



UNIVERSITA' DEGLI STUDI DI PADOVA

**DIPARTIMENTO DI SCIENZE ECONOMICHE ED AZIENDALI
"M.FANNO"**

**CORSO DI LAUREA MAGISTRALE IN
BUSINESS ADMINISTRATION**

TESI DI LAUREA

**FROM CULTURAL DISTANCE TO CULTURAL ARCHETYPES:
AN INNOVATIVE APPROACH TO DEFINE CULTURAL PATTERNS**

RELATORE:

CH.MO PROF. MARTINA GIANECCHINI

LAUREANDA: AURORA PIETROBELLI

MATRICOLA N. 1129997

ANNO ACCADEMICO 2017 – 2018

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INTRODUCTION

The purpose of this thesis is to present an innovative approach in the field of cultural studies, which emerges as the most recent and successful attempt to describe cultural patterns within and across countries. In 2015, cultural archetypes established as an alternative approach to the cultural distance construct, introduced by Geert Hofstede in the 1980s.

In the last decades, researcher in the cultural studies have advocated the need to go beyond the “one country= one culture” axiom, and investigate the heterogeneity characterizing national cultures, in order to find the most suitable criteria to disentangle it.

After a stream of researchers concentrating on what Venaik and Midgley call “exogenous criteria” (regional location, educational or work status, age, and so on), the authors came up with “an endogenous delineation of culture”. Rejecting an arbitrary, *a priori* cultural segmentation, they decide to start from the core, and define cultural boundaries on the basis of values diversity, the very essence of culture itself, and define *a posteriori* the characteristics of the individuals belonging to the cultural groups identified.

This would be able to outline cultural patterns in the most faithful, precise and exhaustive way possible.

In Chapter One, we will present the Internationalization topic. We will use macro-economic lenses to show how economic, political and technological changes impact on cultural formation and development, demonstrating why multiculturalism is still a relevant issue for multi-national corporations managing their internationalization process.

In Chapter Two, we will go through the major cultural studies with a literature review. This will include, first, the milestone research of Hofstede and those studies inspired by his approach to culture; second, the Basic Human Values Theory of Schwartz; third, the criticism towards the “traditional approach” to culture, taking Shenkar critics to Hofstede as initial imprint to present analogous studies on those topics.

In Chapter Three we go through those studies “looking for new cultural boundaries”, in light of the need to capture cultural heterogeneity within countries. As hinted above, we will first present studies associated to an “exogenous cultural delineation”; then, we will present cultural archetypes and their applications by researchers. As the construct will be implemented in the

thesis, we try to pinpoint the most suitable method for that. The chapter concludes stating our research proposal and presenting its initial assumptions and setting.

In Chapter Four we present the methodology used, explaining sample characteristics, variables used, pre-process and process of data, results and related discussion. Then, we show limitations of the work and possible directions for future research. At last, we conclude with managerial implications deriving from our research.

1. CHAPTER ONE

INTERNATIONALIZATION AND MULTICULTURALISM

1.1 Introduction

In the last decades, companies are increasingly looking beyond their home country in search of business opportunities in the global marketplace. Firms become hence multinational, undertaking investments to enter foreign markets. This process can have different degrees of pervasiveness, according to the mode selected. The range of opportunities is wide: from indirect export to foreign subsidiary, companies can weight their financial commitment at will. The more investment will be dedicated, the more control will be held over the country entered.

According to Solberg (1997), the decision according to which a company should begin an internationalization process or further strengthen its position in international markets shall be pondered considering two dimensions: industry globalism and the company's preparedness for internationalization. The former indicates the competitive structure of the industry, while the latter encompasses all company's capital to manage the internationalization, be it physical (financial resources), social (relationships) or human (management's experience, language skills, cultural knowledge and sensitivity, and so) (Hollensen, 2007).

The host country culture is hence listed as variable in fostering or hindering the internationalization process of the company. But to what extent are cultural differences important? Do they represent a marginal issue to face or do they really have the potential to make the difference between organizational success and failure?

The aim of this chapter is to investigate whether and to what extent companies going international have to care about multi-culturalism. For this purpose, the work will proceed challenging first the underlying fundamental assumption, that is, calling the very existence of multiculturalism into question.

The thinking behind this ventured statement is the following. If in the face of increasing globalization and world interconnection, individuals are experiencing equal access to products and technology, uniformization of life styles and harmonization of practices, could this reflect into cultural homogeneity? Will a "flat world" lead to a "flat culture", killing multi-culturalism?

The discussion will thus present first the entity of globalization through data, and will then explore whether the phenomenon could have molded cultural patterns.

1.2 Globalization

“The World is Flat”, stated Friedman in the title of his book (2005), judging the advancement of globalization in the 21st century. No other words could be better explanatory of the radical change the world has undergone from the early years of 1800 to date. Globalization and its fast development can be explored and illustrated in the best way splitting the phenomenon into its main components.

1.2.1 Economic and Political Development

From an economic perspective, the booming of globalization is evident when shown through the path walked over a two-century period, from its very beginning to the present. From 1810 to 2010, the exports of goods and services as a percentage of world GDP increased from barely above zero to 30%, recording an exponential growth starting from the Second World War, a period when it neither reached the double-digit. Capital flow has followed a slightly different trend: FDI stock as a percentage of world GDP was 10% in 1910 and halved in the space of seventy years; it then started to increase in 1980s, spiking up from the 90s, and exceeded 30% by 2010 (Ghemawat, 2012).

The fast growth recorded at the end of the 20th century is labelled as the “new phase of globalization”, named after the fast and disruptive changes in the political and economic scenario. The triggering event can be identified in the end of Cold War, which opened the door to market liberalization. European common Market and NAFTA are two examples of will to remove trade barriers and favor free flow of goods.

Economic liberalization affected Asian countries too, provoking an escalating openness to the Western market (Low, 2001 in Gupta, 2004). The latest manifestation of this trend is the Belt and Road Initiative, also known as the New Silk Road. “Officially announced by Xi Jinping in 2013, [...] is a commitment to easing bottlenecks to Eurasian trade by improving and building networks of connectivity across Central, Western and Southern Asia, but also reaching out to the Middle East as well as East and North Africa” (Magri, 2017, p. 7). The World Trade Organization (WTO) is another sign of the thrust towards a global trade “that flows as smoothly, predictably and freely as possible” (wto.org).

The strengthening of world inter-connection reflects itself in the way companies design strategy and run operations. Internationalization of enterprises is a phenomenon affecting all players at the global level: as such, even firms operating in their domestic markets have to keep an eye on

world competitive arena, because managing all activities in the national market does not save the company from threat of international actors. The firm competition in input and output markets is, almost entirely, global from birth.

This drives organizations to detect and adopt best practices and profitable managerial approaches to keep up with the competitors and gain advantage over rivals. Total quality management (TQM) or just-in-time (JIT) approach, manifestations of the wider philosophy of lean manufacturing, are just few examples of these up-and-coming successful approaches (Paik, 2011).

In addition, standardization and minimal fulfillment of requirements is promoted, if not imposed, for what concerns product quality and Social Accountability. The company merit for superior product and care for ethical conduct are signaled through certifications, serving as incentives for customers to prefer one product over the other (Paik, 2011). This leads to harmonization among companies, each trying to meet the ongoing standards and set a new higher benchmark.

In the most immediate past, starting from 2005, globalization seemed to be fallen on challenging times. Trade, people and capital flows significantly slowed down.

Overlooking the serious impact of the economic crisis in 2008, there are some events that strongly contributed to this stalemate in the very last years. Brexit, first, and Trump's protectionist measures, second, made everyone afraid about the crashing down of "the myth of a borderless world" (Ghemawat, 2017, p. 1). But US is not an isolated case: unlike China, striving for market openness and agile cross-border trade, G20 countries have been implementing discriminatory policies since 2009, with a sharp rise since 2012.

BRICS countries lead the chart, accounting for nearly one third of the total restrictive measures since 2009 (Majumdar, 2017).

The damaging backlash to globalization has been enhanced by the negative sentiment, floating around in people's mind. Although globalization overall increased living standards, quintupling global GDP per capita since 1960, those countries that were unable to keep pace with the borderless world were hit by poverty and inequality. Globalization created wealth disproportion and uneven access to knowledge and skills. Those people belonging to the more deprived social groups are now rising against the effects of globalization, opposing to the free flow of workforce, trade and capital. This causes policy uncertainty, protectionism and national closeness (Majumdar, 2017).

Is all this going to reverse globalization, taking a step backwards from the "flat world" countries were previously pursuing? Will countries, bit-by-bit, retreat to localization?

According to Ghemawat (2017), in the same way the globalization hype proved to be exaggerated in the last decade, so is a complete pullback of that phenomenon to be deemed an overreaction, in the face of the magnitude of trade and capital flows nowadays. Even if globalization would experience a regression, “it would be a mistake to talk about the end of globalization: the “rewind” button on a tape recorder shouldn’t be confused with the “off” button” (Ghemawat, 2017, p. 2)

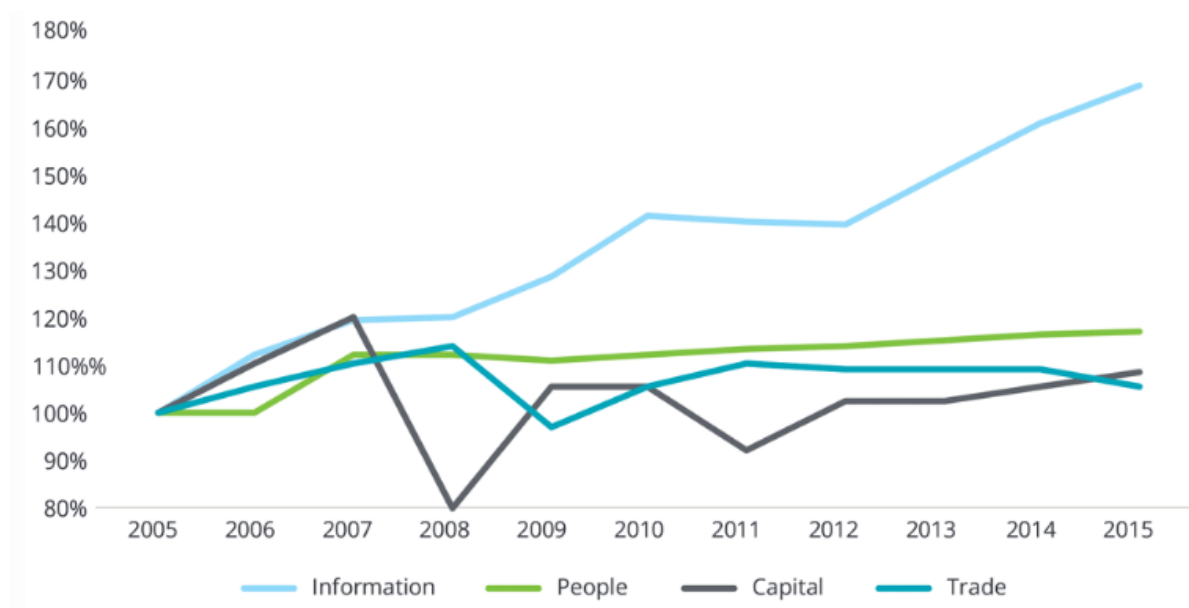
1.2.2 Technological development

Even though political and economic openness played a key role in world interconnection, the major influence was made at the hands of technological advancement.

In this respect, crucial events are represented by the growth of internet and the falling of telecommunication costs, which shaped the world as a dense and extensive network, where time and place virtually collapse (Gupta, 2004).

In fact, in the last decade, unlike the standstill of the global connectedness associated to *people*, *capital* and *trade*, no obstacles could instead be noticed to the growth of *information* diffusion worldwide (Figure 1.1).

Figure 1.1: Depth of global connectedness, relative to 2005



[Source: DHL Global Connectedness Index 2016]

“*Information*” recorded a considerable increase, not so much in terms of telecommunication, but in terms of Internet breadth, which rose more than fivefold since 2005. (Ghemawat et al, 2012)

Witness of the pervasiveness of such a technological diffusion is what has been worldwide labelled as the boom of a fourth industrial revolution. The so-called Industry 4.0 represents the digital transformation of the industrial markets, pursuing the connection between and Information Technology (IT) and Operational Technology (OT).

The creation of a hyper-connected digital industry is performed through the implementation of different technologies at various levels: a few examples are Internet of Things (IoT), advanced robotics and automation, big data analytics, artificial intelligence and virtual/augmented reality. As the digitalization is polyhedral, benefits are many and varied: for what concerns the process, improved agility, better working conditions and sustainability, higher productivity and greater potential for innovation; for what regards the product, higher quality and possibility of personalization and customization (i-scoop.eu/industry-4-0).

Digital transformation is multiplying and enhancing connections, thanks to on-time availability of huge amount of data and information, allowing better business integration, both vertically and horizontally.

“Within organizations, managerial perceptions and process are also changing along with a data-driven decision-making strategy, which leads to changes in organizational culture, leadership, human resource management and other management practice” (Davenport, 2014; Rifkin, 2014 in Sheng, 2017, p.99); outside organizations, networks links stretch along company stakeholders, helping collaboration, cooperation and greater value creation.

Industry 4.0 likely represents the most overwhelming evidence of the inter-connection of people and organizations nowadays and the creation of common mindset and approach to reality.

1.3 Cultural convergence and divergence

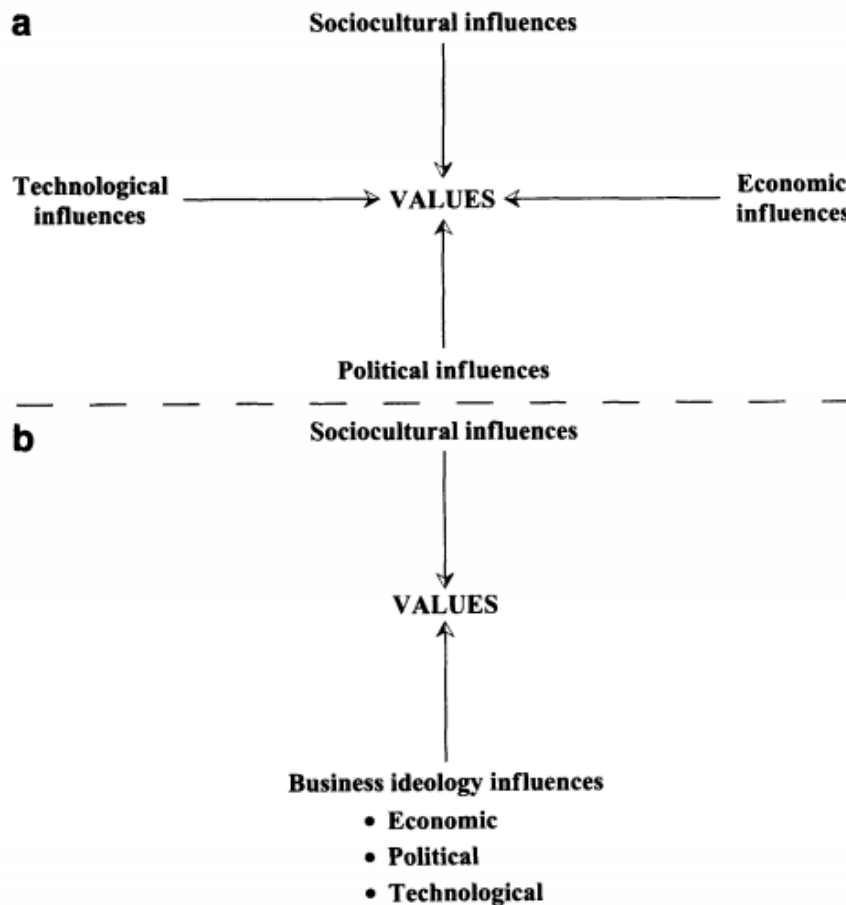
Overwhelming evidence has been shown to support the magnitude of globalization. These arguments led scholars to wonder about possible consequences of the phenomenon on cultural patterns.

In the cultural studies, the subject is referred to as the cultural convergence/divergence debate. At its origin stands the study about values formation and evolution conducted by David A. Ralston. The author gave a major contribution to the subject and took the topic to the next level, introducing the concept of crossvergence (1993). The starting point of the model is the analysis of the so-called predictor variables, i.e. factors influencing values formation and evolution (2008).

According to the traditional perspective, these include four types of influences -socio-cultural, technological, economic and political – separate one from the other; Ralston, instead, gathers

them in two groups. On one side there are socio-cultural influences; on the other side there is a cluster comprehending the remaining ones (Figure 1.2).

Figure 1.2: A description of the factors that influence values: (a) traditional perspective; (b) time-change clusters perspective



[Source: Ralston, D.A., 2008. The crossvergence perspective: reflections and projections]

The division is made for a twofold reason: first, they differ on a time perspective, as change evidence deriving from socio-cultural influences is detected on a generational or centenary basis, while the measuring stick for political, economic and technological factors is given by years or decades, especially for emerging countries. Second, socio-cultural influences concern values and history inherited and learned from the society individuals belong to. So, it has to do with cultural roots, experience and social relationships related to the youthful age. Instead, the second category of influences is related to the business activity in a society, reason why the cluster is referred to as “business ideology influences.”

While the former kind of factors are responsible for maintenance of societal culture overtime, the latter type is catalyst of harmonization of values and behaviors, namely push for divergence and convergence, respectively.

According to the divergence perspective, economic, political and technological change do not contribute to value harmonization, as the socio-cultural influences overbear them. Societies will hence maintain their own founding values overtime. One cannot deny the strong impact on country heritage and history on individual value formation, as these forces lay the foundation of a society path dependence, which shall not be intended as “inertia”, but as “the constraints on the choice set in the present that are derived from historical experiences in the past” (North, 1990 in Witt, 2008, p.50).

However, it is not likely that this influence would not be soiled by the evident pervasiveness of business ideology factors. According to the convergence perspective, these forces not only coexist with, but also dominate, socio-cultural factors. These influences, recognizable in the globalization drivers previously explained, would hence push for greater uniformity in values. Ralston in his study aims at finding a solution to this dilemma. Exploring the prevailing of one over the other, Ralston found out that in effect there is empirical evidence of a cross-fertilization between them. The game changing study was conducted in 1993; the sample was selected on purpose to investigate possible hybridization of value systems. The choice went for China, Hong Kong and the US. The reason is self-explanatory: while China and US are, culturally speaking, at complete odds, Hong Kong presents a combination of Chinese socio-cultural background and Western business ideology influence. The research supported the hypothesis of cultural crossvergence for half of the value measures, namely locus of control, intolerance for ambiguity, long-term orientation and human heartedness. For these labels, Hong Kong could be place in middle ground, between China and United States.

In the following years (1996, 1997, 1999, 2004, 2006) Ralston extended the breadth of country coverage, including Russia, Japan, Vietnam, running both within- country assessment and cross-country analysis, finding empirical support of crossvergence in different societies. These studies led the author to refine the concept, which can express with different shades:

- Conforming crossvergence: it is the gradual approaching of value systems over time, where convergence would show as a particular case of this phenomenon, representing the complete equalization of differences;
- Static crossvergence: it occurs when values of two given societies change through time, yet keeping the value difference constant.

- Deviating crossvergence: it happens when values of a society become more and more different over time. This clearly differs from the mere divergence perspective, which entails stasis of values through time. If the two cultures walk away from each other, business ideology comes to play, so it is the case of crossvergence necessarily.

Cultural crossvergence is, hence, concrete and multi-faceted, and it is likely to encompass different realities and societies. The phenomenon is worth investigating, as hinted and initiated by Ralston, not only across countries, but also within them. There is reason to believe that cultural crossvergence would gradually undermine the stability of socio-cultural foundations that differentiate one nation from the other.

In 2004, a fourth perspective is proposed to capture the nature of the interplay between socio-cultural and business ideology influences: cultural transvergence (Gupta and Wang, 2004).

According to this approach, the interaction between two cultures does not merely lead to a sort of compromise to find a value set placed in-between; instead, the capability to reinvent and create is emphasized. Organizations are seen as proactive actors in the process of re-interpreting their past path and give it new meaning and application. The new-born set of values is not just a combination of those pre-existing on both sides; “what emerges from these creative applications is often not a simple local-global combination of the same order, but a higher-order organization” (Gupta and Wang, 2004, p.41).

1.4 Conclusions

The complexity of cultural patterns leaves organizations with a tough task. Human resources have become multicultural, and still more, leaving ambiguity on the criteria by which cultures are to be outlined and differentiated one another. Given the previous considerations, it would be naive to discuss about “culture” in terms of “country culture”, only. As further clarified in the second chapter of this work, culture has become multifaceted, so that national boundaries are no more sufficient and exhaustive representations of cultures.

Hence, it can be concluded that indeed culture still matters for firms undertaking an internationalization process, and multi-culturalism is worth being investigated for organizations, perhaps even more carefully than it used to.

2. CHAPTER TWO

CULTURAL STUDIES: LITERATURE REVIEW

2.1 Introduction

This chapter will go through the more salient points in the literature concerning cultural studies. Starting from the landmark research of Hofstede in 1980, the work will first deal with the traditional approach in defining culture and cultural differences, and will then span across the criticism made on it. For this purpose, Shenkar's critics will be taken as foundation to invoke parallel studies that challenged the same issues.

2.2 Culture

Would a person look for a definition of "culture", he would not come up with a single answer. The broad field of interest ranges over many disciplines, *inter alia* psychology, sociology, anthropology, economics and political science. The multidisciplinary nature of the concept is not, anyway, the only source of diversity: within the same field of study, scholars have been conceiving different definitions of the term to disentangle its complexity.

A milestone study in the history of cultural studies is that of Geert Hofstede in 1980. As the author himself stated at the time, societal sciences pullulated of cross-cultural studies, though missing attention on culture as a "key variable". In response to this lack, his book "*Culture's Consequences* aim[ed] at being specific about the elements of which culture is composed" (Hofstede, 1980, p.11).

Hofstede defines culture as "the collective programming of the mind which distinguishes the members of one human group from another" (*ivi*, p.21), i.e. the systems of values shared by a group of people.

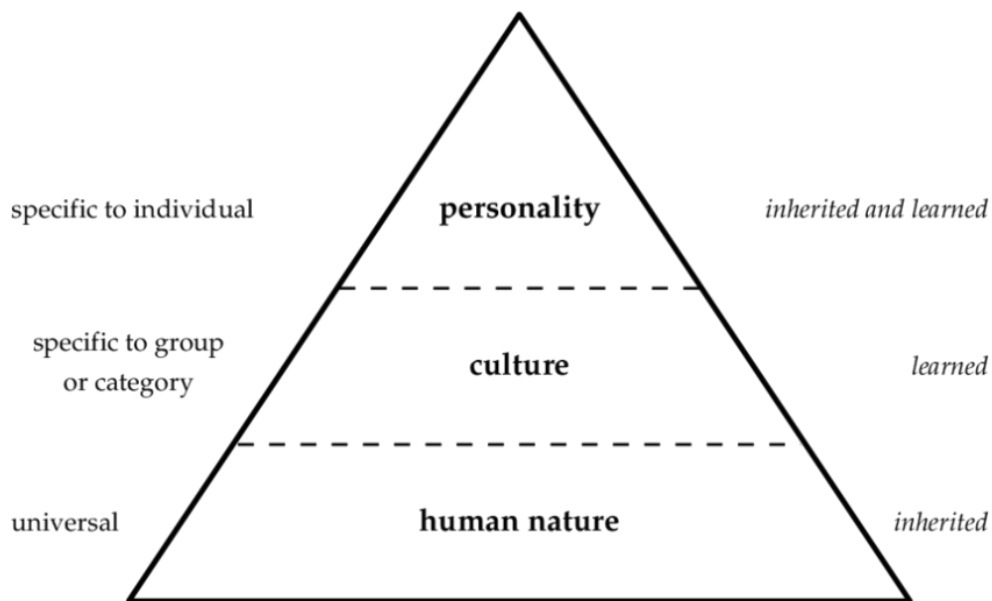
2.2.1 Elements of culture: collectivity

Dwelling on the elements constituting the definition of culture, first *condicio sine qua non*, such that cultural patterns are formed, is plurality of individuals. This represents the watershed standing between the concepts of "culture" and that of "personality". Taking the definition of Guilford (1959, cited in Hofstede, 1980, p.21), personality is "the interactive aggregate of

personal characteristics that influence the individual's response to the environment". Building on this statement, Hofstede shows how simply substituting "personal" with "common" can give rise to a valuable alternative definition of culture (*ibidem*).

The two constructs, hence, share the same building blocks, i.e. values, and shape respectively the identity of the single person and of the collectivity. The two, however, do not work in isolation, but constantly interact one another, both being part of the broader "human mental programming" characterizing individuals. This expresses itself at three levels: individual, collective, and universal (Figure 2.1).

Figure 2.1 The human mental programming



[Source: Adapted from Hofstede, 1980]

These layers are hard to be sharply delineated, as sometimes one cannot easily tell which phenomena are to be attributed to individual personality or to collective culture, or which ones are to be deemed human universal or culture-specific.

2.2.2 Elements of culture: values

The second among the features of culture regards the primary constituents of the construct, meaning the values, shaping people's mind. Culture's prime components are hence at the inner level, and reside in ideas, beliefs, ways of thinking and feeling.

Nonetheless, culture lives at the outer level, too; it embodies in the so-called, artifacts, i.e. the exterior representations, such as words and behaviors, evident to an external observer.

The double-sided essence of culture had already been studied by Edward T. Hall in 1976, who modeled the construct as an iceberg, highlighting how culture expresses with different means according to the depth level taken into consideration.

According to Hall, the spike of the “iceberg”, approximately 10%, is the surface representation of culture, consisting of the outward behavior; the residual is what floats below the waterline, meaning beliefs and values, hidden at the observer’s eye.

It is the outer level that allows people to get in contact with cultures: as time passes by, continuous interaction among individuals sheds light to the inner soul of culture, lying beneath the surface, making it possible to understand its shared basic foundations. This has two major implications.

First, culture can be investigated more and more overtime, in order to derive its core values, but it is considered stable, unbent by the interaction; second, as behaviors and values are two sides of the same coin, the former shall be estimated good predictors of the latter, meaning that observing and dealing with the surface level allows to unequivocally define the underlying deeper level. No mismatch is possible between the two.

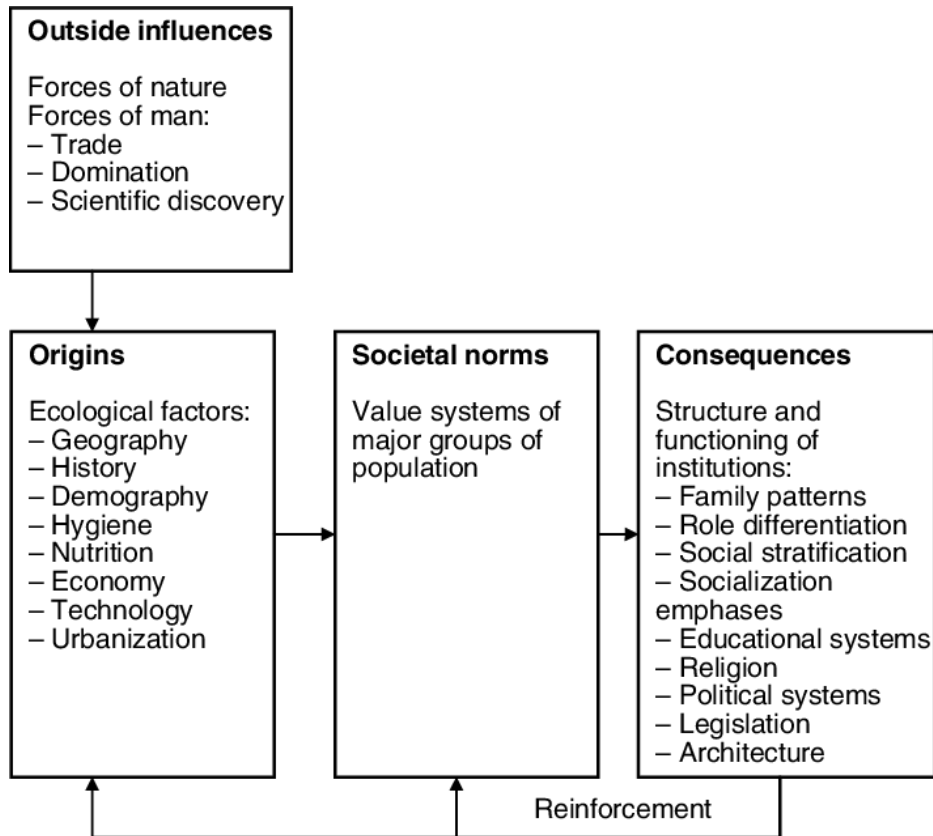
The consideration about the stability of culture is also supported by Hofstede in his work. The author deems societies, namely nations, as the best unit of analysis to study culture, recognizing organizations, professions or families as “subcultures” within the social system. Societies are “the most complete human groups that exist” (*ibidem*) and they show way lower interdependence compared to that existing among within-nation subcultures, which share many common traits among one another. This would render subcultures not worth to be investigated in isolation.

The self-sufficiency and independence of societies is guaranteed by a self-stabilizing mechanism that allows maintaining a specific value system almost unchanged from the external influences (Figure 2.2).

The core is represented by a system of social norms, shared among members of that population, which originate from different ecological factors, i.e. elements impacting on the physical environment. Social norms trigger the formation of institutions, which structure and regulate the functioning of that society; institutions, in turn, reinforce the social norms and the ecological conditions lying at their base. Changes from the institutional side are deemed too weak to scratch the social norms, so that at the end the former will adapt to the latter and re-stabilize the *status-quo*. In fact, changing forces come mainly from the outside, at the hands either of nature or of man. These influences, however, do not point to social norms directly; instead, they shake

the ecological conditions, so that the change in social norms is consequent and gradual, originating as rebound.

Figure 2.2 *The Stabilizing of Cultural Patterns*



[Source: Hofstede, 1980]

Hence, the system is in “a homeostatic quasi – equilibrium” (*ivi*, p.23), allowing nations to maintain their identity almost unchanged overtime.

2.3 Cultural dimensions and cultural distance: the traditional approach

2.3.1 Hofstede model

Drawing from the consideration of overlap between cultural values and behavior, it is easily understandable why Hofstede tries to undertake a shortcut to directly extrapolate the values of a given culture. As behaviors reflect values, for sure it is possible to go through a long-lasting interaction with the surface to gain revelation of the nucleus. The other way around, extrapolating values *a priori* allows to foresee behavior of a certain collectivity.

To make this path walkable, it is necessary to identify specific dimensions along which cultures can be exhaustively described and compared: at that point, it is possible to infer the dominant

values, “which affect human thinking, organizations, and institutions in predictable ways” (*ivi* p.11).

To achieve this, Hofstede runs a study, mainly by means of two surveys at the turn of 1970, to collect data about values in different countries. The sample of 88.000 IBM employees allowed to collect 116.000 questionnaires about values in 72 world states and regions, consequently reduced to 40 countries that had more than 50 responses each).

Statistical analysis and theoretical reasoning led to derive four dimensions, through which cultures can be defined, labelled Power Distance, Uncertainty Avoidance, Individualism, and Masculinity:

- Power distance is “the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally”;
- Uncertainty avoidance “deals with a society’s tolerance for uncertainty and ambiguity”. Uncertainty avoidance entails preference for defined formal rules and structure to assure stability and predictability of actions;
- Individualism is “the extent to which people feel independent, as opposed to being interdependent as members of larger wholes”. It has to do with whether people’s self-image is defined in terms of <I> or <We>”. Loosing the concept a little bit, individualism entails taking care of the self and of the immediate family, so it is, at most, a concern for the more closely beloved only;
- Masculinity is “the degree to which values like assertiveness, performance, success and competition...prevail over values like the quality of life, maintaining warm personal relationships, care for the weak, and solidarity.”

