Cultural clusters: methodology and findings

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Abstract

There has been almost a half century of effort to identify clusters of societies using the analysis of international-level data. Using the data collected on cultural values and beliefs from 61 nations, GLOBE proposed 10 a priori clusters and used discriminant analysis to confirm the clusters in a split half sample. Cross-validation was performed on the hold out sample. The results provide strong support to the existence of 10 cultural clusters: South Asia, Anglo, Arab, Germanic Europe, Latin Europe, Eastern Europe, Confucian Asia, Latin America, Sub-Sahara Africa, and Nordic Europe. © 2002 Published by Elsevier Science Inc.

1. Introduction

There has been almost a half century of effort to identify clusters of societies using the analysis of international-level data (Cattell, 1950). Clusters provide important information regarding societal variation and are a useful way to summarize intercultural similarities as well as intercultural differences. Cluster-based information can assist in theory development. Judicious sampling within and across societal clusters can test potential boundary conditions for management theories and interventions. Clusters may also be used to guide the sampling strategy for cross-cultural research to ensure that an adequate sampling of cultural variability is included in the samples. Researchers can also test the generalizability of empirical findings obtained in one culture to other cultures.

Clustering of societies is also beneficial from a managerial and practical point of view. While many researchers have explored differences among societies, it is useful to examine cultural similarities because multinational corporations may find it less risky and more profitable to expand into more similar cultures rather than those which are drastically different. For example, a recent study by the consulting firm KPMG found that the returns of cross-border mergers between U.S. and U.K. firms were 45% more successful than the average rate of return of all cross-border deals, while the mergers between U.S. and other European firms were 11% less successful than the average (Levy, 2001).

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2. Clustering of societies

Scholars have used three major forces to group countries into similar clusters: (a) geographic proximity (Furnham, Kirkcaldy, & Lynn, 1994); (b) mass migrations and ethnic social capital (Portes & Zhou, 1994); and (c) religious and linguistic commonality (Cattell, 1950). Social and psychological variables such as attitudes, values, and work goals have also been used to cluster countries (Haire, Ghiselli, & Porter, 1966; Ronen & Shenkar, 1985). Additional empirically-based studies also support other factors as cultural differentiators including the degree of modernity, economic development (e.g., percentage of services sector, income per capita) and socio-political development (e.g., public health care, social security) (Brodbeck et al., 2000; Chemers, 1997).

The earliest impetus to clustering research can be traced to the pioneering works of Toynbee (1947) and Cattell (1950). Toynbee identified 21 distinct living or extinct cultural patterns across civilizations, of which five types of clusters were still surviving: Western, Orthodox Christian, Islamic, Hindu, and Far Eastern. Cattell (1950) analyzed about 80 variables to construct 12 factor dimensions that measured various psychological, sociological, demographic, and economic characteristics of the societies within his sample. He identified several clusters using average Euclidean distances between the factor scores for each pair of countries. The societal clusters included (1) Catholic Homeland, (2) Catholic Colonial (including Latin American countries), (3) Eastern European, (4) Nordic, (5) Islamic, (6) East Baltic, (7) Hamitic (including Arab societies), and (8) Oriental (India