

Culture-Free or Culture-Bound? Two Views of Swaying Branches

M. Kenneth Holt, Ph.D.
Austin Peay State University
Box 4416
Clarksville, TN 37044
USA

Abstract

This paper presents a brief overview of the culture-free hypothesis of cross-national organizing and the culture-bound hypothesis of cross-national organizing. The first suggests that culture has no influence the way organizations are structured and is supported with significant research showing organizations within many nations around the world reflect the same relationships between size, specialization, formalization, and decentralization. The culture-bound approach is more intuitively appealing and can also be supported with many reports of how organizations differ in internal organizational features. The approaches are framed with the etic and emic perspectives of observation to show that the positions are not mutually exclusive but are complimentary. A model is posited that unifies the two hypotheses in an effort to provide future research with a framework that can extend current knowledge.

Keywords: culture-free hypothesis, culture-bound hypothesis, etic, emic, cross-cultural organizational structure

No one man, however brilliant or well-informed, can come in one lifetime to such fullness of understanding as to safely judge and dismiss the customs of institutions of his society, for those are the wisdom of generations after centuries of experiment in the laboratory of history.

Will Durant

1. Introduction

The roots of organizational studies are deeply rational. Modern society was thought to be dominated by a “logic of organization” where the functioning of society was based on “organization rather than on randomly allocated or ‘anarchic’ market advantages or birth privileges” (Reed, 2006, p. 23). Society and its organizational units could be managed through universal scientific laws of administration, posited through the writings of Taylor (1912), Weber (1947), and Fayol (1949), void of human emotions and values (Reed, 2006). Emerging alongside the rationalist approach was the view of organizations as social systems that must facilitate individuals. This introduced “soft system” methodologies of the Human Relations approach (Checkland, 1994). Closer inspection reveals the Weberian bureaucracy, Fayolian administrative model, and Taylorist scientific principles not only provided an international element from the beginning but also reflected the concerns and cultural backgrounds of the times (Schneider & Barsoux, 2002). From the beginning the field has been engrossed in a methodological and theoretical tug-of-war between the soft and hard elements of organization, the universal and local influence of structure, and culture-free and culture-bound hypotheses of cross-national organization.

In 1964 Crozier wrote, "Intuitively, however, people have always assumed that bureaucratic structures and patterns of action differ in the different countries of the Western world and even more markedly between East and West. Men of action know it and never fail to take it into account. But contemporary social scientists...have not been concerned with such comparisons" (Crozier, 1964, p. 210). The field responded with a flourish of activity that resulted in a division between proponents of the culture-free hypothesis and the culture-bound hypothesis of the influence of culture on structure of organizations across nations. This paper will address the two hypotheses and then present a discussion of the methods within the framework of etic and emic approaches to the study of organizations. Finally a model will be presented that attempts to bridge the gap between the two approaches.

2. The Culture-Free Hypothesis

The culture-free hypothesis is best represented by the research of Hickson and his associates (Hickson, Hinings, McMillan, & Schwitter, 1974; Hickson D. J., McMillan, Azumi, & Horvath, 1979; Hickson & McMillan, 1981; Pugh, Hickson, & Team, 1993). Others had conducted cross-national research prior to Hickson’s work but the focus was on worker attitudes rather than characteristics of the organizations.

The lack of an acceptable framework on which to base a standardized cross-national analysis limited researchers' abilities to conduct organization focused research across cultures. The Aston Program provided the needed framework. The Aston researchers developed scales to measure organizational structure and context. Functional specialization, role formalization, standardization of rules and procedures, organization configuration, and centralization of decision-making were the variables that made up the structural component. The contextual component was comprised of origin and history, ownership and control, size, charter, technology, location, and interdependence with external constituencies such as customers and suppliers (Seror, 1988). The measures used were not concerned with personal values, attitudes, or motivation in order to minimize potential contamination by culturally influenced variables from the perceptions organization members may have of their organization (Hickson, Hinings, McMillan, & Schwitter, 1974).

