A bibliometric study on culture research in International Business

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ABSTRACT

National cultures and cultural differences provide a crucial component of the context of international business (IB) research. We conducted a bibliometric study of the articles published in seven leading IB journals, over a period of three decades, to analyze how “national culture” has been impacting in IB research. Co-citation mappings permit us to identify the ties binding works dealing with culture and cultural issues in IB. We identify two main clusters of research each comprising two sub-clusters, with Hofstede’s (1980) work setting much of the conceptual and empirical approach on culture-related studies. One main cluster entails works on the conceptualization of culture and its dimensions and other cluster on cultural distance. This conceptual framework captures the extant IB research incorporating culture-related concepts and influences.

Keywords: culture, culture in international business, bibliometric study, IB research
INTRODUCTION

International business (IB) research seeks to understand firms’ internationalization decisions. These decisions comprise location choices, foreign entry modes, international strategies, organizational formats, international human resource practices, among several others. In fact, the domain of IB as a field of study is distinguishable from the management of domestic large corporations because multinationals operate in a more complex international business environment, than purely domestic firms. In fact, Ferreira, Li, Guisinger and Serra (2009) stated that IB is focused on understanding the environmental context in which firms operate. According to Boyaciller and Adler (1997: 398) “by definition, international business is contextual. International Business includes, specifically, the external international environment, in which firms conduct their businesses”.

Culture is a core environmental dimension in IB studies. Ferreira et al. (2009) study of the articles published in the Journal of International Business Studies over thirty years, noted that culture was the most often used environmental dimension in prior research. Tung and Verbeke (2010) argued that a measure of impact of cross-cultural research is provided in the evidence that there were more than 54,000 citations to Hofstede’s work until June 2010. In fact, especially since de 1980s several scholars started including “national culture” in their research and mostly using Hofstede’s (1980) taxonomy. The importance of culture is well established in the discipline but in this article we advance on existing studies to better understand the main streams of Ib research that have incorporated culture and the ties to different phenomena and theories. Our methodological approach – based on a bibliometric study of 502 articles published in the top seven journals for IB research - permits us deeper analyses than the traditional literature reviews (Leung et al., 2005; Kirkman et al., 2006; Minkov & Hofstede, 2011) and permit us gain some insights on the past trends or the evolution of the literature (Ramos-Rodriguez & Ruiz-Navarro, 2004; Ferreira, 2011).

In this study we gain a better understanding on the nature and evolution of the extant IB culture-related research. The results point to noteworthy findings. First, and perhaps not surprising, is the central role of Hofstede’s work on culture in IB studies, although there are alternative cultural taxonomies developed during the last two decades. Second, the attention to cultural distance, and not merely absolute dimensions of national culture, on much of the IB research identified. Third, we identified a substantial cluster of works pertaining to the conceptualization of culture and its components, and another cluster comprising works on cultural distance, both conceptual and applied to other IB phenomena.
In these clusters we also identify the importance of institutional and transaction costs arguments.

This paper complements prior reviews, meta-analyses and bibliometric studies. For instance, some scholars have delved into examining the impact of Hofstede’s (1980) research, how it has been incorporated (Kirkman, Lowe & Gibson, 2006), how Hofstede’s doctrine has evolved over time (Minkov & Hofstede, 2011), how Hofstede’s work compares and contrasts alternative conceptualizations (House et al., 2004; Javidan et al., 2006; Brewer & Venaik, 2011). Occasionally, this has meant examining the impact of specific cultural dimensions such as individualism-collectivism (Triandis, 1995, 2004; Earley & Gibson, 1998; Oyserman et al., 2002) that permitted only narrow implications and conclusions, or expanding to other cultural models (Brewer & Venaik, 2011). Or, as in Shenkar (2001, 2012) discussing how to better the conceptualization and measurement of cultural differences, and Taras et al.’s (2009) review on the extant instruments and measurements of culture. Other studies have either reviewed the entire IB discipline (Werner, 2002; Acedo & Casillas, 2005), have noted the evolution and trends in intercultural research (Adler, 1983), or have ignored the specific phenomena to which culture was applied emphasizing only the cultural aspects and comparisons among cultures (Smith, 2002). Yet others, have examined culture in IB such as Leung et al. (2005) conceptual piece on cultural convergence and divergence and proposals for future research without assessing how it has been used. Hence, an analysis of even recent works reveals little overlap between our study and other extant research, and our study adds value beyond previous reviews and related works, as we not only identify how has culture been integrated in IB studies but also we are able to gain an integrative understanding involving culture. Moreover, at least to some extent, we thus overcome analysis that provide a fragmented perspective on Hofstede-inspired research.

This paper is organized in four sections. First, we briefly review what is culture, its dimensions, or components, and its connections in international business. Second, we present the methods, including the procedures and sample. The third section includes the results. We then discuss the results and present limitations and future research avenues.

**LITERATURE REVIEW**

"The business of International Business is culture” (Hofstede, 1994, p.1). Following Hofstede (1991, p. 21), culture is “the collective programming of the mind which distinguishes the members of one group from another”. Tihanyi (2005, p. 271) defined culture as “the homogeneity of characteristics that separates one human group from another”. De Wit and Meyer (1998) noted national culture as a shared set of values, norms, beliefs and expectations.
Hence, studying national cultures provides a profile of the characteristics of a society concerning norms, values and institutions, thus allowing for a better understanding of how societies manage interactions (Hofstede, 1980; Trompenaars, 1993).

