

# **European Management Research: Trends and challenges**

**The Cultural Standards Method**

**A Qualitative Approach in Cross-cultural Management Research**

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#### **Abstract**

When European managers of differing cultural backgrounds meet, they often have considerable difficulties when it comes to understanding one another. These cultural dissimilarities have a decidedly negative influence on their ability to collaborate. The factor *Culture* can be especially disturbing when the acting persons are not aware of their cultural dissimilarities. Since the differences between Europeans are not as obvious as between Japanese and German businessmen, for example, people tend to neglect the influence of *Culture* in business relations in Europe.

One innovative way of researching cultural differences is the Cultural Standard Method. It is based on a qualitative research approach and provides a tool for identifying cultural differences on a more subtle level. The purpose of this paper is to describe the cultural standards method as a tool for the comparison of European business cultures and to give examples of recent research results.

## 1 INTRODUCTION

When European managers of differing cultural backgrounds meet, they very often have considerable difficulties when it comes to understanding one another. This can be especially problematic if the people in question need to work closely together, as is the case in international working teams. Very often, these cultural dissimilarities have a decidedly negative influence on their ability to collaborate, as the perception and the evaluation of critical situations is determined by cultural norms and standards which influence behaviour and individual reactions. This factor can seriously impede or even render finding acceptable solutions impossible. The factor *Culture* can be especially disturbing when the acting persons are not aware of their cultural dissimilarities. Since the differences between Europeans are not as obvious as between Japanese and German businessmen, for example, people very often tend to neglect the influence of *Culture* in business relations in Europe.

One innovative way of researching cultural differences is the Cultural Standard Method - a qualitative research approach. The main factor distinguishing the cultural standards method from other cultural comparisons like the ones developed by Hofstede (1984) or Trompenaars (1993) is a much greater differentiation. Here the relative character of cultural standards has to be pointed out. The cultural standards model looks at differences that are valid only in the comparison between two cultures. Therefore, the categories found are not to be applied to the description of cultural differences between several countries. Hofstede's four (respective five) cultural dimensions provide a simple basis for the description of more than 40 countries - but they don't give a lot of evidence of differences between European countries like Austria and Hungary which are very closely related through history. For a comparison of these two (on the surface very similar) cultures, the cultural standard model, which is based on a qualitative research approach, provides a tool for identifying cultural differences on a more subtle level. The purpose of this paper is to describe the cultural standards method as a tool for the comparison of business cultures and to give examples of recent research results.

## 2 CULTURAL STANDARDS

*Culture* can be understood as a complex system of guidelines for groups, organisations or societies (cf. Thomas, 1988). Members of a culture share these guidelines which they have learned in the socialisation process. Cultural standards are based on an applied approach aimed at identifying the characteristic guidelines relevant for cross-cultural interactions. The concept is directly related to interactive patterns and is mainly derived from the works of Boesch, Habermas, Heckhausen and Piaget. Alexander Thomas defines cultural standards as follows: *Cultural standards combine all forms of perception, thinking, judgement and behaviour which people sharing a common cultural background rate as normal, self-evident, typical and binding for themselves and for others. Thus, cultural standards determine the way we interpret our own behaviour as well as the behaviour of others. They are considered "basic", if they apply to a variety of situations and determine most of a group's perception, thinking,*

*judgement and behaviour. Furthermore, they are highly significant for perception-, judgement- and behaviour mechanisms between individuals.* (Thomas, 1993, p. 381)

Here, Thomas focuses mainly on the so-called *basic* cultural standards and the question is, whether and how basic cultural standards and *regular* cultural standards differ, i.e. what particular hierarchic levels are there within the framework of cultural standards. According to Schein (1984), a culture is based on basic assumptions that occupy the same abstract and sub-conscious level as the basic cultural standards, which are also elements of the cultural orientation system that structures and determines our behaviour. The *regular* cultural standards, on the other hand, can be found on one of the higher levels of Schein's iceberg model. They are not decisive for our actions where varieties of differing situations are concerned, but are related to specific contexts and have not entirely dropped out of consciousness.

