Cultural anthropological research in the business environment

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Cultural anthropological research in the business environment

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Abstract

As I approached my final semester as a college undergraduate, I knew that the daunting task of my undergraduate honors thesis loomed ahead. I will be combining my two fields of study, my major in anthropology and my minor in business administration, throughout my research presented here. My main objective is to make use of anthropological perspectives while analyzing aspects of the business environment with the ultimate goal of showing that these two disciplines are, in fact, very complementary of each other. This paper consists of several subsections which demonstrate the numerous ways in which anthropological methodology can create knowledge about the business environment.
Acknowledgements

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Introduction

To many, it would seem that a social science such as anthropology would have no place in the world of business. However, a close examination of both shows that the two are inextricably linked. Anthropology is essentially the holistic and comparative study of mankind and its development. Since business co-evolves with human culture, it is clear that anthropological perspectives could and should be used in business research and interactions. Since commerce involves interactions between people, it is necessary to understand the culture of the people involved in order to carry out effective business.

The way that anthropology is carried out is important to understand. Unlike natural sciences, such as biology, that observe a phenomenon in isolation relative to other phenomena, anthropology attempts to explain a phenomenon in relation to other phenomena. Anthropology focuses on qualitative data rather than quantitative data. The act of contextualization is of utmost importance in anthropological research. Due to the qualitative nature of anthropology, subjectivity must be acknowledged. The only way to control the effect of subjectivity is to accept that it exists. The following graphic borrowed from Pant and Fernando (1997:13) attempts to diagram the divergence and convergence of the natural sciences and anthropology.
Originally, the field of anthropology’s interest in business came from a place of activism and advocacy. The spread of capitalism and monetary economies threatens the way of life for many less complex societies in a process known as cultural imperialism (Kottak 2002). Ecological concerns also arose due to industrial expansion. However, now the interest of professional anthropologists has shifted from this advocacy perspective to a more holistic and comprehensive one (Sherry 1988:397). The study of business is just as important to the field of anthropology as anthropology is to the field of business. Business is a part of the human reality and is therefore essential if a researcher is attempting to study that reality.

In a way, the world of business is a microcosm of our world in general. Each business is like an individual culture or society and each of these cultures must interact with each other in much the same way the societies and
cultures of the world do. Therefore, applying anthropological tools to business lends to a greater potential to understand and possibly make use of the cultural differences of consumers and markets. Once cultural differences are understood, it is possible to better meet the needs of those people in a way that is sensitive to their differences.

The methods cultural anthropologists use when doing research ultimately seek to gain an understanding of how a person or a culture operates while actively seeking to remove as much of the researcher’s own cultural bias as possible. This data is of a qualitative nature more often than quantitative. One of the most commonly used research methods according to Brian Donohue-Lynch is participant observation. This is when an anthropologist immerses him or herself in another culture to try to understand it from within. Interviews are also common in cultural anthropological research to try to understand what certain aspects of culture mean to the individual. Other research methods often employed include surveys and historical analysis (Donohue-Lynch 2000).

Applying the aforementioned anthropological research methods to the firm level of a business has the potential to increase efficiency and overall satisfaction of employees. Understanding organizational hierarchy and business culture in a way that separates the people from the business itself and views them as individuals who are a part of a network gives a new perspective that is often missing in understanding today’s business environment. In the subsequent sections of this paper, I will detail research
that has used anthropological research methods in the business environment in order to demonstrate the utility of such studies.
The Study of Scalar Stress

A firm’s success depends on the interactions of individuals in different departments working together to insure that the daily operations of the business run smoothly and efficiently. Much like a society’s complexity increases as the population increases, so does the complexity of the business enterprise increase as the number of employees increases. Logically, the more people that must interact, the higher the occurrence of miscommunication and conflict which necessitates increased organizational complexity to try to assuage this problematic relationship. The common phrase of “Time is Money” is often applied to the world of business. Miscommunication and conflict are inefficient uses of time from a business standpoint and is an inefficient use of other resources as well.

The field of anthropology refers to this decrease in organizational efficiency as the number of people that must interact increases as scalar stress. Because firms most often operate with teams of individuals that work together to achieve a common goal for the business as a whole, scalar stress studies are directly applicable here. Anthropologist Gregory Johnson listed three findings that arose from his study of scalar stress. First, hierarchical development appears to occur most frequently in a group of six or more individuals. Second, nonhierarchical groups consisting of more than six individuals display a decrease in decision making ability as well as in member satisfaction with the performance of the group. Lastly, groups of less than six members exhibit increasing decision quality as the number of members
increase, and also nonhierarchical groups appear to have superior performance when compared to hierarchical groups (Johnson 1982:392).