For multinational corporations (MNC) with dispersed operations across geographies understanding cultural differences and how they influence the firms’ operations is crucial. Thus, it is not surprising that national culture has a long tradition in IB research (Kirkman et al., 2006). Culture and culture differences seem to permeate a broad set of firms’ decisions and practices in IB, such as the selection of entry modes (Kogut & Singh, 1988; Morosini et al., 1998), location (Erramilli et al., 1997), management and performance of MNCs (Gomes-Mejia & Palich, 1997), joint venture performance (Pothukuchi et al., 2002), knowledge transfer between subsidiaries (Sarala & Vaara, 2010), governance (Kang & Kim, 2010), and ethics (Ralston et al., 2009), among others.

Thus, understanding the nature and influence of national culture and how cultures differ is central to IB research (Ferreira et al., 2009). In a literature review Griffith et al. (2008) identified culture, conflicts and cognition – including the influence of national culture in strategic management and firms studies -, among the eight themes more researched in IB studies. For firms, there are substantial potential hazards and additional managerial and transactional costs of interacting and operating in unknown foreign environments (Anderson & Gatignon, 1986; Zaheer, 1995). These may entail for instance, the transactional difficulties in sharing knowledge across borders (Kogut & Zander, 1993) and the choice of the entry modes to adopt (Shenkar, 2001).

**Cultural taxonomies**

One of the most notable contributions to understanding what a culture entails and including culture in conceptual and empirical IB research was that of Geert Hofstede. In his 1980 book on *Culture’s consequences: International differences in work-related values*, Hofstede proposed that we examine four cultural dimensions to characterize a country. In later works, Hofstede and Bond (1988) added a fifth dimension - *confucian dynamism* -, and in 2010, a sixth dimension - *indulgence vs. retention*.

Other scholars have studied national cultures and advanced alternative, albeit often complementary, taxonomies that help explaining cultural differences between peoples and countries. Edward Hall (1976) stood out for his emphasis on communication differences between cultures. Schwartz (1994) identified seven cultural dimensions of values that included conservatism, intellectual autonomy, affective autonomy, hierarchy, egalitarian commitment, harmony and mastery. Trompenaars and Hampden-Turner (1998) work ‘Riding the waves of culture’ presented a set of seven cultural dimensions. These referred to
relationships with other people, attitude towards time (past, present and future) and attitudes towards the environment. More recently, House et al. (2004) and Gupta and House (2004) described the project GLOBE - *Global Leadership and Organizational Behaviour Effectiveness*, aiming to “describe, understand and predict the impact of specific cultural variables in leadership and organizational processes” (House et al., 1999. p. 492).

Some of the cultural research has been used to guide the theory and practice of management in IB (Tihanyi et al., 2005; Scholtens & Dam, 2007) and especially research. Rubera, et al. (2011) used Schwartz cultural dimensions to empirically investigating the influence of cultural values on the relationship between the creativity dimensions and intention to buy. Fischer and Mansell (2009) examined the effects of individualism-collectivism and power distance values and practices (Hofstede’s and GLOBE's) on the levels of commitment. Sarala and Vaara (2010) used GLOBE’s cultural dimensions to examine how national cultural differences affect knowledge transfer. Berry et al. (2010) proposed a new approach to conceptualizing, measuring and examining the influence of cross-national distance. Taras et al. (2009) examined 121 instruments utilized in the quantitative measurement of cultural values developed over the last half a century.

**Cultural distance**

Few constructs have been so well accepted in IB literature as cultural distance (Shenkar, 2001, 2012). Cultural distance may be defined as the degree of difference of cultural norms between two countries (Kogut & Singh, 1988), including social norms, religious, languages and ethnicities (Shenkar, 2001) that distinguish one country from others. Hennart and Larimo (1998, p.517) defined cultural distance as “the national cultural characteristics of the home and of the host countries”. Berry et al. (2010, p. 1464), using institutional theory, conceptualized cultural distance such as “the differences in attitudes toward authority, trust, individuality and importance of work and family”.

Related to the static cultural traits emphasized in the cultural taxonomies, a stream of research has specifically dealt with cultural differences and how these affect an array of IB decisions. For instance, entry mode selection (Erramilli & Rao, 1993; Hennart & Larimo, 1998; Brouthers & Brouthers, 2001), performance of M&As (Chakrabarti et al., 2009; Morosini et al., 1998), international diversification (Tihanyi et al., 2005). This research used cultural distance to understand not only national cultures per se but also how they differ and how these differences impact firms’ choices and strategies (Kogut & Singh, 1998).

Research using cultural distance descends from a line of study that introduced the concept of psychic distance (Johanson & Wiedersheim-Paul, 1975; Johanson & Vahline, 1977, 1990; Dow & Karunaratna, 2006) often to study
foreign entry modes and market selection. Psychic distance is somewhat broader than cultural distance and it encompasses inter-country differences in economic development, income profile and geographic distance. Johanson and Wiedersheim-Paul (1975: 308) defined psychic distance as those “factors that prevent or disturb the flows of information between firms and markets”. Notwithstanding, cultural differences among countries are the most recognized form of psychic distance (Dow & Karunaratna, 2006).

**METHOD**

Bibliometric studies use a set of mathematical and statistical methods to quantitatively analyze scientific literature (Cronin, 2001; Bellis, 2009). Bibliometric studies aim at detecting the intellectual networks binding scholars to make some sense and organize the extant literature (Pilkington & Meredith, 2009), assess trends on a given subject or discipline, identify main theories, more productive scholars or institutions, or identify and map the intellectual structure of a discipline or area of study (Acedo et al., 2006; Pilkington & Meredith, 2009; Ramos-Rodriguez & Ruiz-Navarro, 2004; Guarido Filho et al., 2009, 2010).