The objective of the culture-free studies (Hickson, Hinings, McMillan, & Schwitter, 1974; Hickson D. J., McMillan, Azumi, & Horvath, 1979; Hickson & McMillan, 1981; Pugh, Hickson, & Team, 1993) was to discover a universal explanatory model of organizational structure that could be used to account for all kinds of organizations (Brossard & Maurice, 1976). The results of the research found positive correlations between organization size and both specialization and formalization and negative correlations between organization size and centralization (Hickson, Hinings, McMillan, & Schwitter, 1974). The magnitude of the correlations varied widely for some countries. Hickson et al. (1974) explained, for example, Indian organizations may be less formalized or less autonomous than American organizations but larger Indian organizations would be more formalized than smaller Indian organizations and dependent Indian firms will be less autonomous than relatively independent Indian firms. The point of the studies was not to compare small organizations across nations or large organizations across nations. The purpose was to investigate relationships between contextual and structural variables within a nation compared to the relationships in other nations.

The pattern of relationships, formalization and specialization increase with size, have been reproduced across several studies covering several countries (Singapore, Check-Teck, 1992; Finland, Routamaa, 1985; Poland, Kuc, Hickson, & McMillan, 1980; Hong Kong, Birnbaum & Wong, 1985; Britain, Jordan, Poland, Japan, and Sweden, Pugh, Hickson, & Team, 1993; and Canada, US, and Britain, Hickson, Hinings, McMillan, & Schwitter, 1974). The consistency of results support the "bold" hypothesis that these relationships will hold for all organizations in all societies (Hickson, Hinings, McMillan, & Schwitter, 1974). The explanation for the "bold" hypothesis comes from the "logic of industrialism" (Harbison & Myers, 1959; Kerr, Dunlop, Harbison, & Myers, 1960). There are steps which all societies must complete as they move toward industrialization. They must build up organizations capable of combining factors of production. Successful combining of the factors of production depends on a pool of qualified managerial talent who have knowledge of the methods of organizing and managing firms.

As the organizations grow they encounter problems of coordination and there is a greater need for structure, specialization, reliance on rules and decentralization (Harbison & Myers, 1959; Kerr, Dunlop, Harbison, & Myers, 1960). "Whether the culture is Asian or European or North American, a large organization with many employees improves efficiency by specializing their activities but also by increasing, controlling, and coordinating specialties" (Hickson, Hinings, McMillan, & Schwitter, 1974, p. 64). Hickson et al. (1974) quipped, "the technological equipment of an oil refinery requires much the same operators and supervisors wherever it is" (p.64) but not all researchers agreed with the culture-free hypothesis. Gallie (1978) studied oil refineries in Britain and France and failed to support the culture-free position. He instead found substantial differences in attitudes and relations with managers between the British and French workers and concluded that the key to understanding the differences lies in the national differences. This study would be one of several that contested the culture-free hypothesis and instead suggested that culture has a significant influence on organizations. This approach is known as the culture-bound approach.

3. The Culture-Bound Hypothesis

There have been many studies that disagreed with the culture-free hypothesis and have concluded that researchers need to take the cultural context of an organization into account (Child & Kieser, 1993; Clark, 1979; Hofstede, 1979; Maurice, 1979; Tayeb, 1988; Hall & Xu, 1990; Tayeb, 1990; Tayeb, 1994; Ofori-Dankwa & Reddy, 1999; Hofstede & Hofstede, 2005). In the late 1950's and early 1960's researchers began to write about cultural differences across nations. For example, the Japanese were said to be more subservient to higher authority levels because Japanese society stressed group identification. This led workers to perceive authority as being exercised on behalf of the group or collective (Abegglen, 1958; Azumi, 1969).