Other two dimensions were found later through different studies. The fifth one emerged after doing a research in East Asia, an area which has always been profoundly different from the Western countries in terms of customs, traditions and values. The aim was to investigate whether the model could hold in that setting, too, thus leading to derive the same four dimensions (geerthofstede.com). Hofstede methodology was hence applied to this new sample and a new cultural dimension emerged: Confucian dynamism, also known as Long Terms vs Short Term Orientation (Hofstede and Bond, 1988). This represents “the extent to which a culture programs its members to accept delayed gratification of their material, social and emotional needs” (*ibidem*): this characteristic is strongly rooted in Eastern cultures and emerged as a crucial factor in explaining cultural differences among world countries.

The last dimension added to the model was defined as “Indulgence” versus “Restraint”, i.e. the extent to which a society allows relatively free gratification of basic and natural human drives related to enjoying life and having fun” (*ibidem*).

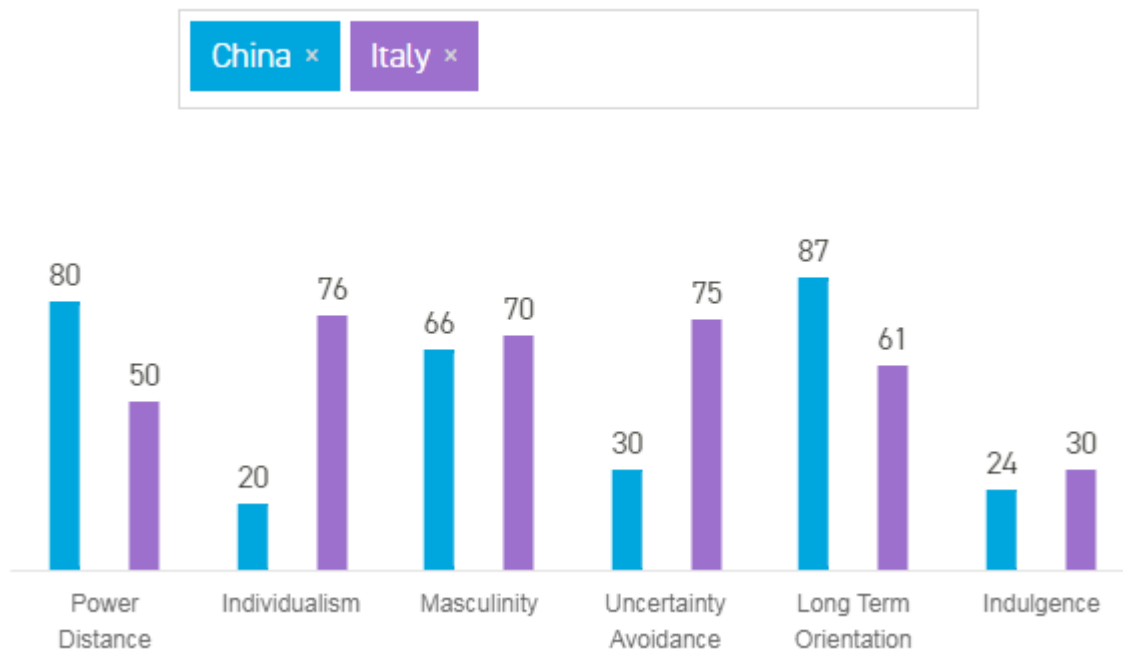
Assigning a score, from 0 to 100, to each dimension for every country permits comparison and understanding of which societies present the larger differences and according to which parameter.

Using the words of Hofstede, commenting his study 40 years later (*ibidem*), the dimensions are “a way of unpackaging the concept of culture. Culture of course is just an imaginary thing, it is a product of imagination, which is supposed to be useful to understand the world and to be able to predict certain things in societies, but as long as culture is a holistic concept, it is rather difficult to make any prediction, because it involves so much. So, what the dimensions are is a way of unpackaging this holistic concept of culture into particular parts which have much clearer relation to phenomena in societies.”

As already mentioned, the scores of a certain culture along these dimensions are not only useful to draw the expected behavior for members in that population, facing a given situation; but also, they allow straightforward comparison between countries (Figure 2.3).

The larger the differences between countries, the greater the “cultural distance” between them.

Figure 2.3: Country comparison with Hofstede framework



[Source: geerthofstede.com]

In 1988, Kogut and Singh (KS) took Hofstede's model to move one step forward, conceiving an index able to merge all dimensions into one single value measuring the overall difference between nations (Figure 2.4). This allowed to attribute a single definite number to the cultural gap, in the same way the distance between two points is computed.

Figure 2.4 Kogut and Singh Index

$$CD_{ju} = \sum_{i=1}^4 \left\{ (I_{ij} - I_{iu})^2 / V_i \right\} / 4$$

Where: CD stands for cultural distance, I_{ij} is index for the i^{th} cultural dimension for the j^{th} country, I_{iu} is index for the i^{th} cultural dimension for the u^{th} country, V_i is variance for the i^{th} cultural dimension.

[Source: Kogut and Singh, 1988]

The contribution of Hofstede to the field of cultural studies was groundbreaking: in the weak of his work, other researchers tried to unbundle culture in dimensions in order to compare countries.

2.3.2 Trompenaars' Model

In 1997 Fons Trompenaars and Charles Humpden Turner developed a model to analyze culture in a much wider perspective. According to the authors, "every culture distinguishes itself from others by the specific solutions it chooses to certain problems which reveal themselves as dilemmas."

Problems attain to three different concerns: relationships with other people, the passing of time, and the environment.

First, for what concerns relationships with people, the authors conceive five dimensions explaining human behavior and interaction, retracing Hofstede model:

- Universalism versus Particularism (rule vs. relationship), i.e. indistinct application of practices and ideas everywhere opposed to application dictated by circumstances;
- Individualism versus Communitarianism (the individual vs. the group) i.e. the perception of people as individuals rather than as part of a community;
- Neutral versus Emotional (the range of feelings expressed), i.e. the extent to which the emotions and feelings are expressed and publicly shown;

- Specific versus Diffuse (the range of involvement) i.e. whether the relation solely sticks to the management of its specific object or whether it involves real and personal contact, too;
- Achievement versus Ascription (how status is accorded) i.e. judging people according to goal accomplishment rather than according to a status attributed “by birth, kinship, gender or age, [...] your connections [...] and your educational record” (Trompenaars and Humpden Turner, 1997, p.9).

The second element influencing cultures is the attitude towards time, which can assume different meanings: attention on past actions rather than on future plans; perception of time as sequential rather than circular; management of activities sequentially or synchronously.

The third element is the attitude towards environment, which recalls the concept of locus of control, developed by J.B. Rotter in the 1960s, which represents people perception of their own control over situations and facts. In case locus of control is external, people think that the world is more powerful than individuals and that external forces, fate or nature are responsible for what happens to them. Conversely, if locus of control is internal, people deem their motivation and effort driving forces for events and actions in their lives, meaning that the individual itself is “master of its own destiny.”

All three cultural elements are investigated in different countries, in order to make a cross-national comparison of people attitudes towards social relationships, the passing of time, and the environment. Hence, countries are taken as unit of analysis, likewise in Hofstede model.

2.3.3 The GLOBE Project

The GLOBE Project, which stands for Global Leadership and Organizational Behavior Effectiveness, is a research about culture and leadership at the global level. Begun in 2004, the first search path sought to analyze societal cultures: several pilot studies were used to assess hundreds of items related to the concept. Over 17.000 middle managers from 62 countries took part in the project, making it possible to outline an accurate nine-dimension scale to effectively compare cultures (House et al. 2004). Taking the exact descriptions given by the authors, the dimensions are defined as following:

- Performance Orientation: the degree to which a collective encourages and rewards group members for performance improvement and excellence;
- Assertiveness: the degree to which individuals are assertive, confrontational, and aggressive in their relationship with others;
- Future Orientation: the extent to which individuals engage in future-oriented behaviors such as planning, investing in the future, and delaying gratification;

- **Humane Orientation:** the degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others;
- **Institutional Collectivism:** the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action;
- **In-Group Collectivism:** the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families;
- **Gender Egalitarianism:** the degree to which a collective minimizes gender inequality;
- **Power Distance:** the extent to which the community accepts and endorses authority, power differences, and status privileges;
- **Uncertainty Avoidance:** the extent to which a society, organization, or group on social norms, rules, and procedures to alleviate unpredictability of future events. The greater the desire to avoid uncertainty, the more people seek orderliness, consistency, structure, formal procedures, and laws to cover situations in their daily lives.

Like Hofstede and Trompenaars, the GLOBE project analyses the extent to which each dimension influences a certain country, with the purpose of making cross-national comparison.

2.4 The Basic Human Values: Schwartz model of culture

In 1992, Shalom H. Schwartz proposes a model of culture, which differentiates from the previous described. Instead of describing cultures through dimensions, the author focuses directly on its building blocks, i.e. values. The purpose is to concentrate on the individual level, and find a list of universal human values, to exhaustively describe people's culture through their prime motivators, which translate into personal priorities and certain life conduct.

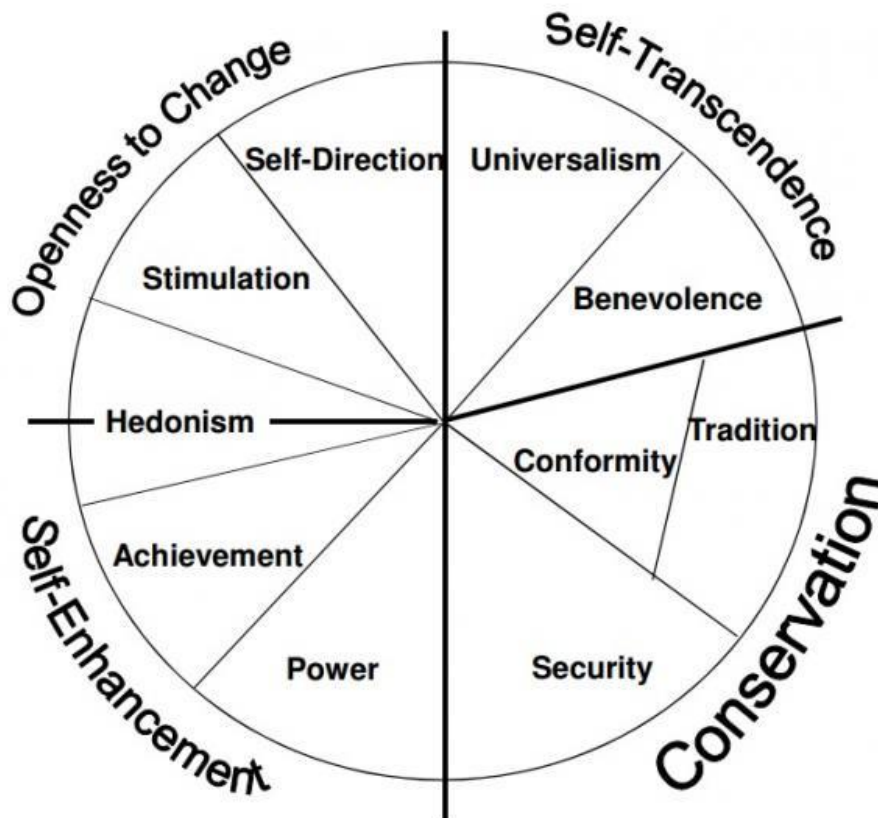
Although the model has yet to gain wide consensus in business studies, its reliability and great potential is guaranteed by the fact that it has been applied on more than 200 samples from more than 60 countries. (Roccas, 2002 in Sousa, 2006)

The author identifies and labels ten different values (Figure 2.5):

- **Self-direction:** it is about freedom, self-respect and independence; it is autonomy in setting and pursuing goals;
- **Stimulation:** it relates to curiosity and continuous search for variety and arousal;
- **Hedonism:** it has to do with pursuit of pleasure and enjoyment of life;
- **Achievement:** it concerns ambition, seeking success through competence and intelligence;
- **Power:** it regards social power and recognition, being influential and gaining authority and prestige;

- Security: it relates to family harmony and social stability, sense of belonging and social order;
- Conformity: it is about sticking to the *status quo*, respecting rules and norms, following expectations and avoiding disruptive change. It is self-discipline and restraint;
- Tradition: it implies humble, moderate and devout behavior, acceptance and respect for shared customs and traditions;
- Benevolence: it entails loyalty, honesty, true care for others in the interests of building and enhancing positive social relationships.
- Universalism: it is a sense of equality, tolerance and appreciation of all people evenly, concern for nature and the environment.

Figure 2.5 Schwartz model of values



[Source: Readapted from Schwartz, 1992]

Values can be categorized in three clusters according to the interests served: self-direction, stimulation, hedonism, achievement and power primarily serve individual interests; benevolence, tradition and conformity mainly serve collective interests; universalism and

security, instead, serve both types of interests and are hence graphically located between the former and the latter category of values.

Values are then attributed to four different motivational domains which are conflicting two-by-two. Hence, values are placed in the pie chart accordingly, so that their respective motivational domains are at odds with reference to the center.

Self-direction, stimulation and hedonism reflect openness to change; power, achievement and hedonism related to self-enhancement. So, hedonism acts as common area and junction between these motivational domains. Universalism and benevolence are linked to self-transcendence; tradition, conformity and security are connected to conservation.

Values' graphical location is not only designed to represent contraposition between motivational domains, but it also shows contrast of couples of nearby values versus their respective counterpart on the other side of the pie. What is more, it is also meant to show compatibilities of adjacent values pairwise. Just to give some examples, "power and achievement both emphasize social superiority and esteem; achievement and hedonism are both concerned with self-indulgence, hedonism and stimulation both entail a desire for affectively pleasant arousal" (Schwartz, 1992, p.14) and so on.

All values and their patterns of conflicts and compatibilities empirically prove to be humanly universal, transcending country of origin and encompassing all types of values to exhaustively portray value systems of individuals.

2.5 Shenkar and criticism towards the traditional approach

The analysis and comparison of cultures on a country basis, though simple and clear, shows some weaknesses due to the restrictive assumptions it relies on.

A renowned critical review of Hofstede cultural studies is that of Oded Shenkar. In 2001, Shenkar rises against the traditional approach complaining both conceptual and methodological properties, presenting the limits of the cultural distance construct and measure. His study is hence taken in this work as a starting point to demonstrate the limitations of Hofstede model, as each of the critics has been hint for other authors to claim the traditional framework over the years.

The conceptual properties of the Hofstede model are:

- The illusion of stability;
- The illusion of causality;
- The illusion of symmetry;
- The illusion of linearity;

- The illusion of discordance;

The methodological assumptions are, instead:

- The assumption of spatial homogeneity;
- The assumption of equivalence;
- The assumption of corporate homogeneity.

2.5.1 The illusion of stability

Hofstede supports the idea of stabilizing of cultural patterns, showing in his model (see *supra*) how institutional modifications (i.e. internal change forces) are bypassed and not metabolized, such that they end up adapting to the pre-existing social norms; the external forces, instead, act on social norms only as rebound, echoing from the clash with the ecological factors. The change is hence gradual and hardly perceivable in the short term.

The effect is deemed so negligible that the model is supposed to be valid ever after: the computation of cultural distance is based always on the initial results and it is the same at any point in time. There is no reason, anyway, to assume cultural stability overtime, especially in the light of the increasing breakdown of barriers to circulation of capital and human resources around the world.

As globalization has burst especially in the last decades, it is clear that the political and economic situation is other than that of the 1980s, period in which Hofstede study was run. What maybe would hold in a more stable environment, could not be straightforwardly applicable in an ever-changing scenario nowadays.

Interviewed about this issue in 2011 (geerthofstede.com), Hofstede does not recognize the need to review the model accordingly. After being asked about possible future patterns of culture across the world, in the face of pervasive globalization, the author does not support the idea of a further fading away of cultural differences. According to him, a differentiation should be made between practices and values: of course, people will encounter a harmonization of practices, but “what you feel doing it or what you value doing it will be different”. Hence, Hofstede does not see the premises for a single worldwide culture, implicitly assuming and supporting its stability overtime.

2.5.2 The illusion of causality

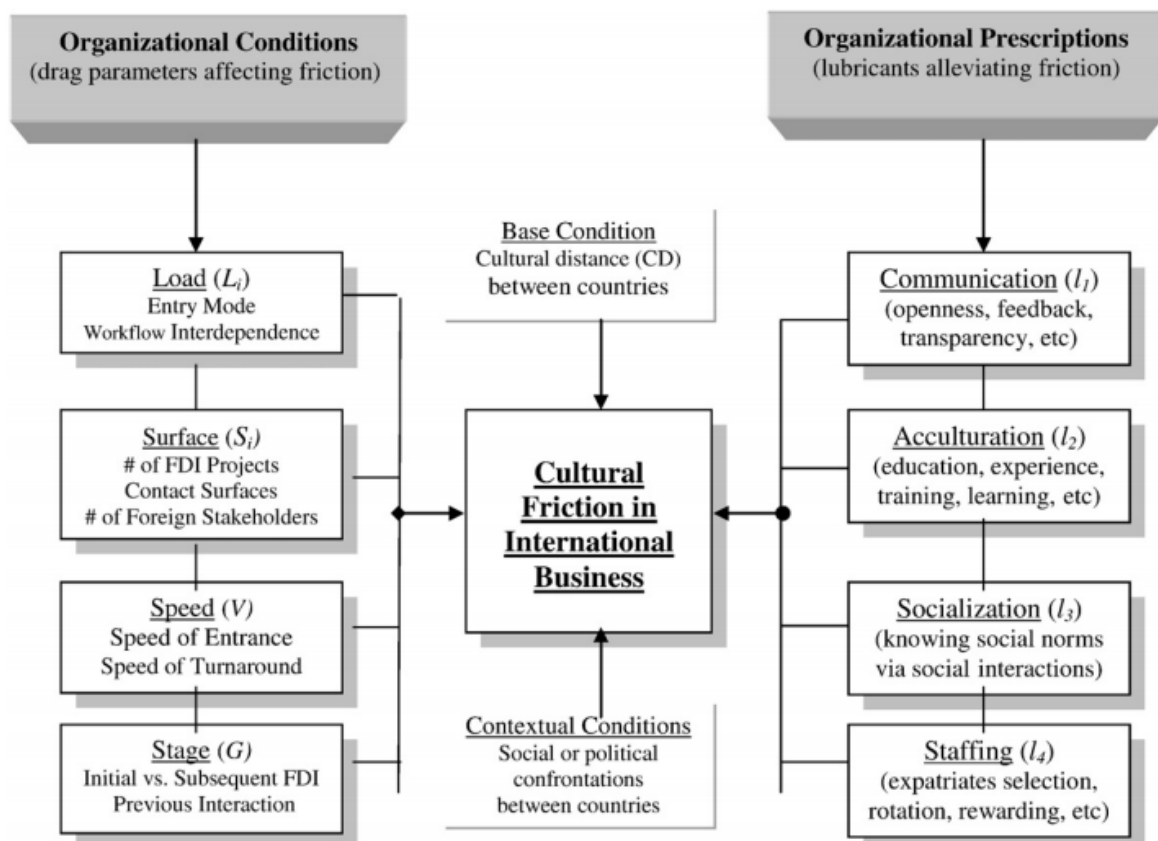
Hofstede model and results are mainly meant to be a tool to help making international strategic decisions such as the feasibility of a foreign investment, the mode of entry, and the performance related to it. As far as Hofstede is concerned, cultural distance is thought to have a casual effect on these strategic decisions, but the impact of other institutional variables is not considered.

Hence, Shenkar widens the list of elements affecting foreign investment choices, taking culture distance as an initial source of diversity between two countries, which can be enlarged or smoothed by other factors, in detail:

- Contextual conditions, i.e. social or political confrontations between countries;
- Organizational conditions, i.e. drag parameters affecting friction;
- Organizational prescriptions, i.e. lubricants alleviating friction

The result is defined as cultural “friction”, a concept which suggests the idea of contact between two cultures, no more standing in isolation one from the other (Figure 2.6). Managing cultural differences entails a physical clash, whose violence is anything but uncontrollable. In particular, the organization and the people within can have an active role in softening this contact through communication, acculturation, socialization and staffing.

Figure 2.6: Cultural friction in international business



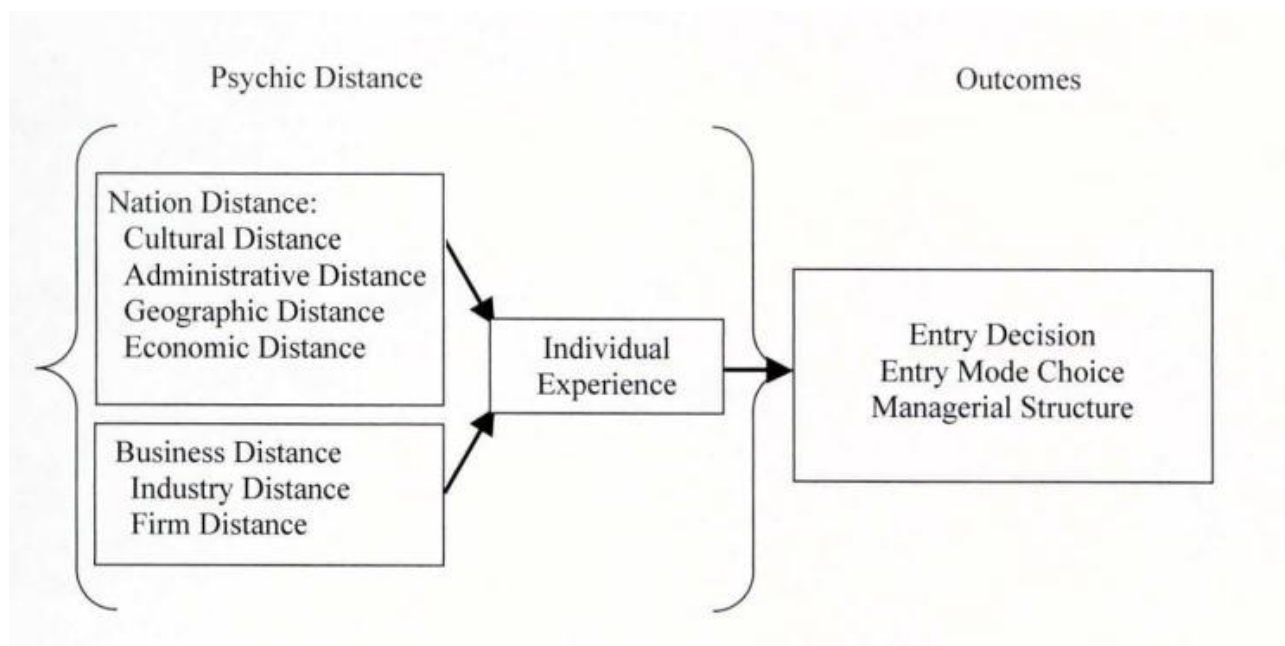
[Source: Luo and Shenkar, 2011. Toward a perspective of cultural friction in international business]

The idea of a subjective role of individuals in defining the cultural divergence is not new in the international business studies. A few years before Hofstede released his book, Johanson and Vahle introduced the concept of “psychic distance”, as a comprehensive concept for all

perceived differences between the home and the host country. Psychic distance represents all “factors preventing or disturbing the flows of information between firm and market” (Johanson and Vahle, 1977, p.24) or, put another way, “factors that make it difficult to understand foreign environments” (*idem*, 2009, p.1412). Examples of such factors are differences in language, culture, political systems, level of education, level of industrial development, etc.” (*idem*, 1977, p.24).

All factors coming into play in defining psychic distance can be collected in three categories, for the sake of clarity and simplicity (Figure 2.7).

Figure 2.7 A psychic distance conceptual framework



[Source: Horner et al, 2016. The role of psychic distance in internationalization strategy evaluations and strategic choices]

Cultural distance is hence just one among the “Nation Distance” elements which shape the so-called Ghemawat (2001) CAGE framework. “Business distance”, then, includes industry distance, i.e. form of competition, organization of value chains within the industry and so on, and firm distance, i.e. organization structure, language, practices (Horner et al, 2016).

Nation distance variables together with business distance ones are then processed through individual experience. The variability of the concept has hence many contributory causes and makes such that, similarly to Shenkar cultural friction, an organization in country A entering in country B will perceive differences other than those experienced by another organization of country A entering the same host country. However, taking the model in the previous picture

as a basis, it could be shown how cultural friction degenerates into the aggregate of nation distance and business distance.

What psychic distance adds to the construct is subjectivity, that is individual perception of the difficulties to be encountered in undertaking international operations. This is the reason why most researcher, questioning whether the psychic distance “past its due date” support instead its superior appropriateness in comparison to cultural distance. The perceptual component of the former construct allows to get over the limitations of the latter: in detail, the illusion of symmetry, linearity and discordance, detected by Shenkar (Nebus and Chai, 2014).

2.5.3 The illusion of symmetry

Hofstede’s answer to cultural comparison is the computation of a number, a definite measure of the distance between country A and country B. This is symmetrical by definition, as it can be computed from the former point to the latter, and vice versa. In practical terms, this means that, taking Italy and China as examples, an Italian firm would face the same cultural distance investing in China as a Chinese firm investing in Italy (Shenkar, 2012). There is no reason for this assumption to hold, in light of what has been analyzed concerning cultural friction and psychic distance. At first instance, organization and industry environment impact on the cultural gap to be handled; hence, facing a given country becomes a different story for each organization.

At second instance, human beings and their limited rationality act on the process: individuals are, in the end, the medium by which organizations operate. Managers decide and behave – they should, at least – on behalf and for the sake of the company. Their “awareness, perception and understanding” (Nebus and Chai, 2014, p.1) will do their part in their decision-making process for internationalization issues. Indeed, “psychic” etymology gets back to the ancient Greek *psykhé*, meaning mind or soul. Cognitive processes thus interact with national factors and shape asymmetric distance perception. Psychic distance resides in individuals’ mind: it will be the result of personal attitudes, experience, cognitive limitations and perception biases.

Some elements will hence work in favor of cultural diversity, reducing the gap; other may, instead, intensify it. On one side, a relevant component is international experience, which can be a “distance-bridging factor” (Child et al, 2002, in Horner, 2016, p.21). This is able to decrease psychic distance for those countries, which were theater of cross-border work assignment, since their culture and language have become more familiar. On the other side, further estrangement between two cultures may be explained through the similarity-attraction paradigm. According to this theory, people are more prone to engage in action paths and situations which are more similar to their acquaintance of reality: dealing with something way

dissimilar from the self is likely to lead to resistance and unwillingness to collaborate. Taken to an extreme, this can generate in-group vs. out-group perspectives, in which foreignness is often perceived with extreme negative connotation, escalating to discrimination (Horner, 2016). This means that some people would learn about and adapt to different cultures more quickly and effectively compared to others. This capability is called cultural intelligence or cultural competence (CQ). Introduced by Early in the book “Leading with Cultural Intelligence” (2002), the concept has been studied in the field of Marketing, Human Resource Management, Strategy, Psychology, Sociology. To simplify, CQ comprises three components (Thomas et al, 2015):

- Cultural knowledge, which is information about the foreign culture and of its specific impact on individuals and circumstances;
- Cultural skills, that is the ability to learn from social interaction and conform behavior accordingly;
- Cultural meta-cognition, which is consciousness of one’s understanding and learning about foreign cultures, and the mastery to regulate them in pursuing objectives.

Across decades, scholars have investigated CQ from multiple perspectives: some tried to define a standard tool to measure it (Thomas et al, 2015); some wondered about effects on dimensions like communication effectiveness and workers’ job satisfaction (Bücker et al, 2014); some others (Bartel-Radic, 2017) worked on defining the nature of the concept, analyzing whether it is more experience- or personality – related. Ascertaining the minor influence of personality traits versus the major role of learning and experience makes it possible to point up the crucial role of HRM. Proper formation and training are to be given great attention in preparation for an internationalization path. Cultural sensibility and understanding are paramount for managers deciding upon cross-border operations nowadays.

2.5.4 The illusion of linearity

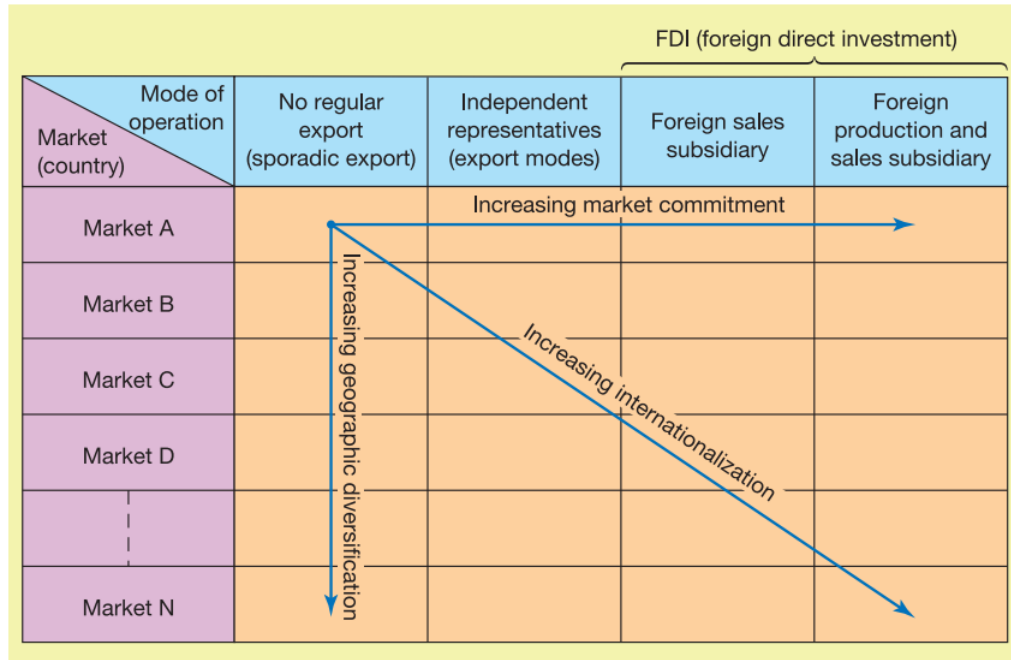
According to the traditional approach, culture would have a linear impact on:

- Investment: the greater the cultural distance, the further the point in time at which the foreign investment will be undertaken;
- Entry mode: the degree of control entering the host country is negatively correlated to the cultural distance from the home country;
- Performance: higher cultural distance would be related to worse performance.

Researchers have claimed the assumption of linearity from different perspectives. Among these, the Scandinavian school could be quoted as example. Previously mentioned in this work to introduce psychic distance, it suits here to integrate and complete the related theoretical

background and present the Uppsala internationalization model as good and solid argument against the illusion of linearity.

Figure 2.8 Internationalization of the firm according to the Uppsala model.



[Source: adapted from Forsgren and Johanson, 1975]

According to this framework, the internationalization sequence is dictated by psychic proximity, other than cultural distance (see *supra*), and market commitment. This means that companies will first approach psychic nearby markets; as they gain knowledge and familiarity, they will lead expansion into more distant markets (Figure 2.8).

“Market knowledge” has to be intended as both general knowledge, transferable from one market to another, and specific knowledge, employable to strengthen control in that specific market and walk additional steps in terms of “mode of operation”. This means that accumulating market knowledge leads to increasing market commitment, which in turn leads to experientially acquire more knowledge about foreign markets. Advancing in the internationalization process calls for incremental combination of both variables.