Bibliometric studies have been used to examine an array of different objects in International Business. For instance, Ferreira (2011) examined the contribution and impact of a scholar, Sumantra Ghoshal, on the study of MNCs. Treviño et al. (2010) observed the authors and institutions with the greatest contribution to the evolution of the IB discipline. Inkpen and Beamish (1994) examined one journal - JIBS - over a twenty five years period to verify the main developments, and Werner (2002) the trends in the IB literature. Chandy e Williams (1994) used the articles published in *Journal of International Business Studies* (JIBS) to observe the influence of some authors and disciplines in IB research. Chandy and Gopalakrishna (1992) made a content analysis of the contributions in *Management International Review* (MIR).

**Procedures**

Data collection was based on bibliometric techniques because these are especially useful when analyzing large volumes of information that is not viable with the usual content analysis procedures. The sample of articles used was drawn from seven highly reputed journals for IB research. Albeit there are several possible sources of data, published articles are especially relevant since these undergone the peer review process and are considered certified knowledge. The data was collected from *ISI Web of Science*. This source has been used by multiple scholars (e.g., Cronin, 2001; Peng & Zhou, 2006; Harzing & Wal, 2008) and is among the most complete, including documents going as far as 1900 and over 12,000 journals (Thomson Reuters, 2012).
We drew the data from the top seven journals for IB research (Table 1). The journals were identified using DuBois and Reeb (2000), Treviño et al. (2010), Anne-Will Harzing’s Journal quality list (see at http://www.harzing.com/jql.htm) and the journals’ impact factors. Moreover these journals, or a subsample, were used in previous studies (e.g., Peng, Zhou, 2006). It is worth noting that in 1997 Columbia Journal of World Business (CJWB) was renamed as Journal of World Business (JWB). Table 1 includes some descriptive elements of these journals, such as the number of articles published, impact factors, number of total citations to the articles published and the position in three different rankings. Albeit the time frame for this study is rather long, initiated in 1965, the founding year of CJWB, not all journals have their entire record available in ISI Web of Knowledge. For instance, MIR is available only between 1966 to 1990 and 2008 to 2012. JIBS, on the contrary is fully available since 1976.

### Table 1. The journals selected

<table>
<thead>
<tr>
<th>Journals</th>
<th>Years available in ISI</th>
<th>N. of articles published</th>
<th>N. of citations to the articles published</th>
<th>Impact factor</th>
<th>h-index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journal of World Business (JWB)</td>
<td>1997 - 2012</td>
<td>487</td>
<td>6,339</td>
<td>2.383</td>
<td>37</td>
</tr>
<tr>
<td>International Business Review (IBR)</td>
<td>2005 - 2012</td>
<td>347</td>
<td>2,094</td>
<td>1.511</td>
<td>22</td>
</tr>
<tr>
<td>Management International Review (MIR)</td>
<td>1966 to 1990 and 2008 - 2012</td>
<td>952</td>
<td>2,481</td>
<td>0.754</td>
<td>21</td>
</tr>
<tr>
<td>Journal of International Management (JIM)</td>
<td>2007-2012</td>
<td>147</td>
<td>674</td>
<td>1.698</td>
<td>12</td>
</tr>
<tr>
<td>European Journal of International Management (EIJIM)</td>
<td>2008-2012</td>
<td>137</td>
<td>120</td>
<td>0.474</td>
<td>4</td>
</tr>
<tr>
<td>Columbia Journal of World Business (CJWB)</td>
<td>1965-1996</td>
<td>1,443</td>
<td>3,758</td>
<td>-</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>3,220</strong></td>
<td><strong>56,712</strong></td>
<td></td>
<td></td>
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</tbody>
</table>


The sample was identified with ISI Web of Knowledge using the following procedure: first, we selected only the seven journals; second, in the option “topic” we searched the keywords: culture, national culture, cultural distance and variations of these words. The search was conducted in the title, abstract, author-supplied keywords. We excluded from the sample book reviews, editor notes and other documents. Moreover, the initial listing of 679 articles was screened to assure that the articles were on national culture rather than, for
instance, on organizational culture (Ito et al., 2012) and organizational values (Michailova & Minbaeva, 2012), or any other context. The final sample comprised 502 articles.

After the data were gathered and coded with the software Bibexcel, we used frequency counts to identify the most highly cited articles (see Table 2). Next, we developed a co-citation matrix, and standardized the co-citation data for further analysis. This matrix, that assesses proximity between pair of works, comprises the references both in rows and columns, with the frequency of co-occurrence in each cell of the matrix. Subsequently, we used metric multidimensional scaling (MDS). MDS pictures the structure of a set of objects from data that approximate the distances between pairs of objects (Young, 1985), and may be displayed in a visual representation (see Figures 1 and 2). This required that we increase the number of articles included in the analysis until we reached the threshold for a good model fit. Following the common practice in bibliometrics, we used a stress value of 0.10 or below as the basis for good model fit (Ramos-Rodríguez & Ruiz-Navarro, 2004). The stress value indicates how well the data fit a particular configuration, such that the higher the stress, the poorer the fit (Robinson & Bennett, 1995). That is, adding more articles to the co-citation matrix increases the stress value, making the ensuing configuration more ambiguous. Hence, we constructed two figures, one with 16 works and other with 37 articles for analysis. In the visual display (Figures 1 and 2) the proximity between works is a measure of the strength of the tie and the size of the circles is a function of the citations to each specific work.

