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Taking Culture Seriously: The Role of Culture in the Study of Business

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I have been asked to contribute an opinion piece to the *Journal of Business Anthropology* about the role of culture in the study of business. I myself see the mission of the Journal as a campaign not only to promote a dialogue between anthropologists and management scientists about the study of business, but also to advocate the establishment of business anthropology as a discipline. This way of seeing the Journal's mission, of course, is idiosyncratic and not necessarily agreed upon by the founders of the Journal. However, I believe that it is still worthwhile exploring the theoretical and political issues involved in this two-fold mission, and that is why I am more than happy to accept the invitation.

I think it is important to see the differences between the two parts of the mission. The latter is a *political* campaign aimed at establishing business anthropology as a new discipline, and so involves a re-allocation of resources within academic organizations, recruitment of personnel, and institutionalization of the field. That is to say, the campaign itself is not just intellectual. I have already explored the political character of the campaign in an invited lecture at Kyoto University in March of this year and I do not intend to repeat what I said then here. I would rather spend the rest of this piece on the first part of my self-claimed mission of the Journal: the role of culture in the study of business.

To ask about the role of culture in the study of business is to ask what the place of culture is in the sociological chain of being. To answer this question involves finding out whether culture can be seen as an independent variable, or as a residual factor to be added to the more basic reason—be it sociological, economic, ecological, or what Sahlins (1976) called practical. The general view among sociologists, economists, and even British social anthropologists is that culture is always a factor secondary to a more fundamental reason for, or logic of, human behaviour. Most sociologists and British social anthropologists (such as Radcliffe-Brown), for example, have regarded culture as something idealistic or ideological, and thus less “real” than something concrete—that is, society or social structure—and it is social structure, they have said, that explains human behaviour. Economists, especially our colleagues from the Chicago School of Economics, tend to argue that culture as a residual factor might change the priority of valuable objects people pursue. But for them the fundamental logic for human behaviour is still the principle of maximization of self-interest. In other words, so far as they are concerned, all human behaviour can be reduced to social structure or maximizing self-interest.

My position is that culture is the essential condition of human existence. In this regard, I would like to point you in the direction of Chapters 2 and 3 in Clifford Geertz's famous book, *Interpretation of Cultures* (1973); in these he suggested that archeological discoveries proved that the emergence of culture preceded, and to some extent

overlapped with, the evolution of pre-human primates into *Homo sapiens*. That is to say, to contend that pre-human primates become *Homo sapiens* first, and then created culture, is not correct. Rather, culture is a part of the environment that asserts selective pressure on the evolution of *Homo sapiens*. It follows from this that the emergence of *Homo sapiens* is both cultural and biological. In other words, culture is an essential condition of, rather than an additive factor to, human existence.

Another important observation Geertz made in his book is that the major difference between *Homo sapiens* and chimpanzees lies in the fact that *Homo sapiens* has a much larger brain than chimpanzee because the former, Geertz argued, needs a larger brain to facilitate culture as a control mechanism to discipline human behavior, while almost all of a chimpanzee's behaviour is genetically determined. I hastily have to add here that culture can not only control but also facilitate human behaviour because it can provide meaning and thus reason for it. Human behaviour is meaningful and takes place in terms of that meaning provided by culture as a symbolic system, which is never the only one possible. No chimpanzee can distinguish a cup of red wine from Christ's blood offered to Christians in church every Sunday because the two are the same chemically. Culture is a species-specific capacity for *Homo sapiens* rather than an additive factor to something more fundamental for human behaviour.

The important implication of Geertz's excellent argument is that anything human—including business behaviour, economic organizations, and social institutions—has to be cultural, or it is nothing. It follows that the term "cultural" is a redundant word, because everything human is cultural and, more importantly, everything "social", "economic", or "political," is also cultural, because society, economy, and politics are meaningfully constituted.

Understanding culture as a meaningful system that is never the only one possible has several important implications for the study of human behaviour. The first is that different cultures attach different meanings to the same behaviour. Eating dogs is considered cannibalistic in American, but is totally legitimate in Chinese, society because Americans regard dogs as their family friends while Chinese put them in the same category as chickens, pigs, and so on, which are edible. In the context of studying modern corporations, we cannot assume *a priori* that the meaning of a corporation is the same in every culture.

