FOUR PILLARS OF CROSS-CULTURAL MANAGEMENT
A SYSTEMATIC LITERATURE REVIEW

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In the past few decades, the importance of cross-cultural management (abbreviated: CCM) has significantly grown. Instead of clarifying the meaning of the term, it raises more questions in both academic and business practitioner communities. With growing international and global business opportunities CCM became a more complex and relevant issue for organizations because of the practical applications; in academia, because of its complexity beyond business. Social media, branding, marketing and sales became the norm after the 1960s.

A ‘60-as évektől kezdődően egyre nagyobb a nyomás a szervezeteken, hogy nemzetközivé váljanak. A nemzetközi szervezeteknek terjeszkedésének köszönhetően egyre fontosabbá válik a kultúraközi menedzsment. Egyre szélesebb körben vitatott téma, a növekvő szakirodalomnak köszönhetően már nemcsak az üzleti világban, hanem az akadémiában is fontos szerepet kap. Az eddigi szakirodalom áttekintések a kultúraközi menedzsmentnek egy adott részét emelték ki, a jelenlegi cikkben a fogalom egészének tanulmányozása a cél. 95 forrás feldolgozása történt meg annak érdekében, hogy körbejárható legyen a téma és az alapvető pillowek beazonosíthatók legyenek. A kutatás során nemcsak a szakirodalom összegzésére, hanem az egyes források egymáshoz való viszonyának értelmezésére, továbbá a történelem során bekövetkezett változások kiemelésére is sor került. A legrangosabb szakfolyóiratok és könyvek tanulmányozása során egyértelművé vált, hogy a jelenlegi értelmezés szerint négy alapvető pilléren áll a kultúraközi menedzsment: pszichológia, antropológia, nemzetközi kereskedelem és stratégiai menedzsment. Jelenlegi cikk ezeket vizsgálja a kultúraközi menedzsment jobb értelmezése érdekében.

Kulcsszavak: kultúraközi menedzsment, stratégiai menedzsment, menedzsmenttanulmányok, nemzetközi kereskedelem, vezetéstudomány

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in international business. Something was changing; the world of business seemed more global in nature. For most businesspeople and scholars, the term “global” replaced “international”, as the adjective was commonly used to describe organizational and leadership strategies, thinking, and behaviour (Bird & Mendenhall, 2016). New challenges appeared, and created new problems, so far unknown; new solutions were needed. The field of CCM was primarily focused on international business and management (Haider, 1966). This was consistent both in how scholars approached managerial behaviour in an international setting, as well as in the thinking around what CCM entailed, in addition to the work that international managers performed. Given organizational structures, internal communications and information systems, international work was primarily managerial in scope. Few activities involved the leadership skills of creating and communicating a vision or leading change (Mackenzie, 2005; Kaminska, 2013; Winter, 2014).

In the 1960s, 1970s and 1980s with the impact of globalization and the growing number and size of the multinational enterprises, CCM became a crucial part of modern management. The rapid globalisation of business has brought with it an increased need for effective international work (Heidrich, 2009; Karácsyoni, 2016). The changing nature of international organisations, changing economic conditions, and the change in multinational enterprise host locations in the developing countries created unique challenges. These new circumstances needed new skills and mindsets from managers and researchers as well (Harris & Kumra, 2000; Message, 2005). The new needs of multinational enterprises gave CCM space to grow. Initially, the adaptation of CCM and understanding of other cultures was not deemed necessary above an arbitrary minimum level. With time, new challenges appeared and therefore a more detailed discussion was needed.