These three findings could be very beneficial if applied to a business setting. If a business is looking for a leader to emerge from a team project, it may be better for the group to have six or more members. However, overt leadership in the form of hierarchy appears to lessen the efficiency and satisfaction of a group while groups where there is horizontal organization, or is nonhierarchical, have increasing efficiency and performance up to the threshold of six group members. This means that if a team is working towards a goal for the business, the most efficient and best results will come from a group of less than six individuals who are all of equal rank within the group.

One might be curious as to why hierarchy seems to develop at the point that it does in a group. Johnson puts forward the idea that it could be because humans have a finite capacity for monitoring and processing information (1982:393). This would mean that the scalar stress present is actually a form of communications stress when an individual’s capacity to adequately process information is exceeded by the amount of information put forth by the number of group members. Therefore, in order for efficiency to be restored and avoid total systemic collapse, a reorganization of the group must occur (Johnson 1982:396). This could lead to the development of hierarchical leadership because one individual would become the moderator of the information the other group members put forth and would synthesize the information accordingly. A situation like the one described could lead to disputes because
the people who are not the leaders of the group could view the leader as having disproportionate and unfair control of the ultimate outcome.

This can be applied to training exercises when new hires are beginning to learn their respective job responsibilities. Many large companies like to bring new employees for a specific job together at a central location or headquarters and train all of them at the same time and with standardized procedures before sending these employees off to their actual work locations. If in a group of six or more individuals, it can be assumed based on Johnson’s study that group performance and communication will decrease as members are added which will lower comprehension and efficiency of the training. Therefore, better results may be achieved in a group of five individuals where all individuals are of the same rank.

Application of Johnson’s theory can also occur with task-groups, or teams. A firm’s operations are often carried out by an interconnected system of teams. According to this study, optimization of team outcomes would occur in groups of up to six members with increasing performance occurring as membership increases up to the threshold of six. I will take this application one step further by suggesting that the number of interacting groups would follow the same rules as the number of interacting members within a group. This would mean that the number of groups that interact would be most efficient for the business if there were no more than six groups that interacted on a regular basis. This does not mean that a business should only have six groups, however. If each group interacts with no more than five other groups,
it is not necessary for each group to interact with the *same* five groups. An overlapping system of interactions where no more than six groups interact with each other could dramatically increase information processing performance within the firm and thus maximize the use of the time given to these groups.
Social Space Theory

The way humans orient themselves to one another can tell us a lot about their position in society and their culture. Social space theory is used to study the use of space in societies and what this says about the individual within that society. Anthropologist Ole Gron applied social space theory to the archaeological record and his study detailed some interesting findings. He observed that there are cultural rules for who sits where within a dwelling. The place that an individual sits says a lot about their social position and relative prestige in the society. He also found that the person who was the most dominant usually sat opposite the door so as to be seen first by people entering the dwelling. In addition, there was a connection between who sat nearest to the dominant person and the relationship between the individual and that leader (Gron 1991:101).

Gron goes on to say that “man’s orientation in space is predominately based on visual impressions” (1991:102). Groups that employed group consensus as a way to operate would place themselves in a circle so that each member could be seen (1991:102). If a leader was the main source of decision making and would thus tell the group about the decision he had made, it would appear that the organization of the group would place the group members in a position where they could only see the leader, such as the layout of modern-day classrooms where the desks are in lines and the teacher stands at the front facing the class. This leads to a visual dominance which facilitates the ideas of superiority and inferiority within the group.
Gron also found that individuals in power usually had dwellings that were far larger than those of their subordinates. The dwelling was usually placed in a visually dominant location, such as the center of a circle or between two parallel lines which served the purpose of being visually dominant as well as putting the leader in the position to be a center of information flow in the society (1991:106).

