

BOOK REVIEW

Cultural Variations and Business Performance: Contemporary Globalism

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Cultural Variations and Business Performance: Contemporary Globalism
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INTRODUCTION

The key of today's economic activity is internationalization. Within the globalized world, links between businesses across the world become more and more intense. This determines the actuality of *Cultural Variations and Business Performance: Contemporary Globalism*, which constitutes a complex work and examines various aspects of a culture's impact on the internationalization process. The book considers various aspects of cultural diversity on business performance. I must mention that, although the chapters of the monograph account for more than a dozen authors, everything looks like an integer, following a logical and well established pattern.

I would distinguish the following research fields: the theory of models of culture impact on businesses; globalization, regionalization, technological changes, and their impact on business internationalization strategies; internationalization of businesses in emerging countries and national cultures (case studies—Brazil, Middle Eastern states, states of Latin America, China, Caribbean states); managing business performances within intercultural approaches; researching for ways to internationalize businesses (case studies—bicultural managers, cross country networks among corporations, all resource-based means of penetrating, and cultural distance); human resource management and intercultural competencies through social interactions between the dominant and minority culture; and cultural organization efficiency within the global and local contexts.

THEORY AND MODELS OF CULTURAL DIMENSIONS

This field is represented by two studies. Within the first study (*Andreas Michael Hartmann*),

we find a representation of the most important research within the cultural dimensions. Next we find the results of the GLOBUS project—“The latest and most ambitious research project on cultural dimensions” (page 6), which, through traditional theories, “... [has] shown the strengths and weaknesses of the cultural-dimensions approach, as well as the opportunities for putting it to good use” (page 13). The second study (*Yongjiang Shi & Zheng Liu*) proposes various models and cultural variations, and approaches the way in which original culture is treated in academic results. In developing traditional theories with the purpose of “[finalizing] the similarities among the dimensions by its meanings, three types of culture can be summarized as time orientation, internal integration, and external adaptation” (page 289).

GLOBALIZATION, REGIONALIZATION, TECHNOLOGICAL CHANGES, AND THEIR IMPACT ON THE FIRMS' INTERNATIONALIZATION STRATEGIES

Discussions on the relationship of globalization and regionalization further require the attention of researchers. Author *Omar J. Khan* studies the way in which this binomial influences firms' internationalization strategies. In doing so, he mentions the fact that there are situations in which regionalization is actually a first stage of globalization. “Macro-level regionalization may well be a suitable strategy to pursue in countries at the lowest levels of development, in order to prepare them later for entry into global competition” (page 95). It is, however, correct to approach regionalization and globalization processes and their interdependency. “Indeed, contemporary globalization is a multidimensional reality where manifestations of both regionalization and globalization exist—and for very good, rational reasons—in both macro- and micro-level contexts” (page 97).

Another chapter within this field (*Gang Yang, Hans-Christian Pfohl, Sasa Saric*) mentions the fact that technological exchanges and globalization stimulate hyper-competition and require the development of skills and capacities for quick decision making. The authors propose the generalized model of strategic entrepreneurial decision making, based on a firm's own resources.

INTERNATIONALIZATION OF BUSINESSES IN EMERGING COUNTRIES AND NATIONAL COMPETITION

Business performance, aside from endogenous factors, also relies on exogenous factors. Among the latter, we have the cultural specifics of each country (region) where a company is located, as this plays an important part. In the book, we find the presented studies, describing business management in several areas with a great cultural specific: Brazil (*Fabrizio Fernando Foganhole dos Santos & Irene Kazumi Miura*), Latin America (*Mohammad Ayub Khan & Diana Bank*), Middle East (*Diana Bank & Mohammad Ayub Khan*), China (*Keikoh Ryu*), and Caribbean (*Susan Scott*). “The human species is unique in that it ‘constructs cultures,’ and this construction contains characteristics that, although universal, vary from one society to another. For this reason, culture, although universal among humans, presents regional manifestations with unique and distinct characteristics generated by the experiential differences among humans and societies” (page 156). The authors explain their interdisciplinary research method—anthropology—and present an analysis of the forming premises of regional culture. We find here a classification of cultural zones in Latin America, explaining the specific religious and cultural aspects of Middle Eastern states, and presenting China's “economic nationalism.” Each research contains applications that prove the essence of links between the cultural environment and business performance, and contain recommendations for their efficiency.

BUSINESS PERFORMANCE MANAGEMENT (BPM) IN INTERCULTURAL APPROACHES

This field is represented by two chapters. The purpose of the first (*Anabella Davila & Marta M. Elvira*) is to understand the strategic means of management performance systems and their application in Mexico. As a result of the study, the authors propose a detailed method for analyzing performance appraisal content and the performance management process for Mexico in particular. The second chapter (*Magdalena Bielenia Grajewska*) attracts attention on the linguistic part of BPM, which, in the author's opinion, was not thoroughly examined by the specialized literature, as compared to other aspects, such as financing or marketing. The author proposes a new approach: "To discuss the role of language as an effective instrument of BPM, especially the one responsible for creating and sustaining competitive advantage, two concepts have been created; namely, corporate linguistic allostasis, and calibrated corporate linguistic identity" (page 239).

RESEARCHING WAYS TO INTERNATIONALIZE BUSINESSES (ENTRY MODE CHOICE)

Ways to internationalize firms are determined by the entry mode. There have been many recent papers discussing entry mode choice, which study, in particular, the efficiency of various entries. In the reviewed book, we have several such entries. I will present them as they appear in the book.