The existing literature appears relatively broad, delineating definitions of CCM and suggesting its different forms (Adler, 2008). Academic interest in this topic has been rising continuously, both theoretically and empirically, resulting in an increase in the number of publications after the 1960s. Hofstede (1980, p. 398) suggests that the key cross-cultural skills are: (1) the capacity to communicate respect; (2) the capacity to be non-judgemental; (3) the capacity to accept the relativity of one’s own knowledge and perceptions; (4) the capacity to display empathy; (5) the capacity to be flexible; (6) the capacity for turn-taking (letting everyone take turns in discussions); and (7) tolerance for ambiguity. There are many other approaches toward CCM as a complex topic in cross-cultural models like: Trompenaars’ research in the cultural dimensions and highlights of national culture differences (Trompenaars & Hampden-Turner, 1997); Schwartz’s aims to compare and measure cultural differences through human values (Schwartz, 1994); and the GLOBE project, in which the researchers try to measure current cultural specialities, and conduct the research in a wider range than Hofstede (House et al., 2014).

There are several approaches, these analyse CCM from different aspects, focusing on factors such as cross-cultural skills, dimensions, values, specialties that can be directly linked to CCM but not fully cover the phenomena (Bakacsi, 2012; Milassin, 2019). The current paper is focusing on Adler’s definition that explains CCM. Adler (2008. p. 13) defines CCM the following way: “Cross-cultural management explains the behaviour of people in organizations around the world and shows people how to work in organizations with employee and client populations from many different cultures. Cross-cultural management describes organizational behaviour within countries and cultures; compares organizational behaviour across countries and cultures; and most important, seeks to understand and improve the interaction of co-workers, managers, executives, clients, suppliers, and alliances partners from countries and cultures around the world”. Based on this definition literature review has been started regarding CCM, and through the research the current meaning of CCM is highlighted in this paper.

CCM has changed, not along one path, but growing from one subject area to another, containing a crucial part of each and holding them together. According to the studied sources CCM consist of four main pillars: initially it was a part of (1) psychology, then touching (2) anthropology, later combining these with business practice related challenges, mostly (3) international business and (4) strategic management. This is the reason why CCM should not be studied as one single term, but as the summary of many. It is challenging to have a one over all standard understanding since there are several perspectives from which CCM can be analysed (Romani, Primecz, & Bell, 2014). However, the goal of this paper is to map up the current understanding of CCM. According to the top-tier journals have a better overview to CCM and what it consists of.

In this paper insights about CCM are organized systematically. Despite the traditional narrative reviews, the research process with systematic literature review is more structured and transparent (Tranfield, Denyer, & Smart, 2003). This review differs from previous ones regarding CCM, in a few important ways. First, articles from several disciplines are analysed: cultural science, business and international management, organizational behaviour, human resource management, and strategy management (Appendix 1). These disciplines are acknowledged to be mostly related to CCM. According to the Scimargo ranking of top journals (Q1), these are the disciplines that have the biggest effect on CCM. The focus is on the top journals, and through analysing them, a common understanding regarding CCM in the current research will be shown. Secondly, not only will the original conceptualization of CCM dominate the current paper, but the outcome of the comparison and analysis will be shown too. Highlighting the growing process of CCM, and the most important parts of it was crucial to understand its current meaning. Thirdly, this review studies CCM from several aspects, such as psychological, social and practical, and gives an overview to the current
understanding. This is an important addition since CCM is constantly growing (Oddou & Menedelhall, 1984; Starfield, 2002; Szkudlarek, 2009), and becoming a more and more important discipline, which can be enriched by insights that expand beyond the core meaning (Tomaselli & Mboti, 2013). Four different aspects are identified based on the literature; therefore, through these four aspects, CCM as presented here is also focused on the meeting points of these aspects.

Methodology

Scope of the literature review

The aim of this paper is to present a comprehensive, yet focused literature review of CCM. First, the most important part of the research was to identify the relevant literature on CCM. Full books and book chapters were excluded since the criteria for academic journals and books are not the same. In order to have a standard criteria and scope of literature of these kinds, certain sources had to be excluded from the search (Brocke et al., 2009). Although some of the papers were heavily based on books, therefore these books, book chapters were studied and added to the research for better understanding. Initially only review studies published in ranked peer-reviewed academic journals were included in the search. These rankings are subjective, but they provide criteria that authors can use for selecting studies to review (Webster & Watson, 2002).