I believe this study can be applied broadly in two ways in a business. For a business that wishes to convey a strong hierarchical organization, there are ways to place leaders in visually dominant places so as to reinforce the hierarchy and command respect. For example, in a meeting, the most dominant individual could be placed at the end of a rectangular table opposite the door in order to be the first person seen by individuals entering the door and act as the collector of information which will be directed in his or her direction during the discussion. Individuals should be seated at the table according to their position in the hierarchical structure of the firm, with those nearest to the leader being those directly subordinate and continuing down the hierarchy. Office size and location can be used to denote power as well; much as dwelling size in the archaeological and ethnographic record denotes power. This is already a tactic which is commonly used in corporate America. Those with the most power have the biggest offices. A promotion, or an increase in organizational power and responsibility, often includes a bigger office. Many corporations place lower-level employees in cubicles which are all similar in
size and appearance. This subconsciously reinforces the fact that they are subordinates.

However, for businesses that wish to project a culture of equality, opposite measures should be followed. Those in charge such as presidents and CEOs should not be given large offices. Promotions could be awarded with more respect and salary instead of office space. In group meetings, members should be able to see every member of the group and engage with each one equally, such as in a circular arrangement. By giving everyone regardless of title equal office space, this facilitates feelings of equality and could lead to more ideas being shared because everyone feels that their ideas are of equal importance. This type of spacial organization could work well for companies where creativity is prized.
Using Ethnography in a Business

As described earlier, individual businesses are in many ways like individual cultures. The members of each culture must interact and are held together through their beliefs and ways of life. Each culture must interact with other cultures and attempt to bridge the gap caused by differences in belief systems. This is also how businesses operate. If businesses are approached in this way, it makes perfect sense to apply the ‘bread and butter’ cultural anthropological tool to the business environment. That is, of course, ethnography. Ethnography is the study and recording of human culture. The process is performed by trained ethnographers who immerse themselves in the culture that is being observed. They attempt to become a part of the culture so as to avoid a potentially biased outsiders’ perspective. Van Maanen puts it like this, “This approach allows a fieldworker to use the culture of the setting... to account for the observed patterns of human activity” (1979:293).

In its basic form, ethnographic research largely resembles market or advertising research in that one tries to discover the motivation of the demographic being studied. This is essentially what is important to the demographic culturally. Culture defines preferences thus a sound understanding of culture is necessary for market research. Ethnography can “contribute to a more nuanced understanding of how business organizations in general function” (Moeran 2005:197).

Everyone has the basic skills to perform ethnographic research and probably uses them every single day. These skills involve working through the
questions of why people have the actions and reactions they do, why the world is the way that it is, and formulating ideas as to how that could be improved (Moeran 2005:200). This type of study would be very beneficial in the field of human resources.

A human resources department performs a number of functions related to a firm’s human assets, or employees. Much of the duties of the human resources department is involved with benefits. Benefits keep employees satisfied and improve overall morale. To best determine what benefits should be offered, management along with the human resources department needs to understand the culture of the employees in their business. To do this, participant observation, the main form of ethnographic research, would be ideal. Allowing someone to immerse themselves in the culture of a certain department and truly understand what is important to employees of the department would allow for more effective selection of benefits and perks. Organizations with employees from many cultural and ethnic backgrounds could face serious problems when trying to achieve a coherent business culture (Schultz 1995). A sound understanding of employee culture would also benefit human resources departments because they would better know what types of personalities would make for a good cultural fit when interviewing potential new hires. This could save costly training dollars because if it is determined that someone is a cultural fit before they even begin training, it is much more likely that they will be satisfied in the present environment of the business.
This type of fieldwork would also be beneficial to include in informational packets given to potential new employees. To give a potential employee a view of what the actual culture of current employees is would give them a better understanding of whether or not they would fit into that environment. Many businesses provide an outline of their business culture on their websites or in other informational formats, but this is a view from the top down in most cases. Allowing a glimpse of the culture from within would be much more useful in determining potential fit for employment for job seekers.

