment included another critical dimension of expatriate adjustment: psychological adjustment (i.e., maintaining good mental health and psychological well-being). Using a social network perspective, Wang & Kanungo (2004) found that expatriates’ psychological well-being was associated with their network size, network cultural diversity, and contact frequency. Based on their meta-analysis, Hechanova et al. (2003) concluded that adjustment reduced the strain experienced by expatriates (see also Takeuchi et al. 2005b). In the stress-coping approach to expatriate management, a number of studies have demonstrated the usefulness of a problem-focused as compared with a symptom-focused coping, especially for those who hold lower power positions in the local unit or who work in culturally distant countries (Selmer 2002, Stahl & Caligiuri 2005).

**Expatriate Attitudes and Performance**

Expatriate job satisfaction is enhanced with increasing task significance, job autonomy, job authority, job similarity, and teamwork (Jackson et al. 2000). Organizational commitment was positively associated with perceived value that organizations attach to international assignments (Gregersen & Black 1996) and low role ambiguity (Kraimer & Wayne 2004). Perceived organizational support to career development enhanced commitment to the parent company, whereas support in financial matters enhanced commitment to the local unit (Kraimer & Wayne 2004). Intention to withdraw from the assignment was negatively associated with job satisfaction, organizational commitment (Shaffer & Harrison 1998), participation in decision making, extraversion, agreeableness, and emotional stability (Caligiuri 2000); perceived organizational support to work-family balance; and low work-family conflict (Shaffer et al. 2001, Shaffer & Harrison 1998). Finally, expatriate performance is positively related to the density and quality of ties with host country nationals (Liu & Shaffer 2005), conscientiousness (Caligiuri 2000), self-monitoring (Caligiuri & Day...
2000), and LMX (Kraimer et al. 2001), and negatively related to cultural distance (Kraimer & Wayne 2004).

OVERALL CONCLUSIONS AND RESEARCH DIRECTIONS

As this review illustrates, cross-cultural research in OB is thriving. Once an area that was ignored or largely tolerated, cultural perspectives have infiltrated virtually all of the micro and meso areas of OB. Cross-cultural research has helped to broaden the theories, constructs, and research questions in OB and thus has been critical in making OB more global and less ethnocentric in its focus. It has also been critical to illuminate limiting assumptions and in identifying boundary conditions for previously assumed universal phenomena. And importantly, cross-cultural research in OB provides knowledge that can help individuals navigate in an increasingly global context. In some ways, cross-cultural research is coming of age. However, despite this progress, there remain some fundamental issues and challenges for research in cross-cultural OB if it is to truly thrive in the coming decade.

Moving Beyond Values to Unpack Cultural Differences and Levels of Analysis Issues

Our review illustrates that research is increasingly moving beyond merely documenting descriptive differences across cultures to understanding why cultural differences exist. Yet efforts to unpack cultural differences in OB are far too narrow, focusing almost exclusively on cultural values, and in particular on IC values, to explain all differences across cultures (Bond 1997), despite the fact that conceptual and empirical confusion on IC abounds in the literature (Brewer & Chen 2006, Oyserman et al. 2002). Future research sorely needs to move beyond the IC obsession to explore other constructs that explain cultural differences. Cultural differences are also a function of the strength of social norms (Gelfand et al. 2006b), the nature of roles (McAuley et al. 2002, Peterson & Smith 2000), beliefs about the social and physical world (Leung et al. 2002), and/or implicit theories that are domain-specific (Chiu et al. 2000). Sources of cultural differences might be outside of conscious awareness, which suggests that efforts to unpack differences need to also use nonobtrusive measures as well.

Level of analysis confusion also continues to abound in the cross-cultural OB literature. The individual-level bias is still strongly entrenched at both the level of theory and measurement, and research continues to blindly apply culture-level theory to the individual level and vice versa. Future research needs to be explicit in defining the level of analysis being examined in cross-cultural OB studies. Much more precision is needed regarding when and why relationships are expected to be similar across levels. Likewise, unpacking cultural differences at the dyad, team, and work unit levels of analyses with appropriate constructs at each level is critical for future research. For example, compositional models are needed to understand how cultural knowledge and attitudes at the individual level help to explain cultural differences in team-level and unit-level phenomenon. Cultural differences in dispersion are also sorely needed in theories and research in organizational behavior at multiple levels (Gelfand et al. 2006b).

Modeling the Multilevel Context

This review shows that cross-cultural research in OB is increasingly taking contextual factors into account when examining cross-cultural differences. Whether it is motivation, team attitudes, negotiation, justice, or leadership, this review clearly shows that situational factors exert powerful effects within cultures that can exacerbate, reduce, and/or radically change
the nature of baseline cultural tendencies. Yet despite this evidence, research in cross-cultural OB still focuses largely on cultural main effects and ignores situational factors as main effects or moderators. Future research in cross-cultural OB needs to examine context from a multilevel perspective. At the culture level, contextual factors include political, economic, and legal factors, 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, and workforce characteristics. At the team level, contextual factors include team structure, team member composition, and task characteristics; and at the individual level, contextual factors include personality and demographics, among others. The global context is also yet another contextual level within which organizations and individuals are embedded. The interplay between culture and context is an exciting and critical frontier in cross-cultural OB. For example, cross-level research that examines how cultural values at the national level interact with organizational context factors to predict unit-level processes or outcomes, or how cultural values at the national level interact with individual differences and situational contexts to predict attitudes and behaviors, is a needed wave of the future.