So, not only is the evaluation metric different, in order to define what is “near” and what is “distant”; but also, time lag between expansion phases from one country to another will depend on:

- the learning curves about the foreign markets entered, and

- the amount of resources to be dedicated, which are also contingent to the specific risk related to that market.

This makes such that foreign markets are faced in non-linear fashion.

The unpredictability of the process configuration is enhanced by the possibility of “skipping steps”, a path made walkable after the model revision through the business-network view (2009).

As the firm is incorporated in a network of relationships with its stakeholders, knowledge may not necessarily derive by direct experience in a foreign market, but it could instead be acquired by mean of these links, which, similarly to neuronal synapses, allow fast communication transfer from cell to cell. Knowledge embedded in the network is approachable by everyone belonging to it.

The firm can hence have access to partners’ resources, capabilities and information, related also to foreign markets, which the firm could have not be knowledgeable of before. This allows to anticipate stages, and access distant countries without following a linear path for both investment and entry mode. Then, internationalization process would entail a liability which does not reside in country “foreignness”, but in network “outsidership”, i.e. exclusion from the network (Johanson, Vahle, 2009, *passim*).

For what concerns the negative correlation between cultural distance and performance, the issue finds better ground for discussion with regard to the illusion of discordance, explained in the following paragraph.

2.5.5 The illusion of discordance

Hofstede cultural distance construct recalls the negative connotation of cross- cultural comparison. In fact, the inter-country analysis aims at identifying differences, rather than similarities, because they represent something unfamiliar, unknown. The cultural gap is hence intended as a “lack of fit” (Shenkar, 2012, p.5) between two countries. Nonetheless, there could be discrepancies which are not critical for the end of a certain transaction; in addition, “differences” do not necessarily equal to “obstacles”, since they may be complementary and “have a positive synergetic effect on investment and performance” (*ibidem*)

Advocates supporting Positive Organizational Scholarship stress how cultural differences can represent an asset, rather than a liability, for international business. Most researchers only concentrate on the “dark side” of cultural gap, overlooking its potential for increased creativity, problem-solving capability, knowledge transfer.

Stahl and Tung (2015) went through 244 articles studying cultural difference variables as a potential cause or independent variable, as relationship moderator or a control in a 24- year-

time period and found out a crushing prevalence of negative assumption compared to neutral or positive.

Hence, the hypothesis of foreignness as a valuable resource has not been given so much attention by researchers. One of these few studies, as an example, regards supply chain management area, where findings supported cultural complementarity as driver for better performance. Cadden et al. (2013) demonstrated how cultural opposites “attract”, showing how culturally- incongruent supply chain partners outperformed culturally- congruent ones.

In another research, in the field of international alliances, Pesch et al. (2016) proved how perceived cultural distance stimulates task discourse, which triggers, in turn, product innovativeness and speed to market. Perceiving the cultural gap in-between, partners are motivated to fruitfully discuss the tasks to be performed, “putting themselves in the shoes of” the counterpart. Resources, skills and knowledge are put on the table to spot both lacks and potential synergies.

It should be questioned whether in effect disadvantages related to cultural difference outweigh benefits, or whether the preponderance of negative is just product of bias. To date, there is way to demonstrate how cultural diversity represents a “double-edge sword” in different areas of international studies, as there is growing evidence of its positive effects.

Stahl and Tung model the double-sided nature of culture diversity relating to the concept of exploitation and exploration. While exploitation has to do with existing resources, competencies and processes, exploration entails discovery and experimentation of new ones.

Cultural diversity is deemed to have a negative effect on exploitation, and a positive effect on exploration: in other words, diversity of perspectives, values, approaches favors idea generation and innovativeness, easing problem solving and seizing of opportunities. The creative power of diversity, however, clashes against well- and long-established routines, previous *modus operandi* and existing knowledge. Cultural diversity would hence favor exploration and potential for learning; however, once reached a certain limit, the potential for synergy and innovation decreases, as there is no more room for processing and absorbing new knowledge.

The organization is hence left out with the bitter aftertaste of cultural diversity, made of uncertainty and difficulties. So, it looks like researchers would warn about the side effects of cultural differences, which inevitably realize like a self-fulfilling prophecy, despite the potential initial benefits and positive outcomes.

This is the reason why it is necessary to draw the attention on the advantages of cultural diversity with more emphasis, striving for a more balanced treatment of culture.

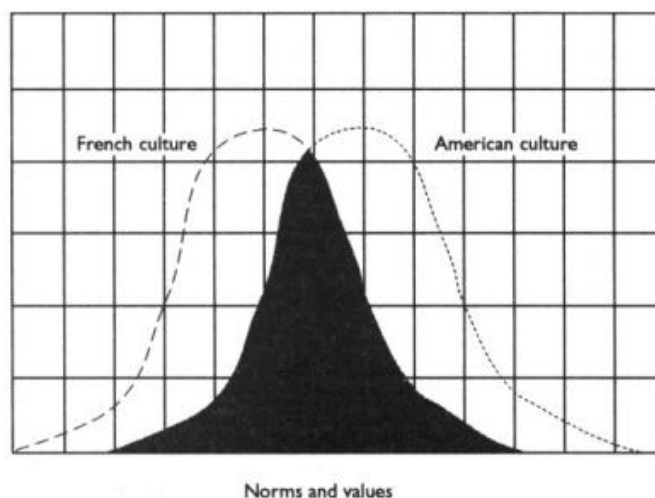
2.5.6 The assumption of spatial homogeneity

Hofstede data, though collected within an organization and meant to serve organizational decision making, led to results that were extended at the national aggregate level. What the IBM sample revealed, was deemed valid for all individuals belonging to the countries object of research. In other words, what Italian IBM employees showed as cultural traits was extensively attributed to all his fellow countrymen.

This led researchers to walk the path the other way around and “operationalize [Hofstede] five cultural factors at an individual level” (Sharma, 2010, p.787) This mistake is called, “ecological fallacy” and it entails a misuse of national cultural dimensions. It is “the fallacious inference that the characteristics (concepts and/or metrics) of an aggregate historically called “ecological”) level also describe those at a lower hierarchical level or levels.” (Selvin in McSweeney, 2013, p.484) In practical terms, this would mean, for example, that as United States is a highly individualistic country, then all American people are so.

The fallacy resides in the concept of intra-country variation, i.e. “the population distribution of a characteristic within a culture” (Au, 1997, p.744). As Hofstede identifies national cultural patterns through the averaged characteristics of members, it bypasses the fact that “members of the group can be more or less typical, and that variation exists within a culture” (Fiske and Taylor, 1991 in Au, 1997, p.745). Ignoring this variation is “a necessary evil” for cross-cultural analysis. (Au, 1997, p.745). According to Trompenaars, cultures can be depicted as normal distributions (Figure 2.9): Hofstede approach considers the average, the central distribution, of each culture and computes the distance among them.

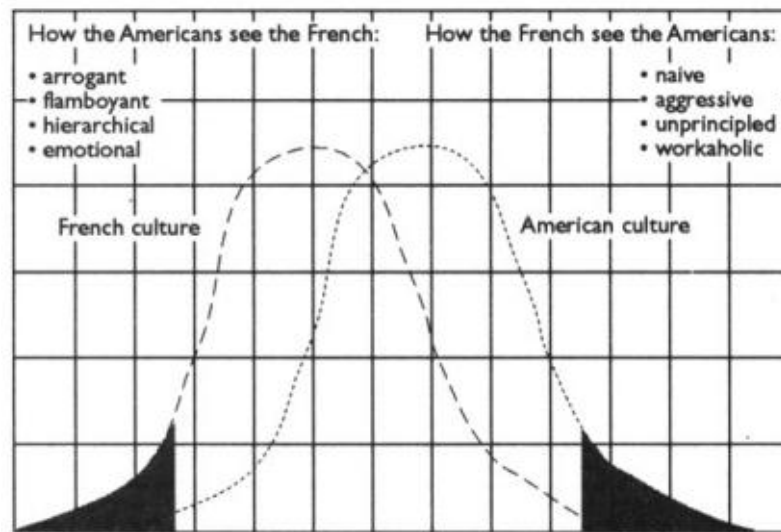
Figure 2.9 Culture as a normal distribution



[Source: Trompenaars, 1998. *Riding the Waves of Culture*. Understanding Cultural Diversity in Business]

However, it can happen that the two populations overlap in a certain area, and that is where culture A and culture B show similarities; moreover, the distribution tails at the extremes are those that present most of differences when compared, and they are source for stereotypes of one culture towards the other (Figure 2.10). The degree to which the two distributions overlap and the extent to which they show extremely distant cultural traits depends on both the position and the variance of the curves.

Figure 2.10: Cultures and stereotyping



[Source: Trompenaars, 1998. Riding the Waves of Culture. Understanding Cultural Diversity in Business]

This represents fertile ground not to consider the distribution variance as a mere nuisance: it is a phenomenon worth investigating through empirical research. If really the within-country variance is negligible, as Hofstede hypothesized in dealing with national subcultures, it should be accepted that any lower level aggregation, be it ethnicity, organization or family, resembles to the national culture. This would mean that the intra-national variation is minimum, confirming the country as most complete and independent unit of analysis. Contrariwise, if subcultures emerge as sharply distinct from their higher-level container, meaning the intra-country variation is statistically relevant, then it becomes reasonable, or rather necessary, to take sub-groups of the population as object of research.

To help resolve the dilemma, Kirkman et al. conducted a landmark study in 2006, reviewing empirical research about Hofstede cultural framework from its conception till then. The “quarter century of *Culture’s Consequences*” included 180 studies published in 40 business and psychology journal and two international annual volumes” (Kirkman et al, 2006, p.285): the aim was “to consolidate what [was] empirically verifiable” (*ibidem*) about the framework and

pinpoint limitations and hints for future research. One of the authors' recommendations arising from the study suggested not to equate country with culture and test significance of within-country variation. As highlighted in their latest review of Hofstede-related studies, going back over 35 years of research, culture exists among many different social groups, including regions, generations, and socio-economic groups.

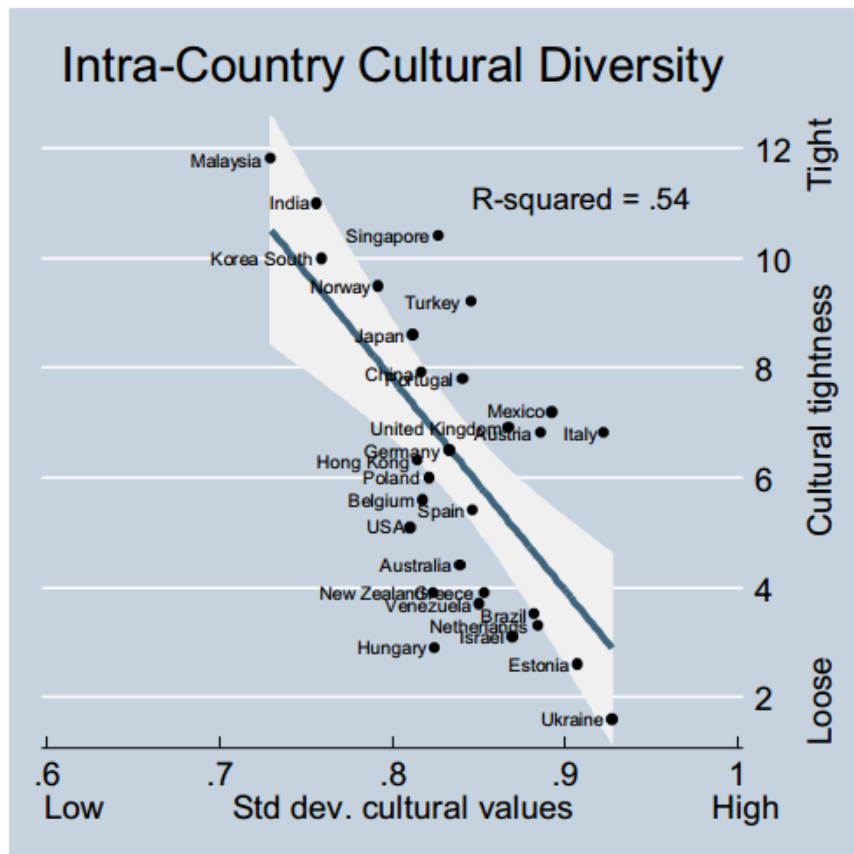
The authors claim that most of the cultural variation resides within-country and not between them, the former counting for more than 80%. This is result of a 558 studies meta-analysis, run in the same year, aimed at solving the "country-culture conundrum" (Taras et al., 2016).

The review was performed on studies that operationalized Hofstede framework and its variations, searching for criteria other than geography suitable to define cultural boundaries. The most diverse variables were considered to find out which are the most significant. Overall individual data are recorded indicating: year, country, gender, age, generation, education, occupation, socio-economic status (SES), civil and political freedom, economic freedom, GDP/capita at PPP, human development index (HDI), globalization index (GI), long-term unemployment, urbanization, income inequality, corruption, crime rate, employment in agriculture. Statistical analysis presented country as a "poor proxy for culture" (ivi, p.455). Except for HDI and urbanization rate, all criteria better described cultural differences in comparison to national borders.

The degree of cultural deviance will vary country by country. This is thought to be influenced by the degree of tolerance for deviant behavior within a society, i.e. cultural "tightness or looseness" (Gelfand et al, 2011).

Tight cultures are characterized by strong enforcement of social norms, while loose cultures are more flexible and allow greater individual discretion, giving rise to diversity and heterogeneity. A strong correlation can be seen when cross-referencing individual-level data about Schwartz values (see *supra*) and Gelfand et al.'s study on tight-loose cultures (Beugelsdijk et al., 2017). The more a culture is "tight", the less variance is recorded in terms of cultural values; the more a culture is "loose", the more deviance is admitted (Figure 2.11).

Figure 2.11: Relationship between standard deviation in country culture and cultural tightness



[Source: Beugelsdijk et al., 2017. An overview of Hofstede inspired country-level culture research in international business since 2006]

Hence, there is good enough reason to take within-country heterogeneity into account. Country-level culture should not be completely disregarded, but it should be found a way to integrate it with intra-country variation.

As last issue relating to the cultural space, supra-national clusters shall be mentioned as supposed alternative “container” for culture. Shenkar himself gathers world countries according to sharp cultural similarities first in 1985, then in 2013 through review and update of the model. So does the GLOBE research, coming up with analogue results in 2004. Few cluster are called differently (East – Asia vs Confucian Asia; Arab vs. Mid-East; South Asia vs. Far East), but the country division mostly overlaps for all groups in the researches mentioned.

Countries of the same cluster show similarities in virtue of ties dictated by “proximity, trade, conquest or religion” (Peterson and Barreto, 2015 in Beugelsdijk, 2017, p.36). Hence, within every cluster, each nation would consider the in-group components almost comparable to “home”, “domestic” space.

The presence of both intra-country variation and supra-national cluster makes it difficult to draw cultural boundaries and identify cultural containers on the base of spatiality. The necessity to consider both generates confusion and ambiguity in attributing cultural traits to individuals. Site could be misleading. This remarks the need to go beyond geography looking for cultural boundaries, and find proper and significant categorization for cultural patterns.

2.5.7 The assumption of equivalence

Ascertaining the fallacy of spatial homogeneity inevitably renders KS' index inappropriate. Not only is it a matter of how the index is formulated, but it also regards its whole obsolescence. In other words, Shenkar initially pointed the finger of blame at the assumption of equivalence, only; he argued that not all cultural dimensions should be assigned equal weight, as some cultural discrepancies are more problematic than others. However, adjustments through weight differentiation in the formula are not sufficient, as the result would remain a mean-based culture distance. This index, conceived as such, is inapt at capturing variance in cultural patterns characterizing a collectivity.

Hence, signaling the assumption of equivalence as erroneous does not exhaustively explain the whole inappropriateness of KS' index. To root out the problem, there should be a transition from mean-based to variance-based measures.

Drawing from this principle, Beugelsdijk et al. (2015) propose an index based on the comparison of people in country A (e.g. USA) who share with country B (China) the same opinion about the importance of a certain quality. For the sake of clarity, the author's example about the quality "Thrift" will be reported. As data show, the number of respondents attributing importance to this value is just one third of the total in USA, versus nearly two thirds in China. Despite the great numerical gap, still these two "country sub-groups" are such that the cultural distance between them is zero, as they share the same belief about the relevance of that specific value. Therefore, the distance will compute the "fraction of US respondents that can be matched to a Chinese counterpart who mention the same quality. More generally, the proximity between two countries is given by the minimum percentage that the two countries have in common on each quality" (Beugelsdijk et al., 2015, p.173). This score is then multiplied by the fraction of the world population mentioning that quality. Results are then summed up: the more the qualities, the more the addends in the summation (ten, in this case). The outcome is subtracted from 1, to obtain a distance measure (Figure 2.12).

Figure 2.12 A variance-based measure of cultural distance

$$CD_{USChina} = 1 - \sum_{q=1}^{10} \{ \min(Q_{qUS}, Q_{qChina}) * Q_{qWorld} \},$$

[Source: Beugelsdijk et al., 2015. Cultural distance in international business and management: from mean-based to variance-based measures]

The authors find empirical support that this index better captures the cultural heterogeneity characterizing countries; they even call for further research by scholars about the topic to come up with more advanced variance-based measures. One major problem remains availability of individual-level data. This is an issue as both Hofstede and the GLOBE project provide aggregate-level ones; the World Value Survey (WVS), instead, makes them publicly and freely accessible. This database, widely used in economics and psychology, has not “found [its] way to international management yet” (*ivi*, p.180). However, it has the potential to serve cross-cultural studies at a growing pace in the future, if researchers begin to recognize the necessity to focus on individuals, in order to appreciate the heterogeneity and variability within populations.

2.5.8 The assumption of corporate homogeneity

As mentioned above, according to Hofstede, organizations are within-country subcultures, and, as such, their cultural independence is not sufficiently marked to consider them as separate peculiar unit of analysis. This means that companies’ cultures are supposed to roughly share the same traits of the country culture.

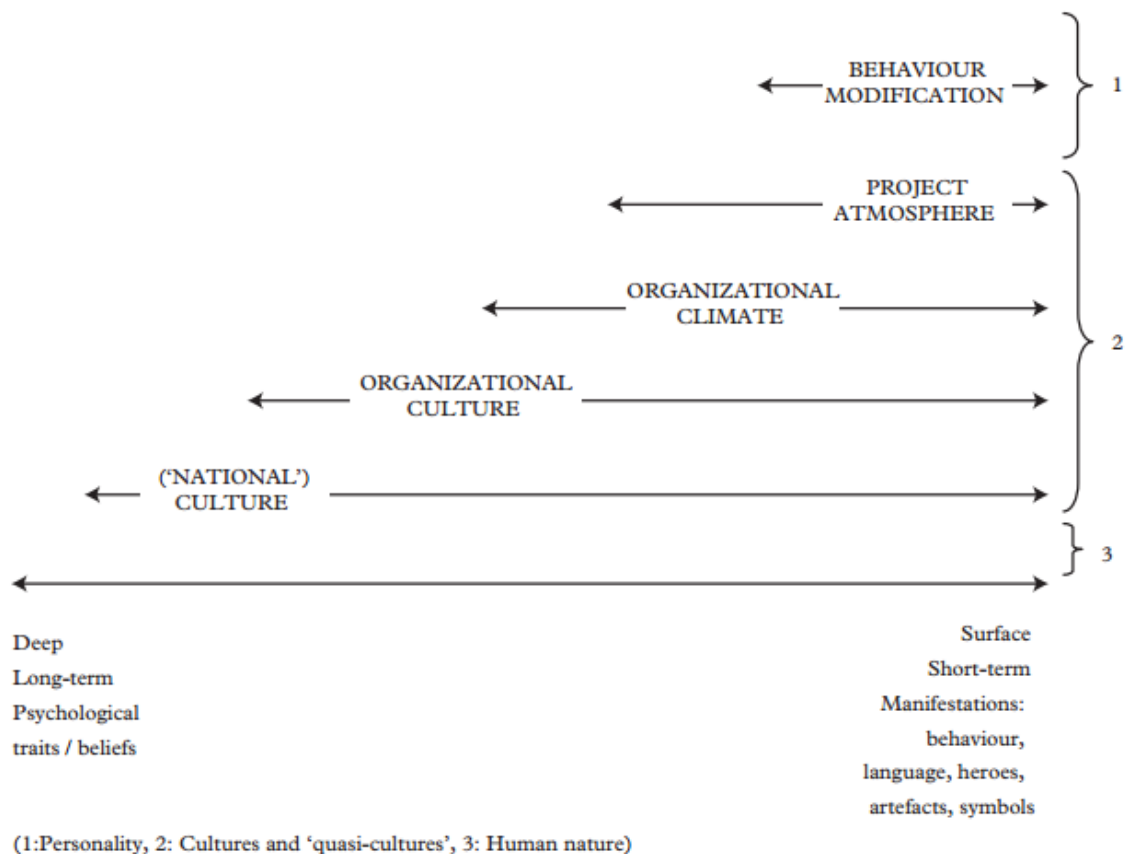
In the end, Hofstede challenges the very existence of real “values” within organizations. According to him, culture, intended as national, becomes part of the individual from the day he was born, and is inherited and learned unconsciously during the initial stages of his life. When becoming young adults, people encounter “cultures” at the organization level: these are ensemble of common values, rules and norms that are transmitted and acquired in a more conscious way. With this statement, the author recognizes the presence of sets of “values”, outside the national ones, which are “more explicit, less profound and more changeable”, but treats them tantamount to “practices”. People hence adapt their behavior when acting in the organizational context, but their mindset and beliefs stay untouched and stable.

This holds for domestic and multinational companies, as well: Hofstede (2002, in Fellows, 2013, p.404) stresses the fact that “What holds a successful multinational together are shared practices, not, as the <corporate culture> hype of the early 1980s wanted it, <shared values>”.

The malleability and variability of the organizational value system and the confined nature of its domain call for behavior which could deviate from what national culture would demand. However, this takes the form of temporary, ad hoc adjustments in the *modus operandi*, for the sake of organizational performance.

The poor and weak consistency of organization culture is questioned by Fellows through the Spectrum Model of Culture in 2006. The framework clearly shows how “culture” shapes at different levels: each level is sensitive to change differently in terms of time horizon, or, put another way, it crystallizes values to different degrees. The levels are: behavioral modification, project atmosphere, organizational climate, organizational culture and national culture. Similarly to Hofstede pyramid of mental programming, three macro layers are identified: the first layer contains personality, the second includes cultures and “quasi-cultures”, whose internal boundaries are fuzzy, and the third represents human nature (Figure 2.13).

Figure 2.13 Spectrum model of culture



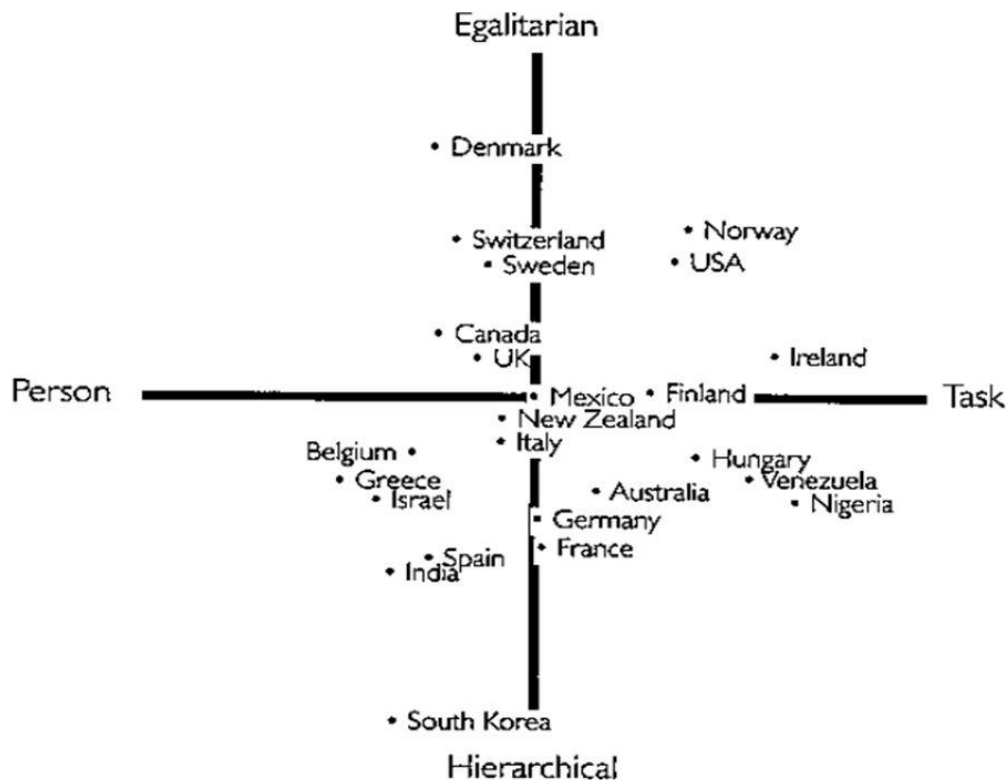
[Source: Fellows, 2013. Use and Misuse of the Concept of Culture]

Organizational culture clearly shows a strong autonomy and identity: it is indeed less strong and less deep than national culture, but slightly; as it still shows a prominent slanting on the left-hand side (Fellows, 2013). Hence, it would short-sighted not to consider organizational culture as a set of actual “values”, rather than mere “practices”.

Once the strength of culture is ascertained, it should be questioned whether really organizations within a given country roughly present and mirror the national values, or if companies could establish in their domestic country with different, if not opposing, values.

The subject is hint for discussion for Trompenaars’ research in the field of organizational culture. The author conceives a model with four ideal-types of corporate culture, deriving from variation of two dichotomous dimensions: equality vs hierarchy and orientation to person vs. orientation to the task. Each type of organizational culture significantly varies from the others in terms of values, practices, management of problems and opportunities.

Figure 2.14 National Patterns of corporate culture



[Source: Trompenaars, 1998. Riding the Waves of Culture. Understanding Cultural Diversity in Business]

According to the Trompenaars (1977, p.177), “in different national cultures one or more of these types clearly dominate the corporate scene.” This is based on the idea that since people in a given country think and behave in some common way, they will think and behave likewise, once they are gathered in a company belonging to the same country.

Drawing from the study results, countries were placed in the graph according to their proximity to the four cultural ideal-types (Figure 2.14).

It would be licit to claim if this view could hold in the present world scenario where multinational companies (MNC) proliferate. The MNC need for shared organizational culture among its subsidiaries comes to blows with the idea of organizations as reflections of the national culture they are set in.

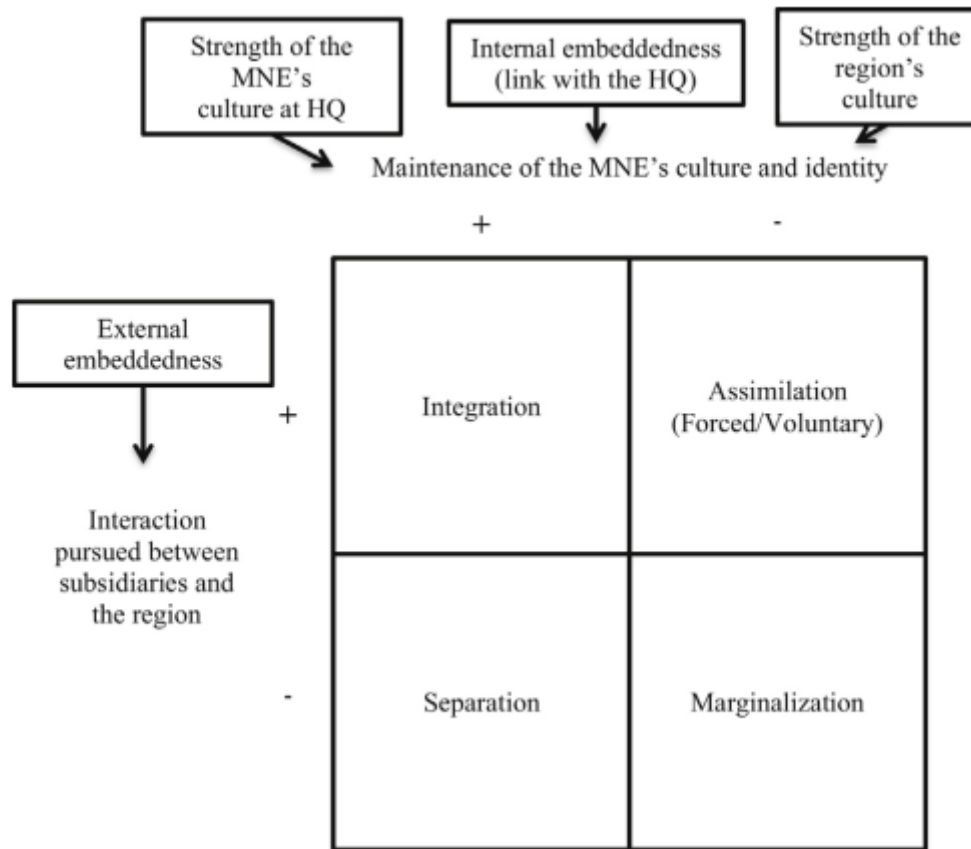
The convergence-divergence theory comes here to the aid of solving the issue. What Ralston defines as business ideology influences, make such that organizations set apart from their country socio-cultural roots and embrace global best practices, successful managerial approaches and peculiar values or mindset. Globalization makes it rather impossible to assume companies' culture to be in line with their country of origin (see *supra*).

Diversity intensifies even more when considering international business operations, such as settling down a subsidiary. As demonstrated in Fellows' model, organizational and national culture are almost "equal in force"; so, the prevailing of one over the other is not trivial and would likely vary case by case.

Related to this issue, Sasaki and Yoshikawa (2014) developed a theoretical framework to analyze cultural interaction between organizations and intra-national regions. With this purpose, the authors split the relationship in two fundamental parts; they investigate on one side, how the HQ relates with a given subsidiary and, on the other side, how, in turn, the subsidiary relates to the host region.

The two relationships are studied through the concepts of, respectively, internal and external embeddedness. The former represents the maintenance of the MNE's culture and identity; the latter denotes the interaction pursued between subsidiaries and the region. According to the strength of both relations, the cultural identity characterizing the subsidiary will be different. There are four possible combinations (Figure 2.15).

Figure 2.15 A theoretical framework to analyze cultural interactions between organizations and intra-national regions



[Source: Sasaki et al, 2013. Going beyond national cultures – dynamic interaction between intra- national, regional, and organizational realities]

- Integration: when both internal and external embeddedness are high, the subsidiary will maintain its culture and identity and adapt to the regional environment. At the same time. The result is a new combination of values, other than the parent and the host culture;
- Marginalization: when both relationships are weak, the MNC subsidiary neither does not maintain the HQ identity nor it adapt to the host region;
- Separation: when internal embeddedness is high, while external is low, the subsidiary maintains the parent organizational culture;
- Assimilation: when external embeddedness is high, while internal is low, the subsidiary adapts to the local culture.

Among these scenarios, integration has positive implications because the subsidiary can rely on strong culture, and at the same time it reduces the liability of foreignness. Though potentially

valuable, integration requires time and effort both at the organizational and individual level: new norms and values are to be developed and transmitted.

It is clear how the relationship between organizational and regional culture is source of always new and unique combinations of values for the company. This makes it impossible to infer companies culture exclusively from the region it is set in. To summarize, not only political, economic and technological drivers play an important role in defining organizational values, but also, the relative strength of corporate culture *vis-à-vis* the host socio-cultural influences can lead to further change and re-interpretation, especially in an internationalization process.

