COMMUNICATIVE PRAXIS IN THE AGE OF GLOBALIZATION

Marta Szabo WHITE
Department of Managerial Sciences,
Georgia State University
Atlanta, Georgia 30303, USA

ABSTRACT

This paper builds on Brouthers' [5] work by adding within-culture communication styles to the cultural context determinant in his model of three determinants of entry mode selection. In this way, cultural context may be broadened to include within-culture communication style and measured, as this paper suggests, by employing the LMR [Linear-active, Multi-active, and Reactive] framework using Cultureactive or ICE.

The contribution of this paper is the linkage to Brouthers’ celebrated work and the proposition that cultural context may benefit from including a cultural context lens, such as the LMR framework.

The hypothesis of this paper is whether Entry Mode and mode performance are more predictable when LMR classifications between home and host market actors are more similar than different.


LITERATURE REVIEW

The origins of the word praxis:

In Ancient Greek the word praxis (πρᾶξις) referred to activity engaged in by free men. Aristotle held that there were three basic activities of man: theoria, poiesis and praxis. There corresponded to these kinds of activity three types of knowledge: theoretical, to which the end goal was truth; poietical, to which the end goal was production; and practical, to which the end goal was action. Aristotle further divided practical knowledge into ethics, economics and politics. He also distinguished between eupraxia (good praxis) and dyspraxia (bad praxis, misfortune).

http://en.wikipedia.org/wiki/Praxis
Accessed February 29, 2012

This paper focuses only on eupraxia, i.e. good praxis, and links it pivotally to communication, which as the continental philosopher Calvin O. Schrag [18] notes, should always be entwined with communication.

Moreover, this paper was inspired by the winner of the 2012 JIBS Decade Award for his 2002 article "Institutional, Cultural and Transaction Cost Influences on Entry Mode Choice and Performance", where Professor Keith Brouthers [5] was recognized for his influential, innovative and impactful work published in JIBS ten years ago.

In conclusion, this paper suggests integrating the LMR framework with Brouthers’ [5] scholarly work to better explain cultural context and provides a communication Praxis approach to an important globalization decision, i.e. mode of entry.

Keywords: Praxis, Globalization, International Business, Culture, Strategic Management, Communication, Leadership, Decision-making
of potential partners, negotiation and monitoring costs), Institutional context (legal restrictions on foreign ownership), and Cultural context variables (market potential; investment risk). These two cultural context variables examine: (1) profit conversion/ repatriation risks, (2) nationalization risks, (3) cultural similarity, (4) political, social, and economic conditions.

The praxis of communication dictates that cultural context include not only profit potential (measured by a Likert-type question focused on the target market’s profit potential) and investment risk (measured by four Likert-type questions assessing the need for location-specific knowledge coupled with the need for resource commitment minimization), but also a variable capturing within-culture communication styles. Cultural similarity across profit potential and investment risk is clearly important. Moreover, given the age of globalization, a value-added variable for cultural context may be cross-cultural communication, as measured by the LMR [Linear-active, Multi-active, and Reactive] framework.

Brouthers [5] employed two dependent variables: entry mode, captured by wholly-owned subsidiaries vs. joint ventures; and mode performance, measured by subjective data (management performance evaluations when objective measures were unavailable). He found that when entry mode was predicted by the transaction cost model, firms performed better than firms whose entry mode choice could not be predicted by this model. The selection process was a function of transaction cost characteristics, legal restrictions and investment risk.

Cultural context was added to transaction cost entry mode considerations by Brouthers [5] as target market managerial costs and uncertainty evaluations are impacted by these variables. With the exponential growth of globalization and implicitly, entry mode, the praxis of a value-added criterion for cultural context, as argued in this paper, may be the LMR framework, as measured with Cultureactive or ICE [InterCultural Edge]. The hypothesis would then be:

Entry Mode and mode performance are more predictable when the LMR classifications between home and host market actors are more similar than different.

ICE PROVENANCE

ICE emerged from another cross-cultural assessment tool, Cultureactive when from a research perspective, validity and reliability issues became increasingly paramount. Grounded in his forty-plus years of cross-cultural consulting, Richard Lewis, who authored When Cultures Collide [14] and The Cultural Imperative [15], was challenged to explain national, international and transnational business cultures. Poignantly, he conceived the LMR framework, which gave birth to Cultureactive and later ICE.

The 1980s propelled an acute demand for cross-cultural instruction, and Richard Lewis, the consultant, was approached repeatedly by multi-national clients for a new and practical cultural/national classification system. For years, cross-culturalists had grappled with the problem of summarizing or simplifying national characteristics. Richard Lewis proposed that cultures could be classified simply and more comprehensively according to the three categories, comprising the LMR framework [14] & [15].

Linear-actives
Cultures which are task-oriented, plan, organize, schedule and pursue one thing at a time (e.g. Germans, Swiss).