The current review is focused on the SCImago top-ranked journals (Q1), and selected only cross-cultural topics (Figure 1.). SCImago Journal and Country Rank is a publicly available portal that includes journals and country scientific indicators developed from the information contained in Scopus database – Elsevier BV. The current paper’s resources are based on this portal’s journal ranking system (Q1-Q4), and according to this system the top category (Q1) journals are highlighted and studied for further use in the current literature review. The selected journals were then analysed by their scope. The ones including the CCM topic were included for further research (Appendix 1). Within these journals research had been made by using the key phrase ‘cross-cultural’ in titles, keywords or abstracts. The articles that mentioned ‘cross-cultural’ but did not deal with the topic, were not considered (Primecz, Kiss, & Toarniczky, 2019). These articles were focusing cultural and behaviour topics but cannot be linked to CCM directly. There were, however, academic works heavily based on other already published papers or books; these resources were studied too in order to have a better understanding of the particular research or theory. The ones which gave added information to the papers published in top journals were used too and mentioned as a reference. Some that were only used in these top papers are reviewed but not used in the current paper since the theories were not fully developed and the paper was not strongly built on them; therefore, they are not mentioned as a reference. At the beginning of the research, all the selected papers, and the reference list, were analysed in order to include all the necessary works.

In order to avoid restricting the ability to identify patterns or potential gaps and then draw conclusions, many scholars advise working with insights from disciplines outside the core areas (Jones & Gatrell, 2014). Following this advice led the research to the conclusion that the CCM topic was not only studied from an international aspect, but also from a psychological and sociological point of view. On SCImago, many ‘subject areas’ and ‘categories’ have been analysed (Appendix 1). The main scope was ‘Subject areas: Social Science’ and ‘Category: Cultural Studies’; besides this, there were many other top journals that gave important roles to CCM according to their scope (Figure 1.). The CCM topic, therefore, has been researched in business, management and accounting related journals too. There was no ‘region’ and ‘timing’ criteria in the research process. According to the scope of the journals, there were 49 that focused on, or included CCM as a topic. Further research throughout the journals using the key phrase reduced this number; by this stage there were 17 journals identified (Figure 2.). The application of the criteria, the study of the journals’ scope and research with the key phrase resulted in 53 selected articles at the end. Analysing these articles other papers and books were identified that these papers were heavily based on, and in addition those were added too. The current review is based on a total of 95 sources.

A large proportion of the selected articles were from three journals: the Academy of Management Journal with 10 articles (19%); the Journal of Cross-cultural Psychology, which contained 9 articles (17%); and the International Journal of Intercultural Relations, which had 6 articles (11%) that were looked at. These journals have published the...
majority of the used studies (the initial 53 papers) and the remaining articles have been selected from the other journals (Figure 2.), on average 1-2 articles per journal (Appendix I). Occasionally, it had to be reorganized as some of the articles may have dealt with topics directly linked with CCM, but different terminology was used. These articles were included when they more explicitly discussed CCM, and some of the initial 53 papers referred to these. The journals that were among the top-tier journals according to the SCImago ranking and that met the inclusion criteria ‘Social Science – Cultural Studies’, did not publish completely appropriate articles that could have been studied further regarding CCM.

Figure 2. Comparison of the literature searching result and the relevant articles

For the purpose of the current study certain choices needed to be made despite the potential risk. Since only Q1 ranked journals were analysed, there might have been some articles in the lower ranked journals that would have given more insight into various CCM topics which were not included. Also the identified main pillars are highlighted in the current paper, but with further research others might also appear. This limitation can be lifted by including other key phrases, but in order to have complete coverage for the literature review and to manage the analysis, this risk had to be taken. In order to give the current research a clear structure and a manageable process top journals were used as the basis of the research. These journals publish papers that are identified as the best and highest quality papers by the academia therefore the ideas and theories discussed in these papers give the ground to further research. If these papers give the standard, then these lead the academic discussion about certain theories, therefore analysing CCM according to these papers gives an overview of the current understanding of it. Also this paper can support further research, and might be an initial step towards a better understanding of CCM and other papers based on or linked to CCM.