An interesting aspect of cultural standards is that they can only be identified in a cross-cultural context. We are not aware of how much they determine our actions in our familiar cultural environment, but as soon as we come into contact with people from a different culture area, whose behaviour is based on a different set of cultural standards, we are able to consciously experience their existence. A decidedly unilateral interpretation of cultural standards should definitively be avoided, however. For now, let us take a closer look at the relative character of cultural standards. If we limit the significance of cultural standards to bilateral cross-cultural contact situations, we need to examine whether they can be determined in a general form for a specific culture at all, or whether the results are automatically bilateral and relative only. In order to be able to answer this question, we need to examine how cultural standards are identified.

Since we are not consciously aware of the basic cultural standards, we cannot examine them directly: *Identifying cultural standards is extremely difficult, because they seem to automatically determine our perception, judgement and behaviour* (Thomas, 1991, p.66). Their emergence in bilateral cross-cultural contact situations is generally used for their identification. The personal involvement in particular situations, the confusing behaviour of others and the insecurity regarded as critical and caused by a confrontation with unfamiliar cultural orientation systems, are recorded in narrative interviews and so-called *critical incidents*. Usually, researchers interview persons with experience of critical contact situations (e.g.: Germans in China or vice versa). An analysis of these critical incidents consequently enables us to identify the corresponding cultural standards.

The recorded cultural standards also reflect the relationship of the two cultures in question. However, they are only relative values that do not necessarily apply to a third culture. For example, in a comparison of Germany and Austria, *Direct Communication* is a typical German cultural standard (c.f. Brück, 1999). As a rule, Germans communicate in a much more straightforward way than Austrians do. If we compare Austrian and Hungarian cultural standards, on the other hand, *Direct Communication* is identified as an Austrian cultural standard (c.f. Brück & Kainzbauer, 2000). In that case, it is the Austrians who communicate more directly than the Hungarians. The cultural standards determined in the two studies seem to contradict each other.

Therefore, cultural standards have a clearly relative and bilateral character, and cannot be generally used in comparing one particular culture area to a variety of others. The cultural standard mentioned above does not represent a universally valid Austrian standard, but is merely an Austrian standard identified in a comparison with Germany (or Hungary, respectively). This decisive limitation is necessary, in order to avoid too general or overrated interpretations. It is their relative character, after all, which makes cultural standards so tremendously valuable for cross-cultural training programs, where the most problematic aspects help to determine the relationship between two particular cultures.

This interactive aspect of the concept, which is a result of the research method applied, also deserves consideration, but is unfortunately overlooked far too often. We should also bear in mind that critical incidents are not necessarily about negative experience. *Critical* in this context merely means *not compatible with our own familiar orientation system*. Unexpected, positive experiences can also be considered critical incidents and are just as valuable for the identification of cultural standards.

Naturally, there are also variations and divergences within individual cultural standards. After all, they should not be seen as rigid behaviour regulations which are binding for all representatives of a specific culture area. As the figure below demonstrates, cultural standards are shared by the majority (but not necessarily by all) of the representatives of a particular culture. As with many other socio-cultural phenomena, cultural standards can also be represented in the form of a normal distribution.

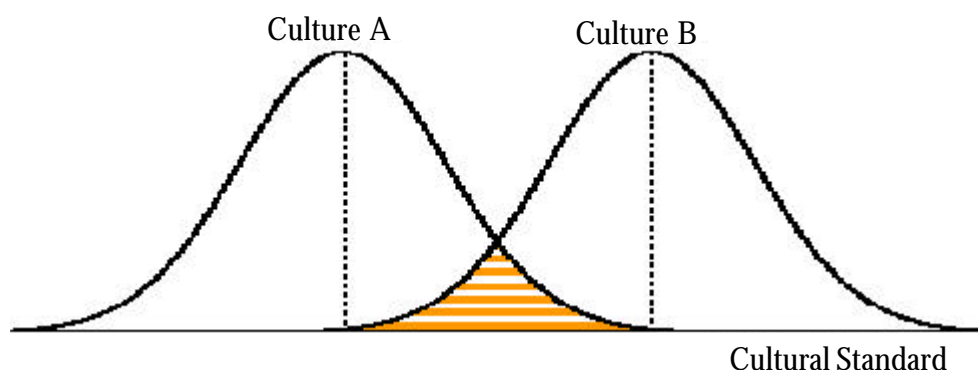


Figure 1: Distribution of cultural standards in two cultures

The statistical mean value shows the relatively most frequent manifestation of a cultural standard. This could be called a prototype of a cultural standard in a group or culture. This indicates that there is the tendency in the behaviour of the members of this group or culture, to act according to this prototyped cultural standard (although different behaviour is tolerated in that culture as well). As a consequence of socialisation, these cultural standards are not apparent to the people sharing a common cultural background. Cross-cultural contacts, however, exposing differing cultural standards and incidents