2.6 Conclusions

To sum up, it is clear how the approach to culture has changed from the early 80s to date. Retracing the main steps across cultural research since then, it was possible to have a wide overview of the evolution of this field of studies. In particular, this allowed to highlight advances, point out limitations and problems, and show how these turn out to be justified, in the face of theoretical and empirical support.

We are now left out with an open question: in light of the groundless constraints on which the traditional approach relies, are there new suggestions to draw cultural boundaries in a more appropriate way? The next chapter will present how scholars came forward to solve the problem.

3.CHAPTER THREE

LOOKING FOR NEW CULTURAL BOUNDARIES

3.1 Introduction

The evolution of cultural studies across decades led many scholars to challenge the traditional approach to culture from a theoretical perspective. Some scholars moved one step forward and ran empirical research to disprove Hofstede approach showing evidence of new and better containers of culture.

Researchers built on the assumption of national heterogeneity and investigated ICV and sub-cultures within nations. This chapter will show the main studies related to this topic, from the beginning till the latest findings in 2015, explaining the theory of Cultural Archetypes.

It will be clarified why this model represents the most suitable method to capture cultural heterogeneity within nations; the discussion will go through the major applications of this concept in the literature in order to select the best method to run the analysis in this work.

3.2 Exogenous cultural delineation: Geography and Demography

Since the 1990s, scholars started studying heterogeneity within countries. In 1997 Au showed theoretical evidence for the need of taking ICV variation into account (see *supra*) and hoped his paper “[would] act as a springboard to stimulate research” (Au, 1997, p.753) on the topic. As a matter of fact, his study was forerunner to a stream of research in the cultural studies which aimed at investigating the most suitable criteria to define intra-national sub-cultures.

Showing evidence of commonality of values within subcultures was necessary, but not sufficient in proving the relevance of ICV: the litmus test entailed demonstrating that the higher variance is within countries, and not across them. This would drop Hofstede assumption according to which nations are the most independent and complete units of analysis. Showing low interdependence and minimum commonality of traits among country sub-groups would prove that these shall not be overlooked and that they are worth to be investigated in isolation. Studies about ICV led to different results in finding the most suitable criterium to define cultural boundaries within countries.

3.2.1 Geography

Several studies were run in fast-growing markets, as they were supposed to show a sharp cultural differentiation due to the considerable gaps created by globalization in terms of

urbanization, wealth distribution, technology diffusion, and so on. The countries chosen were, hence, China, Brazil, India, covering almost exhaustively the BRIC category. This approach allowed to easily hypothesize cultural boundaries basing on a geographical division. Where globalization had managed to successfully implant Capitalism and Western life style and standards, in those regions, it would be possible to notice peculiar cultural traits.

This is particularly evident in China, where ICV can be demonstrated simply dividing the country into China Mainland, Taiwan and Hong Kong, which sharply differ one another in terms of mentality. A few years before Au's work on ICV, Ralston (1993) had analyzed the country through this perspective, in search of insight about cultural divergence and convergence: he demonstrated how HK recorded cultural traits in-between Chinese values and US mindset (see *supra*). In 1991, Huo & Randall investigated differences in values among four Chinese populated regions, and so did Cheung and Chow in 1999, testing managerial values along Hofstede dimensions in the different regions.

In 2015, Gamble and Tian fine-tuned the geographical division, choosing localities to “represent two economically distinctly different parts of China” (Gamble and Tian, 2015, p.954). This added complexity, as division was more fragmented, and the sample included Mainland China, only. So, the scope was restricted. Mainland China had always been straightforwardly associated to a specific mental schema, made of traditional customs and rites, collectivist society, respect for ancestors and hierarchy, and so on. Thus, demonstrating the opposite could seem ambitious, but it proved to be true. The authors collected data “from economically more developed regions (Shanghai, Zhijiang, and Fujian) and less developed regions (Hunan, Anhui and Sichuan)” (*ibidem*) and found how the former category presented higher individualism and lower organizational commitment in comparison to the latter category.

Brazil was taken as target by Lenartowicz and Roth “because prior research in anthropology and sociology provide[d] particularly strong evidence of the existence of distinct subcultures within the country” (2001, p.309), namely: *Mineiros*, from the Minas Gerais state, *Cariocas* from the Greater Rio de Janeiro, *Paulistas* from the Sao Paulo state, and *Gauchos* from the Rio Grande do Sul state. These sub-cultures are hence connected to a specific geographical area. The study analyzed information about Brazilian kiosks owners, located in all four different regions: the aim was to investigate whether the sample showed differences in motivation and performance, and whether these differences could be attributed to the ethnical origin. Demonstrating different motivational drivers would mean showing evidence of Brazilian ICV,

as different motivational domains imply different value systems, i.e. different cultural traits. Results confirmed the hypothesis.

These findings were hint for further research in Brazil in 2012: the study was taken as starting point to draw conclusions about diversity in initiation behavior in Brazilian negotiation (Volkema, 2012).

Lenartowicz himself decided to explore ICV even more, and concentrated his efforts on the topic. In 2003 he conducted a study with Johnson and White about the existence of subcultures in six locations of Latin America, encompassing Brazil, Colombia, Uruguay, Venezuela.

The same author ran a research in India (2015): as the country “continues to emerge as a global economic player, scholars and practitioners increasingly need to understand the cultural heterogeneity within this large and populous nation” (Lenartowicz, 2015, p.443). Hence, Lenartowicz, together with Dheer and Peterson (2015), identifies nine distinct sub-cultures on the basis of functional variables -climate, land type, and topography-, and institutional variables - political institutions, religious groups and modernizing forces of technology and education. The influence of both factors led to the creation of subcultures, which can be precisely identified and delimited in geographical regions.

Fast-growing markets were not the only countries to be analyzed to demonstrate ICV. Sticking to geography as differentiation criterium, studies about sub-cultures are found to be conducted also in countries, other than BRIC ones. In 2004, Dolan et al. ran an “exploratory study of within-country differences in work and life values” (Dolan, 2004), discovering discrepancies between the North-East and South-West of Spain. In the same year, Kashima et al. investigated intra-country variation in Australia and Japan, according to location in metropolitan area or regional cities. In 2008, García-Cabrera and García-Soto recognize the presence of sub-cultures in the Republic of Cape Verde: this has been triggered by the island conformation of the country, which concretized into a patchwork cultural configuration.

3.2.2 Demography

Another approach to define sub-cultures attains demographic characteristics. Overlooking gender studies, research criteria ranged over several dimensions, *inter alia*, generational groups, wealth and socio-economic status, education and occupation. This *modus operandi* transcends geographical location, and looks at the sample through micro, and not macro, lenses. Focus is strictly on individuals and their features. Hence, groups emerging from this analysis cannot be spatially visualized on the country map. This represents a step forward to gain a more and more precise cultural partition.

In 1997, Freeman tried to investigate individualism and collectivism in Sri Lanka. These two dimensions are referred to with the label of idiocentrism and allocentrism, as they concern within-country analysis. The findings proved a strong negative correlation between socio-economic status and allocentrism; other dimensions, which proved to play a role in determining cultural traits, were “English language fluency, overseas experience, age, occupational status, and educational level” (Freeman, 1997, p.321).

Occupational and socio-economic status proved to be reliable determinants for cultural patterns also in the comprehensive meta-analysis of cross-cultural studies performed by Taras, Steel and Kirkman in 2016 (see *infra*). Statistical data test of within-country and cross-country variance of more than 500 articles revealed the superiority of sub-national categorization for explaining cultural differences, compared to national boundaries. According to the authors, “it may be more appropriate to talk about cultures of professions, socio-economic classes, and free versus oppresses societies, than about cultures of countries” (Taras et al., 2016, p.455).

Some scholars also noticed how individuals, belonging to the same generation or life stage, present commonality of values. This is the case of Matsumoto, Kudoh and Takeuchi (1996), who analyze “changing patterns of individualism and collectivism in the United States and Japan”. The authors challenge the view according to which US would be a purely individualist country (scoring 91 on Hofstede framework), and the belief whereby Japan would be instead strongly collectivist (scoring 46 on Hofstede framework).

They empirically demonstrate ICV, showing contamination in each country of the cultural ideal-type associated to the counterpart. As second step, they compared the sample comprising working adults to that one including students, for the country of Japan, only. Values and behaviors were contextualized into four distinct social group, namely family, close friends, colleagues and strangers. The purpose was to depict individualism and collectivism, capturing nuances dictated by interaction with different reference groups.

Age proved to be discriminant, and showed discrepancies between the two cohorts. “Changing patterns of Japanese IC-related cultural values have their biggest impact in the context of family, with working adults being much more collectivistic. Changes in family affluence and the availability of resources in recent years make collectivistic values less necessary for family survival” (*ivi*, p.101). Wealth would hence play a role in the family scenario, making younger generations developing and cultivating an individualistic mentality.

Generations are hint for cultural analysis also in more recent times. In 2014, Cox et al. investigate culture in combination with leadership style. The sample, including US companies located in Vietnam, was divided into three generations. The purpose was to “examine the

different value orientations of age cohorts and their reception to different leadership styles” (*ivi*, p.1). Interviews involved both managers and employees, and led to outline representative traits of individuals belonging to each group. Values and behavior emerging from the description are summarized into one word to easily recall and convey the most typical characteristics of the group. The pre-1975-born generation is labelled with “Resilience”; the 1975-1986-born generation is associated to “Adaptability” and the post-1986-born generation is baptized “Arrival”.

The cultural gap between these age groups is given by the diversity of economic and political background they have experienced. This had consequences on each group’s mindset and value priorities. Older generations experienced a centrally controlled regime; so, they were brought up with “values of duty, respect, conformance, and loyalty” (*ivi*, p.16). Younger generations follow, instead, more western “principals of innovation, creativity, individualism, and career orientation” (*ibidem*). This heavily reflected on the attitude held by each group towards different leadership styles. The validity of generation subcultures is reaffirmed by their ability to easily capture cultural dynamics overtime: division of individuals experiencing different historical context can “provide an informative gauge of the progress of culture change within a country or society” (*ivi*, p.19).

3.3 Endogenous cultural delineation: Cultural Archetypes

The study of ICV through exogenous cultural delineation presents some limitations.

First some scholars analyzed cultural patterns along one dimension only, e.g. individualism vs collectivism. Regardless the cultural framework used, be it Hofstede, Schwartz or any other, the study should take all dimensions into account, to define sub-cultures in the more exhaustive and precise way possible.

Second, researchers usually examine one country at the time. This, however, limits any room to capture transnational similarities. If ICV finds evidence, it cannot be excluded that the identified subcultures could be recognized alike in another country. Along the lines of Shenkar and GLOBE’s studies about countries’ clusters, it would likely to detect similarities across nations. In this case, however, the basis for comparison would not be countries themselves, but their sub-sets, namely their sub-cultures.

Third, the method used to define the boundaries of cultural groups is defective in itself: “cultural groups are defined *a priori*” based on “external” criteria relating to geographical location or demographical attributes.

Some studies divide countrymen individuals into groups based on one dimension among residence location, ethnicity, generation and alike, often building on country historical analysis;

they then investigate values profile of individuals belonging to that group. If within-group variance is low, and intra-group variance is high, then the initial conjecture is proved reasonable, and that dimension is deemed appropriate in defining cultural boundaries.

Some other studies take samples of individuals, each one described in terms of age, wealth, education and alike, and they test the significance of each parameter in proving cultural differences, in search of the most appropriate factor for cultural differentiation.

The *modus operandi* is hence two-fold, but leads anyhow to the same result: at the end, one or more variables are demonstrated to be suitable in outlining sub-cultures within the country.

Although this approach proves concern for countries' cultural heterogeneity, focusing on individuals to find the most proper way to group similarities, it reveals itself arbitrary and constrained.

3.3.1 Introduction of Cultural Archetypes

The model of “cultural archetypes” establishes as resolvent in overcoming the weaknesses of an “exogenous cultural delineation”. With this construct, the need to shift the focus from the collective to the individual dimension finds its highest expression and best remedy. This approach gained a foothold in 2015, emerging as “an alternative, and potentially more precise, measure for culture” (Richter et al, 2016, p.64).

The strength of cultural archetypes lies in the outline of cultural patterns in an *endogenous*, rather than *exogenous*, way: the way of grouping people is not designed by the outside, but it emerges spontaneously, dictated by the inside, namely the real essence and nature of people.

Values turn out to be themselves criteria in outlining cultural patterns; value configurations become ultimate and fully comprehensive model for clustering individuals (Venaik and Midgley, 2015).

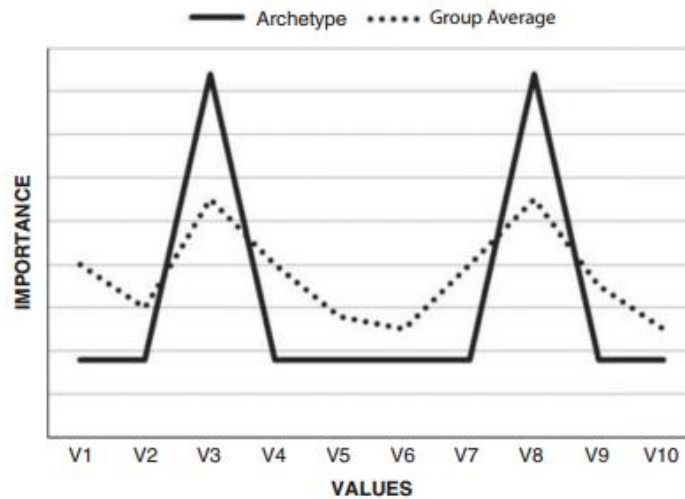
The concept of cultural archetype requires preliminary explanation of its terminology. The word archetype, derived from Greek language, is roughly translated as “original model”, but better explained as “perfect example” by modern dictionaries. Its introduction in philosophy is due to Plato.

In his theory of forms, he distinguished between “universals” and “particulars”: the former are ideal types of things, i.e. perfect images of what surrounds individuals; the latter are their concrete representations, i.e. their real “imperfect” materializations. Hence, the “particular forms”, that people see in the world they live in, are “flawed” manifestations, copies, of a pure form to which these manifestations are mentally associated by resemblance (Venaik and Midgley, 2015). The authors apply this idea to cultural studies, defining a cultural archetype as

“a configuration of the fundamental values shared by a group of people and represented by a hypothetical individual who perfectly embodies these values” (*ivi*, p. 1055).

This means that each individual belonging to that group will be characterized by a different degree of similarity to the cultural archetype. This holds for the group average, too (Figure 3.1).

Figure 3.1 A stylized illustration of an archetype compared with the group average



[Source: Venaik and Midgley, 2015. Mindscapes across landscapes: archetypes of transnational and subnational culture]

The difference is glaring when explained graphically. A list of ten values is given, and they are placed on the horizontal axis. Each of them is assigned a score, expressing the degree of importance attributed to that value. This allows to identify a cloud of points: the line linking those points represents a peculiar value system. For a group of individuals, archetype and average are represented: it immediately stands out how the former conveys a sharp and well-defined scale of values, while the latter blurs and flattens out the differences, clouding a clear understanding of the fundamental values of the group.

So, cultural archetype demonstrates its superiority in comparison to mean-based constructs, since they are able to capture clear-cut, precise configurations of values. What is more, cultural archetypes allow to pinpoint different configurations of values inside a population, grouping people into clusters, according to their resemblance to the “hypothetical individual” which is culturally closer to them. Hence, population heterogeneity is not overlooked, and becomes instead primary source of differentiation and cultural demarcation line.

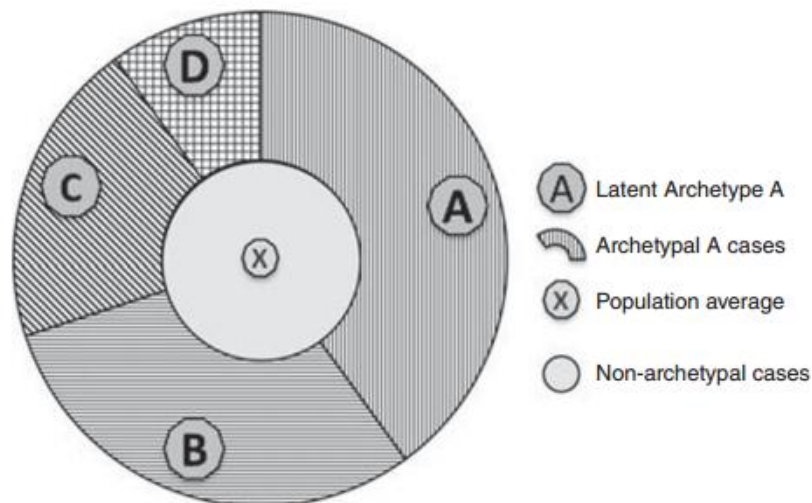
As a matter of fact, it is rather impossible that all countrymen in one nation would share the same exact value configuration: it is rather likely to identify multiple cultural archetypes, each

associated to a sub-group of that population. The logical process is as follows: if an individual value system resembles archetype A, that person is allocated to the related sub-group; if not, then its value system resembles a different value configuration, say archetype B.

The process is reiterated until each one resembling one archetypal configuration is assigned to the sub-group of reference. Those left out present a value system which cannot be ascribed to the archetypes previously identified: these individuals resemble the average configuration of that population, i.e. the “weighted composite of the values of *all* the subgroups within the population” (*ivi, p.1057*). They are referred to as “non -archetypal cases.”

Graphically, these clusters are depicted by means of a donut diagram (Figure 3.2).

Figure 3.2 Multiple archetypal and non-archetypal cases in a diverse population



[Source: Venaik and Midgley, 2015. *Mindscapes across landscapes: archetypes of transnational and subnational culture*]

The archetypal approach is fertile ground to study cultural evolution through time and space. First, individuals do have an active role in shaping culture, as they do not simply act as “vehicles”, transferring values from the older to the upcoming generation; they are instead “creators and manipulators of culture.” (Kroeber and Kluckhohn, 1952, in Venaik and Midgley, 2015, p.1058). Analyzing culture through cultural archetypes can easily shed light on its development and show evidence against its presumed stability overtime.

Second, such a partition into sub-groups within a population is able to highlight both intra-country diversity and cross-country similarity: archetypes are not country-specific, so chances are that archetype A is detected in country alfa, as well as in country beta.

3.3.2 Employment of Cultural Archetypes

After introducing the concept of cultural archetype, it will be presented how researchers applied it in their studies. Notwithstanding the use of archetypes as common thread, there are some inputs in the process that are at discretion of the authors, such as: the “values” or “dimensions” along which cultural groups should be compared; the sample chosen; the methodological tools used; the graphical representations given.

As hinted above, Venaik and Midgley (V&M hereafter) themselves explain archetypal configurations through “values”, and the importance attributed to them. They hence take Schwartz model as basis to identify sub-groups within a population, according to commonality of value systems among individuals. The reason behind this choice resides primarily in: its focus on individual-level values; its survey instrument, which proved to high construct equivalence across countries worldwide; the availability of data, publicly and freely accessible on the World Value Survey website. For what concerns the sample, the authors choose to operationalize the construct on four countries, in order to capture both sub-national differences and transnational similarities.

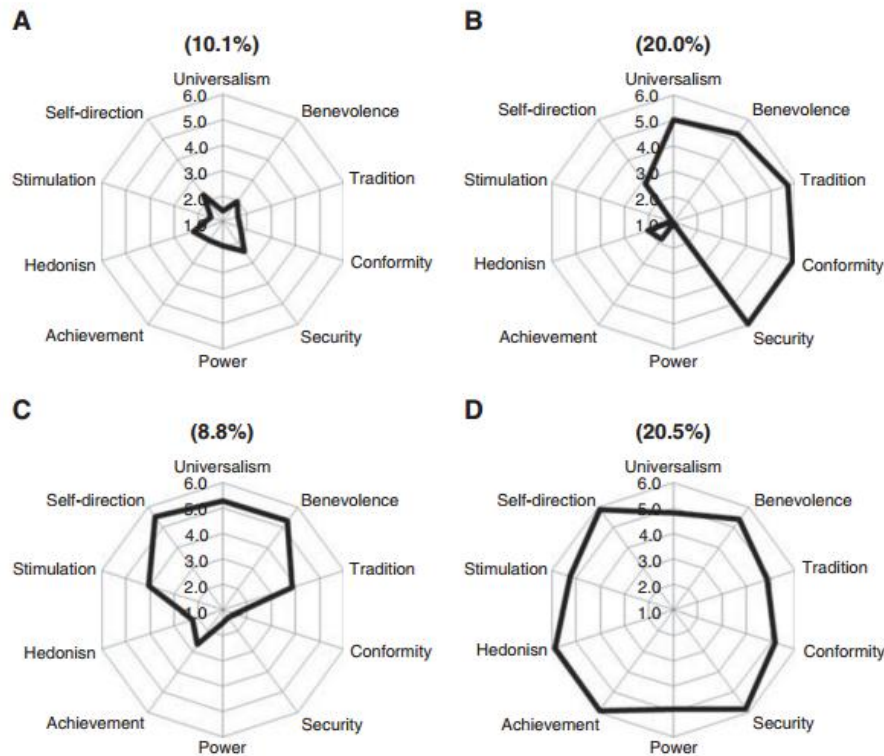
The authors selected WVS data (Wave 5) of Japan, USA, China and India. The reason behind it was the will to take countries that would be diverse and important for the global economy. In detail, diversity was dictated by four criteria: “(1) secular/self-expression values, (2) religion, (3) language, and (4) ethnicity” (Venaik and Midgley, 2015, p.1062).

The tool used to create cultural groups is the AA algorithm borrowed from Cutler and Breiman (1994), a method which “draws more on ideas from topology and matrix algebra than from the typical statistical methods seen in the IB literature” (*ivi*, p. 1057). The best way to understand how the algorithm works is imagine the samples cases as a cloud of dots in a multi-dimensional space, where the dimensions are the variables of interest (i.e. values). Each individual will be hence represented by certain coordinates, which in turn mirror the importance given by each individual to the values. “Archetypes are then defined as the coordinates of a small number of points in the frontier of this cloud and each case is described as a simple weighted composite of these archetypes. Using iterative optimization techniques, AA chooses both the coordinates of the archetypes and the individual case weights to best fit the total data” (*ivi*, p.1061).

Results are then depicted through radar graphs, which recall Schwartz representation of human values. As Schwartz positioned them advisedly, considering the underlying motivational

domains and their state of conflict, having a look at each graph permits to immediately get an impression of the value system behind it and notice how it differs from the others (Figure 3.3).

Figure 3.3 Culture Archetypes in China



[Source: Venaik and Midgley, 2015]

In 2016, Richter et al. present their research based on Cultural Archetypes, remarking the its superiority in capturing cultural diversity within countries. However, the application of the construct in their study differs from their predecessors for certain aspects.

Retracing the description of the previous case, the first difference can be found in the dimensions along which cultural groups are identified. The authors consider five out of six Hofstede dimensions, namely Power Distance, Collectivism, Uncertainty Avoidance, Masculinity, and Long-Term Orientation. In their opinion, this would allow “better comparisons with the majority of the existing cross-cultural research” (Richter et al, 2016, p. 65).

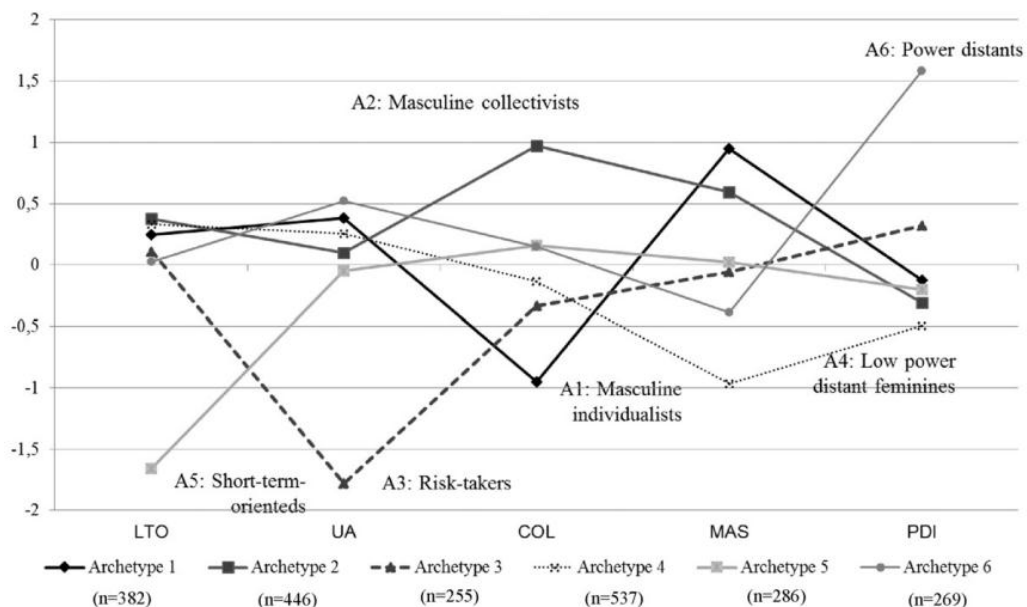
Another source of diversity resides in the sample used. Respondents are business students coming from 10 different countries. Although at first instance it could be argued that such sample is not fully representative of the related population, the authors motivate their choice from two points of view. First, concentrating on such a particular sub-group guarantees

consistency and homogeneity, and immunizes the sample from interference of external variables; second, business students are a suitable target to investigate entrepreneurial intentions, an analysis which the authors perform to test the suitability of cultural archetypes to function as predictor of certain life conduct.

The countries selected for data collection are China, Colombia, Germany, India, Italy, Russia, Spain, Turkey, the UK, and the US. The choice is given by considerations on each country's cluster of reference, according to Shenkar and Ronen model (see *supra*). The clusters encompassed are 8 out of 11. Respondents were all the same age and split almost equally for the gender.

The methodological tools used include connectivity-based (Ward) and centroid-based (k-means) clustering procedures, borrowed from Sarstedt and Mooi (2014). The former allowed to determine the most appropriate number of clusters (cultural archetypes); the latter helped to “specify the best configuration of similar cultural patterns that form a cultural archetype” (*ivi*, p. 69). The configurations found are represented by “constellations” and, unlike the previous case, each archetype is given a name representing the most salient traits of the group (Figure 3.4).

Figure 3.4 Cultural Constellations of different archetypes



[Source: Richter et al. 2016]

The two research cases show instead similarities for what concerns their findings about the cultural configurations.

First, inside each country there is no predominance of a certain archetype over the other. For Venaik and Midgley's research, the most numerous archetype includes around 21% of the country population. This holds also for the "non-archetypal cases", except for one country, only. Japan, US and China record, respectively, 46.5%, 40.6% and 38.5% for this residual category. India, instead, registers 53.3%, hence presenting a slight dominance of one group over the others. Richter and his co-writers similarly find out that "the highest percentage of concentrations of any archetype within a country is around 40% to 45%" (*ibidem*).

Second, both studies recognize the presence of transnational similarities, with all archetypes cross-cutting the countries analyzed, though disproportionately in some cases.

Third, the number of cultural groups identified is small and equal to 6 in both cases. This requires further explanation: in the first case, the archetypal analysis at the country level revealed the presence of four archetypal groups for each nation, except for India, presenting six, because of the greater heterogeneity of the population. The same process was then applied to a database including all countries' data. The pooled data analysis allowed to identify 5 archetypal groups, which together with the "non-archetypal" group, results in six clusters.

The second research considers all respondents as part of a single sample from the very beginning, omitting prior one-by-one analysis. According to the methodology used, each individual is assigned to a certain "archetype" necessarily, so the distinction between "archetypal" and "non-archetypal" cases is missing here. The determination of the number of cultural sub-groups gives six as optimal result.

This creates a subdivision which is not overly fragmented, allowing a clear and parsimonious representation of the cultural patterns characterizing the analyzed countries.

3.4 The research proposal

As cultural archetypes proved to be an *avant-garde* perspective in the cultural studies, we will try to replicate the method in this work. What the discussion aims at demonstrating is:

- Proposition 1: There is heterogeneity within-countries, and this can be effectively captured by a small number of archetypes
- Proposition 2: There are between-country similarities, and these will be associated to the same cultural archetype.
- Proposition 3: It is possible to identify connections between archetypes and other facets of the individual.

We will then select one among the applications of cultural archetypes in literature to replicate it to countries not yet analyzed. The aim is to broaden the world coverage and give it a cultural representation according to this new approach.

Hence, we will focus on the methodology of the two cases to see which one is preferable.

3.4.1 Which research approach is preferable and why

In deciding, among the cases presented, which empirical application of cultural archetypes is more appropriate, the major variable, so that the choice leans towards one case or the other, is the methodology used.

To brush up on the comparison, V&M choose to apply a relatively new method, the archetypal analysis, introduced in 1994 by Cutler and Breiman.

Richter et al., instead, apply a cluster analysis, a method which dates to the 1930s.

V&M, presenting advantages and limitations of archetypal analysis (AA hereafter), compare the method with both cluster analysis and latent class analysis, to show light and shadow of these alternative methods.

According to the authors, one cannot state the absolute superiority of one approach over the others, as “this clearly depends on the researcher’s objectives and data” (Venaik and Midgley, 2015, p.10 Technical Appendix).

There are some positive aspects of using AA.

First, it does not impose a strong model or set of external assumptions on the data. In particular, it does not impose restrictions on orthogonality, like many cluster methods do (Li et al, 2003, in Venaik and Midgley, 2012).

Second, it is robust to Gaussian, Poisson and systematic error noise in the data (Chan et al, 2003).

Third, it produces a sharper differentiation compared to cluster analysis: as highlighted throughout the discussion, AA separates those cases which are “non-archetypal”, which attribute average importance to all variables. Hence, the algorithm allows to identify archetypal configuration which are cleaned up by the half-hearted souls, who do not express a strong judgment, be it negative or positive, on value dimensions (Elder and Pinnel, 2003, in Venaik and Midgley, 2015).

AA presents some limitations, too.

First, the method presents the same limitations of other statistical techniques in terms of outliers. Although archetypes are located at the frontier of the cloud of points, these do not coincide with outlier cases, which are to be eliminated in any case to avoid flawed results in the analysis.

Outliers represent points which are extreme, positioned way beyond the cloud (Eugster & Leisch, 2010 in Venaik and Midgley, 2012).

Second, there is no security to find a global minimum, and chances decrease as the number of archetypes increases, but this a common problem to other statistical techniques using optimization methods. (Cutler and Breiman, 1994, Goodman, 1974 in Venaik and Midgley, 2012).

Third, the method has yet to find widespread implementation, as there are few cases in the literature to date. “More research is clearly needed before it becomes a standard technique” (Venaik and Midgley, 2012).

In spite of the limitations of AA, we decide to opt for this model as it clearly shows its superiority for the purpose of this work. The ability of AA to identify the half-hearted individuals, and tell them apart, allows us to come up with neat, sharp cultural configurations and represent individuals’ value systems in the most faithful and clear way possible.

So, we will follow Venaik and Midgley approach *in toto*, both for the choice of countries and for their analysis.