The evidence of cultural differences between nations is overwhelming. The message is clear that one cannot base a prediction on structure or process from a single cultural dimension. A multi-dimensional, multi-determined approach is required in order to understand the relationships that exist and to explain how culture influences the organization. As people share a common culture system they are likely to influence the organizations they enter. The patterns of relationships, rules and belief systems, expectations about authority and its legitimate use, an individual's rights and obligations to the collective all influence the structure of organizations (Child, 1981; Meyer & Scott, 1983; Miller, 1987). Organizations develop within an institutional logic that is peculiar to each society (Maurice, Sorge, & Warner, 1980); as people enter the organization, depending on the power at their command, they shape the structure in ways that reflect their learned culture (Child, 1981). If two nations have differing cultural orientations there should be tendencies toward differing patterns of organizational structure within those nations (Child, 1981).

Research conducted by Child and Kieser (1993) found that German and British firms reflected the relationships posited by the culture-free hypothesis (size was positively associated with specialization, formalization, and decentralization) but also that Germans had more respect for authority, placed a greater value on authority, and were more directive than the British. Child and Kieser went beyond the structural aspect and investigated the underlying cultures. When they examined the operational decisions in marketing, production, and purchasing they found that the German firms were actually more centralized than the structural analysis had revealed. At higher level decisions the German firms were more similar to the British. But when it came to making decisions at the operational level, managers routinely took the decisions to a higher level. Child and Kieser's research, therefore, finds support for the culture-free hypothesis and support for the culture-bound hypothesis as well. How can this result be possible when there has been so much contention between the two approaches? The answer can be found through an understanding of the etic and emic views of the organization.

4. *Etic versus Emic Views of the Organization*

Kenneth Pike related his experience traveling through the jungles of the Amazon headwaters of Peru listening to his host, Esther, explain the difficulties of translating the New Testament into the language of the Piro Indians. Suddenly she looked up and gazed intently toward some trees lining the shore of the lake and said, "Look, there's something worth shooting out there." All that Dr. Pike could see was the swaying of a few branches and he asked, "The wind?" "No," she replied, "the branches are moving too far in a small area, it must be a monkey or large bird. Oh for a boy with a bow and arrow." It was this event that revealed the difference in perspective between himself, an outsider, and Esther, an insider to the ways of the Amazon. He only saw the trees on the shoreline moving with the wind. She saw clues to the presence of meat that would be a much needed addition to an otherwise skimpy diet. His description of the event would be true for Peru, Memphis or many other places. It was true and valid but it did not have the same reference as Esther's. She was reacting from a different view point, despite the fact that they shared the same scene. Her view was filled with relevance, experience, purpose and meaning absent from his (Pike, 1957).

Pike coined the terms etic, to refer to the detached observer's view, and emic, for the normal participant, to describe what he had learned on the Amazon. Emic and etic constructs are both descriptions, accounts, and analyses expressed in terms of the conceptual schemes and categories but the key difference is in the nature of the knowledge and who deems the knowledge meaningful. It is the members of the culture under study, the insiders, who deem emic constructs as appropriate and meaningful and it is the scientific observers who deem etic constructs as appropriate and meaningful (Lett, 1996). The distinction between the perspectives has everything to do with the nature of the knowledge and nothing to do with the manner by which the knowledge is obtained.

Table 1 presents a comparison of the etic and emic perspectives. Emic knowledge is critical for an intuitive and empathetic understanding of culture. Etic knowledge is critical for cross-cultural comparisons because such comparison is dependent on standard units as categories (Lett, 1996). However, either view by itself is restricted in scope and can lead to a kind of distortion; both views must be considered if any event is to be well understood (Pike, 1957).

A Comparison of the Characteristics of Etic and Emic Perspectives Based on Pike (1957) and Lett (1996)	
Etic	Emic
An alien view, the structuring of an outsider	A domestic view, leads to units which correspond to those of an insider familiar with the system
Is cross-cultural in that its units are derived by comparing many systems and by abstracting from them units which are synthesized into a single scheme which is then analytically applied as a single system	Is mono-cultural with its units being derived from the internal functional relations of one culture at a time
Is typological since its units lead to a classifying grid through which each system can be compared	Is structural since its units are derived from internal relations rather than a potentially irrelevant but prior grid
Approaches a new situation with units prepared in advance	Leads to units which are known only after the analysis is complete
Criteria are absolute	Criteria are relative to the particular system
Are measurable without reference to the particular system in which they are embedded	Are contrastive and observable only in reference to differential responses which they elicit in relation to other units of the system
Are the creation of the analyst	Are discovered by the analyst
Appropriateness and meaningfulness is determined by the scientific community	Appropriateness and meaningfulness is determined by the members of the culture under study
Validation comes through logical and empirical analysis	Validation comes through consensus