perceived as problematic or awkward, lead to the standards being consciously experienced. Such critical incidents in which cultural standards *materialise* serve as raw material for cross-cultural research. The analysis and categorisation of these critical incidents lead to the identification of cultural standards. Bilateral critical incidents are identified by interviewing persons of one culture who have considerable working experience in the other culture. For the comparison of Austria and Hungary for instance Austrians with working experience in Hungary and Hungarians with working experience in Austria would be interviewed. The most suitable interview method for this purpose is the narrative interview.

### **3 THE NARRATIVE INTERVIEW**

In qualitative interviews the role of the interviewer is an extremely difficult one, as there is always the risk of influencing the test persons to such an extent that only expected or desired answers are given and biased results are obtained. Faced with this dilemma, Schütze (cf. 1977) has created a special interview technique which largely solves the problem and in spite of the interview-like situation yields almost uninfluenced study and text material. Due to the extremely passive role of the interviewer, the narrative interview also has the advantage of favouring the development of a subject-object-like relationship between the interviewer and the test persons. By avoiding the traditional question-and-answer strategy and its implied disadvantages, the test persons are encouraged to control the interview and to regard the interviewer merely as an audience for their narration.

#### **3.1 THE NARRATION**

Narrations are not only natural processes acquired through socialisation and common to all levels of society (cf. Schütze, 1977), but also reproduce behavioural structures and chronological sequences (cf. Lamnek, 1995). A narration has the advantage of revealing more information than the traditional question-and-answer strategy. While retelling an event, the narrator needs to observe a number of chronological and structural factors, which can be seen as the principles arranging and classifying statements and accounts (cf. Schütze 1977; Maindok 1996).

The requirement to specify makes the narrator adhere to the actual chronological sequence of events. In order to connect the individual events, the transition between event A and event B, for example, needs to be clear and obvious (cf. Witzel 1982). The requirement to structure forces the narrator to complete the report of events and of the cognitive structures, as the entire account is part of superordinate cognitive structures that also need to be completed. The individual parts of the narration need to make sense as a whole. Determining the relevance (i.e. the requirement to divide the narration into sections or individual events) implies that the narrator needs to rank parts of the report according to their relevance for the entire narration. Thus, a retrospective interpretation of actions and behaviour takes place, which is built into the account by the narrator (cf. Lamnek, 1995).

### 3.2 THE PROCEDURE

The literature on narrative interviews offers varying opinions on how many stages a narrative interview has or should have in order to obtain useful results. Lamnek (1995) identifies the following five stages:

#### The Explanatory Stage

The interviewer tries to create an atmosphere that encourages a detailed narration and helps the test person to feel less awkward about the interviewer and the entire situation.

#### The Introductory Stage

At this stage Schütze (cf. 1977) recommends giving the interviewee a *harmless general* idea of the purpose of the interview - something like a vague guideline of the topic, in order to prevent influencing the narrator, which might hinder the development of a story-line.

#### The Narrative Stage

Now it is the narrator's turn to speak. The main part of the narration should be told without any interruption or intervention from the interviewer. The narrator should be allowed to determine the line of events to be told, as well as to choose what he wants to relate or not, and where he may need to elaborate, according to the communication factors mentioned above (cf. Schütze, 1977). The more detailed the individual events are presented, the better the results.

#### The Investigative Stage

After having listened to the narration, the interviewer can now try to get additional information from the narrator. However, the narrative character of the interview should not be altered. The actual purpose here is to encourage the narrator to add to his story and to go even more into detail.

#### The Assessment Stage

The actual narration or story should now be finished, since at this point it is impossible to go back to the narrative stage. The narrator and the interviewer should assess and interpret the narrative sequences (cf. Lamnek, 1995).