3.4.2 The choice of countries by Venaik and Midgley

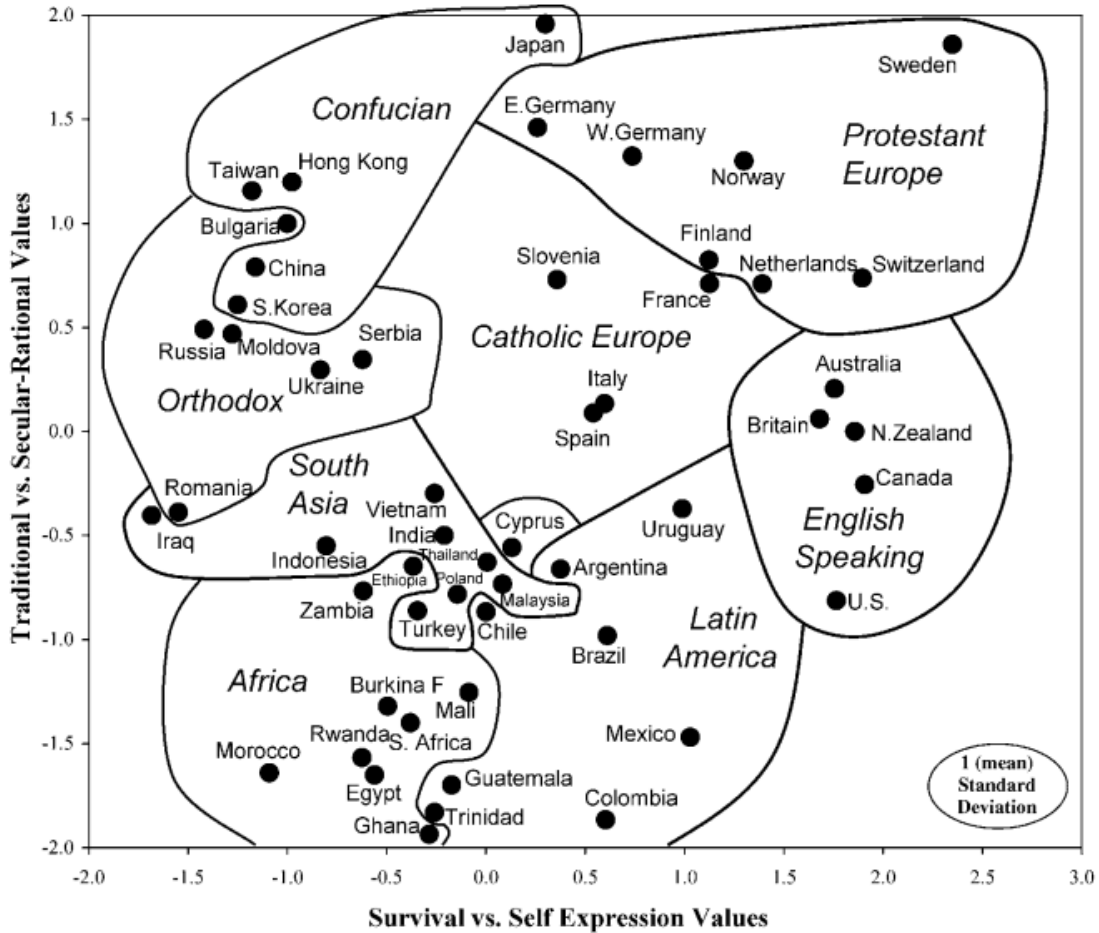
Venaik and Midgley chose the countries to be analyzed drawing from two considerations, i.e. countries’ diversity and economic importance in the global context.

For the first aspect, the starting point is the model of Inglehart and Welzel (2010), who noticed how economic development goes together with national value evolution. According to the so-called “modernization theory”, economic development would trigger changes in the socio-political setting, which in turn reflects on the country’s societal values. The authors identify two pillars in the history of modernization, who modified country values along two dimensions, creating different patterns of value systems. First, the transition from agrarian to industrial society replaced importance for tradition, religion and obedience with secularism, autonomy and rationality. Second, the emergence of post-industrial society made way for a translation from survival-centered to self-expression values. “Prosperity and the advent of welfare state” (*ivi*, p. 553) let people dedicate on knowledge, innovation, creativity and quality of life.

The more progressed the economic development for a country, the more advanced the country will be in approaching the self-expression type of values (Figure 3.5). In other words, higher income countries will be located in the upper-right corner of the graph, presenting both high

secular-rational values and high self-expression values. Contrariwise, the lowest-income countries will be positioned at the lower-left corner, with low scores on both value dimensions.

Figure 3.5 Global cultural map



[Source: Inglehart and Welzel, 2010]

Furthermore, countries proximity in the map is dictated by the religious background, which proves to have a role in shaping similar value systems.

Venaik and Midgley choose to take this model as point of reference to choose countries, as diverse as possible in their fundamental value drivers. As the graph can be divided in four quadrants, they choose to pick one country for each of them. To further ensure heterogeneity among countries, they put language, religion and ethnical diversity as additional requirements. The reason behind this choice is two-fold.

As the authors propose cultural archetypes as measures of both sub-national and transnational culture, on one hand they aim at pinpointing cultural archetypes which are ascribed at one

country, only. The more countries are diverse, the more chances are that peculiar indigenous cultural traits are identified.

On the other hand, they implicitly challenge the existence of deep cultural gaps between the countries analyzed, that is, if they demonstrate that, for example, archetype A can be found in both country alfa and beta, initially thought to be culturally different.

As final consideration, on the basis of countries' economic importance in the global context, the choice in the end went for US, China, India and Japan. "These four countries are among the top five in the world on gross domestic product, and three of the four are among the top four in population and among the top five in exports" (Venaik and Midgley, 2015, p. 1062).

The points of difference are summarized in Table 3.1. The framework's quadrants are conventionally numbered like a Cartesian system, starting from the upper-right quadrant and proceeding counterclockwise.

Table 3.1 The choice of countries

	China	Japan	US	India
Global cultural map (quadrant)	II	I	IV	III
Religion	Taoism/Buddhism	Shintoism	Christianity	Hinduism
Language	Mandarin	Japanese	English	Hindi
Ethnicity	Han Chinese (92%)	Japanese (99%)	White (80%)	Indo-Aryan (72%)

[Source: Elaboration from Venaik and Midgley, 2015]

3.4.3 Our choice of countries

Our research is intended to extend the scope of Venaik and Midgley study in two ways. We are going to apply the construct of cultural archetype

- To WVS Wave 5 data (2005-2009) related to other countries not analyzed by V&M, replicating also the procedure for the countries already analyzed by the authors, to have a check of the reliability of our method;
- To WVS Wave 6 data (2010-2014) related to both V&M's countries and those added.

So, on one side we aim at widening the application of cultural archetypes selecting other countries on the basis of the same criteria hinted by V&M, i.e. great diversity and relevance in the world economy. On the other side, we investigate whether there are changes in the cultural

archetypes over a five- to ten-year period. This means testing both whether new archetypes have emerged and whether the pre-existing ones have changed with respect to the population percentage associated to them.

The basis to select other countries is again Inglehart and Welzel framework. We similarly select four countries, one for each quadrant. In this occasion, moreover, we try to select countries belonging to sub-sets not selected before. Furthermore, we will have an eye on the countries' significance, in terms of economy and population (worldbank.org).

To recap our starting point:

- China is in the second quadrant, in the Confucian sub-set;
- Japan is in the first quadrant, in the Confucian sub-set, as well;
- US is in the fourth quadrant, in the English-speaking sub-set;
- India is in the third quadrant, in the South-Asia sub-set.

The first candidate for the analysis is Russia. It is positioned in the second quadrant, in the Orthodox sub-set. Its religious background, though belonging to Christianity like US, is deemed different as United States are mostly Protestant. So, the religious difference is deemed to be respected to a wide extent. The language spoken is Russian, and the major ethnic group is Russians.

What is more, Russia is 12th in the world for GDP, 9th for population, and 19th for exports.

Moving to the third quadrant, good candidates could be Turkey or Morocco. They are both good choices to capture global diversity, as they would allow to include an Islamic country to the sample. Moreover, they have a predominant language (Turkish and Moroccan Arabic respectively) and a predominant ethnic group (70-75% Turkish and 99% Arab-barber). Morocco would also allow to capture the African sub-set in its quadrant. However, the problem regarding both countries is their low economic development, which is why they are located in the lower-left side of the framework. Would one choose between the two, the lesser of two evils would be to opt for Turkey, although it belongs to the same sub-set of India. Turkey is 17th in the world for GDP, 19th for population, 28th for exports.

In the first quadrant, the most suitable country would be Germany, belonging to the Protestant Europe, not yet analyzed. The language spoken is German, and the major ethnic group is Germans (79%). There is indeed a predominant religious background, which is Christian Protestant; the only issue is that it is the same of US, already examined. For what concerns the

economic development, Germany represents an excellent candidate: the country is 4th in the world for GDP; 16th for population, 3rd for exports.

Last, for the fourth quadrant, it's a tie between Brazil, in the Latin-America sub-set, and Spain, in the Catholic Europe sub-set. Both countries allow to include in the sample a Roman Catholic country, still missing in the sample. In addition, they introduce further diversity in terms of language spoken (Portuguese and Spanish, respectively). Anyway, they both do not represent an excellent candidate for different reason. Brazil would be perfect if considering its significance in the global economy, as it is 9th for GDP, 5th for population and 24th for exports; nonetheless, it lacks high ethnicity predominance within the country, as 48% of the population is white, and 43% is "Pardo", i.e. multi-racial. Spain, instead, would be great for ethnic homogeneity (90% Spanish), but it does not owe that great world economic importance like Brazil does. Hence, we will opt for Brazil.

Hence, the final choice goes for Russia, Germany, Turkey and Brazil (Table 3.2).

Table 3.2 Our choice of countries

	Russia	Germany	Turkey	Brazil
Global cultural map (quadrant)	II	I	III	IV
Religion	Christianity (Orthodox)	Christianity (Protestant)	Islam	Christianity (Catholic)
Language	Russian	German	Turkish	Portuguese
Ethnicity	Russians (81%)	Germans (79%)	Turkish (75%)	48% White, 48% Pardo

[Source: Our elaboration on data from nationsencyclopedia.com and worldbank.org]

3.5 Conclusions

In this chapter, we showed how cultural archetypes outperform previous approaches in defining cultural patterns and we sketched out the premises for implementing the method. In the following chapter, we will go through the methodology.

4.CHAPTER FOUR

METHODOLOGY

4.1 Introduction

In this chapter, the methodology will be presented. We will provide details about the sample, the variables considered for the archetypal analysis, and the method used to pre-process and process data. The method is given both technical explanation and empirical demonstration through results.

4.2 The sample: World Value Survey

The sample for the study is taken from the World Value Survey, which is a global network of scientists collecting worldwide data on human beliefs and values. The research started in 1981 and covers almost 100 countries, the most varied in terms of wealth and culture. To date, “the World Value Survey has produced over 1,000 publications in 20 languages and secondary users have produced several thousand additional publications” (worldvaluesurvey.org).

WVS results have been gathered into six waves, each referring to a 3- to 5- year collection period. The last version of the questionnaire for WVS Wave 7, includes 290 items, and is structured along 14 thematic subsections (*ibidem*):

- Social values, attitudes & stereotypes (45 items);
- Societal well-being (11 items);
- Social capital, trust and organizational membership (49 items);
- Economic values (6 items);
- Corruption (9 items);
- Migration (10 items);
- Post-materialist index (6 items);
- Science & technology (6 items);
- Religious values (12 items);
- Security (21 items);
- Ethical values & norms (23 items);
- Political interest and political participation (36 items);
- Political culture and political regimes (25 items);
- Demography (31 items).

The surveying method is by face-to-face interview at the respondent's house or place of residence. In WVS, each country is represented by a minimum of 1200 individuals, with age ranging between 25 and 85. Respondents are, hence, identified by a variable indicating their country of origin (variable 2 – V2). This allows us to identify respondents on the basis of their nationality, which will be a guide principle in our analysis.

The candidate countries chosen for the research were initially selected according both to their global economic significance and to their diversity in terms of culture (Inglehart and Welzel framework), language, religion and ethnicity (see *supra*). The countries are: USA, Japan, China, India, Russia, Germany, Brazil and Turkey.

For the sake of the analysis, it is important to check two aspects. First, we must see whether these countries are present in both waves we are going to analyze, namely Wave 5 and Wave 6; which is the case. This is necessary, since our purpose is to make a comparison not only through space, but also through time. Second, we must ascertain a sufficient sample size for each country, as relatively large samples are preferable. According to the authors, “the minimum sample for a solution of 5 archetypes [would] be 200 individuals, but a more conservative number might be 500” (Venaik and Midgley, 2015, Technical Appendix, p. 11). The raw data for all eight countries in both waves are represented in Table 4.1.

Table 4.1 Sample size of countries in WVS Wave 5 and Wave 6

	WVS 5	WVS 6
US	1249	2232
China	1991	2301
India	2001	5659
Japan	1096	2443
Russia	2033	2500
Germany	2064	1946
Turkey	1346	1605
Brazil	1500	1486

[Source: our elaboration on WVS data]

Even though these data are to be pre-processed yet, we shall be sure that in no case the sample size would fall below 500 individuals. After elimination of missing values and outliers, the authors' smallest sample turned out to be 1062. So, it is not likely to encounter this issue in our analysis, if the original sample includes over 1000 respondents, which is always the case.

4.3 Measurement of Schwartz Values in WVS

The World Value Survey includes the measurement of Schwarz Values from Wave 5 on. To recall the foundations of the model, Schwartz identifies 10 universal human values, namely: Universalism, Benevolence, Tradition, Conformity, Security, Power, Achievement, Hedonism, Stimulation, Self-direction.

In the WVS questionnaire, each Schwartz value is associated to a statement, which has to be attributed a score (from 1 to 6) according to the respondent's agreement to the sentence. (1 = "Very much like me", 2 = "Like me", 3 = "Somewhat like me", 4 = "A little like me", 5 = "Not like me", 6 = "Not all like me"). In the analysis, the scale will be reversed so that low scores are associated to disagreement and high scores are associated to agreement with the statement.

The ten questions are associated to variables V70-V79 in Wave 6 and to variables V80-V89 in Wave 5. Questions and corresponding variables are reported in Table 4.2

Table 4.2 Measurement of Schwartz Values in WVS

Value	W5	W6	Question
Self-direction	V80	V70	"It is important to this person to think up new ideas and be creative; to do things one's own way"
Power	V81	V71	"It is important to this person to be rich; to have a lot of money and expensive things"
Security	V82	V72	"Living in secure surroundings is important to this person; to avoid anything that might be dangerous"
Hedonism	V83	V73	"It is important to this person to have a good time; to <spoil> oneself"
Benevolence	V84	V74	"It is important to this person to do something for the good of society"
Achievement	V85	V75	"Being very successful is important to this person; to have people recognize one's achievements"
Stimulation	V86	V76	"Adventure and taking risks are important to this person; to have an exciting life"
Conformity	V87	V77	"It is important to this person to always behave properly; to avoid doing anything people would say is wrong"
Universalism	V88	V78	"Looking after the environment is important to this person; to care for nature and save life resources"
Tradition	V89	V79	"Tradition is important to this person; to follow the customs handed down by one's religion or family"

[Source: worldvaluessurvey.org]

4.4 Pre-process of data

Before processing data, each country's sample must be cleaned up by missing values and outliers. In WVS, missing values are signaled in different ways according to the type of "error". What they share, is they are represented by a negative number. In detail, -5 = Missing/Unknown; -4 = Not asked in survey; -3 = Not applicable; -2 = No answer; -1 = Don't know. Regardless their category, all these missing values must be eliminated. So, after isolating in the database each country with the Schwartz variables, we proceed converting the negative values to "not available", and then eliminating the respondents presenting these gaps.

Then, outliers must be canceled as they can create serious bias and give fallacious solutions once data are processed. For archetypal analysis, outlier detection shall not follow standard procedures. The reason behind it resides in the need to "include cases that belong to the same population, but exclude cases that belong to other populations" (Venaik and Midgley, 2015, Appendix, p. 5). We hence follow Cerioli (2010) outlier detection methodology, based on Mahalanobis distances and the minimum covariance determinant (MCD) estimate of dispersion. We set a significance level α of 0,001 to identify outliers for each country.

The sample size at every step in the pre-process of data is summarized in Table 4.3.

Table 4.3 Pre-process of data

WVS 5	Original sample	After deletion of missing	After deletion of outliers	Final/Original sample
US	1249	1184	1167	93,4%
China	1991	1828	1699	85,3%
India	2001	1264	1054	52,7%
Japan	1096	893	844	77%
Russia	2033	1725	1628	80%
Germany	2064	1918	1875	90,8%
Turkey	1346	1280	1122	83,3%
Brazil	1500	1467	1407	93,8%

WVS 6	Original sample	After deletion of missing	After deletion of outliers	Final/Original sample
US	2232	2121	2083	93,3%
China	2300	2116	2049	89%
India	5659	4483	4403	77,8%
Japan	2443	1862	1712	70,1%
Russia	2500	1377	1349	53,9%
Germany	2046	990	971	47%
Turkey	1605	1544	1376	85,7%
Brazil	1486	1450	1359	91,4%

[Source: Elaboration from pre-process of WVS data]

4.5 Test of heterogeneity in Country Values

Before applying the archetypal analysis, we are going to test the heterogeneity within countries. This will be performed using the intra-class correlation coefficient. We will compare within- and between-country variance for each Schwartz value. If the former is greater than the latter, the heterogeneity is demonstrated (Table 4.4)

Table 4.4 Within and between country heterogeneity

Schwartz value	WVS 5		WVS6	
	Within	Between	Within	Between
Universalism	85,05%	14,95%	90,58%	9,42%
Benevolence	84,44%	14,56%	83,79%	16,21%
Tradition	79,23%	20,77%	84,85%	15,15%
Conformity	89,38%	10,62%	89,45%	10,55%
Security	86,98%	13,02%	87,07%	12,93%
Power	82,64%	17,36%	80,64%	19,35%
Achievement	82,43%	17,56%	85,48%	14,51%
Hedonism	85,83%	14,17%	82,69%	17,31%
Stimulation	85,11%	14,89%	82,25%	17,75%
Self-direction	91,55%	8,46%	92,97%	7,02%
<i>Overall average</i>	<i>85,26%</i>	<i>14,64%</i>	<i>85,97%</i>	<i>14,03%</i>

[Source: Elaboration from WVS5 and WVS6]

4.6 The analysis

The analysis will consist of two parts.

In the first part, archetypal analysis will be applied to each country in isolation both for Wave 5 and Wave 6, to make a comparison through space and time. This aims at answering proposition 1 and 2 of the research, i.e. (1) the presence of cultural heterogeneity within countries and the ability of archetypes to capture it through a small number of configurations; (2) the presence of cultural archetypes spanning across multiple countries.

This will lay foundation to explore the topic regarding the third proposition, i.e. (3) the possibility to associate archetypal configurations to other facets of the individual, such as demographics, perceptions and attitudes. So, in the second part archetypal analysis will be applied on a sample with pooled data from every country, and this will be performed for each wave. The connection of the emerging archetypes and the other individual variables will be tested through an OLS regression.

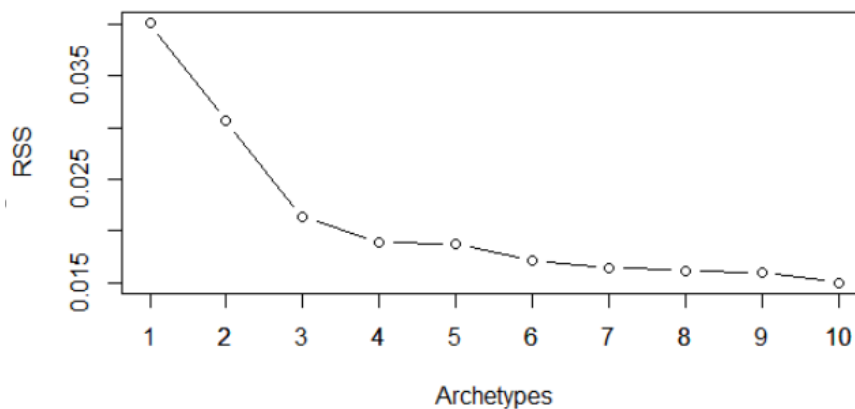
4.6.1 Archetypal analysis

The first part of the analysis, i.e. the archetypal analysis on isolated countries, will be given both technical explanation and empirical findings presentation.

4.6.1.1 AA technical explanation

We will apply archetypal analysis using the package R “archetypal analysis” as explained by Eugster and Leisch (2009). Given a matrix X of multivariate data with n observations and m variables, the algorithm provides, first, an analysis of the relationship between the residual sum of squares and the number k of archetypes apt for representing the data. This is called scree plot, and it is represented by an “elbow-shape” graph. The more archetypes used to group the observations, the less the residual sum of squares, i.e. the more exact and faithful the representation of the population groups (Figure 4.1).

Figure 4.1 Scree plot in the archetypal analysis



[Source: Screeplot results for archetypal analysis for Japan, Wave 6]

Beyond a certain threshold, increasing the number of archetypes does not add such a significant explanatory power for the population configurations. The curve of scree plot starts flattening. It is just before this moment that we set the more appropriate number of archetypal configurations, as adding more does not substantially reduce the residual sum of squares.

Once the software is told the more appropriate k , the algorithm returns:

- A value between 0 and 1 for each respondent associated to each archetype;
- The values each variable m assumes for each archetype.

For a given individual, a value above 0,5 for a particular archetype signals the proximity of that individual’s configuration to that given archetype. As all values for each individual sum to 1, registering a value greater than 0,5 for an archetype automatically excludes the attribution of that individual to another archetype. On the contrary, if an individual does not present a value

above 0,5 for the archetypes, it means that its value configuration does not resemble any of the archetypal case. This will be hence labelled as “non-archetypal”. In Table 4.5, respondent 1 is associated to the “non-archetypal” group, while respondent 2 is associated to archetype C.

Table 4.5 Archetypal profiles of country respondents.

	Archetype A	Archetype B	Archetype C	Archetype D
1	0,356363	0,289545	0,096498	0,254729
2	0,31129	0,115126	0,57109	0

[Source: Elaboration of Germany data for Wave 5]

Then, the software returns the so-called “parameters”, which represent the value each variable takes for each archetype identified. The result is a matrix like Table 4.6. Variables are given the Schwartz label and re-allocated advisedly to place them as in the author’s framework. For the sake of synthesis in the Table, M1=Universalism, M2=Benevolence, M3=Tradition, M4=Conformity, M5=Security, M6=Power, M7=Achievement, M8=Hedonism, M9=Stimulation, M10=Self-direction.

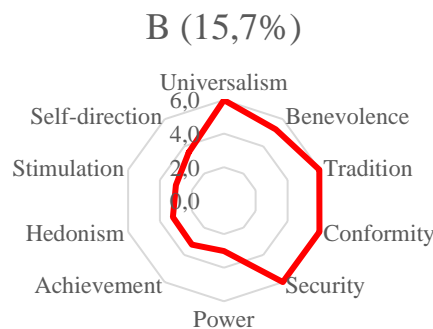
Table 4.6 Archetypal configurations

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10
A	3,00	3,00	3,07	3,04	3,58	3,55	3,00	3,46	3,17	3,00
B	6,00	5,26	6,00	6,00	6,00	3,00	3,24	3,19	3,00	3,55
C	4,36	5,80	3,71	4,37	3,00	3,33	5,36	3,11	4,46	5,29
D	4,94	5,16	5,37	5,03	5,94	6,00	5,84	6,00	5,34	5,69

[Source: Elaboration of archetypes for Russia, Wave 6]

Then, using a radar graph, archetypal configurations take shape (Figure 4.2).

Figure 4.2 Radar configuration of an archetype



[Source: Elaboration of Russia archetypes, Wave 6]

Complete results will be presented in the following paragraph.

4.6.1.2 AA results on isolated countries

Archetypal analysis, performed on Wave 5 countries, identifies 4 archetypes for all countries, except for India, better represented by six archetypal configurations (Figure 4.3-4.10).

India, China, US, Turkey and Brazil roughly share the same value configuration in archetype D, namely individuals who attribute high importance to all ten values. Anyway, while for India, Turkey and China, this archetype is associated to nearly 20% of the population, US and Brazil register, respectively, 15,5% and 11,3% of their population.

Symmetrically, archetype A for US, one in which individuals place low importance to all values, is almost equal in Japan and China, albeit with all different population percentages, respectively 10,6%, 28,8% and 8,8%.

Archetype A for Russia is then roughly similar across Brazil and Turkey, but, again, it represents different proportions of the countries' population: in detail, 15,7%, 7,3% and 10,1%, respectively. The value configuration denotes individuals who place medium-low importance to all values.

Then, we can analyze archetypal configuration reasoning by Schwartz motivators, underlying the ten values:

- Self-enhancement, including Hedonism, Achievement and Power;
- Openness to change, including Hedonism, Stimulation and Self-direction;
- Self-transcendence, including Universalism and Benevolence;
- Conservation, including Tradition, Conformity and Security.

Looking at the archetypes through these lenses, it can be noticed how Archetype B in the US centers on high Self-transcendence and high Conservation. This configuration is roughly similar to Archetype B in China, Brazil and Russia. In all countries this value configuration is shared by approximately 20% of the population, except for Brazil, where the proportion reaches 30,1%.

Another case is Archetype C for India and Russia: it shows high importance spanning from Openness to change to Self-transcendence; it presents also high Conservation (except for the value Security) and shows a peak in correspondence to Achievement. The population percentage for this archetype is 4,8 in Russia and 8,8 in India.

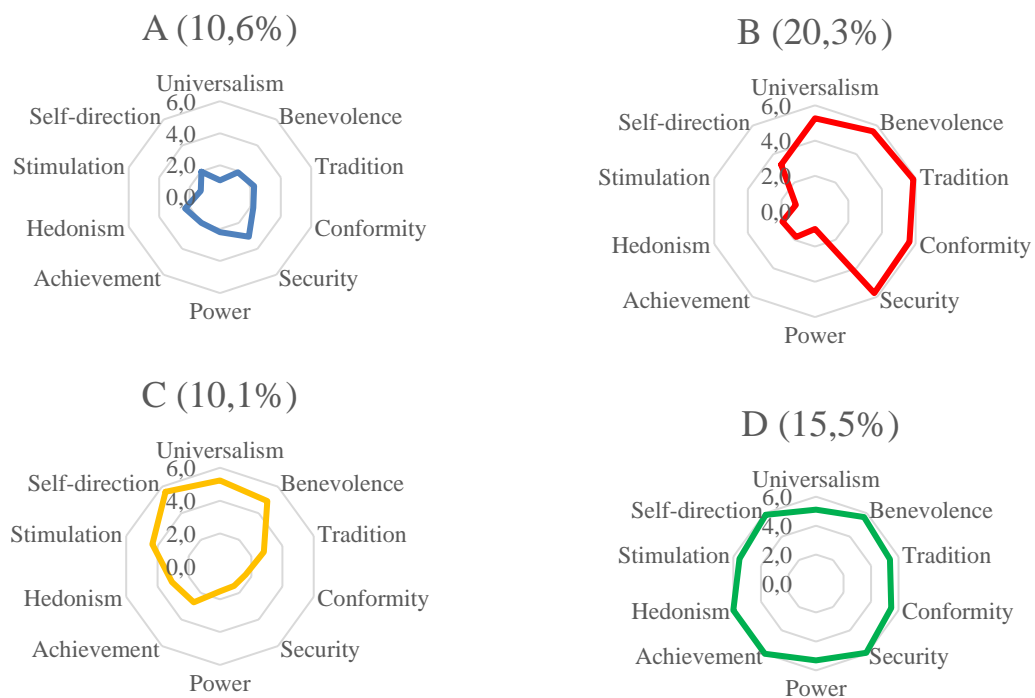
Hence, we could not find archetypes that can be defined as “global”, spanning across all countries, but there is overwhelming evidence to state the presence of “transnational” archetypes, spanning across multiple countries, though with different population percentages.

On the other side, there are archetypal configurations which are attributable to one country only. This is the case of archetype A and D in Germany. The former presents medium-high importance for Conservation, and very low importance to all other values; the latter presents high Self-enhancement and high Openness to Change, and medium-low levels for Benevolence, Tradition and Conformity.

Other examples can be found for China, where Archetype C is high on Self-transcendence and on the values of Self-direction and Achievement; and medium on Security. In Russia, Archetype D is high in Self-enhancement and the value Security; medium in all other values. In India, Archetype B is null in Hedonism, medium in Universalism in Power, and high in all other values; Archetype E, instead, is high on Self-transcendence and Conservation, with medium levels of Stimulation and Achievement.

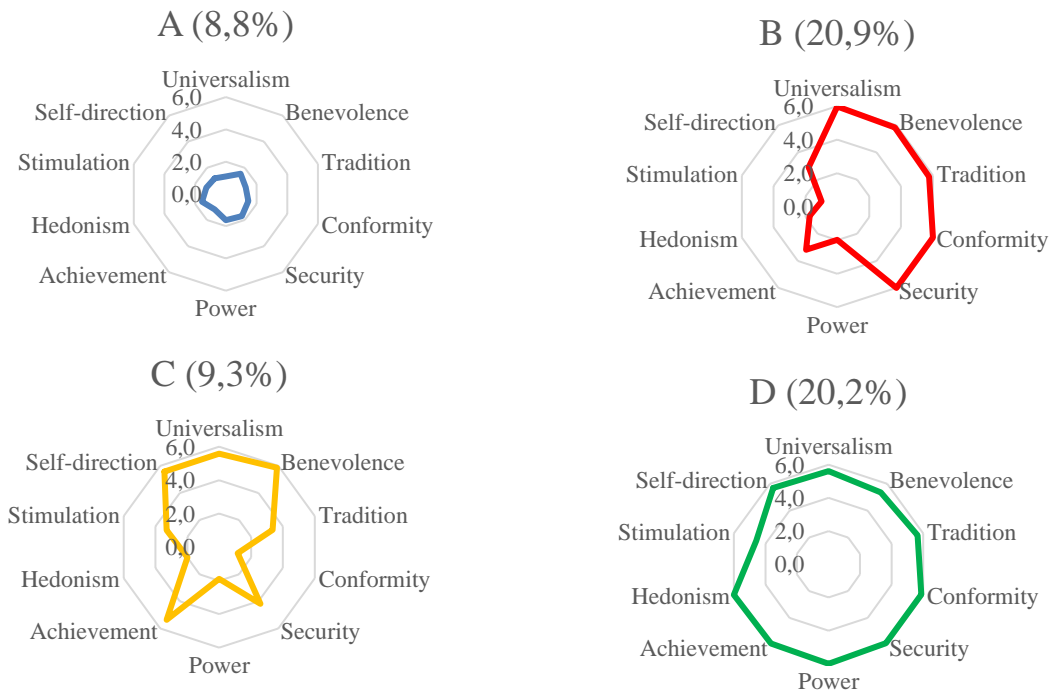
The list is not exhaustive, but aims at giving evidence of the existence of “local” archetypes, recovered in one specific country, only.

