When Does Culture Matter, and To Whom?

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Abstract
Within virtual organization management the assumption that culture matters seems to underlie current literature. This paper proposes to unravel this assumption by asking “when and to whom does culture matter?” In doing so, this paper explores the events/critical moments when culture—be it nationalistic/regionalist or organizational/job functional culture—becomes salient within virtual organizations. Does culture matter in day-to-day operations in most organizations, or does culture only matter when it is of consequence to the organization—and therefore gets the attention of senior executives? If culture only matters when it is of consequence to the organization what other issues are more important and why? Within an organization who decides when culture matters and why? To study these issues this paper draws on literature from Social Identity Theory, context and its effect on an individual’s identity, conflict, and the distribution of organizational members on a continuum from heterogeneous to homogenous. The contribution of this study lies in extending social identity theory, context and culture in terms of organizational leadership priorities in order to provide a better understanding of the role that each cultural identity plays in terms of group members’ perceptions and behavioral outcomes.

Most people rely unconsciously on a cultural comfort zone and therefore tend to become irritated when others that they encounter differ from them in their methods of work and play. Take, for example, many citizens of the United States. While the United States is geographically large there tend to be great variations of behavior from region to region. And, although it is becoming more common for citizens to migrate from one region to another, for the most part citizens tend to stay within a certain region, thereby having a limited array of cross-cultural experiences.

As a further example let’s assume Citizen A is from the Northeastern United States and has led a traditional, middle-class, Caucasian lifestyle. He or she was brought up in a small town only a few hours north of the historic city of Philadelphia, Pennsylvania; and a few hours west of New York City, New York. Her or his education was primarily in organizational communication with selective focus on the following: interpersonal communication, marketing, crisis communication, corporate communication and organizational development. He or she has professional experience within manufacturing, health care, and higher education; ranging from employee communication, and public relations to product marketing, consulting and teaching.

Although growing up so geographically close (in terms of the researchers nationalistic/regionalist culture) to two large metropolitan areas Citizen A most likely has lived a fairly sheltered life in terms of nationalistic/regionalist culture. For the most part, let’s
agree that Citizen A’s hometown was not culturally diverse. Even her or his ventures into large metropolitan areas have been confined to traveling with people who are similar to her or him in culture—both nationality, regionalism and personal taste—therefore her or his individual experiences have kept her or him within a certain cultural comfort zone.

Taking this example one step further let’s now turn our discussion over to some real challenges individuals, such as Citizen A, could potentially face as they enter a workforce that is increasingly culturally diverse.

The first of such challenges is that of job function culture. Let’s assume that Citizen A worked for an international manufacturer of storage products as a product manager. In this capacity he or she was responsible, in part, for developing new products along with a team of engineers. Looking at the product manager versus engineer job function cultures, several instances of frustration are ripe for creating clashes. While the perspective of the product manager was on providing a product that worked, was aesthetically pleasing and would maximize corporate profits, in contrast, the engineer was primarily concerned with providing a product that worked, but not necessarily focusing on costs or aesthetics.

In the majority of organizations these individuals would be tasked with producing a product on time and within budget. Product managers in general are used to leading projects with team members who do not directly report to them and as such typically develop a way about themselves that either elicits support from fellow team members by collaboration or direct force. Meanwhile, top management has both no idea conflicts would emerge and no concern that conflicts would emerge—unless the conflict interfered with producing a product on time and within budget. In the majority of situations there would be no discussion about differing worldviews prior to the beginning of a project or at the post mortem.

The second challenge is one of nationalistic culture. This time let’s assume Citizen A has a job as public relations/advertising agent within a semi-global textile manufacturer. Here she or he was responsible for developing a new branch of the organization’s website for a new product launch in conjunction with partners from the UK. In the end they created two different sites because the US market wanted to be able to get into the site, quickly find the information they needed, and get out of the site. In contrast the UK market looked for a flashy and dynamic introductory page complete with music and graphics. Again, prior to beginning this project the majority of organizations wouldn’t even think to discuss differences in culture. Even as Citizen A and his or her counterpart in the UK discovered the need for separate web sites due to cultural differences, there most likely would never be discussion about the different cultures.

In these examples, the cultural differences were quite clear to the individuals actually doing the work on the projects. In only the second example did the cultural differences become explicit to top management since an actual change in focus of the end result was achieved. However, it appears that there was a general underlying value statement that the primary focus was on getting the job done no matter the cost. Everything else, including cultural differences, should just simply be worked out. In a 1966 article, Argyris noted that throughout his observations of groups there were almost no instances where time was taken to attend to group effectiveness. Instead Argyris (1966) noted one executive saying that business takes precedence over softer matters: “...if the group isn’t effective, it is up to the leader to get it back on track by directing it” (p. 87).