## 4 THE CATEGORISATION PROCESS

The result of these interviews are narrative texts which contain lots of short stories - *critical incidents*. In order to extract typical behaviour patterns these small stories have to be examined. For this purpose a qualitative content analysis is used as described by Mayring (cf. 1996) and Oevermann (cf. 1997). During this qualitative analysis, categories are formed in an inductive way. These categories, which are derived from the interview texts, are the basis for cultural standards. The results are then compared to similar situations and examples. Interpreting these examples helps to define final bilateral categories - *cultural standards*. Naturally, the results needed to demonstrate typical cultural distinctions between two cultures and are not intended to merely describe personal experiences. Towards the end of the categorisation process, some test persons are asked to assess the critical incidents described in the interviews in a group

discussion in order to further confirm the results. Accounts of atypical situations are dropped in order to rule out misinterpretations. The entire research process is illustrated in the following figure:

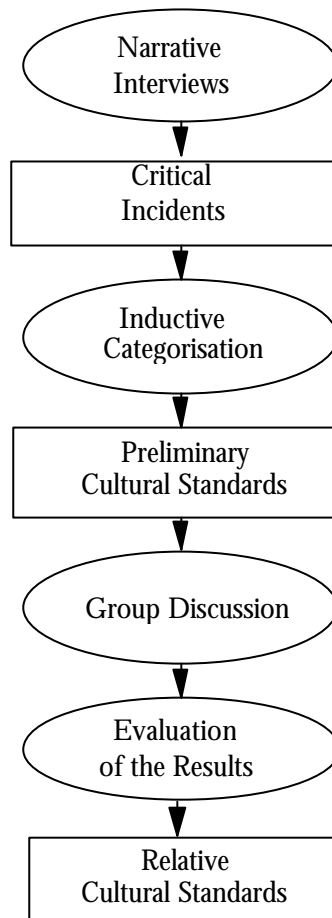


Figure 2: The identification process of cultural standards

## 5 RECENT RESEACH RESULTS

As mentioned above the cultural standard method is especially effective when cultures which are closely related are compared with each other. The qualitative research approach allows an in-depth analysis of subtle cultural differences. At the Vienna University of Economics and Business Administration a large number of research projects using this method have been carried out. The following table shows some of the latest results in cross-cultural research projects based on the cultural standard method.



Brück/Kainzbauer 1998		Horváth/Meierewert 1998		Schroll-Machl 1997		Brück 1997	
Austria	Hungary	Austria	Hungary	Germany	Czech Republic	Germany	Austria
Distinction of private and business life	Mix of private and business life	Specific culture	Diffuse culture	Separation of life spheres	Diffusion of life spheres		
Reservation	Collectivity	Weak aspects of relationship	Strong aspects of relationship	Factual orientation	Social Orientation	Achievement orientation	Social Orientation
Discipline at work	Flexibility at work	Devotion to regulations	Cirumvention of regulations	Striving for a maximum of orientation and uncertainty avoidance Internalized control	Pleasure in improvisation/ Polychronic time orientation Particularism	Importance of rules and regulations	Neglect of rules and regulations
Direct Communication	Indirect Communication					Direct communication Willingness to deal with Conflicts	Indirect communication Conflict avoidance
Formal Communication	Informal Communication	Formal Communication	Informal Communication	Differentiation in interpersonal distance	Differentiation in interpersonal distance		
Non-material Motivation	Material Motivation	Weak hierarchic orientation	Strong hierarchic orientation	Functional hierarchies/ Team spirit	Power by position/ Informal groups		Importance of hierarchies and titles
Patronizing Attitude	Feeling of Discrimination	Strong Self Confidence	Changing levels of Self Confidence	Self Confidence	Changing levels of self confidence		
						Service orientation	Supplier centered service

Table 1: East-West Cultural Standard Comparisons

## **6 CONCLUSIONS**

The purpose of this paper was to introduce the Cultural Standard Method - a qualitative approach for cross-cultural management research. This research approach has been shown to allow a greater differentiation of cultural differences which is particularly useful in the case of European cultures, where the differences are not as obvious at first sight. Due to the relative nature of cultural standards, cultural comparisons that are based on this method show a greater depth of detail and are therefore valuable sources for management trainings. The critical incidents derived in narrative interviews not only serve as a basis for the identification of cultural standards, they are also used as short case studies in training situations. Being based on real life experiences, these incidents provide a great resource for trainers whose task it is to make the trainees aware of typical difficulties faced in cross-cultural situations.

The Cultural Standard Method therefore proves to be a useful tool not only for researching differences in European business cultures but also for training managers in order to become more effective in their international business activities.

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