3.3. Sample

The final sample comprises 502 articles, distributed among the journals: JIBS (221), MIR (47), JWB and CJWB (105), IBR (71), JIM (26) and EJIM (32). JIBS contributed with the largest number of articles to our sample and it is evident the growth trend especially after 1980. This growth reveals the growing interest by scholars on IB research generally and on culture-related issues. The 502 articles, out of a total of 3,220 articles published in these journals account for 15.6% of the total published in these journals – which also denotes the relevance of culture in IB research. Moreover, albeit our sample comprises only articles published in seven IB journals, these are the journals with the highest impact factors and are specialized in IB.

RESULTS

The 502 articles of our sample used a total of 56,712 references (Table 1). In table 2 we observe the top 37 most cited works – referenced in 1,492 works. Hofstede’s (1980) work has the largest number of citations, followed by Kogut and Singh (1988) on cultural distance, House et al. (2004) on the GLOBE project and Shenkar’s (2001) discussion on cultural distance.
Table 2. Most cited works

<table>
<thead>
<tr>
<th>N of citations</th>
<th>Reference</th>
<th>%&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>348</td>
<td>Hofstede (1980)</td>
<td>69.3</td>
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<tr>
<td>79</td>
<td>Shenkar (2001)</td>
<td>15.7</td>
</tr>
<tr>
<td>49</td>
<td>Johanson &amp; Vahlne (1977)</td>
<td>9.8</td>
</tr>
<tr>
<td>47</td>
<td>Morosini, Shane &amp; Singh (1998)</td>
<td>9.4</td>
</tr>
<tr>
<td>45</td>
<td>Ronen &amp; Shenkar (1985)</td>
<td>8.9</td>
</tr>
<tr>
<td>45</td>
<td>Hofstede &amp; Hofstede (1991)</td>
<td>8.9</td>
</tr>
<tr>
<td>42</td>
<td>Barkema, Bell &amp; Pening (1996)</td>
<td>8.4</td>
</tr>
<tr>
<td>37</td>
<td>Gatignon &amp; Anderson (1988)</td>
<td>7.4</td>
</tr>
<tr>
<td>36</td>
<td>Triandis (1995)</td>
<td>7.2</td>
</tr>
<tr>
<td>36</td>
<td>Schwartz (1994)</td>
<td>7.2</td>
</tr>
<tr>
<td>35</td>
<td>Hofstede &amp; Bond (1988)</td>
<td>6.9</td>
</tr>
<tr>
<td>31</td>
<td>Kirkman, Lowe &amp; Gibson (2006)</td>
<td>6.2</td>
</tr>
<tr>
<td>30</td>
<td>Kim &amp; Hwang (1992)</td>
<td>6.0</td>
</tr>
<tr>
<td>30</td>
<td>Leung, Baghat, Buchan, Erez &amp; Gibson (2005)</td>
<td>6.0</td>
</tr>
<tr>
<td>29</td>
<td>Nunnally (1978)</td>
<td>5.8</td>
</tr>
<tr>
<td>28</td>
<td>Newman &amp; Nollen (1996)</td>
<td>5.6</td>
</tr>
<tr>
<td>28</td>
<td>Erramilli &amp; Rao (1993)</td>
<td>5.6</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>N of citations</th>
<th>Reference</th>
<th>%&lt;sup&gt;(1)&lt;/sup&gt;</th>
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<tbody>
<tr>
<td>27</td>
<td>North (1990)</td>
<td>5.4</td>
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<tr>
<td>27</td>
<td>Brouthers &amp; Brouthers (2001)</td>
<td>5.4</td>
</tr>
<tr>
<td>27</td>
<td>Tihanyi, Griffith &amp; Russell (2005)</td>
<td>5.4</td>
</tr>
<tr>
<td>27</td>
<td>Barkema &amp; Vermeulen (1997)</td>
<td>5.4</td>
</tr>
<tr>
<td>26</td>
<td>Anderson &amp; Gatignon (1986)</td>
<td>5.2</td>
</tr>
<tr>
<td>25</td>
<td>DiMaggio &amp; Powell (1983)</td>
<td>5.0</td>
</tr>
<tr>
<td>25</td>
<td>Johanson &amp; Wiedersheim-Paul (1975)</td>
<td>5.0</td>
</tr>
<tr>
<td>24</td>
<td>Williamson (1985)</td>
<td>4.8</td>
</tr>
<tr>
<td>24</td>
<td>Podsakoff, MacKenzie &amp; Lee (2003)</td>
<td>4.8</td>
</tr>
<tr>
<td>24</td>
<td>Kogut &amp; Zander (1993)</td>
<td>4.8</td>
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<tr>
<td>24</td>
<td>Hennart, &amp; Larimo (1998)</td>
<td>4.8</td>
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<tr>
<td>24</td>
<td>Ralston, Holt, Terpstra &amp; Kai-Cheng (1997)</td>
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<tr>
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<td>Hofstede (1983)</td>
<td>4.6</td>
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<tr>
<td>23</td>
<td>Aiken &amp; West (1991)</td>
<td>4.6</td>
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<td>Zaheer (1995)</td>
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<td>Kostova (1999)</td>
<td>4.6</td>
</tr>
<tr>
<td>23</td>
<td>Williamson (1975)</td>
<td>4.6</td>
</tr>
<tr>
<td>23</td>
<td>Markus &amp; Kitayama (1991)</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Notes: % - Percentage of citations among the 502 articles in the sample. List organized by citation frequency. Source: Based on data collected from *ISI Web of Knowledge.*

These 37 works were then used in the co-citation analyses (Figures 1 and 2). In drawing the co-citation maps, we followed a two steps approach: first, we drew a map with the top 16 most cited references, and then we used the top most cited 37 references. The choice of 16 and 37 was largely arbitrary but attending to the stress of the models, as explained in the methods. In reading the co-citation maps of figures 1 and 2, the spatial proximity reflects co-citation ties. In other words, more proximate works are those more often co-cited. The benefit of these graphic representations is the easier visual understanding of the
intellectual ties among works, arguably clearer than other visual drawings based on webs of ties.

