



The French Paradox: Implications for Variations in Global Convergence[☆]



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ABSTRACT

A debate divides the cross-cultural community between advocates of global convergence and those foreseeing continued cultural divergence. Given competing evidence, we examine anomalous cultural findings of the 'French Paradox' to re-evaluate existing theory on convergence dynamics. By differentiating between the levels of analysis of micro individual values and macro societal practices, we question the regular processes of a top-down-bottom-up model of convergence. In addition, our analysis uncovers *power structures interdependency (PSI)* between the political and economic elites of a nation as a potential mediator explaining discrepant results.

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1. Introduction

The convergence debate (Stevens and Bird, 2004) focuses on whether cultures and values are becoming more global and similar, that is, 'converging' (Bird and Stevens, 2003; Erez and Drori, 2009; Fukuyama, 2009), or whether subpopulations are ossifying into more entrenched positions consistent with unique cultures, that is, 'diverging' (Rugman, 2003; Schaeffer, 2003). The evidence supports both positions and has been referred to as a paradox in that country cultures are both globalizing and remaining unique simultaneously (DeMooij and Hofstede, 2002; Eckhardt and Houston, 2002; Zhang et al., 2003).

Clarifying convergence dynamics is critical to strategic decision making in international commerce (Husted, 2003). Managers regularly consider questions spanning levels, such as "Will host country employees accept or adapt to corporate values?" and "Is the support or resistance of current political structures to global investment likely to increase or decrease?" Research in this area has thus been particularly focused on two major questions. First, most globalization scholars are concerned with identifying universal factors lying at the core of convergence dynamics. Commonly theorized drivers of such dynamics are wealth, education, access to information technologies, and the development of democratic political institutions (Bernard and Jones, 1996; Erez and Drori, 2009; Heuer et al., 1999; Inglehart and Baker, 2000; Levitt, 1983; Triandis, 1995), a view well encapsulated by Fukuyama (2009: 85–6) who suggests that "Economic development would fuel better education, which would lead to value change, which would promote modern politics, and so on in a virtuous circle." Second, as international management acknowledges the multi-level nature of cultures, focus has turned to developing elaborated models of globalization dynamics. For instance, Erez and Gati (2004) developed a model that embraces a

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multi-level approach to culture and envisions a top-down-bottom-up process which encompasses nested levels crossing the global, national, organizational, group, and individual levels of society.

We see four major drawbacks with current theories of cultural globalization. To begin with, if wealth is a key driver of modernization (Triandis, 1995; Van de Vliert et al., 1999), we cannot explain how, in 2014, four of the top ten countries in the world in terms of GDP per capita rank poorly on various globalization indices such as the KOF or A.T. Kearney/Foreign Policy Magazine indices. Specifically, Qatar, Brunei Darussalam, Kuwait and United Arab Emirates respectively rank 1st, 4th, 5th and 7th in wealth, and 36th, 55th, 41st and 30th on the KOF globalization index. Second, while most theory concentrates on universal drivers that might constrain the adoption and expression of global values, this approach does not discern whether cultural drivers may differ by levels of analysis. In fact, while some models account for the multi-level nature of globalization (Erez and Gati, 2004; Meyer et al., 1997), little research has begun to explore the correspondence of those models statically or longitudinally with country exemplars (Leung et al., 2005). Third, as those models generally suggest a nested view of culture, and thus a hierarchical, top-down-bottom-up, process in the dynamics of globalization, they cannot account for the potential direct effects some factors may have on any one level. Meyer et al.'s (1997) model does stress the likelihood of potential conflicts across levels, and more direct paths to influencing individual levels than Erez and Gati (2004), but international management research has given surprisingly little attention to this perspective.

As a result, a fourth and significant drawback in current theories of cultural globalization relates to the yet-to-be-tested assumption of a strong correspondence between the different levels of a society's culture. In fact, findings from the GLOBE project (House et al., 2004) cast doubts on this assumption, as noteworthy gaps were found between what individuals value – referred to as “*Should Be*” in the GLOBE survey, and what they observe is being practiced in their societies – referred to as “*As Is*.” Importantly, existing models do not explain why a society at the nation-state level would maintain divergent practices when sandwiched between a convergent global context and citizens with convergent global values.