Table 1. A comparison of the characteristics of Etic and Emic Perspectives

If we were to research a tree and our methodology consisted only of close inspections of the leaves we would logically conclude that all trees are different, there are few similarities between trees and our knowledge base would only grow as we become aware of the individual leaves on each different specie of tree. On the other hand, if our approach was to observe from a distance a group of trees we may notice that all of the trees have branches, root systems, trunks and leaves. Our conclusion here might be that all trees are the same. Either conclusion alone would be faulty and could lead us to distorted views of the trees. If we follow Pike's recommendation and consider both views of the tree learn the similarities and the distinctions that exist with the trees.

The parallel with organizations is clear. The organization consists of both hard and soft elements. The hard elements are the objectively assessable characteristics of organizational structure that the Aston researchers have measured (Hofstede & Hofstede, 2005); the etic knowledge. The soft elements are more subjective and reflect the values and attitudes of the people within a culture (Hofstede & Hofstede, 2005); the emic knowledge. Birnbaum and Wong (1985) observed that studies that focused on the organizational level of analysis, the emic view, tended to support the culture-bound position and the studies that focused on the relational properties of structure, the etic view, tended to support the culture-free position. Tayeb (1994) also notes that the explanation of findings between the two groups often lies in the aspect of the organization the researcher chose to study, did they study the universals (etic) or the (emic) "locally meaningful elements" (p.439). The dissension between the culturally-free and culturally-bound hypotheses can be reconciled by considering they represent two equally valid yet separate views of the organization. They are each seeing the "swaying branch" from their perspective alone which has led to a distorted, one-dimensional view of the organization.

The basic purpose of comparing organizations across nations is to contribute to an understanding of how and why organizations are similar and different (Lammers and Hickson, 1979). While there are studies that have discussed the micro versus macro view of the organization (c.f. Winch, Clifton, & Millar, 2000) more often there is a competition for the exclusivity of one hypothesis over the other. This has led several reviews of the field to conclude with less than optimistic evaluations of the current state of knowledge. Roberts (1970) suggests nothing new has been learned and said the increment in knowledge over the years seems minimal and not worth the effort that has been expended. Child (1981) expressed disappointment with the progress the field has made in the comparative study of organizations across nations. When our attention is turned to waging non-productive debates over supremacy of one viable position over another viable position rather than seeking how these can views can co-exist we are confounding the issues we mean to clarify. The focus of cross-national studies needs to be on bringing the etic and emic perspectives together in with a unifying framework that provides the theoretical linking necessary to join the views together. Child and Kieser (1993) have suggested a model we will examine next.

5. A General Model of the Relationship between Context, Structure, Role, and Behavior

The separatist tendencies of the culture-free and culture-bound hypotheses call for a unifying framework that will demonstrate the links between the positions. “A sociologically valid theory of organization must take cultural settings into account” (Child & Kieser, 1993, p. 472). But at the same time, “an approach which which considers the organization in its most formal sense, excludes individual actors” (Broussard & Maurice, 1976, p.14). The model proposed by Child & Kieser (1993), and modified here, provides the unifying framework that takes into account both the influence of context and culture on structure (see Figure 2).

The “logic of industrialization,” the backbone of the culture-free approach, suggests that as organizations grow and face greater problems of coordination they must respond with greater structure, specialization, and formalization (Harbison & Meyers, 1959; Kerr et al., 1960). The model depicts the mediating influence of these “organizational principles of business practices” on the structuring of the organization and the specification of roles in the organization. Cultural influences are felt through socialization processes in the family and educational system, through previous work experiences, and other formative influences. These in turn will influence the orientation of managers and employees to concepts such as authority, control, work, etc., and will influence how managers and employees interpret socially acceptable behaviors in the work roles. The model allows for the cooperative influences of culture and context (Child & Kieser, 1993).