**Co-citation mapping with the top 16 references**

Figure 1 comprises the 16 most cited references. We identify at the core Hofstede’s (1980) work as the leading reference on culture in IB studies. Looking at the spatial dispersion of the co-citations, we also identify two main areas of study – that we call clusters. Cluster #1 (on the left side of Figure 1) contains essentially works on the concept of culture and on the cultural dimensions (Hofstede, 1991; Schwartz, 1994; Triandis, 1995; House et al., 2004; Leung et al., 2005; Kirkman et al., 2006). These works largely build upon theoretical concepts derived from Hofstede (1980) foundational work, criticizing and complementing upon the cultural dimensions. For instance, House et al. (2004) developed the Project GLOBE as an alternative cultural taxonomy, based on Hofstede’s work (Hofstede, 2006). Cluster #1 also includes Hofstede and Bond (1988) and Ronen and Shenkar (1985) delving on cultural issues and their influence on individual behaviors and decisions.

**Figure 1. Co-citation map with the top 16 most cited articles**

Cluster #2 (on the right side of Figure 1) comprises works dealing with the concept of cultural distance (e.g., Kogut & Singh, 1988; Hofstede & Bond, 1988; Shenkar, 2001) and applying it to a variety of firms’ decisions, such as the internationalization process and entry modes (Johanson & Vahlne, 1977; Gatignon & Anderson, 1988; Kim & Hwang, 1992; Morosini et al., 1998).
Co-citation mapping with the top 37 references

The second analysis, comprising the 37 most cited works (see Table 2), is depicted in Figure 2. Hofstede’s (1980) work is still identified at the core, as the leading reference for culture in IB (the larger circle in the figure). We also observe the same two clusters in the literature; one broadly dealing with culture and the cultural dimensions and another with cultural distance. What differs is that when the analysis is expanded to a greater number of articles we are able to identify four sub-clusters, two within each main cluster, and are thus able to make a finer grained analysis. We examine these four sub-clusters in greater detail.

Figure 2. Co-citation map with the top 37 most cited articles

Sub-cluster #1.1 – Conceptual works and validation of concepts

Sub-cluster #1.1 – that we term as ‘Conceptual works and validation of concepts’ - includes works derived from Hofstede’s (1980) seminal study, conceptually extending what is culture and its dimensions. Several scholars have been delving into cultural and inter-cultural research identifying characteristics, developing and testing cultural typologies. For instance, Schwartz (1994) identified seven cultural values and House et al. (2004) advanced a taxonomy of nine cultural dimensions. These are examples of the effort to open the “black box” of culture, identifying and measuring cultural components. These studies have largely confirmed Hofstede’s findings and validated Hofstede’s cultural dimensions. Nonetheless, some scholars explored specific constructs of culture, such as Triandis (1995) study on the individualism-collectivism dimension.
A large majority of the studies extended knowledge applying the concepts to different settings and context. For instance, Newman and Nollen’s (1996) work used Hofstede’s five cultural dimensions to examine how managerial practices ought to be congruent with the national culture. Kostova’s (1999) work on the transfer of best practices among subsidiaries of MNCs concluded for the importance of factors that are at least in part culturally specific for a successful transfer. On organizational learning, Barkema et al. (1996) and Barkema and Vermeulen (1998) incorporated culture-related arguments. Barkema and Vermeulen (1997) studied how Hofstede’s cultural dimensions impacted on international joint-ventures survival. This line of inquiry is relevant since countries’ cultural traits and other idiosyncratic characteristics, determine how several other facets develop, from the entrepreneurial orientation, the work methods, investment in R&D, and so forth.

Kirkman, Lowe and Gibson (2006) reviewed 180 articles published between 1980 and 2002 to consolidate extant empirical tests on Hofstede’s four cultural dimensions. In a similar vein, Leung et al. (2005) conducted a literature review on the innovative advances made on research on culture in IB to stimulate the emergence of novel lines of research.

Sub-cluster #1.2 – Cultural dimensions and an institutional approach

Sub-cluster #1.2 delves into culture as a component of the institutional environment (perhaps culture is better comprised in the cognitive dimension), in which institutions influence, for example, MNCs’ adaptation to host country environments in their internationalization. Some works, such as Shenkar (2001), Schwartz (1994), Hofstede and Bond (1988), House et al. (2004), Ronen and Shenkar (1985) and Trompenaars (1993) reflect the need for a greater understanding and conceptualization of culture. We include here the development of new cultural dimensions, the differences between cultural taxonomies, and how different cultural dimensions impact IB and firms decisions. To some extent, these studies involve concerns on the validity of taxonomies, comparing cultural dimensions, and contrasting with other explanations, namely based on an institutional approach.

Progress on the cultural dimensions was made in Hofstede and Bond’s (1988) advancing a fifth cultural dimension – Confucian dynamism – often referred to as long term orientation. This dimension examines how individuals deal with time and the relative importance of past, present and future in their behaviors. Hofstede (1983) summarizing the findings on differences in work values between individuals concluded that the usual theories about ethnocentric management, based on the value systems of one single country, became unsustainable. Ralston et al. (1997) confirmed the role of national culture, noting
the need to understand the different cultural values of managers as a manner to promote better adaptation.