A third challenge of nationalistic culture comes from the manager of a US-based organization that provides online systems to monitor IT networks. Occasionally the
organization out sources work to a group based in India, but this manager reports problems with deadlines. As he came to learn, his counterparts in India meant they would ‘do their best’ when they agreed to meet a deadline, where he understood agreement of a deadline to mean that the work would be complete.

As these examples illustrate, culture brings with it certain values, beliefs and meanings that are internal to each individual. They are often taken-for-granted (Schein, 1996) “programming of the mind” that differentiates “one group or category of people from another” (Hofstede, 1993, p. 89).

The following pages reveal the rationale and process used to study these phenomena. The literature review explains how Social Identity Theory, context, and issues of homogeneity/heterogeneity fit into the discussion of when, and to whom culture matters. From here I will provide conclusions, limitations and future research suggestions.

**Rationale**

Within virtual organization management are several assumptions that seem to underlie current literature, such as distance matters, face-to-face communication is necessary and culture matters. This paper proposes to unravel the third assumption of culture matters, by asking “when and to whom does culture matter”?

For the majority of organizations, at least in the US, top management’s ultimate goals are to get the job done and make a fair profit. Issues that may surface throughout the process of meeting these goals, such as culture-related differences and/or conflict, are often ignored unless it interferes with reaching these ultimate goals. It is at this point of disruption where I posit that culture matters to the majority of senior executives.

Within the development, this paper explores the events and critical moments when culture—be it nationalistic/regionalist or job function culture—becomes salient within an organization, looking especially within those organizations that are virtual in part or whole. I also examine traditional organization literature for comparison purposes.

Current literature provides evidence that culture does matter. Geert Hofstede’s (1980, 1991) influential studies that examined cultural differences and their impact on managers provide a great example of just such literature. However, it seems that organizations still thrive and grow without concern for culture. It is at just this point of organizational activity where this paper proposes to uncover exactly when culture matters. Does culture matter in day-to-day operations in most organizations, or does culture only matter when it is of consequence to the organization and thereby captures the attention of senior executives? If culture only matters when it is of consequence to the organization what other issues appear more important and why? Within an organization who decides when culture matters and why?

To study these issues this paper draws on literature from Social Identity Theory to examine how individuals perceive themselves, how individuals perceive themselves in relation to others and how individuals perceive others within organizations. In part, the context and its effect on an individual’s identity (such as gender, national identity, work group, etc.) will be considered. This paper also examines cultural literature in terms of distribution of organizational members on a continuum of heterogeneous to homogenous. Finally this paper will consider the moment in time when organizational members become aware of culture. Many current studies in this regard have focused on conflict.

The contribution of this study lies in extending social identity theory, context and culture in terms of organizational leadership priorities in order to provide a better
understanding of the role that each cultural identity plays in terms of group members’ perceptions and behavioral outcomes. Future research will be suggested.

Method

I began this study through informal discussions with faculty from the School of Communication, Information and Library Science at Rutgers University, NJ, USA, and the Department of Communication at Purdue University, West Lafayette, IN, USA about leadership and virtual contexts. As we began to explore some assumptions we came across the notion of culture, dismissing it quickly because our impulse was that this construct was not a priority among top management. It was at that moment where we decided to take a step back to examine why we thought that way, and it was here that this topic was born.

I reviewed journal articles provided to me by these faculty members and further refined my inquiry to include Social Identity Theory, context and work group composition from heterogeneous to homogeneous. From here I searched the Rutgers online library, the Internet, as well as the Rutgers Library stacks (by keyword and author) and found several books and articles that led me to other books and articles. In addition, I checked the major theorists within the Web of Science Citation Index to help narrow my reading.

Once I had all the relevant pieces of literature I first read them for overall concept and organized them into eleven top-level categories and six sub level categories. Then I read through them a second time for concepts and theories and reorganized them into the following eight categories: Competencies/Traits, Conflict, Culture, Heterogeneity/Homogeneity, Identification, Job Function-Based, Nationality-Based and Other Important Issues (further categorized into the following: communication frequency, control and power, group performance, interpersonal communication, organizational commitment and social networks).