**Multi-actives**
Cultures which are lively, loquacious, multitask, prioritize according to the importance or thrill of the event (e.g. Italians, Latin Americans, and Arabs).

**Reactives**
Cultures that prioritize courtesy and respect, listen quietly, and react carefully to proposals (e.g. Chinese, Japanese and Finns).

The strength of this framework is that it transcends previous works by focusing on the individual, rather than the nation-state as the unit of analysis. With no assumption of within-country homogeneity, the above hypothesis focuses on actors rather than nations. The focus of the LMR model is communication, which is often the impediment between and among cultures, and commensurately a key consideration in globalization and mode of entry considerations.

Known as the ABC research team, Adair, Buchan and Chen [1] & [2] capitalized upon both Hall’s [9] low context/high context communication tool and Triandis’ [21] model of subjective culture to result in the theoretical underpinnings for ICE. The conceptual reconfiguration also leveraged the works of Trompenaars [22], Holtgraves [12], Hampden-Turner [22], Thomas and Kilman [19], Yamagishi [24], and Bearden, Money and Nevins [3] in the evolution from the experientially-based Cultureactive to the theoretically-based ICE.

The contribution of this paper is the linkage to a celebrated work and the proposition that cultural context may benefit from including a within-culture communication lens at the micro level, such as the LMR framework. Commensurate with exploring, expanding and energizing international education and globalization, such cross-cultural assessment tools equip academicians and practitioners with communicative praxis and cross-cultural capital. Prior theoretical frameworks for studying cultural differences have included the Kluckhohn-Strodtbeck [10], Trompenaars and Hampden-Turner [22], and most notably, Hofstede [11].

The provenance of Cultureactive and ICE are chronicled in more detail in an earlier paper [23]. ICE is a collaborative initiative between the Fuqua School of Business, Duke CIBER, Richard Lewis Communications, and Cultureactive.com. Cultureactive and ICE are web-based products that teach cross-cultural awareness in business settings by focusing on individual cultural profiles which are then compared to national profiles using the LMR constructs. Participants may analyze personal assessments, team results and national cultural profiles. Research consortia have recently completed the requisite validity and reliability measures for ICE, and commensurate ICE teaching consortia are establishing a certified teaching network.

Capitalizing on the LMR framework, the cross-continent implementation of Cultureactive had elicited a fundamental question of whether one’s business affinity or cultural mindset has a more direct effect on individual cultural profiles and leadership/communication/cultural style. The samples for this work [23] came from several multi-cultural sources: European Fulbright students, Sub-Saharan African entrepreneurs, Duke University and Georgia State University MBA and undergraduate business students. It was demonstrated that the universal dichotomy across cultures and between disciplines, as measured by the business vs. non-business variable, is a more powerful
indicator of work habits, negotiating styles, cognitive processes, communication style, etc., than is cultural orientation.

The second pivotal question to emerge was whether Survey Language mattered. Are leadership/communication/cultural frameworks different for participants primed in English vs. their native language? Cross-national studies examined the following two variables and four conditions for cross-cultural similarities and differences:

<table>
<thead>
<tr>
<th>Business Context</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>English</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survey Language</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Native Language</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


**LMR COMMUNICATION PRAXIS APPROACH FOR MODE of ENTRY GLOBALIZATION DECISION**

An earlier study [23] established dominant within-professional similarities and few cross-cultural differences, resulting in a powerful leadership/communication/cultural framework. These distinct paradigms for business vs. non-business models are further substantiated by trends emerging in other works. As business vs. non-business predisposition has a more direct impact on one’s individual cultural profile than does nationality, the assertion made in this paper is that by broadening the cultural context variable as discussed by Brouthers [5] to include the LMR framework, as assessed by Cultureactive or ICE, this will better capture and predict the mode of entry globalization decision.

Further, as the LMR framework may serve as an enhanced proxy for cultural context, the second question to emerge from previous works [23] may also be a consideration. Thus, mode of entry decisions made in English or in one’s native language may result in different outcomes.

In conclusion, this paper has suggested the application of the LMR framework to Brouthers’ paradigm to more robustly explain cultural context and in so doing, provides a communication Praxis approach to an important globalization decision, i.e. mode of entry.

**CONCLUSION**

This paper has proposed adding within-culture communication styles to the cultural context determinant in Brouthers’ [5] model of three entry mode determinants. In this way, **cultural context** may be broadened by employing the LMR framework to measure within-culture communication style. The following hypothesis could then be researched:

**Entry Mode and mode performance are more predictable when the LMR classifications between home and host market actors are more similar than different.**

By facilitating the classification of cross-cultural communication styles, the LMR framework may enrich the cultural context
component of the globalization decision. Specifically entry mode and resulting mode performance would be enhanced through the LMR lens, which would serve as the communicative praxis in the age of globalization.

REFERENCES