A group of works connect culture to institutional theory, taking culture as an institution. DiMaggio and Powell (1983) described three isomorphic processes – coercive, normative and mimetic - to analyze external pressures firms face and that may lead them to sub-optimal choices. North (1990) examined institutions, how institutions change, and their impact on economic development. North argued that institutions are based on human behavior and all institutions are created, shaped and changed by individuals. In fact, institutional differences, such as cultural differences, across countries increase the liabilities of foreignness (Zaheer, 1995). The key aspect is that managers can not overlook understanding and adapting to a foreign culture.

We identified two sub-clusters within cluster #2. These two sub-clusters are interpreted.

*Sub-cluster #2.1 – Cultural distance and entry modes*

Hofstede’s (1980) work has been a hallmark in another line of research – studies on the internationalization process. These works form sub-cluster #2.1, comprising works related with the impact of cultural distance on entry mode research. For instance, we observe frequent co-citations between Hofstede (1980) and Johanson and Vahlne (1977) and Johanson e Wiedersheim-Paul (1975). These reflect the ties to the Uppsala School and to internationalization as process of gradual involvement, whereby firms’ internationalization follows a process of gradual and incremental involvement, initially operating in closer countries and with lower risk entry modes, such as export, and gradually evolving into more sophisticated entry modes, such as acquisitions and greenfield investments. The tie is thus between cultural distance and the concept of psychic distance - countries psychically distant are those with greater cultural differences, geographically apart and a more dissimilar economic profile. Brouthers and Brouthers (2001) concluded that cultural distance gives a perception of higher investment risk leading firms to prefer collaborative modes of entry for low risk markets and wholly owned subsidiaries for high investment risk markets, thus proposing that investment risk in a foreign market moderates the impact of cultural distance on entry modes. Tihanyi et al. (2005) provided a synthesis of the extant research on the impact of cultural distance on entry modes.

In this cluster, emerging in a central position is Kogut and Singh’s (1988) work highly co-cited with Hofstede. Kogut and Singh (1988) conceptualized and operationalized the concept of cultural distance, based on Hofstede’s (1980) cultural dimensions. Kogut and Singh (1988) showed that national culture characteristics influence entry modes choices. Kogut and Singh (1988) is also
highly co-cited with Shenkar’s (2001) where he recommended that cultural distance concepts and measures continue to be used and novel manners to measure distance be developed.

We further identified works related to learning and the choice of entry modes. Firms may seek to learn internationally and transfer internally the knowledge acquired but the cultural differences may hinder the internal transfer (Barkema et al., 1996; Morosini et al., 1998). On the other hand, cultural differences help explain why knowledge evolves differently across geographies. For instance, Morosini et al. (1988) showed that cultural distance improves the performance of cross-border acquisitions by providing the acquirer access to a diverse set of knowledge and routines that are locally embedded. Barkema et al. (1996), examining entry mode, ownership structure and cultural distance, concluded that firms face cultural barriers when expanding internationally, but by learning from prior experience they are able to improve performance in future deals. The idea that we ought to focus more on cultural differences rather than on absolute cultural indexes has since gained many followers.

Sub-cluster #2.2 – Cultural distance and transaction costs in internationalization

Sub-cluster #2.2 includes works related with Transaction Cost Theory (TCT). The use of TCT-based explanations by IB scholars on, entry mode and location selection reflects the economics tradition in IB research. The concept and studies of cultural distance have supported entry modes and FDI explanations, using TCT-based arguments (Gatignon & Anderson, 1988; Hennart, 1988; Kim & Hwang, 1992; Hennart & Larimo, 1998). One broad argument is that the greater the cultural distance, the larger the degree of control over the foreign operations required by MNEs. This choice might mean, for example, that firms prefer a joint-venture (Erramilli & Rao, 1993) over export. Moreover, associated to larger cultural distances are higher transaction costs and a greater difficulty in transferring skills and knowledge among subsidiaries or between the HQ and subsidiaries (Barkema & Vermeulen, 1998). To overcome transaction costs firms may internalize the foreign operation (Hennart, 1991).

Differences between countries increase the risk of foreign operations and heighten transaction costs. Firms face highly transaction costs when internationalizing into countries with very different cultures (Williamson, 1975, 1985; Gatignon & Anderson, 1988; Kim & Hwang, 1992; Erramilli & Rao, 1993). Anderson and Gatignon (1986) presented a framework of transaction costs in entry modes research. Gatignon and Anderson (1988) examined how transaction costs could impact the ownership strategy for the foreign subsidiaries. Hennart and Larimo (1998) empirically tested some determinants of entry modes into the US and concluded that cultural distance between home and host country
implied the ownership strategy for the foreign subsidiaries whereas the cultural traits of the home country had no impact on the ownership choices pursued.

**DISCUSSION**

In this paper we examined extant IB research to specifically observe the extent to which it has incorporated culture and how has culture been integrated. We identified ties among works and revealed their positioning in co-citation maps, thus observing clusters of streams of research. Methodologically, we conducted a bibliometric study of over five hundred articles published in the top seven journals for IB research, between 1966 and 2012. With this study we complement existing literature reviews and bibliometric and bibliographic analyses (Leung et al., 2005; Taras, Rowney & Steel, 2009). This study is especially useful for newcomer IB scholars and post-graduate students. Often researchers need to examine the received wisdom and make sense of the stock of accumulated knowledge on a given topic or the development of a theory (Guarido Filho et al, 2009, 2010). These studies permit consolidate the extant knowledge and also identify gaps to nurture future research arenas. For young scholars and doctoral students this study presents an overall picture of how IB research has been permeated by culture and its main streams of emphasis in such a manner that they may gain a broad understanding of this stock of knowledge.