Ways to Penetrate and Cultural Distance (Maud Oortwijn)

The ways to penetrate a foreign market within the process of internationalization offer a wide array of possibilities linked to specific conditions and the size of bearable costs. Among these methods, we find Partnership, Trade, Joint

Venture (JV), and Wholly-Owned Enterprise (WOE). "Cultural differences are difficult to manage, both internally within the firm and externally in interaction with external parties in an unknown foreign business environment. As the entry mode defines what activities are internalized within the firm and how the firm interacts with the external environment in different host countries, entry mode choice is at the core of IB research" (page 166). The author researches the problem of choice concerning ways to enter the market, linking it to the cultural distance between the host country and country of origin, and also the experience and size of the firm. The case study concerns Danish firms entering China.

Entry Mode by Using Bicultural Managers (Kathrin Kiesel and Parissa Haghirian) Together with Using Immigrants (Maud Oortwijn)

The key issue in the development of international businesses is the lack of prior knowledge concerning the functioning and cultural specifics of host countries. One of the ways in which this problem is solved is to hire competent people, who have knowledge of host as well as origin countries. Natural persons who are bicultural can be immigrants, refugees, students, expats, indigenous populations, ethnic minorities, and people born to interethnic couples. "The firms solely benefit from the professional expertise of immigrant entrepreneurs, employees and managers and sometimes their business network" (page 317).

Entry Mode by Using Cross-Country Networks (Ekaterina Turkin)

"Policy-driven harmonization of economic regulations, norms and standards and intensified cross-border exchanges in the integrated areas provide a solid foundation for cross-border inter-firm networking. Inter-firm networking is increasingly important in economic life, as it represents a mode of regulating complex transactional interdependence as well as coop-

erative interdependence among firms...” (pages 72-73). The author proposes an analysis of the main advantages and weaknesses of inter-firm networks, which is developed in a complex vision on determining factors for collaboration network efficiency. The case study concerns business collaboration networks within the European Union.

Resource-Based Internationalization (Nigel L. Williams, Tom Ridgman, & Y. S. Shi)

The authors propose a review of the ways to internationalize an SME, which comes with an epistemological analysis of temporary internationalization theories. The case study is given by resource-based internationalization from a small state. “Unlike firms from developed countries, small state organizations require earlier integration with external markets, making their internationalization process distinctive. Oscillating between inward and outward modes, they may take a vacillating approach to internationalization. In the early stages, firms engage in inward internationalization to acquire or access property resources. Over time, they will build knowledge resources and once a sufficient level of development occurs, engage in internationalization.... A resource based view provides a basis for examining the nature and direction of these firms internationalization. Firms may undertake inward internationalization to acquire resources that are difficult to create and exploit at home. They combine them with internally generated knowledge resources and exploit the combination in external markets” (pages 112-113).

HR MANAGEMENT AND INTERCULTURAL COMPETENCIES THROUGH SOCIAL INTERACTION BETWEEN THE LOCAL DOMINANT AND MINORITY CULTURE

We have two chapters in this field. The first introduces an approach to researching intercultural knowing-in-practice through a group of bicultural Canadians (*Suzanne Gagnon & Pamela Lirio*). The authors affirm that Canada offers a unique opportunity in researching management issues. This is due to the fact that, here, groups of bicultural experts can be formed as well as mono-cultural groups. “The research design consisted of four elements: 1) purposeful sampling in the choice of participants or ‘experts’ (young bicultural Canadians); 2) the use of focus group discussions to identify critical incidents that would be meaningful and viewed as ‘intercultural’ to the participants; 3) interviews based on these incidents to enable rich descriptions by the participants; and 4) the emergent use of a comparator group of participants (mono-cultural, young Canadians)” (page 28). The second chapter (*Julianne Seely*) effectively approaches the issue of Global Human Resource Management (GHRM), proving the way in which functional areas of HR management, such as talent acquisition and leadership, must fusion with a higher level of strategic effort through cultural intelligence.

CULTURE AND ORGANIZATIONAL EFFICIENCY WITHIN THE GLOBAL AND LOCAL CONTEXT

As globalization brings forth a heightening of competition within the corporate culture-efficiency relationship, its research becomes

paramount. The theory and results of several empirical studies are based on the relation mentioned above (*Andrea Banto*). “Companies tend to focus on their home cultures, and sometimes this can lead to contradictions with the host-country national culture. Culture and expectation that people have affected all business transaction and inability to master basic cultural factors may lead to failure” (page 68). Another study can be included here (*Manuela Presutti & Lucrezia Zambelli*); the authors examine to what extent the case of cultural differences affect international networks, both at the organizational and inter-organizational level. They associate them with trust and responsibility within foreign partners.

Broadly, this volume offers a profound and thorough analysis of the impact of the cultural factor on internationalization as a process. Both the theoretical and empirical quality of the studies is considerable. This is a well-informed book that explores and enlightens a very important research area for anybody interested in the impact that culture plays within the internationalized business world and vice-versa—the modifications national culture suffer under the impact of international business.

Anatolie Caraganciu is currently a Professor in the Lucian Blaga University of Sibiu, Romania. During three months of 1997, he was invited as a Visiting Research Fellow at the Centre for the Policy Studies at Georgia State University in Atlanta, GA, USA, where he has conducted research on the industrial policy in transition. He was awarded his PhD in Economy with specialization in Decision Making Process in 1985 and a second degree (doctor with habilitation) in 1996. He has participated in many international conferences and workshops and has published on industrial policy and economic behaviour issues. His research interests concern the application of network theories to explain the processes of internationalization.