My early ethnographic research on the Hong Kong subsidiary of a Japanese supermarket, Yaohan (Wong 1999), sheds considerable light on this point, for it discovered that, although the structure and organizational patterns of Japanese companies (*kaisha*) are similar to those of their Western counterparts, the meaning of *kaisha* is very different from that of a Western "company." To simplify enormously, in the West, neoclassical economists tend to understand companies as an

instrument to maximize shareholders' profits, while transactional economists consider them as an effective tool to minimize transactional costs. Japanese people, however, tend to treat the *kaisha* as an end in itself. All the stakeholders of any one *kaisha*—including shareholders, management and employees—have to sacrifice their own interests for the continuity and prosperity of their *kaisha*. This is a far cry from the shareholder profit/transaction cost approach taken by Western economists.

The same research also discovered that when Japanese people borrowed the idea of “joint-stock company” from the West in the Meiji era (1858-1912), they interpreted the idea in terms of their own *ie* (household) tradition, in the course of which “joint-stock company” was transformed into *kaisha*. My anthropological conclusion of this research is that in order to have a better understanding of Japanese companies, we need to pay close attention to the native, *social* (as opposed to economic) concept of *kaisha* (and we might note here that the two Chinese characters used to write it are the reverse of those used to refer to “society,” or *shakai*). We cannot assume that the term itself is just a translation of the western “joint-stock company,” even though the two are similar structurally and organizationally.

The same goes for the study of family business. As far as I know, although family business is assumed in business studies to be different from non-family business and thus deserves a discursive space for investigation, scholars of the discipline seldom take seriously the fact that different cultures have different ideas of family and that, as a result, family businesses in different cultures will display very different forms of organizational behaviour. Take the Chinese and Japanese families as an example. Again, to simplify things enormously, Chinese people tend to emphasize the continuity of the genealogical line of their *chia-tsu* (family), while Japanese people stress the continuity of the economic aspect of *ie* (household). This different emphasis on family ideology is also reflected in the family companies in Chinese and Japanese societies. Chinese people do not hesitate to sacrifice the interests of their companies to ensure the continuity of the genealogical line of their family. This is why they will still pass their business to a son, even if he is clearly incapable, or even stupid. This is why family wealth in Chinese societies never lasts beyond three generations. Japanese people, however, will bypass their incompetent sons and hand over a family business to a capable adopted son, and more often to an adopted son-in-law (*muko yōshi*), in order to ensure that it can continue successfully. It is not difficult to find a small *ramen* (Japanese noodle) shop that has 300 years of history in Japan. We cannot assume, therefore, that families in different cultures are the same. Neither should we regard family businesses in different cultures as displaying the same forms of corporate behaviour. Again, we have to take culture seriously.

I am not going to deny that there are and have been some scholars in business studies who pay particular attention to culture. For example, in the 1980s, as we can see in other opinions expressed here, some scholars advocated the idea of corporate culture and argued that the creation of corporate culture could help enhance employees' productivity; others such as Geert Hofstede treated culture as an independent variable, and tried to explain management in terms of cultural traits. The major problem with the former, so far as I myself am concerned, is that they seem to believe that culture can be easily created out of nothing for pragmatic purposes such as profit maximization. This reminds me of what anthropologists have been (mistakenly) arguing about the invention of tradition. All traditions are created—there is no doubt about that—but traditions cannot be created in any way people want. Ethnographic examples from all over the world testify to the fact that traditions are created in terms of culture: so, different cultures, different modes of inventing tradition.

The problems of the second approach are, in my opinion, even more serious. First of all, what I like to think of as “Hofstede Co. Ltd” tends to reduce the complexity of culture to a series of dimensions, and to measure different cultures in terms of these dimensions through questionnaire surveys, in order to delineate the configuration of different national cultures. These are in turn used as an independent variable to explain the differences in management practices across cultures. One of the major problems of this approach is the arbitrary selection of cultural dimensions. We can always come up with different sets of cultural dimensions to classify national cultures differently. Another major problem is that such an approach ignores the intra-cultural differences caused by gender, ethnicity, age, class, and so on. More seriously, Hofstede Co. Ltd presumes a simple cultural determinism that assumes a one-to-one correspondence between culture and individual behaviour. But Marshall Sahlins has taught us that there is always a gap between culture and individual behavior, because the conventional value of a cultural category is different from an individual's interest in that category. As he effectively argued (Sahlins 1985: 150; italics in original) :