Research Result

The current understanding of CCM includes four main categories in the social sciences (Figure 3): psychology, anthropology, international business and strategic management. These four major pillars are identified as the main pillars of CCM. The literature emphasizes these four areas since, based on CCM's history, it has grown out of and through these areas of study. CCM is rooted

Figure 3. Cross-Cultural Management Mind-map

Source: own research result
in psychology and anthropology because these sciences deal with culture and its effect on human behaviour. (2) Psychology highlights the individuals understanding and interpretation of society and cultures. Any kind of interaction across cultures is inherently stressful, as it challenges our assumptions which we assume are universal. Since cultural habits are acquired and internalized from early childhood, they generally elude our awareness except when we encounter people whose cultural scripts are at variance with our own. As a person changes according to their circumstances, and are affected by others in their societies, (2) anthropology can help to give a better understanding of human behaviour and development (Abe & Wiseman, 1983; Albert, 1986). (3) International business, and the rising chance of growing as an organization and community, brings different cultures close together and forces companies to manage groups that consist of individuals with wildly different backgrounds (Osbeck, Moghaddam, & Perreault, 1997; Chen et al., 2010). This contains notions of levelling up partnerships and including cultural matters into (4) strategic thinking (Francis, 1991; Pornpitakpan, 1999; Mohr & Puck, 2005). CCM links many subareas and grows alongside and in parallel with them, include terms and specialties from all the four areas (Figure 3). This process shows that CCM is wide, constantly growing and specifying at the same time.

**Identified main pillars of cross-cultural management**

**Psychology**

With the internationalization of enterprises in the 1960s, cross-cultural issues started to rise, and addressing these cross-cultural issues was an urgent matter. A new demand for CCM tools started to surface from the multinational enterprises’ side, and at the time it was mostly to manage the daily business relationship between the headquarters and the subsidiaries. CCM started to be crucial in strategy making. Cross-cultural psychology as a discipline had already existed, being part of psychology, but initially coming from anthropology (Pedersen, 1991; Y. Kashima, 1998; Singelis, 2000). Most companies faced problems regarding multiculturalism, and CCM related questions and innovations all started as a Western project, since the companies that went global first were Western too. In order to prevent the psychology from becoming exclusively Western, cross-cultural psychologists sought to test the universality of psychological laws via cultural comparative studies (Ellis & Stam, 2015). Attempting to overcome psychology’s ‘culture-blindness’ was considered a laudable goal of the early cross-cultural psychologists whose context was the emergence of cognitive psychology and individualism, the new mechanisms of information processing in psychology, and finally the cultural upheavals of the 1960s and 1970s.

The main definition of cross-cultural psychology was defined in the beginning of the 50s: “Culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action. [...] this formula will be modified and enlarged in the future as regards (1) the interrelations of cultural forms: and (2) variability and the individual” (Kroeber & Kluckhohn, 1952, p. 181).

For the first few decades cross-cultural psychologists worked, as a rule, directly with people in other cultures, mostly in face-to-face situations. Their studies were focused on topics like cognition, perception, and developmental and social issues. Expanding the literature further in this new emerging science of complexity Hofstede wrote: “[…] I treat culture as “the collective programming of the mind which distinguishes the members of one human group from another” (1984, p. 21). These words foreshadowed a new approach in cross-cultural psychology, which has become increasingly social, statistical and indirect, in the sense that the only contact with participants is through the group administration of questionnaires and scales. Although the literature on cross-cultural psychology does not explicitly mention this, with time and with bigger cross-cultural projects, face-to-face data collection and qualitative information methodologies did not become a priority anymore. The initial idea to address a new demand, the need of a better understanding of another culture and another individual from a different cultural background, faded away. Cross-cultural research became about statistics and generalization (Leong, 2016). In other words, the purpose of the world-wide research started to be about efficiency and not about understanding.