Figure 4.3 Archetypes profiles on the ten Schwartz values for US, Wave 5



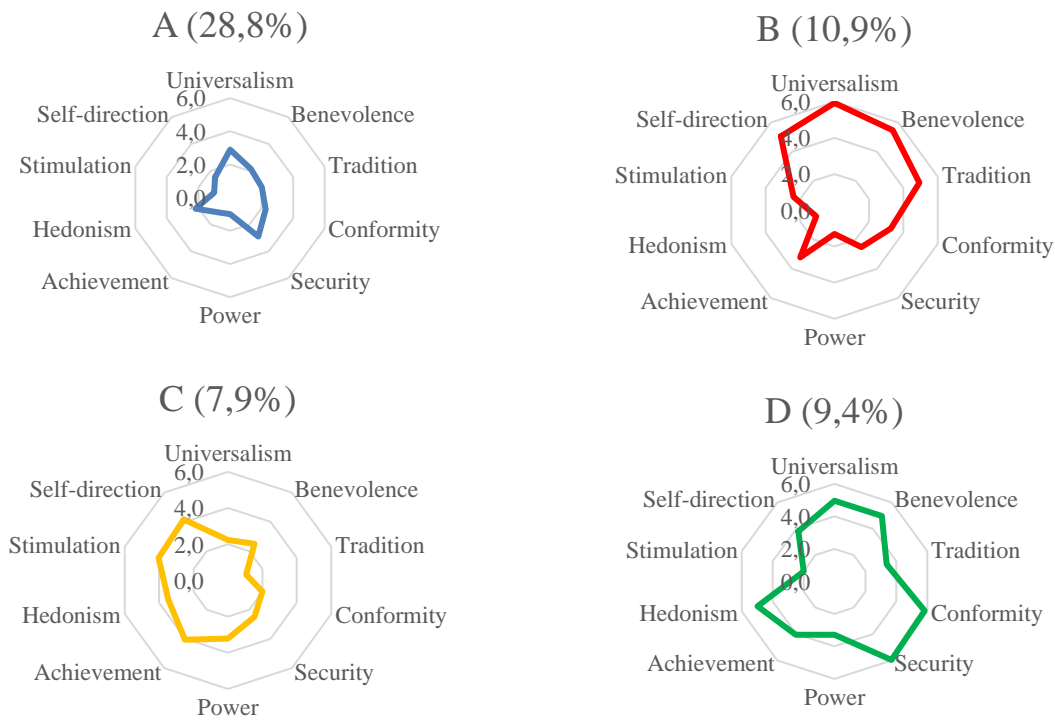
[Source: Elaboration from WVS5 data]

Figure 4.4 Archetypes profiles on the ten Schwartz values for China, Wave 5



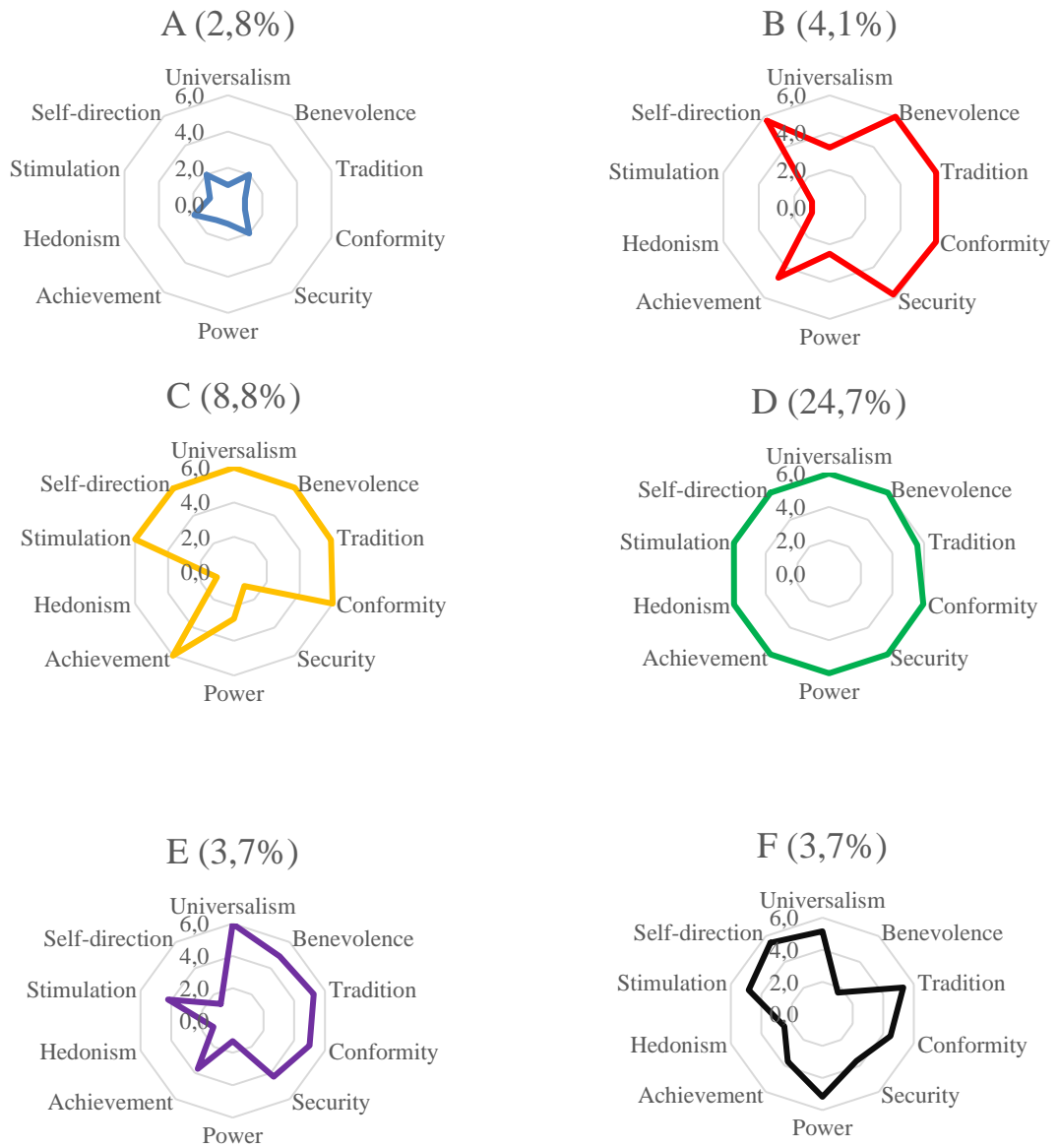
[Source: Elaboration from WVS5 data]

Figure 4.5 Archetypes profiles on the ten Schwartz values for Japan, Wave 5



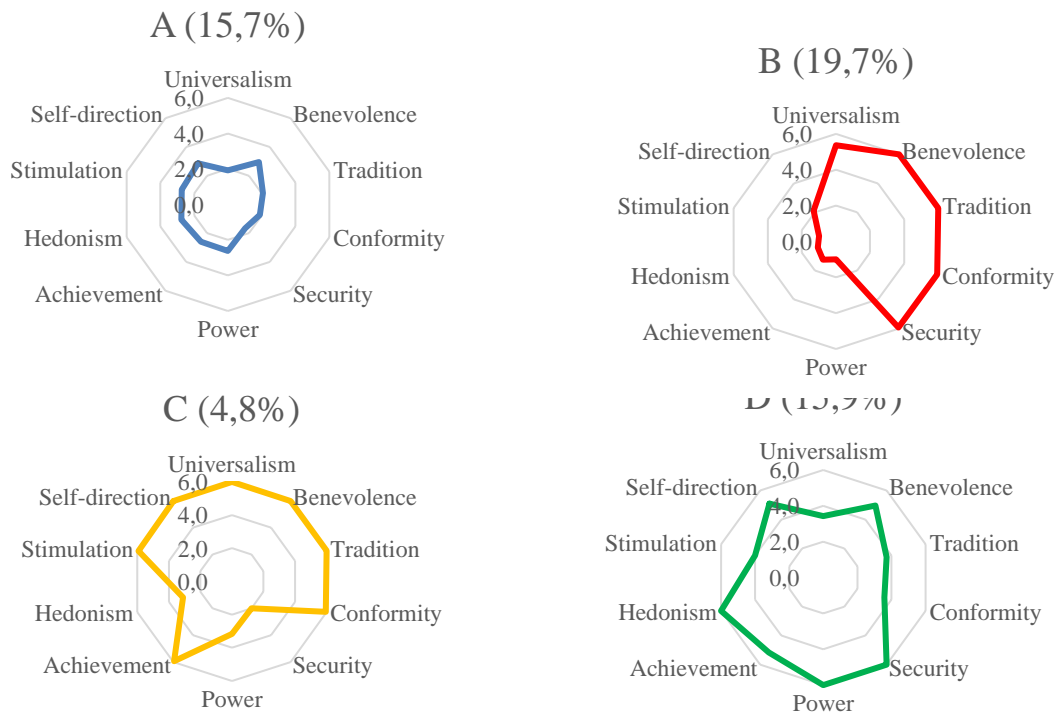
[Source: Elaboration from WVS5 data]

Figure 4.6 Archetypes profiles on the ten Schwartz values for India, Wave 5



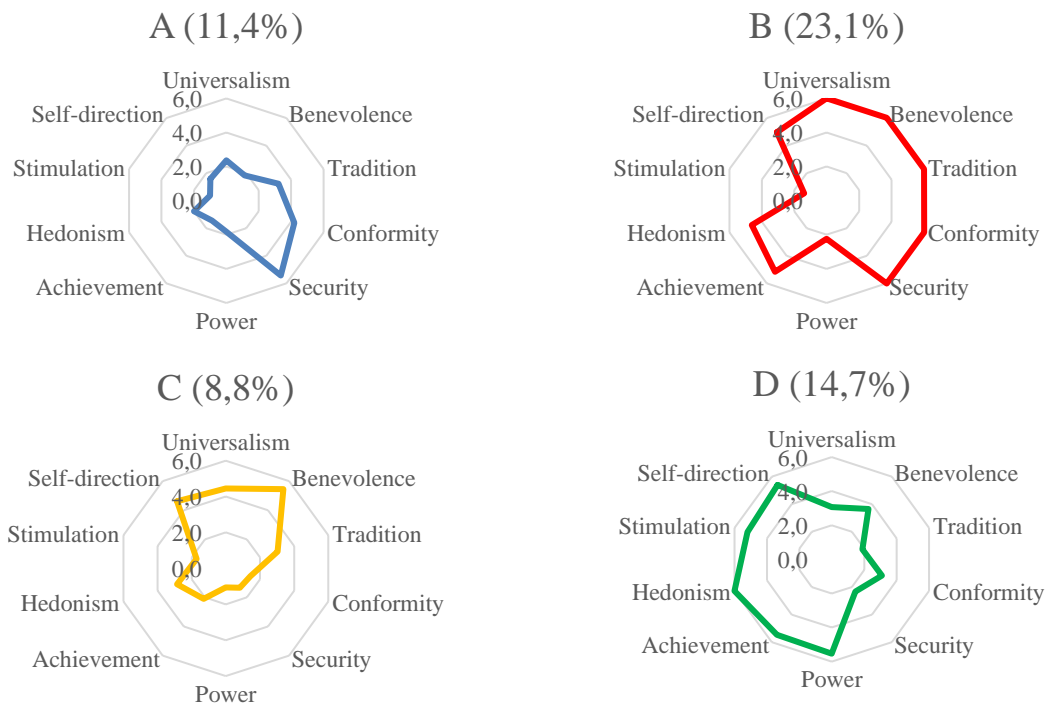
[Source: Elaboration from WVS5 data]

Figure 4.7 Archetypes profiles on the ten Schwartz values for Russia, Wave 5



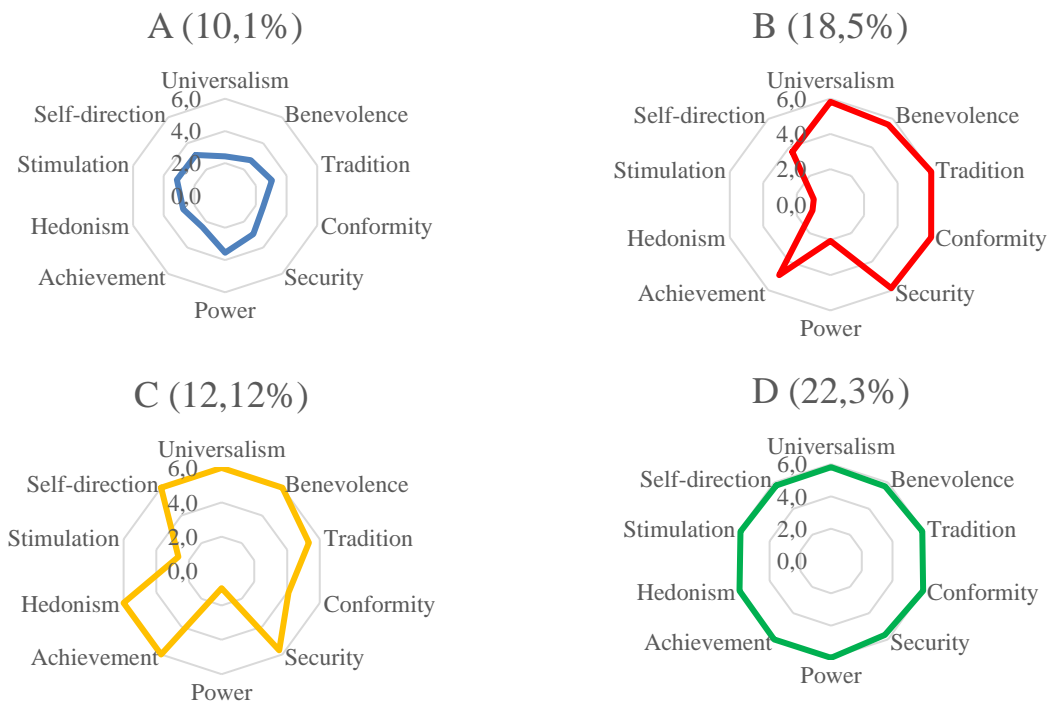
[Source: Elaboration from WVS5 data]

Figure 4.8 Archetypes profiles on the ten Schwartz values for Germany, Wave 5



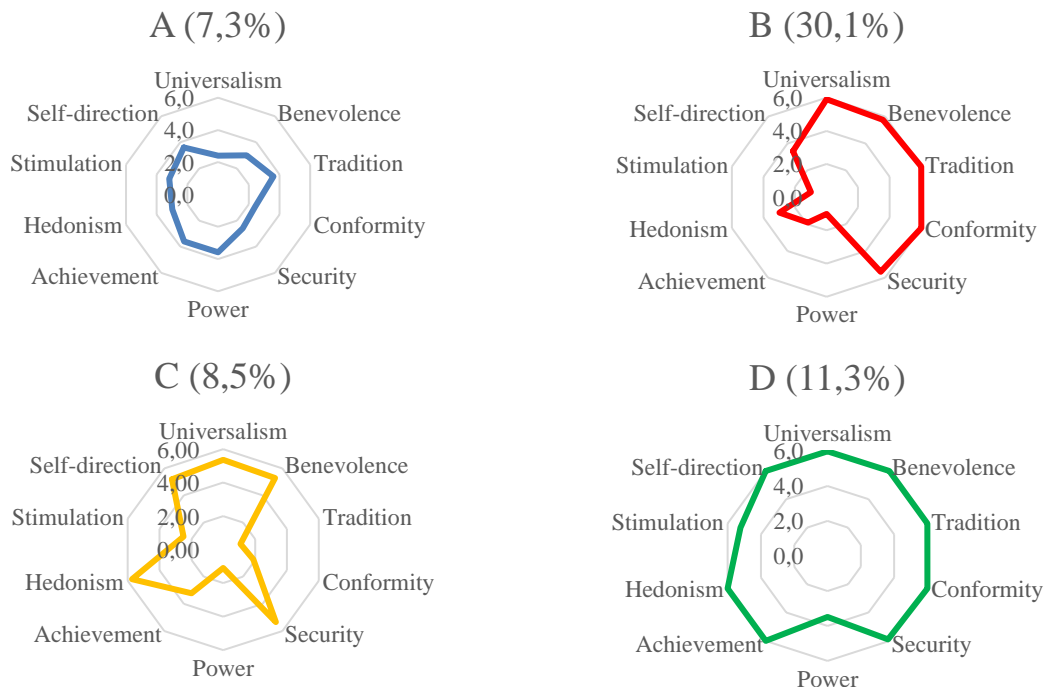
[Source: Elaboration from WVS5 data]

Figure 4.9 Archetypes profiles on the ten Schwartz values for Turkey, Wave 5



[Source: Elaboration from WVS5 data]

Figure 4.10 Archetypes profiles on the ten Schwartz values for Brazil, Wave 5



[Source: Elaboration from WVS5 data]

Archetypal analysis, performed on Wave 6 countries, identifies 4 archetypes for all countries (Figure 4.11-4.18). Retracing the analysis performed for Wave 5, it is possible to identify both multiple-country and one-country archetypal configurations.

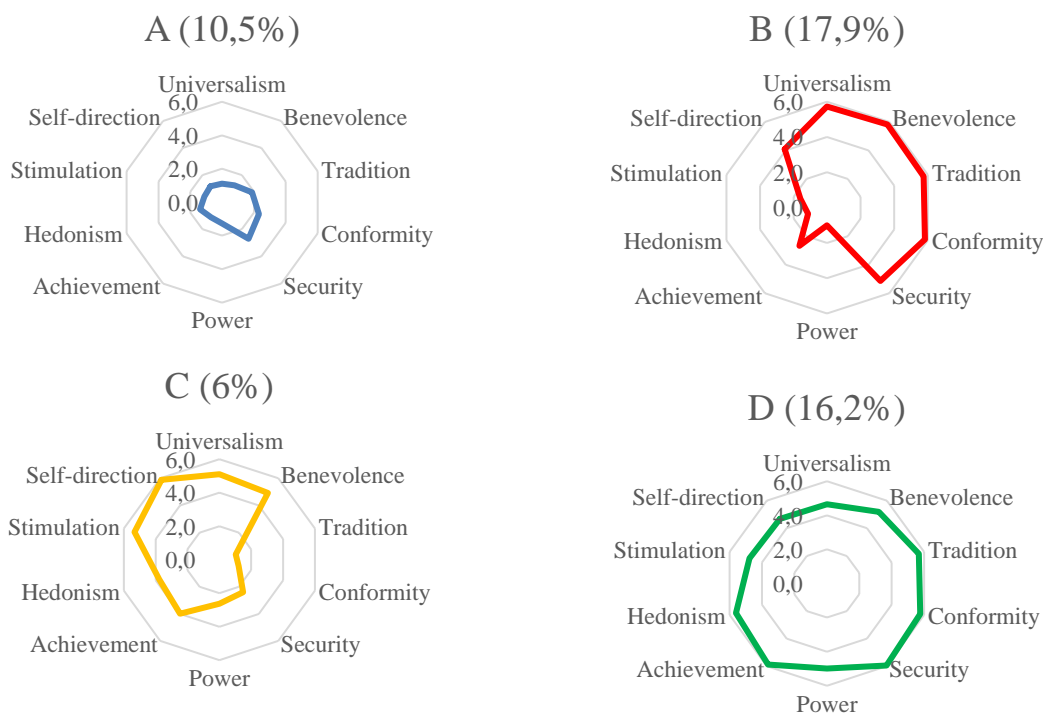
Similarly to the previous Wave, it is possible to see that Archetype D in Russia, where all individuals deem all values highly important, is roughly similar to Archetype D of all other countries, except for Japan, though relating to different proportions of the population.

As before, Archetype A in US, in which individuals place low importance to all values, is nearly the same as China and Japan, with great differences in terms of population percentage, ranging from 5.9% (China) to 25% (Japan). Russia, Brazil and Turkey, instead, share their Archetype A configuration, with medium-low importance to all values.

Then again, Archetype B in US, high on Self-transcendence and Conservation, can be observed in India, Japan, Russia and Brazil, with population proportions ranging from 7,5 to 19,4.

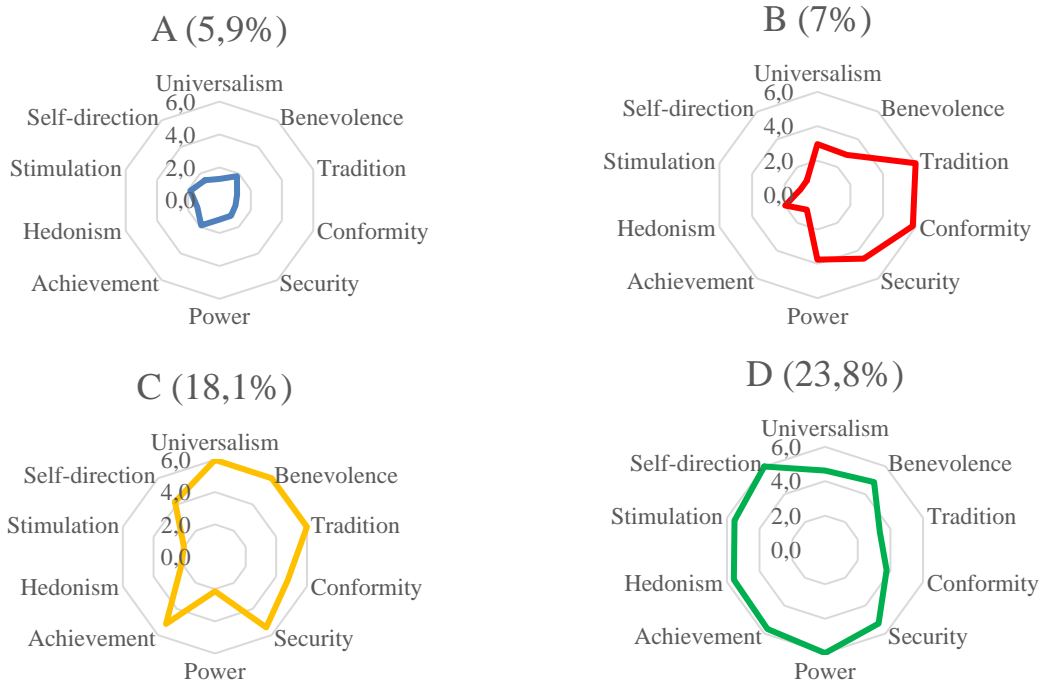
For what concerns the “local” archetypes, examples can be found in all countries. In Brazil, Archetype C is very low on Stimulation, Power, Achievement and Tradition, and medium-high on all others. In US, Archetype C is high on Openness to Change and Self-transcendence, and medium-low on all other values. In Germany, Archetype C is medium-high on Self-enhancement and Openness to Change, and low on all other values. Once again, the list is not complete, but seeks to hint the co-existence of both communal and unique value configurations.

Figure 4.11 Archetypes profiles on the ten Schwartz values for US, Wave 6



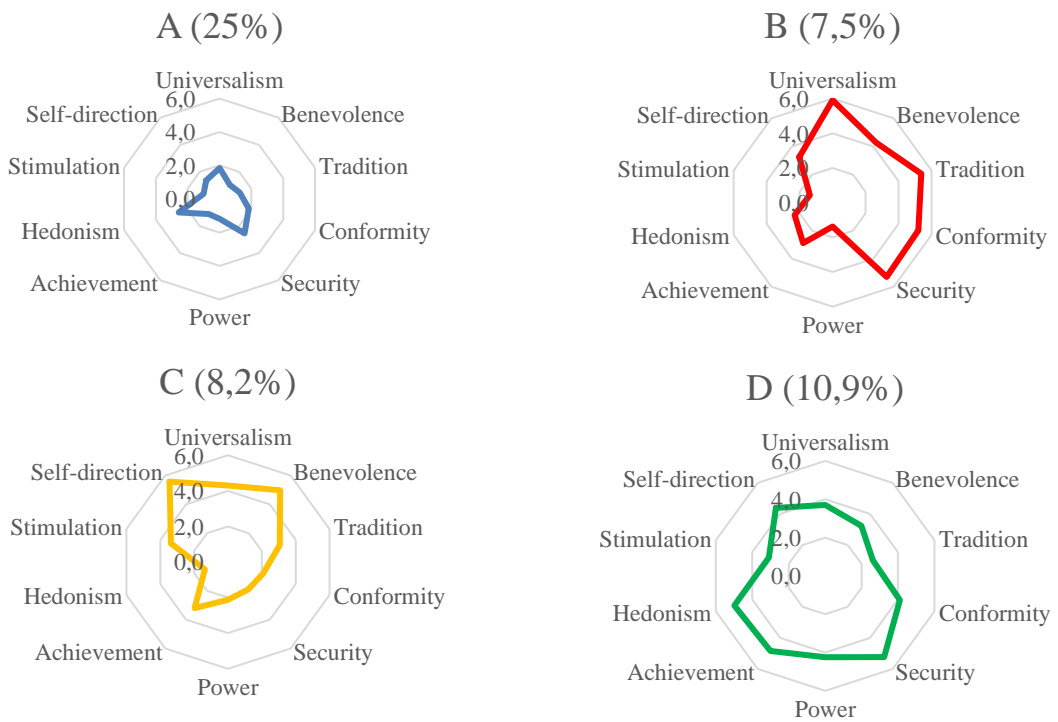
[Source: Elaboration from WVS6 data]

Figure 4.12 Archetypes profiles on the ten Schwartz values for China, Wave 6



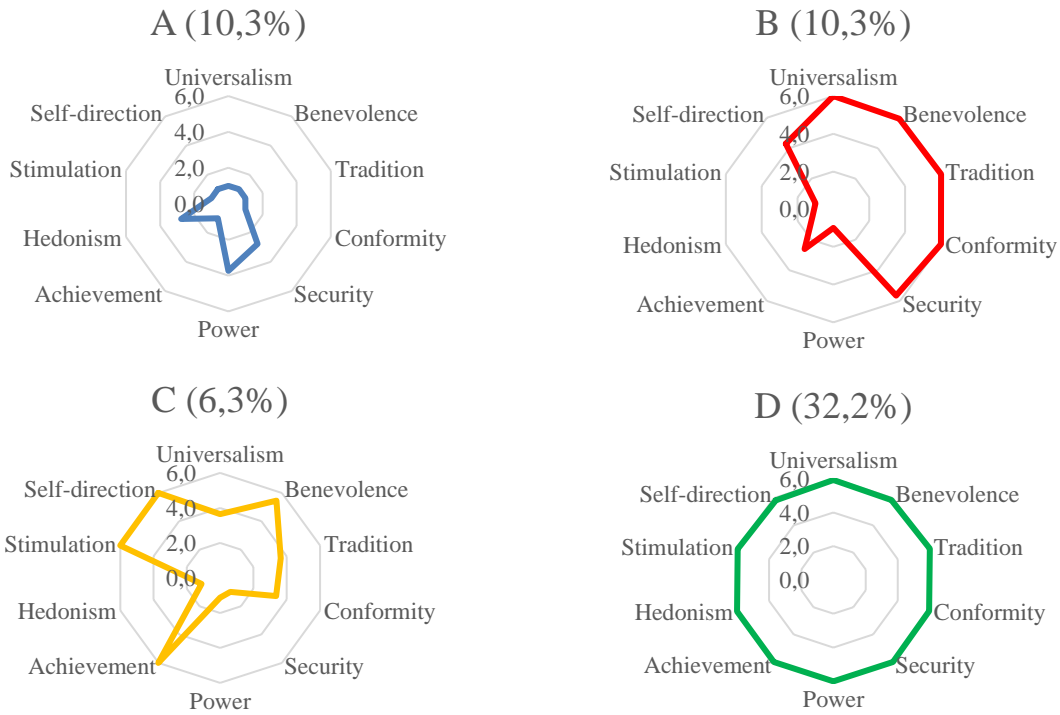
[Source: Elaboration from WVS6 data]

Figure 4.13 Archetypes profiles on the ten Schwartz values for Japan, Wave 6



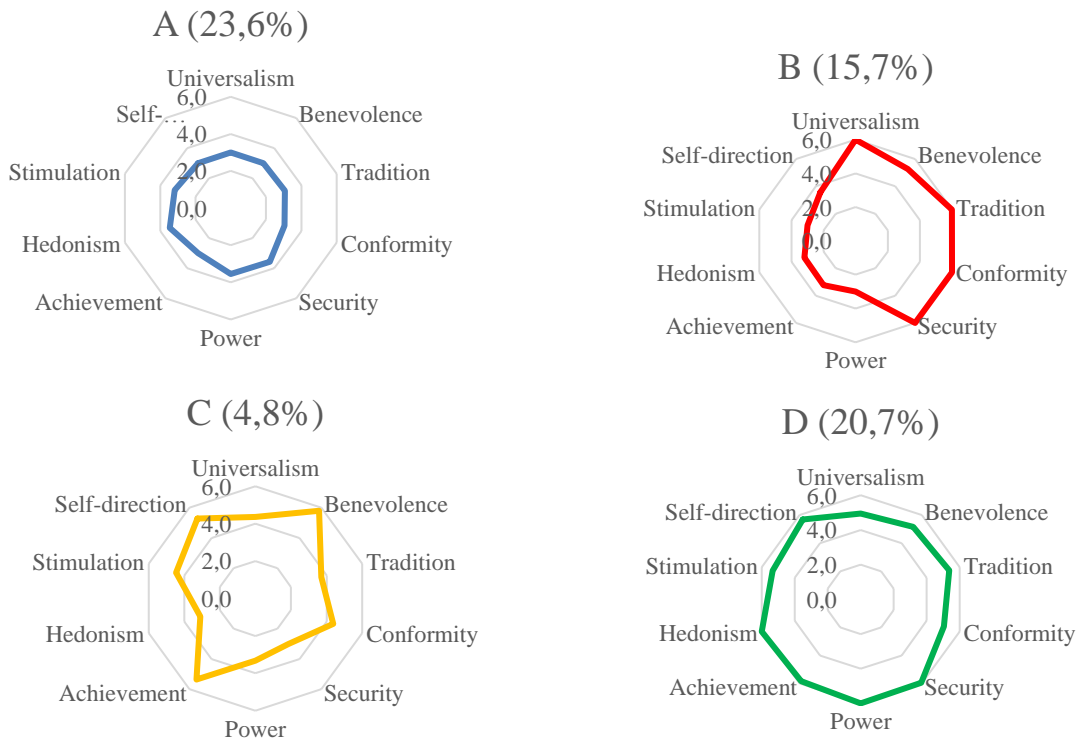
[Source: Elaboration from WVS6 data]

Figure 4.14 Archetypes profiles on the ten Schwartz values for India, Wave 6



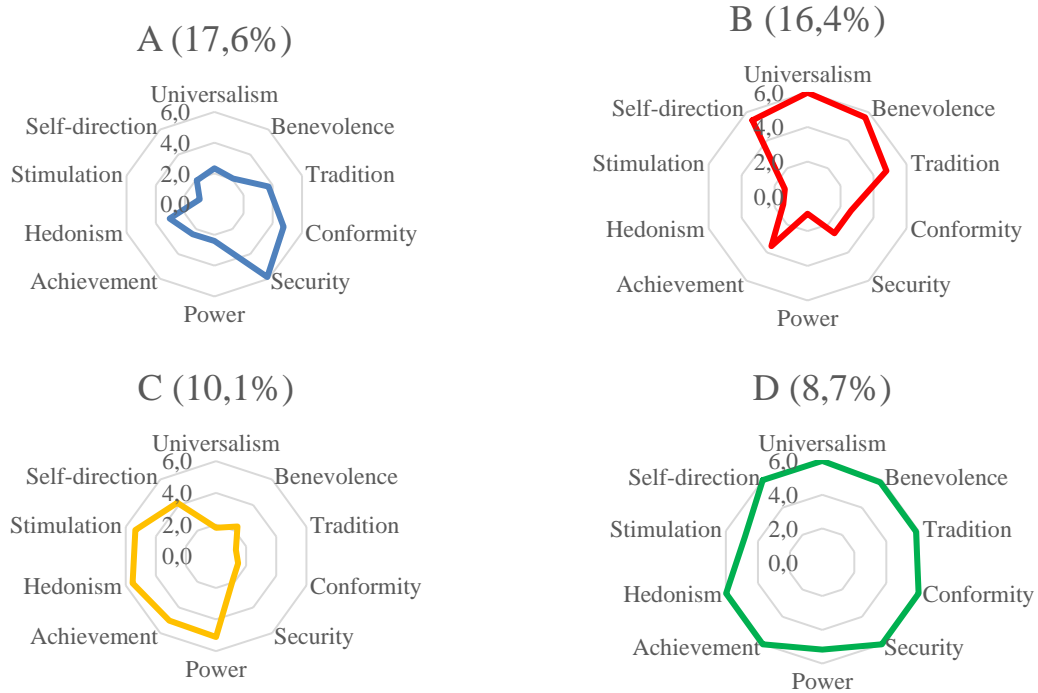
[Source: Elaboration from WVS6 data]