Understanding the Cross-Cultural Interface

Our review clearly illustrates that much of the research in cross-cultural OB is focused on intracultural comparisons—comparing attitudes and behaviors across cultural groups. Far less attention has been paid to the dynamics of culture in intercultural encounters, or what we would refer to as the “cross-cultural interface.” Whether it is differences in motives, justice, negotiation, or leadership, the cross-cultural literature rarely focuses on whether and how cultural differences actually affect intercultural encounters. Theory far outstrips the data even on topics that focus primarily on cultural dynamics, such as in multicultural teams. The next wave of cross-cultural OB research needs to address critical questions regarding cross-cultural interfaces. For example, what are the conditions that help to create third cultures or hybrid cultures in intercultural encounters? Likewise, research is sorely needed on when cultural identities are made salient at the cultural interface and how people negotiate and manage their cultural differences in ways that increase positive outcomes for individuals and organizations. Shifting our attention from intracultural comparisons to the dynamics of cross-cultural interfaces may require a fundamental theoretical and methodological shift in cross-cultural OB (cf. Chao & Moon 2005).

Organizational behavior in an interconnected world also requires new theories in search of understanding not only the interface between national cultures, but also the interface between the new global work context and all nested levels—national, organizational, and individual (Erez & Gati 2004, Shokef & Erez 2006). At the organizational level, research should identify the cultural values of the global work environment, the commonalities across subsidiaries of multinational organizations as they are becoming interconnected, and the balance between the global corporate culture and the national cultures comprising its subsidiaries (Selmer & de Leon 2002). At the individual level, new theories are needed for understanding the processes by which individuals adapt to the global work environment. Cultural intelligence has been identified as an important individual characteristic that facilitates cultural adaptation and performance (Earley & Ang 2003). Further research is needed for understanding the factors that facilitate the emergence of a global identity, how individuals balance their global and local identities, and how the activation of these identities affects behavior in organizations and managing cultural interfaces (Erez & Gati 2004).
Taking Indigenous Research Seriously to Understand Recessive Characteristics

Our review illustrates a number of studies capturing non-Western indigenous concepts of organizational behavior, such as paternalistic leadership and guanxi. In addition, we cite numerous culture-specific manifestations of Western constructs (e.g., transformational leadership) and examples of phenomena in which additional culture-specific dimensions were discovered and certain Western dimensions were found to be less relevant (e.g., OCBs). We witnessed that some organizational behaviors serve different functions in different cultural contexts (e.g., avoidance in conflicts in Asia). Research reviewed in this article also captured numerous variform universals (i.e., general principles hold across cultures but the form or enactment of these principles vary) (e.g., Mehra & Krishnan 2005, Leung & Tong 2004, Wasti 2002) and variform functional universals (i.e., the relationship between variables is always found but the magnitude or direction may change depending on the cultural context) (e.g., Lam et al. 2000a, Eylon & Au 1999, Newman & Nollen 1996).

Indigenous perspectives are critical for organizational behavior and need to be prioritized in future research. They not only contribute to the development of more universal knowledge and more sustainable and appropriate strategies for fostering human resource development and productivity in other cultures (Marsden 1991), but they also help us to understand our own culture (Tinsley 2004). As stated by Pruitt (2004, p. xii), “characteristics that are dominant in one culture tend to be recessive in another, and vice-versa. By studying other societies where these features are dominant, they can develop concepts and theories that will eventually be useful for understanding their own.” Future cross-cultural research should invest more in emic or indigenous perspectives to unearth recessive characteristics in other cultures and to build a more comprehensive global science of OB.

CONCLUDING REMARKS

In a world that offers global opportunities as well as global threats, understanding and managing cultural differences have become necessities. In recognition of this need, the production of scientific knowledge in the past decade has increased almost exponentially. We reviewed more than one thousand publications for this article, and all signs indicate that this is only the beginning of a large wave of research on cross-cultural OB. In the next phase of scholarship in this field, the challenge is to develop theories and conduct research that can help us capture the level of sophistication, complexity, and dynamism occurring in cross-cultural phenomena in organizational contexts.

SUMMARY POINTS

1. Cross-cultural research in OB has greatly expanded in the past decade and has broadened and deepened existing theories, has illuminated limiting assumptions and boundary conditions, and has identified new emic constructs in OB.

2. Cultural differences in OB can take various forms. For example, general principles might hold across cultures, but the enactment of these principles can vary (e.g., equity principles). The magnitude or direction of relationships can also vary across cultures (e.g., participative leadership and performance). Additional and/or different dimensions might be needed to understand OB phenomena in other cultures (e.g., guanxi networks, interpersonal harmony components of OCBs).
3. Cross-cultural research in OB still largely focuses on main effects, yet there is increasing evidence that situational factors at multiple levels can exacerbate, reduce, and/or radically change the nature of cultural baseline tendencies.

4. Efforts to explain cultural differences are still too narrow and focus almost exclusively on individualism-collectivism to explain variance in organizational behavior across cultures.

FUTURE ISSUES

New research paradigms are needed in cross-cultural OB to make fundamental shifts from:

1. The study of intracultural comparisons to the study of the dynamics of cultural interfaces in multicultural teams, in negotiations, and in global companies and mergers and acquisitions.

2. The study of one cultural value (individualism-collectivism) to the study of multiple values simultaneously and the examination of neglected sources of cultural differences (e.g., roles, norms, implicit theories, and beliefs).

3. A focus on cultural main effects in cross-cultural organizational behavior to the examination of interactions between cultural variables and contextual factors at multiple levels of analysis.

4. A dearth of attention to levels-of-analysis issues to the development of multilevel theories and research where the level of theory and measurement is adequately developed.

5. A primary emphasis on differences in cultural values and management practices to an additional focus on similarities in values and management practices in the global work context.

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