We examine just such a society with the “French paradox” (D'Iribarne, 2006); a paradox in that the theoretically-opposed construct pair of hierarchy and egalitarianism (Schwartz, 1999) has been observed simultaneously in one society. We pursue the theory-generative qualities of focusing on a single case study (Dyer and Wilkins, 1991; Piekari and Welch, 2011) and theoretical paradoxes (Cameron and Quinn, 1988; Poole and Van de Ven, 1989) to derive insights for an elaborated model of convergence dynamics, proposing key factors that facilitate, and as remarkably, constrain, convergence processes. Specifically, in this research we argue that a) a society's culture should be measured at the very least along three dimensions, namely the individual, organizational, and national levels (Bond, 2002; Erez and Gati, 2004; Meyer et al., 1997), b) a trend toward global values is neither systematic nor consistent across these levels; and, c) globalization dynamics may be driven by different factors across those levels.

Therefore, this study reexamines current theories of cultural globalization with the aim of providing novel insights into *why* and *when* a society can experience a globalization paradox, that is, why and when it can be both globalizing and retaining its traditional cultural features. In addition, the unique features of French society and its apparent contradictions inspired our interest in theorizing a role for a nation's power structure (Leung et al., 2005; Taras et al., 2009) toward facilitating or constraining cultural change. We define power structure here as the sector of a society – an elite – able to control disproportionate influence on the outcome of political or economic decisions that are critical to the discretionary freedom of individual citizens. The corporate elite of France is unique in its strong interdependence with its political elite, as evidenced by measures such as substantial job transitions between top government and corporate leadership (Barsoux and Lawrence, 1997; Dolez and Hastings, 2003).

Our review indicates that it is this interdependency between the political and economic elite, or power structures interdependency (PSI), that provides a theoretical explanation for how French society can maintain entrenched hierarchical practices despite a history deeply marked by citizen protests against social class divisions, and in favor of individual freedom, egalitarianism, and universalistic values (i.e., “Liberty, Equality, Fraternity”). Thus, beyond a paradox per se, it may be the relative shared power of national actors and institutions to establish or confine cultural practices at different levels of society that is key for international strategic decision making. We further derive insights from this country case to draw implications for other commonly studied cultural paradoxes. As managers assess countries for their likelihood of investment success, understanding the influence of interdependency across what can otherwise be opposing power structures provides an accessible, and as will be shown, a potentially powerful, tool for gauging the trajectory of values toward convergence or divergence in different contexts.

2. Theoretical background

The convergence view argues that as societal sectors modernize, the values of individual citizens converge toward a set of global practices and values (Webber, 1969); for instance, preference for a free market economy, democracy, acceptance and tolerance of diversity, respect for freedom of choice, individual rights, and openness to change (Inglehart, 1991, 1998). The cross-cultural community is divided, though, between expectations of convergence (Haire et al., 1966; Heuer et al., 1999; Hills and Atkins, 2013), and predictions that cultural differences will remain persistent and resilient (Huntington, 1996; Schaeffer, 2003). “Crossvergence” bridges these camps, arguing that sociocultural and business ideological trends produce a combinatory new value system (Ralston et al., 1993), evidence of which indicates the importance of recognizing such cultural dynamism (Kelley et al., 2006). In the same vein, some researchers have examined the interpenetration of global values with more local cultural values under the ideas of “glocalization” (Hung et al., 2007; Robertson, 1995). This debate over cultural dynamics, although not new, remains particularly animated (Ghemawat, 2001; Paik et al., 2011). The controversy reflects considerable disagreement on the mechanisms that cause culture, and thus cultural change (Steel and Taras, 2010).

Convergence advocates emphasize the role of economic and technological variables coincident with modernization. For instance, economic development, with improved education and technologies, can move collectivistic values toward more individualism (Erez

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