Literature Review

As organizations battle to be competitive with one another, the move towards globalization is inevitable (Giddens, 2003; Goodman, Phillips, & Sackmann, 1999; Kirkman & Shapiro, 1997). Consistent with this move towards globalization are the virtual teams that have been launched by their organizations to ‘get the job done’ in the most effective and cost efficient manner possible. However, as organizations first began to use heterogeneous global teams they learned that while in many cases creativity increased (Hambrick, et. al., 1998; Randel, 2002) so did conflict (Randel, 2002).

After relying on age-old management techniques that failed, senior management began searching in despair for help to rectify their conflict. At this time that researchers began to look at diversity as a key component of virtual teams, and it was also at this time that researchers pronounced that they did not recommend diverse work groups (Maznevski, 1994). However, organizations had come to rely on the diversity so the researchers went back to the drawing board to discover ways in which diversity could be managed productively (Maznevski, 1994).

According to Mortensen & Hinds, their 2001 study surprisingly failed to confirm their hypotheses that conflict would occur more in distributed versus collocated teams. They felt this was either due to cultural sensitivity training provided by the organization or the possibility that members of distributed teams coalesce over time.

In some instances it appears that larger organizations have had either the foresight or experience with the difficulties of working with heterogeneous cultures and have therefore
adopted training as an advance mechanism for managing conflict before it even arises. For example a large, US-based manufacturer of health products has what it calls “Diversity University” that enables its employees to learn about other cultures through a variety of resources.

While the literature shows that training is ideal for situations where work groups will be heterogeneous, the fact remains that in some cases, even the most versed individual in cultural relations might not be able to perform these behaviors in actual situations (Ruben, 1976, 1977). It is here that we turn our attention to individuals and their identity, for this may help us to understand more why homogeneous groups tend to experience less conflict than heterogeneous groups.

Social Identity Theory

There’s an old saying that goes something like, “Wherever you go, there you are.” Well, according to Tajfel (1982) groups exist and therefore so does intergroup conflict. The question that remains is how can we manage and derail this inevitable conflict?

In their influential 1989 study, Ashforth & Mae, define social identity as “a perception of oneness with a group of persons”; “stems from the categorization of individuals, the distinctiveness and prestige of the group, the salience of outgroups, and the factors that traditionally are associated with group formation”; “leads to activities that are congruent with the identity, support for institutions that embody the identity, stereotypical perceptions of self and others, and outcomes that traditionally are associated with group formation, and it reinforces the antecedents of identification” (p. 20). According to Tajfel (1985) individuals tend to place everyone, including themselves, into numerous “social categories,” such as nationality and job functionality.

Turner (1975) claims that these categories allow individuals to compare their group—the in group, and thus themselves, with the others—the out group. What individuals are looking for are typically positive notions of the in group in comparison to the out group. Turner (1975) asserts that those values significant within these comparisons are those “associated with values, most of which will be culturally derived” (p. 8).

In essence these theorists are boiling down decisions such as which groups to belong (or not), which neighborhoods to reside (or not), which organizations to work for (or not), and even decisions such as which clothing styles are chosen to wear (or not) on cultural related values and beliefs. They are also saying that differences that one individual chooses can negatively affect the thoughts a second individual has about the first. Consider for example, the heated debates that take place surrounding political elections within the United States. Some individuals become so set in their worldview that they cannot reasonably understand why another individual would see the same issue in a different way. These individuals are not the ideal candidates for heterogeneous groups since they view these differences on the part of the other as “the product of under-education, misperception, misguidedness, and immaturity” (Ruben, 1979, p. 40). Debates of this nature typically end unresolved, with each opponent claiming the other is inept.

As Hall (1960) points out in his advice to US business travelers, when traveling around the world everyone that he or she comes in contact with has “integrated into their subconscious literally thousands of behavior patterns that they take for granted in each other” (p. 87). Once the US business traveler arrives with her or his own behavior patterns, which are
typically different from the local ones, he or she is seen as strange and can mistakenly irritate
and/or offend their business prospect.

Hence one should find a substantial amount of literature, which finds that individuals
prefer, work better with, and have less conflict with individuals who are similar or
homogeneous to them (Anacona & Caldwell, 1992; Hambrick & Mason, 1984; Pelled, 1996;
Randel, 2002; Triandis, Hall & Ewen, 1965).

**Context**

Gluesing et al. (2002) describe context as “a way of life and work in a specific
geographic area with its own set of business conditions, cultural assumptions and unique
history” (p. 202). Because one’s context is based on a set of individual and personal life
experiences—such as nationality, education, job function—it is likely to influence how we
relate to and work together as a team. As mentioned previously, individuals are prone to exist
with multiple identities, cultures and contexts. According to Gluesing and Gibson (2004), the
more contexts members encounter when accomplishing their goals, the more difficult their
work becomes. For example, consider the increase in task complexity from one national
culture and one job function existing in the same building to several national cultures and job
functions existing across multiple countries.