Figure 4.15 Archetypes profiles on the ten Schwartz values for Russia, Wave 6



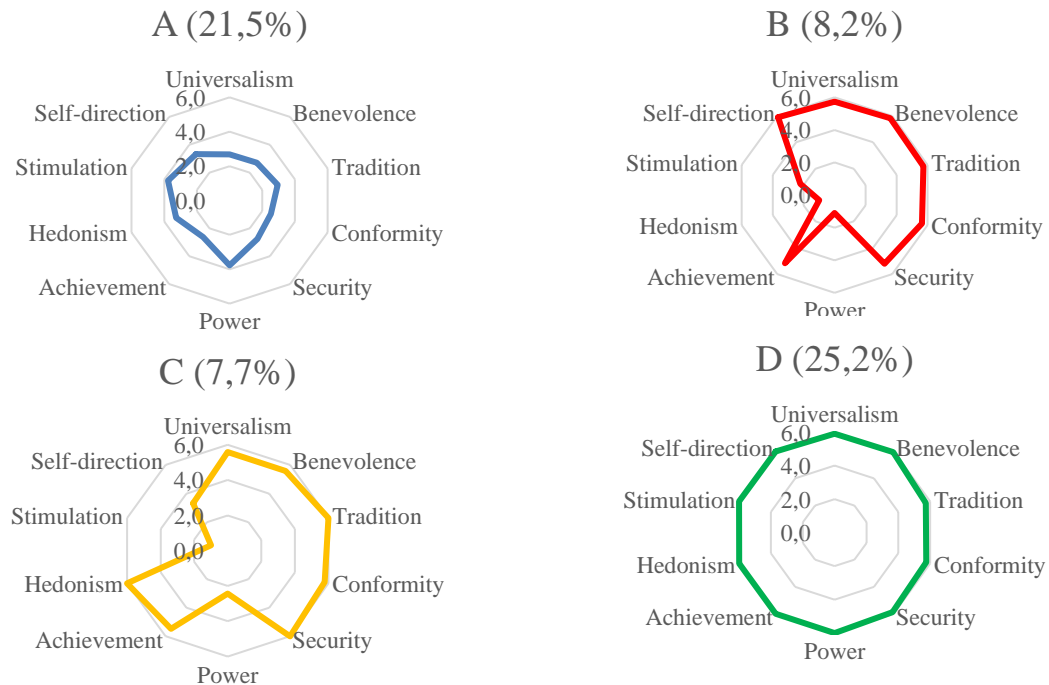
[Source: Elaboration from WVS6 data]

Figure 4.16 Archetypes profiles on the ten Schwartz values for Germany, Wave 6



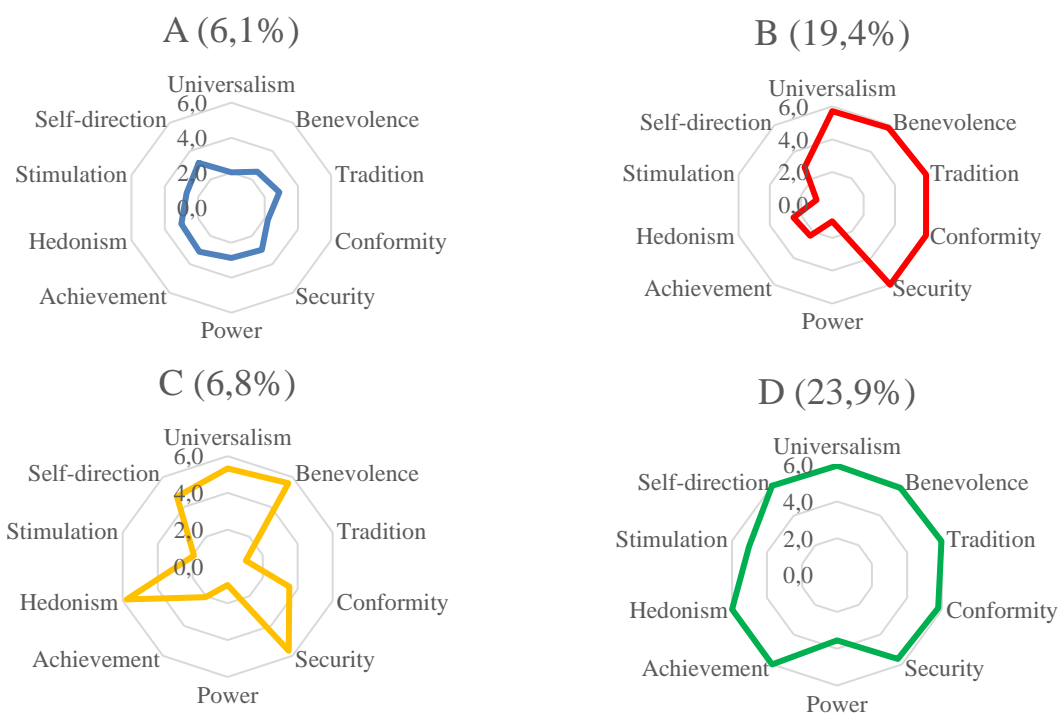
[Source: Elaboration from WVS6 data]

Figure 4.17 Archetypes profiles on the ten Schwartz values for Turkey, Wave 6



[Source: Elaboration from WVS6 data]

Figure 4.18 Archetypes profiles on the ten Schwartz values for Brazil, Wave 6



[Source: Elaboration from WVS6 data]

After performing the archetypal analysis on both waves, it is interesting to investigate whether changes have occurred in each country between the two Waves. There are some countries which roughly present the same archetypal configurations, despite slight changes in one or more archetypes. This is the case of US, Turkey, Brazil, though there are modifications in the proportions of the population presenting the archetypes.

Germany clearly maintains Archetype A, but see all other configurations being modified in shape and population percentage. Japan roughly maintains Archetype A and D and the fraction of individuals associated to them; instead, it records quite relevant changes for the remaining value configurations. Russia is subject to a great transformation, as only Archetype C, and A to a certain extent, can be recognized likewise in both Waves; the remaining part of the population presents different value configurations. China strictly maintains Archetype A and varies significantly for the residual part of the population.

Lastly, India changes so deeply that two archetypes drop, and the country is left out with four value configurations, which do not summon the previous ones. All archetypes differ, except for Archetype D, almost overlapping across the waves, despite the difference in population percentage.

4.6.1.3 AA results on pooled eight-country data

For the pooled eight-country analysis, we select random sample of 480 respondents from each country and we gather them together. We then perform the archetypal analysis both for Wave 5 and Wave 6. For both samples, the best number of archetypes turned out to be 5 (Figure 4.19-4.20).

First, we examine the archetypal members by exploring their demographics, namely age, gender, social class, scale of income, in Wave 5 and Wave 6 (Table 4.8-4.9).

In this way, on one hand we are able to have a first look at the average characteristics of each archetypal group, and outline a first identity in broad terms.

On the other hand, this allows us to make a comparison with the previous wave and see whether archetypal groups changed also in terms of population profile.

The analysis of archetypal groups through demographics will be performed along these variables: Sex, Age, Scale of Incomes, Highest educational level attained, social class (Table 4.7). We do also a check on the nationality composition of all archetypes.

Table 4.7 Demographics variables to analyze archetypal groups composition

Wave 5	Wave 6	Variable
V235	V240	Sex
V237	V242	Age
<i>Not available</i>	V238	Social class
V238	V248	Highest educational level attained
V253	V239	Scale of incomes

[Source: worldvaluesurvey.org]

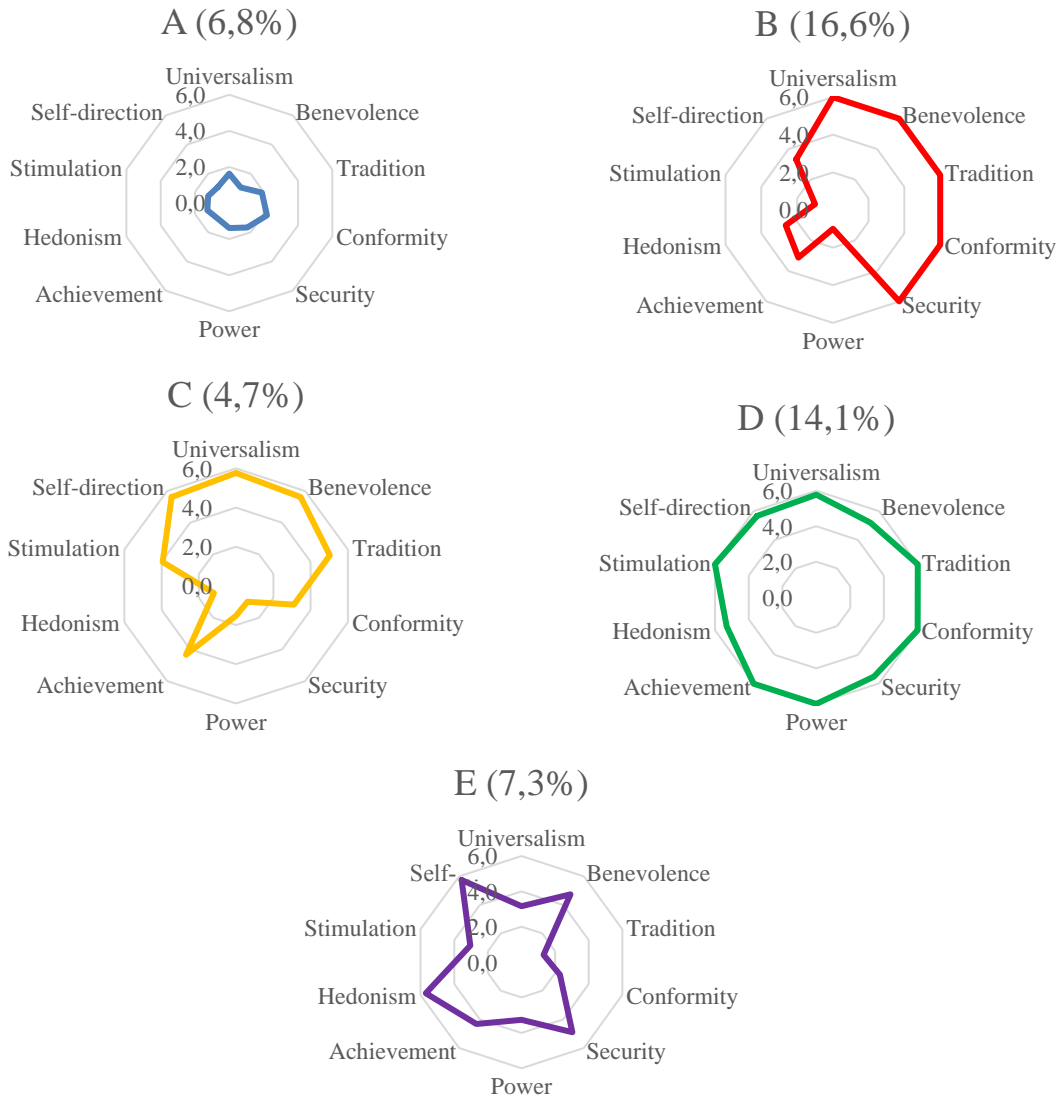
Sex is indicated with 1 when male, 2 when female.

Social class answers include: upper class (1), upper middle class (2), lower middle class (3), working class (4), lower class (5). Social class variable is missing in wave 5 results, as it had missing values for many respondents: so, it has been deleted.

Educational level attained ranges from 1 to 9 (1=No formal education; 2=Incomplete primary school; 3= Complete primary school; 4= Incomplete secondary school: technical/ vocational type; 5= Complete secondary school: technical/ vocational type; 6= Incomplete secondary school: university-preparatory type; 7=Complete secondary school: university-preparatory type; 8= Some university-level education, without degree; 9= University - level education, with degree). We decide to group these answers into Low or no educational level (1-4), medium educational level (5-7), high educational level (8-9).

Scale of income ranges between 1 and 10; we hypothesize 1-3 low income, 4-7 medium income, 8-10 high income.

Figure 4.19 Culture archetypes with pooled data from US, China, Japan, India, Russia, Germany, Turkey, Brazil. Wave 5



[Source: Elaboration on Wave 5 data]

For Wave 5, Archetype 1 is one in which individuals place low importance to all values; Archetype B is high on Self-transcendence and Conservation, Archetype C is medium-high on Openness to change, Self-transcendence and on the value Achievement; D is one in which individuals place high importance to all values; Archetype E is ambidextrous, as it shows peaks touching values belonging to opposing motivators.

Table 4.8 Wave 5 archetypal configurations through demographics

Variable	Archetype A (263)	Archetype B (637)	Archetype C (183)	Archetype D (544)	Archetype E (280)
Sex	Male 51.7% Female: 48,3%	Male: 38% Female: 62%	Male: 62,8% Female: 37,2%	Male: 59,7% Female: 40,3%	Male: 49,2% Female: 50.8%
Avg. age	47,2	48,7	42,1	37,9	35,8
Education	Low/no: 22% Medium: 62,7% High: 15,3%	Low/no: 43,2% Medium: 41,7% High: 15,1%	Low/no: 19,6% Medium: 46,4% High: 34%	Low/no: 36,4% Medium: 43,4% High: 20,2%	Low/no: 22,1% Medium: 54,6% High: 23,3%
Scale of income	Low: 34,6% Medium: 48,7% High: 16,7%	Low: 40% Medium: 54% High: 6%	Low: 33,3% Medium: 52,4% High: 14,3%	Low: 43,2% Medium: 43,4% High: 13,4%	Low: 28,6% Medium: 57,1% High: 14,3%
<ul style="list-style-type: none"> ■ US ■ China ■ Japan ■ India ■ Russia ■ Germany ■ Turkey ■ Brazil 					

[Source: elaboration on Wave 5 data]

Making a comparison across archetypes along demographics, something stands out.

For gender, Archetype A and E are almost equally split; Archetype B is predominantly Female; Archetype C and D are mostly Male.

The average age of individuals belonging to the groups varies a lot; Archetype E turns out to be the youngest, with an average of 35.8, while Archetype B is the oldest, with an average of 48.7.

For what concerns education, Archetype A and E present a higher proportion of people with a medium educational level; both Archetype D and B roughly present the same educational composition, with approximately 40 % of low/no educated people and 40% of medium-educated ones. Archetype C has, on average, the highest educational level, with 34% university-attending or graduated, and nearly 50% individuals with a medium educational level.

Regarding the scale of income, Archetype B immediately stands out for the lowest percentage of high-income people (6%) and the major part of the remainder having medium income. For the other archetypes high-income individuals always represent around 15% of the population; what changes is the balance between low- and medium-income people. Archetype E presents the highest disproportion (28.6% vs. 57.1%) while Archetype D has the more balanced configuration (43.2 vs 43.4%).

It is also interesting to see the country composition of each archetype. First, it is important to highlight that each archetype presents individuals of each country, even if with different proportions.

Archetype A has a slightly predominant nationality, namely Japanese people (51%). Then the more relevant sub-groups are composed of US inhabitants, Russian, Indian and German people. Archetype B is one third Brazilian, then presenting meaningful subgroups of US inhabitants, Chinese, German, Russian and Turkish people.

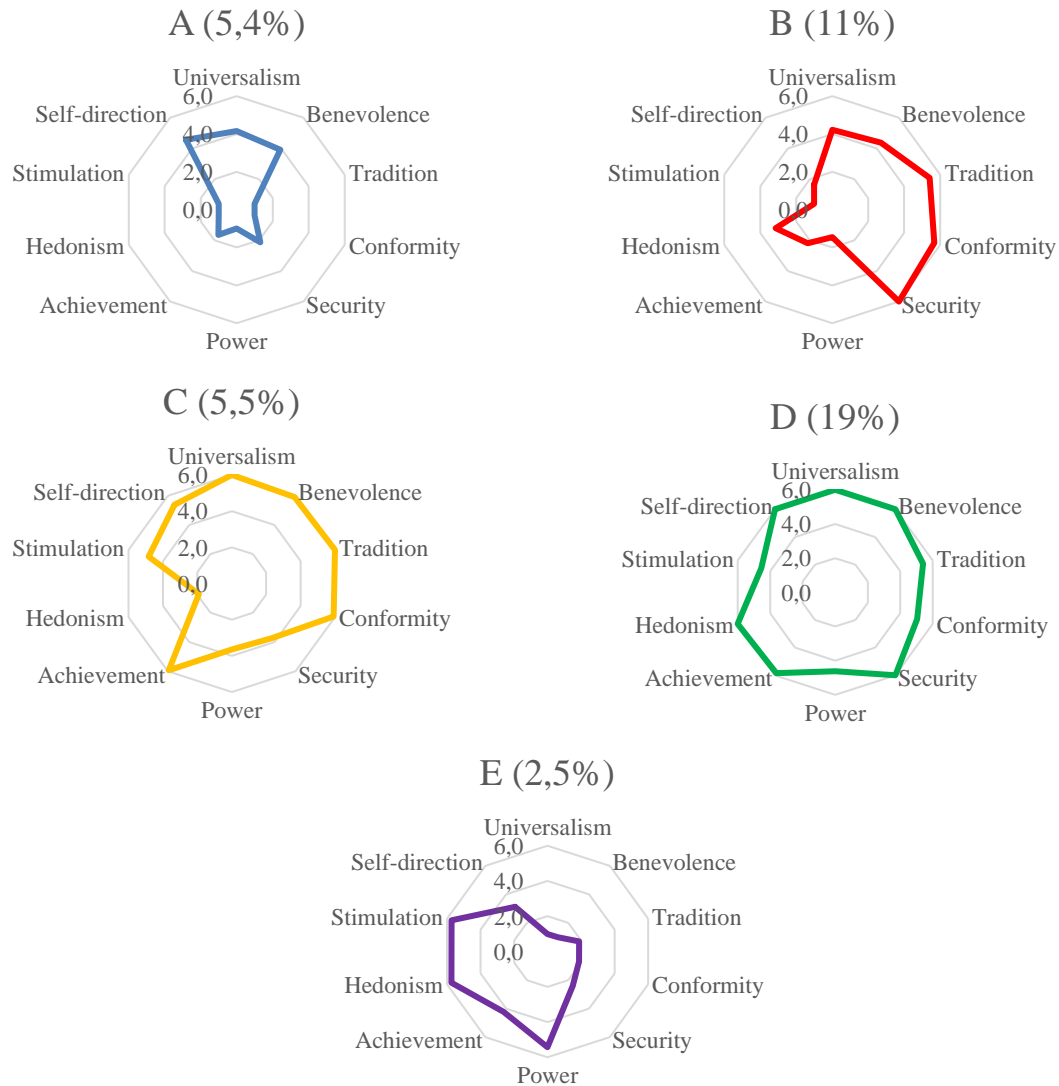
Archetype C is characterized by a similar situation, where nearly one third of the population shares the same nationality, Indian in this case, and then there are 5 medium subgroups which roughly share the same percentage. Once again, US inhabitants, Chinese, German, Russian people, but here Turkish are replaced by Japanese individuals.

Archetype D has one third of Indian people and one third of Turkish people, two medium subgroups of Russian and Chinese and minorities for Brazil, US, Germany and Japan.

Archetype E has the most balanced country configuration: Russia and Germany have the most individuals (25% and 19%, respectively), but they do not outdistance the other sub-groups

excessively. At last, there are only two minorities of Turkish and Indian people, representing 6% and 3% of the population respectively.

Figure 4.19 Culture archetypes with pooled data from US, China, Japan, India, Russia, Germany, Turkey, Brazil. Wave 6



For Wave 6, Archetype A is one in which individuals place low importance to all values, and medium-high importance to Self-direction, Universalism and Benevolence. Archetype B is medium-high on Self-transcendence and Conservation. Archetype C is high on Openness to Change, Self-transcendence and Conservation (except for the value Security) and has a peak related to Achievement. Archetype D is one in which individuals place medium-high importance to all values. Archetype E places medium-high importance on Self-Enhancement and Openness to Change.

Table 4.9 Wave 6 archetypal configurations through demographics

Variable	Archetype A (207)	Archetype B (423)	Archetype C (213)	Archetype D (731)	Archetype E (96)
Sex	Male 56% Female 44%	Male 38.3% Female 61,7%	Male 62,9% Female 37,1%	Male 55,1% Female 44,9%	Male 59,3% Female 40,7%
Avg. age	51.7	50,01	41,47	40,5	35.8
Social Class	Upper: 3,4% Upper middle: 20,3% Lower middle: 34,3% Working class: 32,8% Lower class: 9,2%	Upper: 1% Upper middle: 11.8% Lower middle: 43% Working class: 29,8% Lower class: 14,4%	Upper: 2,3% Upper middle: 20,2% Lower middle: 47% Working class: 22,5% Lower class: 8%	Upper: 4,6% Upper middle: 22,3% Lower middle: 39,8% Working class: 24,3% Lower class: 9%	Upper: 5,2% Upper middle: 20,8% Lower middle: 33,3% Working class: 36,5% Lower class: 4,2%
Education	Low/no 21.2% Medium: 45,4% High: 33,4%	Low/no: 27,2% Medium: 51,77% High: 21,03%	Low/no: 36,2% Medium: 33,8% High: 30%	Low/no: 27,2% Medium: 43,6% High: 29,2%	Low/no: 45,8% Medium: 43,8% High: 10,4%
Scale of income	Low 37,7% Medium 47,8% High 14,5%	Low: 32,4% Medium: 58,4% High: 9,2%	Low: 38% Medium: 51,2% High: 10,8%	Low: 24,5% Medium: 62,2% High: 13,3%	Low: 24% Medium: 63,5% High: 12,5%
Geography					

[Source: Elaboration from Wave 6 data]

We retrace the analysis made for Wave 5.

Looking at gender, all archetypes present predominance of one sex over the other, albeit some differences in terms of proportions: the more balanced situation is that of Archetype D (55,1% Male, 44,9% Female). The most disproportionate archetype is C, with 62,9% Male and 37,1% Female. Archetype B presents similar percentages, but reversed.

The average age is really varying across archetypes. The youngest archetype is E, with an average of 35,6; the oldest is A, with an average of 51,7.

For what concerns social class, at first instance it looks like all archetypes share quite the same composition, in terms of relative importance of the sub-groups within each Archetype. For Archetype A, C and D the first largest subgroup is the Lower-middle class; the second largest is the working class, and the third largest is the upper-middle. For Archetype E, the first and second place are inverted, so that the working class represents the most numerous sub-group; for Archetype B, instead, it is the lower class which own the third place for size, substituting the upper-middle class, marking a drop of one place in the chart.

Concerning the educational level, Archetype E is the least educated, with both the lowest percentage of university-attending and graduated individuals and the greatest number for low- or non-educated people. Archetype A and D present a quite similar composition, recording about 30% of high-educated, 45% of medium-educated and 25% of low- or not-educated individuals. Archetype C is the most balanced, presenting an almost equal division of people into the three categories. Archetype B is unique, with nearly half people with medium level of education, about 30% with low or no education and nearly 20% with high education.

Looking at the scale of income, Archetype D and E present a similar situation, with nearly 63% of medium-income people, 24% low-income and 13% high-income. Archetype A and C are similar, as well: they have about half individuals with medium income, 38% with low income and the remainder with high-income. Once again, Archetype B is unique: it shows high resemblance to Archetypes D and E, but presents a lower gap between the low-income and medium-income levels.

At last, the nationality composition is again motley. Each archetype has individuals of all countries; only Archetype A makes exception, which does not include Russian individuals.

Archetype A includes 45% Japanese, lower percentages of US, India and Germany, and minorities for all other countries. Archetype B is nearly one fourth Brazilian, and has other

relevant sub-groups of Chinese, Japanese and US inhabitants. Archetype C is more than one third Indian; it has consistent sub-groups including Chinese and Turkish, and smaller groups for the remaining countries. Archetype D is nearly one fourth Turkish and one fourth Brazilian, 15% Indian and nearly 15% Russia, and has minor sub-groups for the other countries. Archetype E is almost half German and one third Indian; it has 11% Japanese, 7% Chinese and minorities for the left-out part.

Comparison across the waves

As previously hinted, it could be interesting to compare the archetypal demographics compositions across Waves, especially in those archetypes that turn out to be really similar.

Archetype A in wave 6 is very similar to that of wave 5. What it shows more, is medium importance to Self-direction, Universalism and Benevolence. However, it is valuable to notice that the predominance of Japanese individuals is still there, as well as the sub-groups of German, Indian and US inhabitants. The average age has almost remained unchanged (2-3 years more), and so did Education and Scale of income, although the proportion of High-educated people has increased at the expense of the medium level. The gender composition is again mostly male.

Archetype B is similarly detected both in Wave 5 and Wave 6; what differs is the importance attributed to Universalism and Benevolence, which is a bit lower in the second Wave. Once again, anyway, the nationality composition is akin to the first Wave: it includes nearly one third of Brazilian and relevant smaller sub-groups of German, Chinese and US inhabitants. The major difference is that 14% of Turkish in the first Wave have then been replaced by the same percentage of Japanese, substituting them in a minority place. The gender distribution is almost overlapping to the previous wave. The average age is almost the same (once again, 2-3 years more) and so is the scale of income. Differences can be found in the educational configuration, which has more medium- than low-educated individuals.

Archetype C is really similar to its counterpart in Wave 5. It similarly presents predominance of Openness to Change, Self-Transcendence, Conservation (excluding Security) and the value Achievement. However, in Wave 6 the importance attributed is not medium-high, but clearly high. The gender composition is pretty much overlapping, and so is the average age of individuals.

The scale of income is almost the same, although the percentage of low-income individuals is a little bit higher, at the expense of the high-income group. The educational configurations differ especially for the medium and low level: in the first wave, the former neatly outnumbered the latter, while now the situation is reversed and presents a smaller gap. From a nationality perspective, what the two archetypes have in common is the predominance of Indian people, nearly one third in both cases. The smaller groups do not differ so much, except for Turkey and Japan: in Wave 5 the former represented a minority, and the latter a more relevant sub-group; now the situation is reversed.

Archetype D is recognized with a similar pattern in both waves, too. It is one in which all values are attributed high or medium-high importance. The gender composition is quite similar, with slight predominance of male people. So is the average age, only 2 years older than the first wave. There are few changes for what concerns the scale of income and the educational level. The percentage of high-income people is roughly the same, but there is a greater gap between the medium-income and low-income individuals; instead, the percentage of medium-educated individuals is almost overlapping, and the percentage of high-educated people has now overtaken the low- or non-educated ones, even though slightly. For what concerns the national composition, a common thread is the high percentage of Turkish people, nearly one third in both cases. Chinese and US inhabitants keep on representing relevant sub-groups, but the Indian individuals, formerly representing one third, practically halved.

Archetype E does not present a similar configuration across the waves, but it is interesting to see that it has few commonalities with its counterpart in Wave 5. First, the average age is the exactly the same, so it is still attributed the label of “youngest” archetype. Then, it is the archetype with the greater fraction of German individuals, further strengthening their presence (from 25% to 42%). The scale of income composition is quite alike, with roughly 60% of medium-income, 25% of low-income and 15% of high-income people. Instead, differences can be detected (1) in the gender composition, formerly balanced and now mostly male;(2) in the country composition, which is completely different; (3) in the educational composition, formerly half of medium-educated and the other half almost equally split between high and low education, while now high-educated individuals are one tenth, and the rest equally splits between low and medium.

Overall, it is peculiar to see that the population percentages associated to each archetype in Wave 5 and Wave 6 does not change much.

4.6.2 Analysis of archetypes through OLS regression

We select 41 items from WVS Wave 6. We collect these variables into three groups: demographics and nature of work, self-perceptions, attitudes and beliefs (Table 4.8-4.10).

Table 4.8 WVS6 variables to investigate the composition of archetypal groups. Demographics and nature of work

No.	Variable label	Scale	Reversed
V231	Nature of tasks: manual vs. intellectual	1-10	
V232	Nature of tasks: routine vs. creative	1-10	
V233	Nature of tasks: independence	1-10	
V238	Social class	1-5	X
V239	Scale of incomes	1-10	
V240	Sex	1 male: 2 female	
V242	Age	NA	
V248	Highest educational level attained	1-9	

[Source: WVS 2012 Questionnaire]

Table 4.9 WVS6 variables to investigate the composition of archetypal groups. Self-perception

No.	Variable label	Scale	Reversed
V10	Feeling of happiness	1-4	X
V23	Satisfaction with your life	1-10	
V59	Satisfaction with financial situation of household	1-10	
V212	I see myself as a world citizen	1-4	X
V213	I see myself as a member of the local community	1-4	X
V216	I see myself as an autonomous individual	1-4	X

[Source: WVS 2012 Questionnaire]

Table 4.10 WVS6 variables to investigate the composition of archetypal groups. Attitudes and beliefs

No.	Variable label	Scale	Reversed
V4	Importance in life: family	1-4	X
V5	Importance in life: friends	1-4	X
V6	Importance in life: leisure time	1-4	X
V7	Importance in life: politics	1-4	X
V8	Importance in life: work	1-4	X
V9	Importance in life: religion	1-4	X
V45	When jobs are scarce, men should have more right to a job than women	1-3	X
V46	When jobs are scarce, employers should give priority to people of this country over immigrants	1-3	X
V47	If a woman earns more money than her husband, it's almost certain to cause problems	1-3	X
V48	Having a job is the best way for a woman to be an independent person	1-3	X
V49	One of my main goals in life has been to make my parents proud	1-4	X
V55	How much freedom of choice and control over own life	1-10	
V56	Do you think most people would try to take advantage of you if they got the chance, or would they try to be fair?	1-10	
V67	Future changes: less importance placed on work in our lives	1-3	X
V68	Future changes: more emphasis on the development of technology	1-3	X
V69	Future changes: greater respect for authority	1-3	X
V96	Income equality (there should be: more equal income vs. disparities)	1-10	
V97	Private vs state ownership business	1-10	
V99	Competition good or harmful	1-10	
V100	Hard work brings success	1-10	X
V101	Wealth accumulation (get rich at the expense of others vs. wealth can grow so there's enough for everyone)	1-10	
V160	Is a 30-year-old boss acceptable	1-10	
V164	Is a 70-year-old boss acceptable	1-10	
V192	Science and technology are making our lives healthier, easier and more comfortable	1-10	
V198	Justifiable: claiming government benefits to which you are not entitled	1-10	
V199	Justifiable: avoiding a fare on public transport	1-10	
V202	Justifiable: someone accepting a bride in the course of their duties	1-10	

[Source: WVS 2012 Questionnaire]

For each variable we indicate the scale available for the answer and specify whether this is “reversed” or not. In order to clarify this point, by “not reversed” we mean that:

- When respondents shall indicate their level along a certain variable (e.g. educational level), low scores correspond to low levels;
- When respondents have to express agreement or disagreement, low scores correspond to disagreement;
- When respondents have to express the degree of importance for a certain item, low scores mean low importance;
- When respondents are given two different options to describe one feature along a continuum, low scores refer to proximity to the first one and high scores refer to the second one (e.g. nature of work: manual vs. intellectual).

So, the other way around, if variables are indicated as reversed, it means that their scale is upside down. This will be useful to interpret OLS regression results.

The purpose of this analysis is to outline an identity of the individuals belonging to the archetypal groups, from different perspectives. We do not limit the portrait to external, objective criteria, but we dig deep to extrapolate more details related to the interior, personal features characterizing the individuals’ mentality and attitudes. What we aim to see is how the general, comprehensive, humanly universal Schwartz values express into attitudes, norms, beliefs. This can be seen as a meso level of culture, standing between the inner, namely the core values, and the outer, namely behavior. Investing the level in-between can shed light on the archetypes composition and explain whence these values derive and in which terms they are important to the archetypal members.