The model also includes the etic and emic approaches to show the complimentary nature of the views. The etic view represents the universals of visible structure that can be viewed from a distance (Tayeb, 1994) and can be measured with standardized approaches such as the Aston Program. The emic view represents the insider perspective that accounts for the cultural influences that may not be visible to the casual observer. So we can separate the etic and emic approaches by considering the view of the organization from a purely structural, organizational perspective that accounts for the logic of industrialization juxtaposed against the influence of culture on the context and interpretation of work roles and behavior. “An understanding of structure, therefore, requires reference not only to such dimensions as centralization, specialization, and formalization, but also to the relationships, processes and actions which lie behind these dimensions” (Tayeb, 1994, p.439).

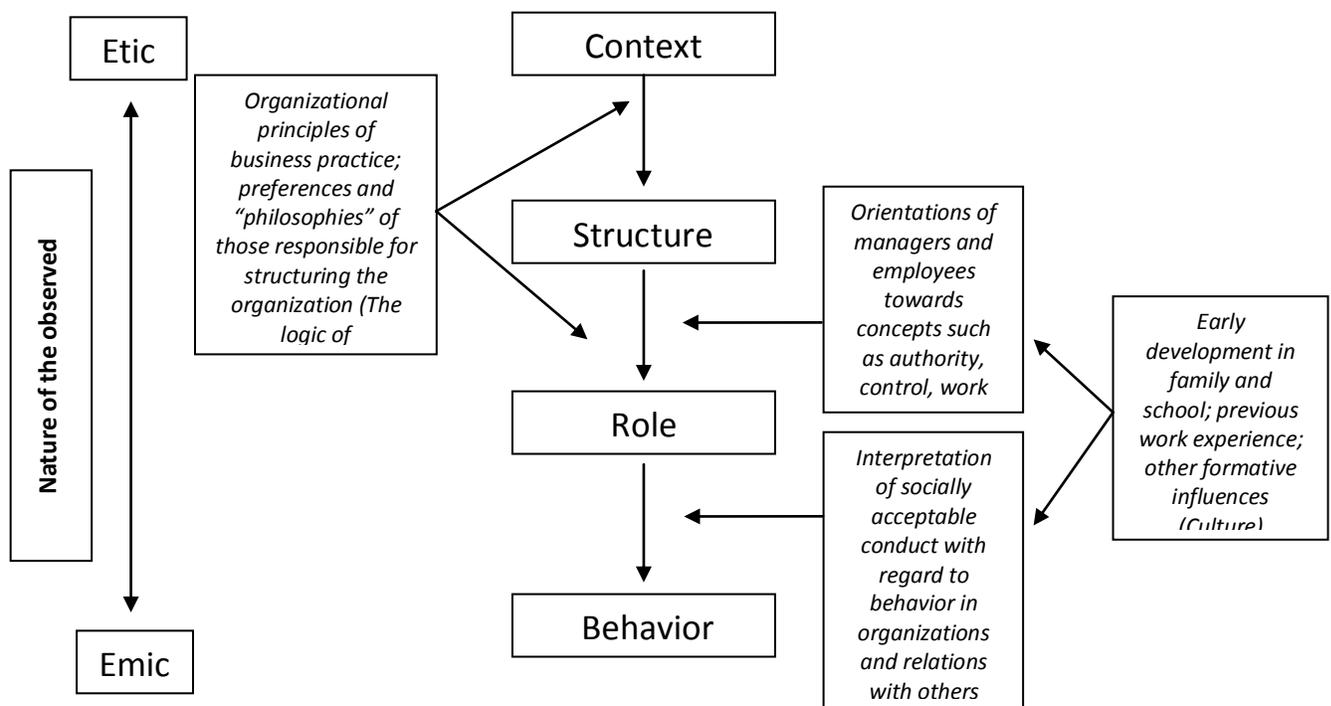


Figure 2. A Revised General Model of Variables Intervening in the Relationship between Context, Structure, Role, and Behavior. Adapted from Child & Kieser (1993)

