

GLOBALIZATION AND CULTURE: AN EXPLORATORY STUDY

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ABSTRACT

As globalization is encompassing more and more markets and businesses, cross-cultural literacy is becoming imperative for managers and professionals. Effective business interactions in the global context require recognition of cross-cultural differences and the ability to incorporate this recognition into business interactions.

Achieving an adequate understanding of cross-cultural differences, however, becomes somewhat problematic in that opinions differ as to the stability of such differences. Divergence theorists believe national cultural characteristics to be enduring with differences among countries remaining intact over time. Convergence theorists, on the other hand, believe worldwide homogenization to be occurring due to the effects of globalization on countries, cultures and people. Child's 1981 review of cross-cultural studies revealed that most studies concluding convergence focused on macro-level issues such as organizational structure and technology whereas studies that concluded divergence focused on micro-level issues – in particular, the behavior of people within organizations. We offer an exploratory study of micro-level issues. We propose that although there may be homogenizing effects of globalization at the macro level, people's values and behaviors are less likely to be affected.

Our study examines current measurements of cultural characteristics from business people in Germany, Japan, and the United States (U.S.), three highly globalized countries. The results show that the three countries are different in certain cultural aspects and similar in others. The results of this study have practical implications for managers and professionals operating across countries and cultures as well as for the continually expanding field of cross-cultural research.

INTRODUCTION

Businesses that operate in a global context must understand and manage the cross-cultural differences. Globalized companies routinely seek customers in international markets while outsourcing production to facilities in lower cost countries. The human resource departments of such companies must consider diverse employee groups located throughout the world. Cross-cultural differences thus potentially affect multiple aspects of a business. To effectively interact across countries and cultures, managers and professionals must recognize such differences and be able to incorporate this recognition into their interactions.

Achieving an adequate understanding of cross-cultural differences, however, becomes somewhat problematic in that opinions differ as to the stability of such differences. Divergence theorists believe national cultural characteristics to be enduring with differences among countries remaining intact over time (e.g., Boyer, 1996; Hirst and Thompson, 1996; Wade, 1996). A completely opposite result, however, is presumed by convergence theorists who believe worldwide homogenization to be occurring due to the effects of globalization on countries, cultures and people (Bell, 1973; Ohmae, 1990, 1995; O'Reilly, 1991).