According to Schwartz (2009), “The underlying normative value emphases that are central to culture influence and give a degree of coherence to these manifestations” (p.128). In this view culture is outside the individual. It is not located in the minds and actions of an individual. It refers to the information to which individuals are exposed by virtue of living in a particular social system. Culture is created – and can be destroyed too – by humans. Currently it is passed on to us by previous generations, but can be and should be shaped with time (Bond & van de Vijver, 2011; Torréns & Kärtner, 2017), even if the globalized world inherits the history of multiple conflicts that are actualized in the trans-generational memory of cultures (Silva & Guimarães, 2012; Sieck, Smith, & Rasmussen, 2013). Culture comprises shared beliefs, values, and group norms of interconnected individuals, such as those from the same nation, racial or ethnic background. People can build emotional connections with a specific cultural group, drawing from it a sense of comfort and safe haven (Peleg & Rahal, 2012; Hong et al., 2013). In their research, Hong and his colleagues have started to examine the role of emotions in meeting intercultural challenges. For example, it has been demonstrated that the ability to recognize emotion in a new cultural context and emotional regulation are important predictors of
intercultural adjustment (Jorgensen, 1979). Hong explains that attachment researchers have incidentally established that secure and insecure attachment styles can predict adolescent adjustment through emotional regulation and social competence (Cooper, Shaver, & Collins, 1998). According to this research, emotions are one of the most important links between an individual and their cultural attachment. Based on this, culture cannot exist without humans, and individuals are indeed the creators and the shapers of culture.

**Anthropology**

It was only in the 18th-century that, in France, the single term “culture” began to be used and to acquire a sense of skill or refinement of the mind or taste. It was rapidly extended to refer to the qualities of an educated person, and this meaning has been retained until today (Jahoda, 2012). In English, in the 19th century, the writer Matthew Arnold held a similar view, describing culture as “the acquainting ourselves with the best that has been known and said in the world, and thus with the history of the human spirit” (Arnold, 1873). Around the same time, the anthropologist Edward Tylor famously began his definition of the words “culture” or “civilization”, which is a complex whole that includes: knowledge, belief and any other capacity acquired by man as a member of society. “Culture… is that complex whole which includes knowledge, beliefs, arts, morals, law, customs, and any other capabilities and habits acquired by (a human) as a member of society” (Tylor, [1871] 1958, p. 1). The word “culture” comes from human science, directly from the positive human skills such as knowledge, values and communication, and is directly linked to the meaning of civilization (Driel & Gabrenya Jr., 2012). It means that the core of culture is the individual in society; it comes from an individual and creates a whole together.

Any kind of comparative study of social phenomena across two – or more – societies is “cross-cultural.” However, the current usage ordinarily distinguishes “cross-cultural” from “cross-national” research, with the former referring only to comparisons among nonindustrial societies of the variety traditionally studied by anthropologists, and the latter to comparisons among modern nations (Udy, 1973). “Cross-cultural analysis” is directed toward generalizations and is thereby distinguished from piecemeal comparisons seeking to describe only one society, by contrasting it with others. As a research activity, “cross-cultural analysis” has been increasing. The comparative study of nonindustrial societies, with a view to discovering or testing general principles, is distinctive, and quite different theoretically, conceptually, and methodologically from both cross-national research and piecemeal comparison. Cross-cultural analysis would seem to be central to both anthropology and sociology, but its basic patterns of operations as well as the skills it demands are very different. The typical cross-cultural study is directed toward the analysis of a relatively small number of traits over a relatively large number of societies. The number and type of societies studied as well as the range and kinds of data required from each society are all determined by the nature of the generalizations sought.