6. Conclusion

There is substantial and valid research behind both the culture-free and culture-bound positions for each to want to claim supremacy in the discussion of organizations. Each, however, has left gaps in their explanations have not been overcome. Through the understanding that each is viewing organizations from slightly different vantage points, both are relevant and important. Rather than expending effort in explaining why the one view explains more than the other view we need to look to the other view for explanations of the unexplained aspects of our own view. Future research efforts should expound on the model presented here and seek to combine elements of both etic and emic approaches to their research methodologies. Our attention should be turned to explaining the mechanism through which organizations emerge and evolve over time. Tayeb's (1988) research approach provides an excellent example of conducting both etic and emic research. The objective of cross-national studies is to discover a universal explanatory model of organizational structure that could be used to account for all kinds of organizations (Brossard & Maurice, 1976). Understanding that there is no mutually exclusive correct hypothesis toward the study of organizations is a critical first step in adding to the knowledge of organizations across the nations.

References

- Abegglen, J. (1958). *The Japanese Factory*. Glencoe: The Free Press.
- Azumi, K. (1969). *Higher Education and Business Recruitment in Japan*. New York: Teachers College Press, Columbia University.
- Birnbaum, P. H., & Wong, G. Y. (1985). Organizational structure of multinational banks in Hong Kong from a culture-free perspective. *Administrative Science Quarterly*, 262-277.
- Brossard, M., & Maurice, M. (1976). Is there a universal model of organizational structure? *International Studies of Management and Organizations*, 11-45.
- Checkland, P. (1994). Conventional wisdom and conventional ignorance: The revolution organization theory missed. *Organization*, 29-34.
- Check-Teck, F. (1992). Culture, productivity and structure: A Singapore study. *Organization Studies*, 589-609.
- Child, J. (1981). Culture, Contingency and Capitalism in the Cross-National Study of Organizations. In L. L. Cummings, B. M. Staw, & eds, *Research in Organizational Behavior: Annual series of analytical essays and critical reviews, Vol. 3* (pp. 303-356). Greenwich, CT: JAI Press, Inc.
- Child, J., & Kieser, A. (1993). Organizational and managerial roles in British and West German Companies: An examination of the culture-free thesis. In T. D. Weinsall, *Societal culture and management* (pp. 455-477). New York: Walter de Gruyter.
- Clark, P. (1979). Cultural context as a determinant of organizational rationality: A comparison of the tobacco industries in Britain and France. In C. J. Lammers, & D. J. Hickson, *Organizations alike and unlike: International and interinstitutional studies in the sociology of organization* (pp. 272-286). London: Routledge & Kegan Paul.
- Crozier, M. (1964). *The Bureaucratic Phenomenon*. London: Tavistock.
- Fayol, H. (1949). *General and industrial management*. London: Pitman.
- Gallie, D. (1978). *In search of the new working class: Automation and social integration within the capitalist enterprise*. Cambridge, England: Cambridge University Press.
- Hall, R. H., & Xu, W. (1990). Research note: Run silent, run deep - cultural influences on organizations in the Far East. *Organization Studies*, 569-576.
- Harbison, F., & Myers, C. A. (1959). *Management in the industrial world: An international analysis*. New York: Wiley.
- Hickson, D. J., & McMillan, C. J. (1981). *Organizations and nations: The Aston Program IV*. Westmead, England: Gower.
- Hickson, D. J., Hinings, C. R., McMillan, C. J., & Schwitter, J. P. (1974). The culture-free context of organization structure: A tri-national comparison. *Sociology*, 59-80.
- Hickson, D. J., McMillan, C. J., Azumi, K., & Horvath, D. (1979). Grounds for comparative organizational theory: Quicksand or hard core? In C. J. Lammers, & D. J. Hickson, *Organizations alike and unlike: International and interinstitutional studies in the sociology of organization* (pp. 25-41). London: Routledge & Kegan Paul.