A number of immediate results warrant a brief note. The data permit us conclude for the pervasiveness of culture-related research in IB studies. Perhaps more remarkably after 1980, to which we attribute Hofstede’s (1980) seminal piece, and even more notorious from the 1990s onwards. Culture and cultural dissimilarities among countries are embedded in much of the IB research. Following Ferreira et al., (2009), culture is perhaps one of the core contextual dimensions of the international business environment. Nonetheless, the incorporation of culture has also been rather diverse, more often as the independent variable (Pothukuchi et al., 2002), as a moderator (Newman & Nollen, 1996) or as a control.

The results presented using the 37 most cited articles (Figure 2) reveal four main streams of research (or clusters) that we synthesize in a conceptual framework (Figure 3). These clusters seem to derive from Hofstede’s work. On the centrality of Hofstede’s work, despite the emergence of alternative cultural taxonomies such as project GLOBE and the discussion on what is culture, its dimensions, how to measure it, and so forth, it is evidence that Hofstede’s influence is recognized beyond the academia. A recent ranking of the *Wall Street Journal*, May 2008, on the most influential thinkers in Management, identified Hofstede as the sixteenth most influential, following others as Gary Hamel, Thomas Friedman, Philip Kotler, Henry Mintzberg, Michael Porter, and in front of
Clayton Christensen, Jack Welch and Tom Peters. Examining citation data of the core management journals shows that Hofstede’s work and especially his 1980 book “Culture consequences: International differences in work-related values”, is among the most cited in management.

Figure 3. Conceptual framework of culture in IB research

Why does Hofstede’s work stand out? Hofstede’s seminal work changed the way much IB research was conducted, and created a now lasting debate on the conceptualization and measurement issues surrounding cultural aspects. Hofstede showed that culture could be measured and used in empirical comparisons across countries. Before Hofstede’s (1980), research on cross-cultural and international issues tended to treat “culture” as a “black box” construct. Mostly, culture was treated as a single (or one-dimensional) variable, and as something that was outside the firm and could not be measured. Thus, the impact of culture was assumed and firms’ decisions, practices and results were posited to vary due to the effects of cultural idiosyncrasies, without actually measuring those differences (Ferreira et al., 2009). Hofstede’s work showed it was possible to disaggregate culture and proposed four cultural dimensions; later adding a fifth (Hofstede & Bond, 1988) and sixth (Hofstede et al., 2010). This disaggregation allowed a better understanding of the components of culture and fed countless studies on the impact of each cultural dimension on different actions and aspects of the individuals and MNCs. Finally, Hofstede’s work was foundational to other cultural models and taxonomies, such as Schwartz’s (1994) on values and GLOBE project’s (House et al., 2004) on the cultural attributes (see also Javidan et al., 2006; Kirkman et al., 2006).

Examining the four clusters of research we noted that one (#1.1) is broadly related to the concept and dimensions of culture, including theoretical and empirical works improving upon, criticizing, testing or adding novel cultural
dimensions. It further included a conceptual discussion of what culture is and how to measure it (for details on measurement issues see Taras et al., 2009). A second stream (#1.2) pertains to the cultural dimensions often with an institutional approach. This line of inquiry takes culture as a component of the institutional environment on which firms conduct business and its influence on entry modes, governance, HR practices, and other aspects relevant to internationalization. The third (#2.1) delves into the relation between cultural distance and entry modes. The fourth (#2.2) is more centered on transaction costs theory associated to entry modes and strategies, often resorting to psychic and cultural distance concepts. Following we expand on some of these streams of research.

A major stream in the extant research has used institutional lenses. The institutional environment of MNCs has been a prominent research topic in IB studies, and more recently involving emerging economies, because institutions influence MNCs’ strategic choices (Kostova, 1999). Hofstede (1984) argued that culture distinguishes groups of people and contributes to differentiate countries’ institutional environments. Culture influences individuals, and individuals construct and maintain institutions (Hofstede, 1984; Amable, 2003). North (1990, p. 37) discussing the role of culture on institutions and institutional development, noted that “the cultural filter provides continuity so that the informal solution to exchange problems in the past carries over into the present and makes those informal constraints important sources of continuity in long-run societal change”. Berry et al. (2010) contended that while the formal institutions refer to economic, political and regulatory institutions, the informal institutions include cultural institutions, and Daniel et al. (2012) argued that cultural influences on business practices are indirect, through the development of institutional systems. Hence, culture seems to permeate and contribute to build the institutional environment.

The institutional differences across countries occupy a prominent place in IB research (Salomon & Wu, 2012) and impact the way firms do business. Some scholars conceptualized and measured the construct (Berry et al., 2010; Brouthers & Brouthers, 2000; Salomon & Wu, 2012) while others have connected it to an array of firms decisions such as entry modes (Yiu & Makino, 2002), location choices (Holburn & Zelner, 2010), local isomorphic strategies (Salomon & Wu, 2012), access complementary resources (Morosini et al., 1998) and develop capabilities and learn (Barkema et al., 1996).

Although this line of inquiry is already densely populated there are many future avenues to deepen our knowledge. For instance, to better understand the relations between culture as an institution and the dimensions of distance and specific firm-level strategies. In fact, differences across countries are sources of
uncertainty, and firms strategize differently to cope with uncertainty. Moreover, national culture and institutional environments are separate constructs and it might be interesting to examine the institutional environment as a mediating and moderating variable alongside culture when examining business practices and characteristics (Daniel et al., 2012). More proximate to institutional distance and firms mimetic behaviors, we ought to inquire whether more distant foreign affiliates are more or less likely to imitate foreign rivals that are similar to them on one or more dimensions as opposed to domestic firms, or vice versa. Little explored has been how the recent disruptions in political, social and economic order, around the world reflect changes in the institutional arrangements and how these impact MNCs. That is, institutions, as culture, evolve over time both gradually and in a disruptive manner in response to abrupt changes. Finally, we need to understand better the sources of heterogeneity across countries and how these drive institutional differences and change.