If several or many societies are involved, the cross-cultural researcher almost always has to rely on secondary source materials for most of the information. Since the sample of societies is usually fairly large, it is necessary to manipulate the data through aggregative statistical techniques in order to gain a clear and understandable result that can be then generalized. Cross-cultural analysis is typically carried on in library, office or laboratory, rather than in the field studying the environment and all the circumstances. Generally speaking this involves studying secondary ethnographic and historical sources in large numbers of nonindustrial societies, coding relevant data from these sources only, and manipulating these data so that they will yield fairly abstract, theoretical conclusions, according to Stening (1979). The potential for problems in intercultural relationships is greater since cross-culturally there are often major differences in values, attitudes, beliefs, expectations, and the like. Therefore, using a small sample in research and studying this sample, and then making a conclusion, seems not good enough to make reliable outcomes. Triandis (1972), clarifies “a cultural group’s characteristic way of perceiving its social environment” (p. 3), as a “subjective culture”. As a result the outcomes of such studies are only true for that certain group. Studying cross-cultural management makes this even more complex, since it not only about a separate group, but the relationships and links between them are also highlighted. Anthropology as a science dealing with humans does not seem as involved in these issues so far, according to the studied literature. For this reason, taking a sample and generalizing the results seems unacceptable and harmful in the long run.

In several ways psychology studies are closely related to anthropology research. These two sciences are linked in CCM, therefore they should be analysed in parallel to each other. The central concerns of anthropologists and psychologists are very similar, but there are many differences in their perspectives or approaches that need to be stated. Anthropologists are often concerned with the discovery of acceptable alternatives in a behavioural domain under certain external or environmental conditions (Frake, 1964). Despite this, psychologists are concerned with predictions regarding particular choices in a given group and the way members will respond to certain stimulus situations. Psychologists prefer experiments and the manipulation of variables; furthermore, they often artificially restrict the set of alternatives open to their respondents in the service of experimental rigor. Psychologists see their main purpose as the development of general laws of human behaviour and the application of these laws to different situations. However a law cannot be considered general unless it holds on to the full range of the variables involved, for example in various social settings, and for most humans (Triandis, Malpass, & Davidson, 1971).
International Business

The growing pressure for performance, delivery, and increased globalization have created a debate on the use of standardized “best practices” across countries versus adaptation to the local context (Nedelec et al., 2018). On one side there are the universalists arguing in favour of ‘convergence’ across countries, claiming transferability of these best practices irrespective of national boundaries (Pudelko & Harzing, 2007). On the other side are those who posit that despite globalization, direct transfer of “best practices” across countries is hindered by many contextual factors such as social, institutional and cultural factors. Increased globalization and emigration to many developed countries and the organizations in these countries have become increasingly more demographically complex, with employees of diverse cultural backgrounds working and interacting on a daily basis (Shore et al., 2009; Jaeger et al., 2016). A culturally diverse workforce poses significant challenges for leaders; furthermore, complexity is added because diversity and its effects are not very well understood yet (Giddens, 1991; Rupert et al., 2010). Moore (2015) notes that leaders need to be sensitive to cultural differences and must adopt different leadership styles in order to manage employees from diverse backgrounds. This task should be nothing less than a priority (Adler, 1997; Harris, 2000; Hiranaladani, 2012; Jansen et al., 2016). Creative solutions for cultural minority related problems must be found. This would also facilitate the development of positive mindsets toward diversity; thus it directly and indirectly plays an important role in cultural minorities’ socialization process (Malik & Singh, 2015). This might be the key to integration by not creating a one-over-all standard that eliminates the varied cultures but builds a well-rounded CCM.

Scholars have looked at convergence theory to understand emerging global business ethics. Early accounts of this theory are considered today as ethnocentric because they assumed that the United States and some Western European countries were the “correct” model to which all successful developing countries would eventually converge to (Usunier, 2011). Convergence theory posited that as the world became industrialized, the demands of professional management would cause managerial styles and values in different countries to become more alike over time (Chong & Thomas, 1997). This aims to reduce organizational cultural differences that impede knowledge transfer. In addition, another way to integrate different cultures within an organization or group is by creating a new platform for such transfer. This could mean cultural crossvergence (Sarala & Vaara, 2010). Through cultural integration, one creates a positive social dynamic for alleviating the risks of nationalistic confrontation, reaping the knowledge potential residing in distinctive national cultural systems.