- Hofstede, G. (1979). Hierarchical power distance in forty countries. In C. J. Lammers, & D. J. Hickson, *Organizations alike and unlike: International and interinstitutional studies in the sociology of organization* (pp. 97-119). London: Routledge & Kegan Paul.
- Hofstede, G., & Hofstede, G. J. (2005). *Cultures and Organizations: Software of the mind*. New York: McGraw-Hill.
- Kerr, C., Dunlop, J. T., Harbison, F., & Myers, C. A. (1960). *Industrialism and Industrial Man*. Cambridge, Mass: Harvard University Press.
- Kuc, B., Hickson, D. J., & McMillan, C. J. (1980). Centrally planned development: A comparison of Polish factories with equivalents in Britain, Japan, and Sweden. *Organization Studies*, 253-270.
- Lett, J. (1996). *Etic/Emic Distinctions*. Retrieved July 20, 2008, from Indian River Community College Faculty Webpage: <http://faculty.ircc.edu/faculty/jlett/Article%20on%20Emics%20and%20Etics.htm>
- Maurice, M. (1979). For a study of the "societal effect": Universality and specificity in organization research. In C. J. Lammers, & D. J. Hickson, *Organizations alike and unlike: International and interinstitutional studies in the sociology of organization* (pp. 42-60). London: Routledge & Kegan Paul.
- Maurice, M., Sorge, A., & Warner, M. (1980). Societal differences in organizing manufacturing units: A comparison of France, West Germany, and Great Britain. *Organizational Studies*, 59-86.
- Miller, G. A. (1987). Meta-analysis and the culture-free hypothesis. *Organizational Studies*, 309-325.
- Ofori-Dankwa, J., & Reddy, S. (1999). Birnbaum and Wong (1985) revisited: A re-evaluation of the culture-free hypothesis. *American Business Review*, 126-133.
- Pike, K. L. (1957). *A stereoscopic window on the world*. Retrieved July 20, 2008, from Oakland University Faculty Webpage: <http://personalwebs.oakland.edu/~kitchens/150d/pike.html>
- Pugh, D. S., Hickson, D., & Team, t. O. (1993). Organizational context and structure in various cultures. In T. D. Weinshall, *Societal culture and management* (pp. 425-435). New York: Walter de Gruyter.
- Reed, M. (2006). Organizational theorizing: A Historically contested terrain. In S. R. Clegg, C. Hardy, T. B. Lawrence, & W. R. Nord, *The SAGE Handbook of Organizational Studies, 2nd edition* (pp. 19-54). Thousand Oaks, CA: Sage Publications.
- Roberts, K. H. (1970). On looking at an elephant: An evaluation of cross-cultural research related to organizations. *Psychological Bulletin*, 327-350.
- Roberts, K. H., & Boyacigiller, N. A. (1984). Cross-national organizational research: The grasp of blind men. *Research in Organizational Behavior*, 423-475.
- Routamaa, V. (1985). Organizational structuring: An empirical analysis of the relationships and dimensions of structures in certain Finnish companies. *Journal of Management Studies*, 498-524.
- Schneider, S. C., & Barsoux, J.-L. (2002). *Managing across cultures, 2nd Edition*. Upper Saddle River, NJ: Pearson.
- Seror, A. C. (1988). Cross-cultural organizational analysis: Research methods and the Aston Program. *International Studies of Management and Organization*, 31-43.
- Tayeb, M. H. (1990). Japanese management style. In R. Daily, *Organisational Behaviour* (pp. 257-282). Lonson: Pitman.
- Tayeb, M. H. (1988). *Organizations and national culture: A comparative analysis*. London: Sage.
- Tayeb, M. H. (1994). Organizations and national culture: Methodology considered. *Organization Studies*, 429-446.
- Taylor, F. W. (1912). *Principles of scientific management*. New York: Harper.
- Weber, M. (1947). *The theory of social and economic organization*. New York: Free Press.
- Winch, G. M., Clifton, N., & Millar, C. (2000). Organization and management in an Anglo-French consortium: The case of Transmanche-Link. *Journal of Management Studies*, 663-685.