“The value of a 5-franc is determined by the dissimilar objects with which it can be exchanged, such as so much bread or milk, and by other units of currency with which it can be contrastively compared: 1 franc, 10 francs, etc. By these relationships the significance of 5 francs in the society is determined. Yet this general and virtual sense is not the value of 5 francs to *me*. To me, it appears as a specific interest or instrumental value, and whether I buy milk or bread with it, give it away, or put it in the bank depends on my particular circumstances and objectives. As implemented by the subject, the conceptual value acquires an intentional value—which may well be different also from

its conventional value.”

Of course, the personal objectives of individuals and their interpretation of particular circumstances, are both culturally constituted. On another occasion, Sahlins (2004) argued that the family, in which the individual concerned is brought up, has a major impact on how s/he formulates his or her objectives and interprets his or her particular circumstances. That is to say, the intervention of family is a major reason for the existence of the gap between culture and individual behaviour.

All of this suggests that individual behaviour and culture are phenomena of two different orders: the former cannot be directly reduced to the latter, and *vice versa*. It follows that individual behaviour cannot explain the configuration of a culture; nor can the latter determine the former. As Sahlins argued, “[j]ust because what is done is culturally logical does not mean the logic determined that it be done—let alone by whom, when or why—any more than just because what I say is grammatical, grammar caused me to say it” (Sahlins 1999: 409). This decisively undermines the simple cultural determinism assumed by Hofstede Co. Ltd.

In short, any theoretical framework through which human behaviour is understood has to consist of three terms: culture, individual behavior, and mediation of the two. Under such a theoretical framework, scientific explanation should consist in showing: first, how individual behaviour is ordered by culture; and second, how and why individual behaviour is not prescribed by culture. Obviously, this scientific operation does not aim to reduce the complex to the simple, in the way that the natural sciences have been doing and are continuing to do. Rather, it aims to substitute a complex picture of human behaviour with another picture produced by researchers which is as complex as, but more intelligible than, the original picture. I believe this is what good anthropologists have been and are doing. What the anthropologist does in ethnography is to reproduce in his or her mind the cultural logic displayed in the behaviour of the Other that s/he observes in the field (Sahlins 2000). This competence in reproduction of the cultural logic of the Other can be attributed to the common species-specific capacity: culture. In other words, for the study of human behaviour, the method and the object of study are the same. The researcher and the object of study have the same ontological status. In the study of nature, on the other hand, the researcher is a species with symbolic ability and the object of study is not. Thus the basic assumption of the distinction between subject and object may not be applicable to anthropology.

The implications of this argument are several. Any understanding of human behaviour involves human *subjective* reproduction of the cultural logic of the Other by the researcher. It follows that the general impression we generated from natural science that “objectivity” is a critical criterion that guarantees the “trueness” of research results may not be applicable

to the study of human behaviour. Secondly, if we agree that by reproducing the cultural logic of the Other, we make the Other familiar and thus understandable, it follows that we should understand the Other subjectively from within. This notion of understanding is very different from that found in natural science, which tends to start from an opposite standpoint; that is, understanding natural things objectively from outside. As Sahlins (2000: 30) argues:

“Indeed, the more we know about physical objects the less familiar they become, the more remote they stand from any human experience. The molecular structure of the table on which I write is far removed from my sense of it—let alone, to speak of what is humanly communicable, my use of it or my purchase of it. Nor I will ever appreciate tableness, rockiness, or the like in the way I might know cannibalism. On the contrary, by the time one gets to the deeper nature of material things as discovered by quantum physics, it can only be described in the form of mathematical equations, so much does this understanding depart from our ordinary ways of perceiving and thinking objects.

The reason anthropologists can understand the Other is because we and the Other are the same: both of us have culture. That is to say, culture is both our genesis and our tool to understand the Other. Or, culture is what constitutes our business organizations and management behaviour and also our tool to understand those forms of organization and behaviour.

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