The purpose of cultural integration, on one hand, is quite positive; it helps groups – or organizations – to work together and have an easier way to interpret strategy. Unique challenges come from the cultural differences; these are shown in such aspects as language, values, and expectations. These differences are likely to influence the manner by which work is done, and the underlying capabilities needed for success (Yagi & Kleinberg, 2011). Integration of cultures under one standard – overall – culture, might address these challenges. On the other hand, it indirectly creates standards that go against all cross-cultural topics, since the differences vanish and create a new common culture, but not actually reaching out for each other and not aiming to have an understanding. Business managers have long been interested in the standardization issue and suggest operational economies and the development of uniform best practices (Dorfman, 2012; Popli, 2016).

Strategic Management

In the 60s, markets became global, firms became more international, and joint ventures, particularly cross-border joint ventures, increasingly provided firms with opportunities to rapidly expand geographical market participation. This created economies of scale and critical mass. This lets companies reduce risk, learn new skills and technologies, and facilitate effective resource sharing (Harrigan, 1988; Lei & Pitts, 1999; Michel et al., 2000). With joint ventures becoming a powerful force shaping firms’ global strategies, it is not surprising that partnerships between horizontally related firms have significantly increased since the 1960s (Park & Ungson, 1997). Environmental variables, including pre-departure training, sources of support, family adjustment and job characteristics have also been found to influence cross-cultural adjustment (Harrigan et al., 1998; Shaffer & Harrison, 1998; Kraimer et al., 2001; Van Vianen et al., 2004). One framework for categorizing cultural differences emerges from research on diversity in work groups.

The diversity concept has also been met with very different interpretations, even within the European context. Point and Singh (2003) found that companies in Europe had different diversity definitions, with emphasis ranging from gender to age to culture to disability (Stoermer, Davies, & Froese, 2017). Almond et al. (2005) found in their research on American multinationals in the UK that gender was universal when discussing diversity across subsidiaries, although differences on other dimensions and groups emerged (Chatterjee, 1992; Salk & Brannen, 2000; Chuang, 2015). Therefore, if creativity is coming from a diverse team, then it is a complex case, since in a diverse team every individual has another meaning for creativity. For this reason, the first step towards international success in the case of multinational companies is to find a common ground or to have a correct interpretation. As one of globalization’s biggest pressures is to make companies innovate in a global multicultural context, as it is increasingly important to cultivate a culturally diverse workplace to enhance employee creativity (Zhou & Su, 2010; Keller, Wen Chen, & Leung, 2018).

Cultural diversity is routinely invoked as a driver of innovation and improved performance, for both individuals and organizations (Watson, Kumar, & Michaelsen, 1993; Ely & Thomas, 2001; Edgar et
Diversity is a characteristic of groups that refers to demographic differences such as gender, race, ethnicity, nationality, all of which potentially contribute to a cultural identity that stems from membership in sociocultural distinct demographic groups (McGrath, Berdahl, & Arrow, 1995). The members of these groups tend to share certain world views, norms, values, goals, priorities, and sociocultural heritage (Ely & Thomas, 2001; Hajro, Gibson, & Pubelko, 2017). Diversity of the labour force is a fact, yet knowledge about attitudes towards diversity in different national contexts is limited (Berry, 2016; Traavik & Adavikolanu, 2016). The shape and form of diversity varies from country to country, but diversity in itself is always present and organizations are increasingly under pressure to manage it successfully. The growing number of women in the workforce, the escalation of migration from developing to industrialized countries, and the importance of international career mobility all contribute to the diversity of the workforce (Priest et al., 2014).