Gluesing and Gibson (2004) also posits that context is “generally taken for granted.”
Thus, like culturally related differences, team members may not realize the impact of their
beliefs and values and therefore not “share important or relevant information” (Gluesing &
Gibson, 2004). Team members in this situation may assume that others think similarly to
them when in fact they do not. These are the moments when I posit that culture becomes
salient and conflict erupts.

Recall, for example, the differences in meaning of ‘agreement over a deadline’
between the US manager and the team in India from earlier in this paper. This example
provides evidence that there are multiple ways that each individual perceives of ideas and
tasks (Burtha & Connaughton, 2004). In a 1998 study, Hambrick, et al., reference national
culture as having a noteworthy consequence on the worldview and behavior of individuals.
They go on to say that nationalities “are only of consequence” when behaviors are affected.

**Heterogeneous/Homogeneous Continuum**

Borrowing from Hambrick et al. (1998) the concept of heterogeneity and
homogeneity as a continuum, the point illustrated is that of the amount of inherent differences
between individuals. The authors assert that different nationalities will exhibit different levels
of differences from one another. The work of Hofstede (1980) also provides example of this
assertion. Here Hofstede compares 40 countries based on a series of attributes and supporting
the claim made by Hambrick, et al. in 1998.

In this work Hofstede (1993) discusses the differing worldview that each individual
holds regardless of professional affiliation. Rather, he states that each individual’s worldview
is dominated and constrained by the environment in which they were raised.

Given that each individual holds within their own worldview and from previous
discussion we learned that each individual tends to belong and migrate towards those who are
similar to them we will turn our attention now to the pros and cons of heterogeneous versus
homogenous groups.

Along the way we shall keep in mind that each individual also has in his
or her possession multiple social identities with which to see the world and others around them.

The literature provides evidence of differences between heterogeneous and homogeneous groups as follows. Heterogeneous pros/homogeneous cons include: increase in creativity (Hambrick, et al., 1998; Randel, 2002), increase in outside contacts (Anacona & Caldwell, 1992), increase in project resources (Anacona & Caldwell, 1992), increase in decision superiority (Hambrick, et al, 1998; Hoffman & Maier, 1961).

Heterogeneous cons/homogeneous pros include the following: poor performance for knowledge tasks (Anacona & Caldwell, 1992; Pelled, 1996; Watson, et al., 1993), higher rates of turnover (Randel, 2002), higher rates of conflict (Randel, 2002), increase of individualism (Randel, 2002), slower to make decisions and execute plans (Anacona & Caldwell, 1992; Hambrick & Mason, 1984), and an increase in cultural misunderstandings (Gibbs, 2006). In addition, homogenous groups were said to promote assimilation, confidence, and communication (Hambrick, et al., 1998).

In their 1998 study Hambrick, et al. provided an enhanced view of these differences on a continuum rated by tasks that are grouped in categories of “creative tasks,” “computational tasks,” and “coordinative tasks.” Each category description provides evidence towards the type of individual that best fits. For example, the authors suggest that heterogeneous groups are a better fit for creative tasks, such as product development. For computational tasks, such as global inventory, the authors claim that either heterogeneous or homogeneous groups could excel. Lastly, the authors claim that coordinative tasks, such as crisis response, are best fit for homogeneous groups.

Given this evidence we are led to conclude that heterogeneous and homogeneous individuals are suited best for different tasks due to their unique worldviews. It is here that I posit that when these unique worldviews come into contact they tend to clash and as such appear as salient to the group members and occasionally to senior management. This is where we will turn our discussion over to salience and cultural identity.

Salience and Cultural Identity

Salience, according to Randel (2002) is “an individual-level measure of how prominently a demographic category is used to describe one’s work group members,” for example, American vs. Japanese or marketing vs. engineering (p. 750). Randel, 2003, further describes cultural identity salience as “the extent to which an individual finds the cultural backgrounds of his or her team members to be salient—within context of multinational teams” (p. 27). Finally, Maznevski (1994) says, “The diversity becomes salient only when it contributes to or detracts from the group’s ability to achieve its goals” (p. 532).