Hence, the guiding principle of the analysis is to test whether (some of) these variables are able to describe the archetypal groups, i.e. whether the average score assigned by, say, archetype A members to a certain item, is significantly higher or lower than the grand mean for that item. Put it differently, if on average archetype A individuals value a certain item way higher or lower compared to the overall population, this means that archetype A members can be generally recognized through that specific non-ordinary attitude towards it.

Hence, we estimate an OLS regression with “each item as the dependent variable and membership of the five archetypes as contrast-coded dummy predictor variables (e.g. code membership of archetype A as 1 0 0 0 0)” (Venaik and Midgley, 2015, p.1069). For a given item, if archetypes A is detected as significantly above the grand mean, we put a plus in the table accordingly; if it is significantly lower than the grand mean, we put a minus. This is done

with one caveat. When variables are reversed, the results are interpreted the other way around, so that when the process of data would tell to write a plus, a minus is written instead. In this way, the signs written for such items will be interpreted consistently with the other ones.

An example will eliminate all doubts: variable 100 is one in which the respondent has to express his agreement to the statement “Hard work brings success”. The scale is reversed, so that 1 means agreement and 10 means disagreement. If an archetype turns out to have a significantly higher average for this item, compared to the grand mean, it implies that archetype A individuals more than others disagree on that. So, the table will not contain a plus, but a minus, in such a way that the reader can easily recognize a lower level of agreement. This allows consistency, clear interpretation and fast derivation of results.

Results are shown in Table 4.11, 4.12.

Table 4.11 OLS regression on Demographics, Work and Self-perception variables, Wave 6

Category	Summary description	S	Rev.	A	B	C	D	E
Demographics & Work	Age	NA		+	+		-	-
	Gender	2			+			
	Education	9			-	-		-
	Social class	5	X		-			
	Work: manual vs intellectual	10			-			
	Work: routine vs. creative	10		+	-			
	Work: independence	10						
Self-perception	Happiness	4	X					
	Satisfaction with life	10						-
	Satisfaction with finances	10						
	I see myself as a world citizen	4	X			+	+	
	I see myself as a member of the local community	4	X		+			
	I see myself as an autonomous individual	4	X					

[Source: Elaboration from Wave 6 data]

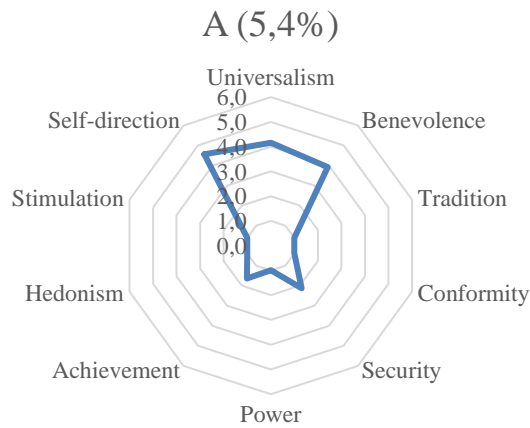
Table 4.12 OLS regression on attitudes, beliefs and norms, Wave 6

Category	Summary description	S	Rev.	A	B	C	D	E
Attitudes, beliefs, norms								
Social Priorities	Importance in life: family	4	X					-
	Importance in life: friends	4	X				+	
	Importance in life: leisure time	4	X				+	
	Importance in life: politics	4	X	+				
	Importance in life: work	4	X			+	+	
	Importance in life: religion	4	X	-	+	+	+	-
	Future changes: less importance placed on work in our lives	3	X	-				
	Future changes: more emphasis on the development of technology	3	X				+	
	Future changes: greater respect for authority	3	X	-	+		+	
Gender/racial/age equality	When jobs are scarce, men should have more right to a job than women	3	X			+		
	When jobs are scarce, employers should give priority to people of this country over immigrants	3	X		+			
	If a woman earns more money than her husband, it's almost certain to cause problems	3	X				+	
	Having a job is the best way for a woman to be an independent person	3	X				+	
	Is a 30-year-old boss acceptable	10						
	Is a 70-year-old boss acceptable	10						
Meeting expectations	One of my main goals in life has been to make my parents proud	4	X	-		+	+	
Attitudes to life	In control of life	10						-
	People are fair	10			-		-	
	Income equality (more equal income vs. disparities)	10					-	
	Private vs state ownership business	10		-				
	Hard work brings success	10	X					
	Wealth accumulation (get rich at the expense of others vs. wealth can grow)	10						-
	Science and technology are making our lives healthier, easier and more comfortable	10						
Ethical behavior	Justifiable: claiming government benefits to which you are not entitled	10			-			
	Justifiable: avoiding a fare on public transport	10		-	-			+
	Justifiable: someone accepting a bribe in the course of their duties	10			-			+

[Source: Elaboration from Wave 6 data]

Findings about the archetypal groups deriving from the OLS regression will be presented recalling the related archetypal configuration, attempting to outline a picture of a hypothetical member describing the main features. (Figure 4.20-4.24 and Table 4.13-4.17)

Figure 4.20 Archetype A, Wave 6



[Source: Elaboration from Wave 6 data]

Table 4.13 OLS regression summary for Archetype A

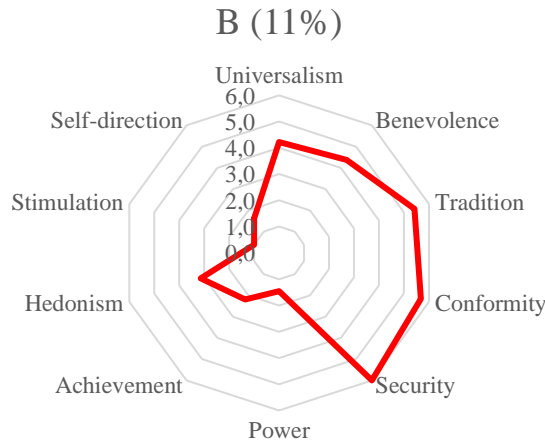
+/-	Variables
+	Age Work: routine vs. creative Importance in life: politics
-	Importance in life: religion Future changes: less importance placed on work in our lives Future changes: greater respect for authority Private vs state ownership business Justifiable: avoiding a fare on public transport

[Source: Elaboration from Wave 6 data]

Archetype A members generally appear as older than average and are likely individuals who value work and self-expression in the job as important values. Their high self-direction, which leads them to “think up new ideas and be creative” is then something which reflects itself in the work environment. The lower importance they attribute to religion, parents’ expectations and respect for authority is likely a sign of the little importance they associate to Conservation-type of values (Security, Conformity, Tradition). They probably do not stick to their roots, but have

instead their eyes on the future, given also that they deem politics and private ownership of business and industry more important compared to others.

Figure 4.21 Archetype B, Wave 6



[Source: Elaboration from Wave 6 data]

Table 4.14 OLS regression summary for Archetype B

+/-	Variables
+	Age Gender I see myself as a member of the local community Importance in life: religion Future changes: greater respect for authority When jobs are scarce, employers should give priority to people of this country over immigrants
-	Education Social class Work: manual vs intellectual Work: routine vs. creative People are fair Justifiable: claiming government benefits to which you are not entitled Justifiable: avoiding a fare on public transport Justifiable: someone accepting a bride in the course of their duties

[Source: Elaboration from Wave 6 data]

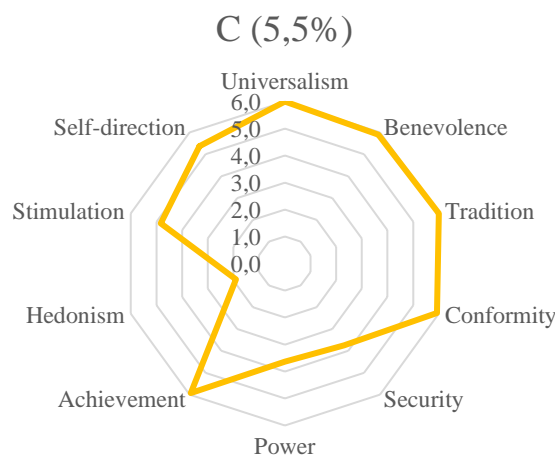
Archetype B is older than average and has more female than the others. Members of this group have, then, lower educational level and social class compared to the mean. Their work is mostly

manual and routine. The lack of openness to change and self-enhancement is, thus, also related to the work environment.

Individuals of this group place higher importance on religion and respect for authority, which reflect high levels on Conservation-type values. However, they seem to show mistrust for other people and foreigners, as they think, less than others, that people are fair and that job allocation should prioritize compatriots over immigrants.

At last, the high Benevolence of this archetypal group finds expression in the variables concerning ethical behavior. Archetype B is, among all others, the one placing the highest importance on good social conduct.

Figure 4.22 Archetype C, Wave 6



[Source: Elaboration from Wave 6 data]

Table 4.15 OLS regression summary for Archetype B

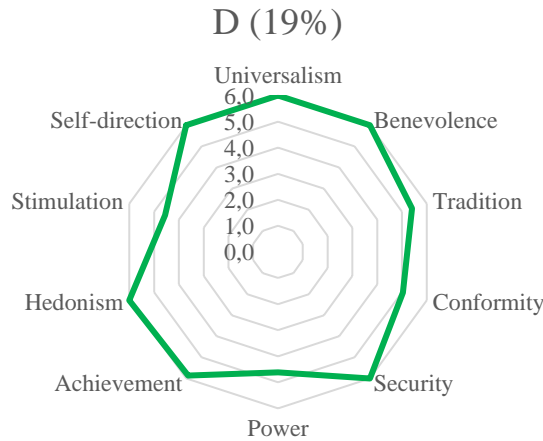
+/-	Variables
+	I see myself as a world citizen Importance in life: work Importance in life: religion When jobs are scarce, men should have more right to a job than women One of my main goals in life has been to make my parents proud
-	Education

[Source: Elaboration from Wave 6 data]

Archetype C is unluckily not clearly identifiable by means of the variables selected. For what concerns demographic features, it has a significantly below-average educational level. We can say that the higher importance placed on work and religion could be representative of the

importance placed on Openness-to-change- and Conservation-type of value, respectively. Maybe it is a hazard to hypothesize it, but the high score for Tradition could hide a strong connection to a patriarchal family- type of mentality, where men are “more entitled to work” compared to women, and where parental authority and expectations must be taken into consideration.

Figure 4.23 Archetype D, Wave 6



[Source: Elaboration from Wave 6 data]

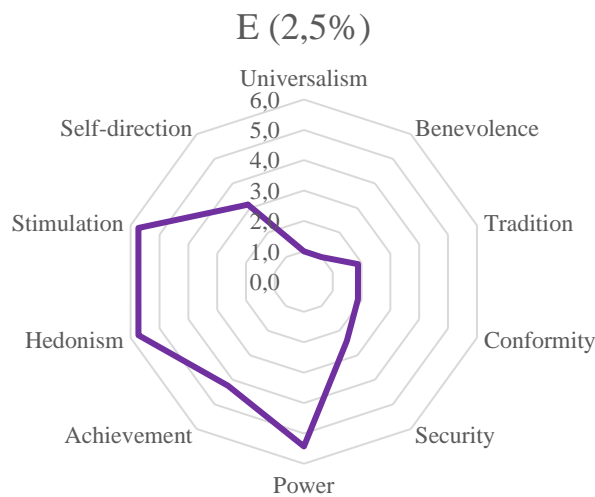
Table 4.16 OLS regression summary for Archetype D

+/-	Variables
+	I see myself as a world citizen Importance in life: friends Importance in life: leisure time Importance in life: work Importance in life: religion Future changes: more emphasis on the development of technology Future changes: greater respect for authority If a woman earns more money than her husband, it's almost certain to cause problems Having a job is the best way for a woman to be an independent person One of my main goals in life has been to make my parents proud
-	Age People are fair Income equality (more equal income vs. disparities)

[Source: Elaboration from Wave 6 data]

Archetype D has a higher age compared to the average. He places higher importance on friends, leisure time, work and religion. The high importance attributed on many social different social priorities is the reflection of the high importance attributed to all Schwartz values. Its profile hence results quite controversial, given by the fact that it attributes great importance to values belonging to opposing motivators.

Figure 4.24 Archetype E, Wave 6



[Source: Elaboration from Wave 6 data]

Table 4.17 OLS regression summary for Archetype E

+/-	Variables
+	Justifiable: avoiding a fare on public transport Justifiable: someone accepting a bride in the course of their duties
-	Age Education Satisfaction with life Importance in family Importance in life: religion In control of life Wealth accumulation (get rich at the expense of others vs. wealth can grow)

[Source: Elaboration from Wave 6 data]

Archetype E presents a significantly lower age and education compared to the average. Individuals belonging to this group are the ones who value family and religion the least. They give no importance to correct behavior, and they see situations with a win-lose perspective.

In addition, they are the least satisfied with life, but, at the same time, they are those who think, less than others, that they own control on their lives. This lets us imagine they are individuals who do not strive to change the status quo and solve problems, and that they do not put effort and commitment in what they do.

Although not all variables turned out to be relevant in describing the individuals belonging to the archetypal configurations, the analysis clearly demonstrated the ability to associate some peculiar characteristics to the archetypes, even if with varying effectiveness. Availability of a wider list of variables could help outlining a more detailed and precise archetypal portrait.

4.7 Limitations and possible directions for future research

Our study has limitations that can be addressed for future research.

The first issue regards the measurement of the importance of values. The WVS provides one item only for each Schwartz value. Although the survey proved to be a valid approach, it would be interesting to have a wider range of variables for measuring each value, to give a richer and more detailed picture.

The second limitation regards the dimensions used to identify the archetypes. We used Schwartz values as data were freely available in the World Value Survey, but it would be useful to perform archetypal analysis collecting data using Hofstede dimensions as a base. As national scores are available for this framework, they would act as a reference point for a comparison with new findings of within-nation subcultures. Performing this type of archetypal analysis on isolated countries can help us spotting country archetypes resembling Hofstede national results and the population proportion associated to that. This would be able to prove right or wrong the predominance of a particular cultural configuration in one country and tell the entity and conformation of other sub-national groups. Then, once again, cross-national comparison could be made, to see whether some archetypes are common to multiple countries and whether others are closely country-specific.

The third issue regards the comparison through time. We succeeded in addressing Venaik and Midgley hint to repeat the analysis for Wave 6, even widening the country analyzed. However, the time frame is yet quite limited, as Wave 5 and 6 refer to 2005-2009 and 2010-2014, respectively. Hence, the gap period covered ranges from 5 to 10 years. This revealed as a

sufficient time frame for some countries to change cultural patterns. Still, other countries saw their value configurations unchanged, albeit some variations in the population proportions related to them. Hence, it would be interesting to see the development of archetypes for the waves to come, and investigate whether some countries still keep their cultural configuration almost unmodified, or whether changes can be detected in all countries in the space of two waves and more.

The fourth issue regards the country coverage. We performed the analysis on eight countries, that were:

- Suitable to capture big fractions of the world populations;
- Representative of important players in the world economy, taking GDP and exports as decision variables;
- Able to capture world diversity in terms of culture, religion, language and ethnicity.

It would be valuable to extend the country coverage even more, to further widen the global coverage.

The fourth limitation regards the variables used to perform OLS regression, to assess the demographics and individual value-driven characteristics attributable to the different archetypes. We were bounded by the variables included in the WVS questionnaire, but further research may explore the association of other variables to the value-configurations emerging from the archetypal analysis, in order to have a more precise and complete representation of the individuals associated to that group.

The fifth suggestion for further research is to investigate the influence of macro- and micro-level factors on culture, representing a meso-level component. As hinted by Hofstede, the three levels, at which the “human mental programming” shapes, interact one another. So, it would be worthwhile to see whether some archetypes are more influenced by macro-level variables, such as political, economic and social dimensions, and whether some others are more related to micro- level variables, namely individual characteristics (Venaik and Midgley, 2015).

4.8 Managerial implications

The construct of cultural archetypes can be applied at different levels in the organizational context. We will see all different areas that can be affected by this approach with the purpose of providing a comprehensive and consistent view of the company analyzed through “archetypal lenses”.

For the sake of clarity, we could first divide the relationship the organization holds with the external environment and with the internal environment. The former category includes actors such as suppliers, customers, competitors. The latter category comprises, ultimately, the organizational members themselves, namely the workforce.

We will go through these groups and see how an organization, be it domestic or multi-national, shall see and manage them. Worth noting that, in light of the discussion above, even companies operating in and targeting their home markets shall acknowledge the evident heterogeneity characterizing even *their* environment, their part of the world. The bias of country homogeneity can make these organizations prejudiced, making them blind and overly confident about their ability to deal with their reference cultural environment.

Conversely, firms going international could have the opposite problem, being overly scared about the diversity they will encounter. Used to see non-domestic countries as distant and foreign, multi-national companies likely overlook the similarities that may exist between their country of origin and the one they want to interface with.

Hence, recognizing intra-country diversity and between-country similarities through archetypes can sensitively help companies' eyes and see the whole organizational processes in different ways.

4.8.1 The external environment

As far as external actors are concerned, it may be interesting to analyze them first applying the archetypal construct at the organization as a whole. As the organization in itself has its own culture, it can be investigated to what archetype the organization can be associated. It is true that we examined cultural archetypes along Schwartz *human* values, but, needless to say, these values are easily applicable to the organizational entity as well, along the lines of the idea of organizational personality. The organization is then attributed a certain value configuration; then, using its profile as a benchmark, organizations belonging to the company's value chain system could be selected accordingly, to gain coherence and unity of purposes at all levels.

The *ratio* is hence to drive decision-makers' focus on culture on a value-based perspective, to stop seeing country culture as a nuisance, an obstacle to face when going international. The cultural determinant driving the choice of location for settling a subsidiary, choosing a supplier, undertaking an acquisition, selecting a partner, is not at the country level. The nation in itself can be intended as a whole, when analyzing macro-level factors, that still maintain their relevance for the sake of doing the best choice possible for an internationalization step. Political issues, legal system, technological advancement, economic situation (PESTEL dimensions, at the end of the day) are indeed determined by the country of reference and shall not be overlooked.

Nonetheless, still considering the cultural dimension at the same macro-level is misleading and inevitably results in inaccurate and potentially harmful decisions.

Hence, if, as example, an organization decides to start a business with a supplier in a given country, in light of macro-level factors' analysis, it will not assume all organizations of that country have, more or less, the same cultural imprint, shaping their *modus operandi* and mentality with similar patterns. Instead, *ceteris paribus*, the company will look for a fit in terms of value configurations, which shall be researched at the organizational level first, getting rid of country-of-origin stereotypes.

For what concerns suppliers, let's say organization *alfa* has an archetypal configuration with very high openness to change and self-transcendence, as it strongly values innovation, creativity, change, but also ethical and sustainable behavior. In choosing their raw material supplier, *alfa* would try to select the best fit with its own configuration. A good candidate would hence operate with environmental friendly precautions, taking care of chemical waste management, material recycle, healthy and safe work place; and more, attempt to reach the state-of-art of technology for what concerns material performance and production optimization, seeking continuous improvement both for the process and for the product.

The same holds for distributors or B2B-type of customers. Let's pretend organization *beta* produces components, say wood pieces and panels, that shall be consequently installed into a final product, say a chair or a table. Organization *beta* places high importance on Conservation-type of values, as it is a pluri-decennial family company, which kept the craftsman imprint of the founder, with accurate wood selection and manufacturing. Hence, it will target a business customer, whose guiding values are alike, focused on tradition, tried-and-tested production processes, ancient experience and knowledge.

Common values with the upstream and downstream players allow the organization to, first, operate on the same wavelength, minimizing conflicts and establishing a good, trust-based and long-lasting relationship; second, it gives a consistent image of the company guiding principles, values and conduct. This fit, hence, is looked for according to *organizational* culture, not according to *national* culture. Values take shape at a lower level, and dictate beliefs, norms, priorities in a strong way.

A similar argument holds for competitors to a wide extent, meaning those organizations the company analyzes both for competition and cooperation. Let's pick an imaginary organization *gamma* and its archetypal configuration. Archetypal analysis on competitors' values can reveal

organizations with similar value configurations. This can make it difficult for *gamma* to emerge, and signal itself as “different”, which is the core of strategy and gaining a competitive advantage. Investigating on the specific beliefs and attitudes underlying the archetypal configurations can help identifying some points of difference to tell them apart. *Gamma* can hence leverage on these in order to convey a more sharp and distinctive image of itself. Similarly to what we did through the OLS regression, there is available leeway within a given Schwartz motivator, or even single value, to pinpoint some nuances. Say *gamma* is a chocolate producer, placing really high *importance* on Hedonism. One would try to investigate which kind of Hedonism *gamma* is presenting: is the product a fine-quality cocoa, small size, rare-spiced chocolate, to make the customer focus on an exclusive and unique experience, or is it a yummy, tasty, sweet, big-size chocolate, to make the client satisfy gluttony and sugar-driven desires? Understanding these shades can help the company differentiating effectively.

This holds also for those relationships involving *una-tantum* cooperations between competitors or for operations involving long-lasting ones.

By *una-tantum* cooperations we mean, as example, co-branding or ingredient-branding, where organizations could both leverage on similarities on values or, conversely, complementarity, without disrupting the original image of the respective organizations. Archetypes can help organizations spot the right candidate for this purpose. Playing on complementarities, not only of values, but, once again, also of different aspects of the same value, organizations can create a product able to convey an even stronger image on peculiar traits. Let's think about company *delta* producing sport shoes, conveying a strong importance for Achievement, as it is valuable to “be very successful” in reaching psychological and physical well-being. Schwartz' Achievement is, however, also about having “people recognize one's achievements”. How to strengthen this value trait? Cooperating with a high-tech company can help developing a special shoe sole able to register your daily exercise and progress, to further motivate you and enhance your achievement orientation.

On the other hand, by long-lasting relationship, we mean, as example, alliances, mergers and acquisitions. Once again, archetypes can give a benchmark tool to select the best candidates, be it a search of overlap and coherence between value configurations or be it the will to find a complementary partner, able to bring a breath of fresh air to create a new and rejuvenate company image.

Hence, especially in an internationalization process, instead of getting caught up by presumed country cultural barriers, hindering good relationships and unity of purpose, organizations shall

recognize their counterparts through value-based dimensions, regardless their country of origin, and deem them as the real drivers of human and organizational behavior.

We draw now the attentions from organizations to individuals, as it is the field in which archetypal configurations present effectiveness and innovativeness at most. We do this by discussing the last category of external actors, and then focusing entirely on the internal environment.

One relevant category of people, the company interacts with, is made of its customers, intended as final consumers. The product or service offered aims at fulfilling some lacks or needs. Whom the product is addressed, is hence not a trivial issue. The widely well-known market segmentation is a tool by which organizations try to create groups in one population and isolate them along some dimensions. The process retraces what we have explored for the identification of cultures within-nations, basing, depending on the method used, on exogenous (age, gender, education, and so on) or endogenous criteria (needs to be satisfied and attitudes towards certain values). What the archetypal analysis can add to the latter approach is, as hinted above, a sharper differentiation of people based on their values. The ability of archetypal analysis to isolate the half-hearted souls, and create groups basing on the frontier-type of configurations, can help pinpointing customers' groups with sharp, peculiar value conformations. This can reveal the real importance attributed to values and avoid that non-archetypal individuals smoothen and flatten the representative portrait of the more defined and resolute ones. In addition, recognizing the group of non-archetypal cases and analyzing their characteristics can help understanding who they are and why they are as such: a solution may be identified to leverage on their "weaker" points and make them express more latent needs or lowly shift towards a more unbalanced stance for certain values.

4.8.2 The internal environment

Applying archetypal analysis inside the organization context could bring a novel perspective in the management of human resources.

We can see its various applications going through the steps an individual undertakes inside the organization.

Starting with recruitment and selection, archetypal analysis could be performed on the candidates, in order to eliminate those who do not present some peculiar traits of the company archetypal configuration. More specifically, a benchmark archetype could be drawn for each job description, to test the fit between this and the candidates value configurations. Organization

alfa, as example, could design an archetypal configuration associated to a research and development position, where high openness to change is requested, and this shall express at least with positive attitude towards technology, marked curiosity and manual creativity.

Once employed, people are to be motivated to retain them in the organization. Minimum selection requirement apart, individuals will present various values, underlying different motivators leading their preferences and life choices. A well-rounded examination of these values and their “content” is relevant to recognize which motivational leverages shall be used. A strong tendency towards Openness to Change could represent the need for dynamism in the work place, that can translate into desire for non-routine tasks, job rotation, work on always new projects. And more, a high importance placed on Hedonism may reveal the want to “have a good time” also in the work place. If so, such individuals may appreciate HR policies providing, as example, gym at work, parties with colleagues, or internal nurseries. Retention of people should hence be targeted, according to the most important motivators case by case.

Archetypes and their investigation through OLS regression can also tell if archetypes presenting high importance on the same values, underlie quite different beliefs. Archetype A could be high on openness to change because, more than others, it values work creativity important; the same configuration for Archetype B could be symptom of the openness to travel and accept international assignments, something which could not hold for Archetype A individuals. Such an analysis can help shedding light on those archetypes which are ambidextrous, namely having high scores for values belonging to opposing motivators. A deep analysis can help revealing details useful to clarify what lies behind those opposing needs and understand why they co-exist for the same individual.

For what concerns the job design and performance, archetypes can highlight differences in how tasks are carried out and help sketching a possible future path of the job evolution inside the firm.

High scores on self-enhancement-type of values could be the reflection of different types of commitment; as a matter of fact, high importance on achievement could be the result of affective commitment (given by job affection), continuance commitment (given by fear of losing job) or normative commitment (sense of obligation). Such differences shall be spot to learn how to deal with the different cases.

Job-related value indicators are relevant also in a career path perspective. High importance place on Security can signify the reject for important career advancement to avoid additional responsibilities, the risk not to meet expectations, and the fear to fail. Then, once again, high

importance placed on achievement could be the consequence of two different types of conception of “being successful”, a concept which encompasses diverse things, e.g. money, good work-life balance, expressing one’s own personality at work, social esteem, and so on.

Focusing on the people type of relationships and co-working occasions, archetypes and their investigation could be a guiding principle in the formation of team groups. Archetypal diversity becomes a diversity criterium in itself, when deciding about the desired homogeneity or heterogeneity of one group. Members could, hence, be chosen *ad hoc* having in mind the result we seek to obtain. If the team shall come up with an innovative product, we may decide to combine highly opened-to-change individuals, and balance them with few highly-conservative ones, to gain a kind of devils’ advocate effect and keep an eye on the project feasibility.

In addition, archetypal configuration could help outlining a benchmark profile for individuals applying for managerial or leadership positions. The choice of the right leader does not call for a single answer, as it can vary according to the type of context and purpose. While the HR manager could be required to place high importance on Benevolence, the Marketing manager might be necessarily characterized by high Self-direction.

Then, related to motivation leverages, there are the issues of evaluation and compensation.

For evaluation, different archetypes may have different preferences for the timing and method of evaluation. An archetype attributing high importance on Security, could imply the need for frequent feedback and assurance about its performance.

For compensation, an archetypal configuration strongly valuing “Power”, will likely deem money as the best compensation, and money would also be a major determinant in the dissatisfaction of such members. If this is associated, as example, to normative commitment, the firm would experience problems in the retention of these individuals, in case financial compensation is not adequately managed.

At last, for what concerns international assignments, it is curious to see how archetypal configurations allow to drop prejudice about the cultural distance of workers undertaking such cross-border experience. There could paradoxically exist more values similarities between this individual and their new foreign colleagues, than between him and the former ones. Having a map of the archetypal configurations of workers inside the organization can help assuring the expatriate about the kind of cultural environment he will find abroad. In this way, for example, this person would have an idea of which people to consult when looking for a different point of

view. Moreover, he would not be biased by the nationality of one person. He would be aware that different values and mentality are likely to be found in their compatriots abroad as well as in individuals of other nationalities. Recognizing a type of diversity transcending country boundaries can help, first, developing “cultural intelligence” towards everyone; second, it can smoothen in-group vs. out-group dynamics, as it is not about “we” and “you”, it is about “we”, “you”, “them”, “them others”, so, a multitude of value configurations, encompassing different nationalities.

4.9 Conclusions

In this chapter, we went through the methodology to find archetypal configurations for both isolated country and pooled data from all of them together. The process was performed for both Wave 5 and Wave 6 and helped us spotting differences not only through space, but also through time. The two waves were subject to a first overview of the archetypes along demographics dimensions, especially to test, in case of unchanged configurations, whether and what features of members changed and to what extent.

OLS regression allowed to see whether some demographics, attitudes, beliefs or perceptions are useful to recognize archetypal members of one group from the others. This turned out to be effective along some variables.

At last, managerial implications of archetypal analysis were presented to highlight the possible applications of this construct at the organizational level.

CONCLUSION

In this work, we first demonstrated the relevance and complexity of multi-culturalism nowadays. We warned companies not to underestimate it, judging it a minor issue because of the increasing globalization; we marked instead the greater need to manage it carefully, in light of the complex interplay of political, economic, technological forces, which shaped culture around the world in an even and patchwork way.

We went through the major cultural studies, starting from the milestone research of Hofstede in 1980, and explored how the approach to culture developed overtime. The criticism of Shenkar of the early 2000s served as a track to expose limitations of the traditional approach, which deemed cultural distance among countries as explanation of cultural differences. The critics acted as a springboard to present those studies who explored new and better containers of cultures, other than the country boundaries, starting from the 1990s, already, and further intensifying in the last two decades.

This period saw researcher focusing on “exogenous” criteria to define cultural patterns, who focused on dimensions like age, urbanization, economic development, or work status, to define sub-cultures within countries and demonstrate how the intra-country heterogeneity exceeds the between-country one. In 2015, the theory of cultural archetypes introduces a segmentation method based on “endogenous criteria”, namely the founding values, ultimately the building blocks of culture.

Through archetypal analysis, a relatively new statistical method to create clusters in one populations, different cultural groups are identified within eight countries; the process is performed for different waves. This allowed comparison through time on the archetypal configurations and their composition in terms of demographics. A deeper analysis of the archetypal individuals of each group allowed to recognize certain features able to tell apart people belonging to one archetype rather than another. These features related to demographics, perceptions, attitudes, beliefs.

A final discussion allowed to present the benefit of the archetypal construct into the managerial context. Archetypes transcend countries and allow to see culture in a more comprehensive manner, not only *vis-à-vis* the external environment, but also in the internal organizational

environment. Here, the merit of archetypal configuration expresses its potential at most. Untying country culture not only from organizations, but also from individuals, makes it possible to capture diversity characterizing the values of human resources. Individuals are recognized and managed, not only through their skills and capabilities, but also through their cultural profile, which assumes a major role in driving HR practices.

Playing on the archetypal configurations, their composition, their detailed features, and the diversity amongst them, people are selected, employed, motivated, evaluated, developed, and compensated. Human resource management gains precision and effectiveness, owning a faithful and detailed representation of individuals motive powers. Hence, HRM can leverage on this driving force to extract the best of it, so that people satisfy their needs, and so does the organization, reaching a mutual benefit.

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Sitography

<http://geerthofstede.com>: Website of Geert Hofstede; it describes the research and provides a tool to compare countries on the cultural dimensions.

<http://globeproject.com>: Website of the Globe Project which presents the foundation, the studies run, the books and the publications.

<https://www.wto.org>: Website of the World Trade Organization.

<http://i-scoop.eu/industry-4-0>: Website describing Industry 4.0

<http://www.worldbank.org/>: Website collecting demographical and economic data about world countries.

<http://www.nationsencyclopedia.com/>: Website presenting a brief description of world countries.

<http://www.worldvaluessurvey.org>: Website of the World Value Survey, which presents the association and provides freely downloadable results of the surveys made from 1980 to date.