Transaction cost theory (TCT) is another important theoretical foundation in which much IB research, including culture-related, has been sustained, including foreign entry modes, market selection, partnering choices, and beyond (Maekelburger et al., 2012). Brouthers and Hennart (2007: 400) argued that TCT “is the most widely used theoretical perspective in international entry mode research and appears in almost half of the studies”. Shenkar (2001, 2012) explained the intellectual tie between culture and TCT noting that cultural distance is the major source of contextual and behavioral uncertainty in host countries, leading to transaction costs that may affect foreign direct investment, market entry strategies and firms’ performance. Firms that have operations in a host country, face disadvantages and additional costs relative to their domestic counterparts (Hymer, 1976; Zaheer, 1995; Salomon & Martin, 2008). These added costs are related to operating in unfamiliar geographies, and firms strategize to minimize them selecting amongst the entry mode alternatives (Brouthers & Hennart, 2007).

The attributes that characterize transactions – asset specificity, uncertainty and frequency (Williamson, 1985) – create transaction costs, making internalization more efficient and more attractive. Erramilli and Rao (1993) suggested that cultural distance does not raise transaction costs sufficiently to impact on the relationship between asset specificity and entry mode choice. In contrast, Maekelburger et al. (2012) showed that cultural proximity is a significant moderator of the relationship between asset specificity and entry mode choice. Geographic, cultural and psychic distances are all proxies for differences across countries that contribute to gestate uncertainty and hazards for firms needing to communicate, manage and monitor the transactions on a distant country. In fact, Brouthers and Brouthers (2000) proposed that
transaction costs theory, more specifically when applied to entry mode choices, could be extended with institutional and cultural variables as the underlying context. Nonetheless, the progresses attained, future research is still needed, for instance, to understand the relation between asset specificity and culture. In emerging economies research, transactions costs seem to be higher at least for developed country multinationals due to the institutional voids and cultural differences that raise risks and total transaction costs (Uhlenbruck, 2004).

**Limitations and future research**

Some limitations of this study warrant a note. First, and perhaps the easiest to overcome in future research is the selection of journals. Albeit we selected the most reputed journals for IB research, and those more likely to drive the evolution of the discipline, there are many other outlet. Future studies may extend the sample including other journals in general management, journals that are specific to other disciplines, namely on strategic management, international marketing, cross-cultural management, and journals in specific themes such as business ethics. In fact, constructs and theories are differently used in different disciplines and with different goals and novel findings may appear on how pervasive has culture-related research been in other disciplines.

Other limitations are specific to bibliometric methods. Examining citations and co-citations is interesting and permit us treat large volume of data, but it is difficult to truly grasp why a given citation was made without a content analysis (Ramos-Rodrigues & Ruiz-Navarro, 2004). Authors may cite a given work for a variety of reasons. For instance, to build upon the arguments, to criticize, to contrast or to complement. This shortcoming may be overcome in future studies with a deeper content analysis that was beyond our scope.

The data used was collected from *ISI web of knowledge* which, albeit its high reputation, has some gaps in the reporting of some journals and data. For example, there was an eighteen years gap (from 1990 to 2008) in the coverage of *Management International Review*. Despite these limitations we are confident that the sample is representative of the extant IB research. This limitation may be overcome by employing alternative databases such as Scopus, and using additional source documents such as books, conference proceedings, and so forth. It is worth noting that Hofstede’s (1980) work is the most cited and it is a book, not an article.

There are a number of future research possibilities to further explore culture in IB studies. We identified strong connections between culture and some of the main research themes in IB. For instance, the ties with foreign entry modes and transaction costs – reflecting the difficulties and risks firms face when internationalizing. However, we failed to identify a connection to the Resource-Based View, which has been a fast growing theoretical perspective in
business/management studies. The ability to overcome cultural barriers could in itself be a valuable capability. Future research could seek to understand the impact of national culture on how firms may develop a pool of valuable resources.

Additional studies may also discuss and explore how the cultural issues that influence much of IB thought (e.g., Triandis, 2004) have been insufficiently explored in some domains. For instance, culture has been rarely used to understand the integration of expatriates and the choice of which expatriates to use in each country. Expatriates face multiple challenges, from cultural barriers to the management of relationships with clients, suppliers, workers and other stakeholders. In fact, culture is relevant not only for expatriates but to all professionals that interact with individuals from other cultures regardless of where they are located (Triandis, 2004). Inter-cultural differences may help understand firms’ choices concerning the use of expatriates (Brock et al., 2008) but more research is needed.

CONCLUDING REMARKS

To conclude, neither scholars nor practitioners would deny the relevance of culture for IB operations. There is still ample space for researchers in understanding how each cultural trait influences specific firms’ actions. We expect that IB research will continue to use intensively cultural dimensions and dissimilarities. For managers the challenge has been on identifying cultural differences among countries and how these impact firms’ operations to assess the best organizational models, the managerial practices, the partnerships, that might improve performance abroad. Concurrently, scholars seem to understand the very concept of culture, identify what it comprises, understand whether national cultures are converging to a universal set of values and norms, the beliefs and behaviors of individuals. As cultures are in constant flux so are emerging novel challenges driving yet more research.

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