Cultural diversity in a workplace ideally provides for the confluence of disparate ideas from different cultures. The appropriate combination of ideas and perspectives from different cultures potentiates creative solutions and addresses business problems in the global economy (Chen et al., 2010; Stahl, 2017). Intercultural disharmony in the workplace, and in society in general, is inevitable, and is not directly under individuals’ control. A disharmonious multicultural social environment can easily undermine an individual’s creativity. Everything depends on our own understanding so this makes cross-cultural research even harder since everyone has their own understanding regarding diversity – which is believed to be the engine of growth and success within multinational enterprises (Ajiferuke & Boddevyn, 1970; Esterby-Smith & Malina, 1999). Esterby-Smith and Malina (1999) refer back to Siegle’s (1986) book, where he is pointing out that in terms of the world’s roots, something that is reflexive “must turn back on itself, and then turn back on its turning” (1986, p. 2). Reflexivity is a valuable component of CCM, especially when there is a need to combine different perspectives in order to have a clear understanding about diversity within a business setting or social science.

Conclusion

In the current review, psychology, anthropology, international business and strategic management have been studied. CCM emerged from psychology; the first research and paper publications were made in the journals regarding psychology. Since cultural issues are about human behaviour, mindset, values and beliefs, understanding human psychology was the first step towards understanding each other. First definition of CCM was created by an anthropologist. Humankind and their history, capabilities and skills, are all connected to those that understand themselves, others and the environment they are surrounded by. In order to create links between cultures and gather people with different cultural backgrounds, human-focused studies are needed. Although CCM was an existing science, the growth of it comes from globalization and the international relationship within business settings. New solutions were needed for the unique challenges that came with the globalized world. For this reason diverse teams started to be the engine of success and for these teams new management styles were needed.

The purpose of this review was to systematically analyse the literature on CCM by identifying the main pillars of it, linking the different aspects together and considering the current understanding. Through reviewing the literature and studying the different pillars of CCM, a better understanding has been achieved by developing a mind map. In comparison to former reviews on CCM, the current review distinguishes itself because it is an extensive overview of different aspects and shows the links between these in order to make the structure and meaning visible. The review focuses on the different parts of CCM and brings the connections to the forefront, which previous reviews did not discuss in detail. Highlighting the top journals and top academics’ understanding of CCM gives an overview to the term. Through the four pillars, CCM can be brought closer to full knowledge and clarification, and this may serve for a better understanding for future research and discussions.

Limitations

The aim of this review is to analyse and synthesize the literature regarding CCM from top journals with no time limit, in order to be able to study the history of CCM and all the aspects that are directly connected to it. Despite all the efforts, the current study suffers from a few notable limitations. First, in attempt to test CCM and its development and components, a narrow focus was taken. The literature selection approached only top journals and books that each paper was heavily based on and left out research that had appeared in lower ranked journals and other sources. Second, during the reviewing process, the focus was on CCM and the different aspects that had been studied, measured and researched so far. The aim was to capture the use and the understanding of these papers. Lastly, not all the necessary aspects are researched and studied. Therefore these aspects are mentioned regarding the main four pillars, but not analysed in detail. Some of the sub areas have not been fully explored yet, and linked to CCM directly so far; therefore these could not be included in the current review. Research on CCM will continue to be a significant and vibrant topic. Many exciting opportunities lay ahead in further gaining a deeper understanding, as the current research is a step towards achieving that goal by mapping the current understanding of CCM.

References

Adler, E. (1997). Seizing the Middle Ground: Constructivism in World Politics. European Journal of Interna-


https://doi.org/10.1155/2012/385806


Szkudlarek, B. (2010). Reentry – A review of the literature. International Journal of Intercultural Rela-
Appendix I.

<table>
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<tr>
<th>Subject Areas - Categories</th>
<th>Journal</th>
<th>Issues (From - To)</th>
<th>Search result by the keyword</th>
<th>Relevant Articles</th>
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<td>Journal of Cross-Cultural Psychology</td>
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<td>European Business Review</td>
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*the same journal but searching results with different keywords