It is at this point of disruption in organizational goals where I posit that culture becomes salient and therefore “matters” to both those that are directly involved in the process (i.e., the work group) and senior management. Hoffman & Maier (1961) report on findings where heterogeneous groups based on gender have contrasting worldviews and thus result in conflict. Randel (2002) provides findings where in-group bias against out group also results in conflict.

One last example for salience comes from the Hambrick et al. (1998) study where the comments from one executive of a major multinational European-based organization stated that their company has had “strategic plans suffer and careers derail” because of these salient cultural issues (p. 182).
Other Important Organizational Matters

Throughout this study I reference other matters that are perceived to be of more importance than culture within the operations of an organization. My review of the literature reveals several categories within traditional and virtual organizations. In a comprehensive review of the virtual teams literature, Martins et al. (2004) use the inputs-processes-outcomes (I-P-O) model initially developed by Hackman & Morris in 1975 to place existing empirical research into categories based on three categories: team inputs, process and outcomes. ‘Team inputs’ review formation conditions and can influence teams operation and performance using team size, knowledge, skills and abilities, technology use, task and composition as indicators; ‘Team Process’ research focus is showing how teams meet their goals using planning, action and interpersonal processes as indicators; and ‘Team Outcomes’ focus primarily on affective and performance outcomes as indicators. In all the authors reported only three studies (Kayworth & Leidner, 2000; Maznevski & Chudoba, 2000; Tan et al., 1998), out of a total of 93, included in the subcategory of ‘composition’ that focused on culture. From this Martins et al. (2004) were able to coin a two sentence paragraph discussing the relative differences between individualistic and collectivistic cultures as well as the negative impact on virtual team coordination.

I report this in a critical nature, not to Martins et al. (2004) for their study is certainly comprehensive, but to show the limited amount of focus on culture within the virtual teams literature—the very literature where heterogeneity is, in my judgment, of paramount importance.


Discussion and Conclusions

The findings suggest that culture in organizations has a direct effect. There were four elements that added to the conclusions: social identity theory, context, heterogeneity versus homogeneity, and salience.

In defining whether or not culture matters, and to whom I have posited the following conclusions:

1. It is at the moments of context differentiation where I posit that culture becomes salient and conflict erupts.

2. I posit that when the unique worldviews of heterogeneous and homogeneous individuals come into contact they tend to clash and as such appear as salient to the group members and occasionally to senior management.
3. It is at the point of disruption in organizational goals where I posit that culture becomes salient and therefore “matters” to both those that are directly involved in the process (i.e., the work group) and senior management.

This study brings to the forefront various issues within traditional and virtual organizations as they press forward to conduct business with heterogeneous workforce populations.

This research contributes to the literature by empirically examining the relationship among group composition—heterogeneous to homogeneous, cultural identity salience, and context. By examining the moment in which cultural identities become salient a better understanding of the role that each cultural identity plays in terms of group members’ perceptions and behavioral outcomes can be achieved.

In addition, this research contributes in a prescriptive manner whereby senior management can and should be able to identify culture as a prevailing issue in everyday business decisions.

Limitations & Suggestions for Future Research

This study has its limitations. The first, and from my worldview, most serious limitation is that this research was conducted with the worldview/cultural biases and context of one researcher. It would be empirically moving to see this same study conducted by other researchers who vary from my situation.

A second limitation is that of the research process, where I relied solely on other empirical research and various examples of organizational occurrences. I would like to see a follow-up study conducted that examines, possibly through ethnography, these phenomena.

A third limitation of this study is that of the genre of the literature used to conduct this study. I tend to rely mainly on virtual team, organizational and management literature. It would be of interest to see how this literature base compares to that of other genres such as psychology.

A fourth suggestion for future researchers to consider is that of culture as an easy target to blame when conflict arises. That is, does culture become an easy scapegoat when conflict arises?

Final suggestions for future research stem from reviewing further the initial example of Citizen A’s background, which leads one to ask whether or not this apparent lack of intercultural preparation has a significant consequence for such individuals? In addition, what consequences could possibly arise, and how might these be addressed through education or organizational training and development programs?

Linkages to Other Studies of Intercultural Communication

Although this paper addresses culture in terms of the workplace it is important to realize the impact of culture on individuals lives at home and in other situations. One must keep in mind the impact that identity has on their behavior towards family, friends, and members of groups we may affiliate with (or not) such as religious and volunteer organizations. Further, within these organizations one must realize that the other individuals are members of other groups and organizations whose values, beliefs and ideals may differ in some respect from yours. Noting these cultural differences may aid us all in understanding why everyone has a different way of doing things.
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