According to Moeran, when performing ethnographic fieldwork within an organization, there are three ‘social phenomena’ that should be taken notice of in order to perform the best analysis possible of the culture. The first is frames. Frames are essentially social settings, physical places where work is done among individuals. Understanding frames is essential for understanding purpose, and purpose is a very important indicator of culture. Networks are the second social phenomena to be considered. Networks are the framework for “how people link up with one another... in order to achieve what they want to achieve and get where they want to get” (Moeran 2005:194). This phenomena brings up the importance of social interaction, a key component of culture. Lastly, there are fields which are much more abstract. Frames represent a sort of micro-level view, and fields are the macro-level view. By understanding the frames and networks of individuals and institutions we can begin to gain an understanding of the field in which they operate. Moeran equates a field to the economic idea of a market (2005:194-195).
What Can Happen When Culture is Ignored

Since most businesses are ultimately hoping to sell their products to consumers who are driven in their purchasing behavior by their culture, it should obvious that an understanding of culture is incredibly important. The legal, administrative, and financial environments that exist in different countries are easy enough to understand. It is the social and cultural environments that tend to give businesses problems when they choose to expand into new areas (Pant and Fernando 1997:7). I believe it is relevant to detail what can happen when culture is not taken into account. The results can sometimes be quite humorous, though most likely the Board of Directors and owners would not think so.

A prominent American airline hoped to market their business-class “rendezvous lounges,” which had been extremely popular in the United States, to their market in Brazil. The idea was that the Brazil was developing very quickly and their up-and-coming businessmen would enjoy the lounges just like their American counterparts had. However, the airline did not take into account the fact that “rendezvous” in Portuguese refers to illicit sexual activity. This, understandably, did not garner much appreciation from Brazilian business people (Ferraro 2002:8).

American businessman Frank Purdue decided to spread the success of their marketing campaign for their chicken to Mexico. The successful campaign slogan read as “It takes a tough man to make a tender chicken.” Unfortunately, when this phrase is translated into Spanish, it is read as “It
takes a virile man to make a chicken affectionate.” It is clear to say that this is not the message Frank Purdue wanted to send to his Mexican market (Ferraro 2002:8).

“Got Milk?” has been an incredibly lucrative and effective marketing slogan presented by the Dairy Association for years. The association decided to tap into the Mexican market with the same slogan and expected excellent results. When translated to Spanish, “Got Milk?” becomes “Are you lactating?” Human lactation is generally not the most effective way to persuade someone to purchase your milk. Needless to say, the marketing campaign was met with little success (Ferraro 2002:8).

These examples, while entertaining, were costly to the companies that implemented them. Perhaps more importantly, it also cost them the respect of their brand by the consumers. These, and many other, embarrassing examples of what can happen when cultural meaning is ignored should serve as a reminder that the understanding of cultural differences can lead to greater success.
**Cross-Cultural Marketing**

There has been a movement to attempt to study consumption from the viewpoint of the consumers. This movement is called ethnoconsumerism. Studying a group by trying to understand the world as they see it is a common cultural anthropological perspective known as the emic perspective (Venkatesh 1995:3-4). This anthropological approach to marketing has several foci including:

- how an individual’s relationships (family and friendship) influence the use of the product or service
- how broad cultural trends influence the priority placed on a product or service (brand loyalty and preferences)
- how symbolism associated with certain products or services help to maintain social roles and self-perception
- international marketing
- variety in access and response to advertisements (Pant and Fernando 1997:11).

In essence, ethnoconsumerism “forces researchers to look at the individual not just as an individual but as a cultural being, as a part of the culture, subculture, and other group affiliations” (Venkatesh 2005:16). It takes advantage of the cultural, social, and individual aspects of a consumer.

An example of this is de Pyssler’s cultural analysis of the motor scooter in India. He examines what the scooter represents in Indian culture as
compared to Italian and English culture. Indians adapted their culture to the new technology of the scooter. To them, it represents an affordable family vehicle. This is quite different from the Italian view of the scooter as a feminine icon and the English view as a punk/rebel symbol (de Pyssler 1992:440).

Examining this cultural view of the product would greatly aid marketers when trying to create marketing campaigns for these scooters in India. Clearly, using the same marketing techniques in India as are used in England or Italy would not be effective.
Applying Anthropology to Business-to-Business Interactions

Businesses rarely operate completely independently. They almost always interact with other businesses to accomplish their end goal of reaching a consumer. Manufacturers often build things that will be passed on to be incorporated into other objects before finally reaching a consumer (such as car parts manufacturers). Some businesses may partner together to pool resources to be able to increase funds and skills to generate greater profits together than either would have been capable of independently. It is certain that almost all businesses must at some point work with other businesses.

If the example of each business representing its own culture is applied in this case as well, it can be easily seen how anthropology could benefit the interactions between businesses. When two cultures come together for whatever reason, it is necessary for each to gain as great an understanding as possible about the other culture in order to be able to interact with it most effectively. The same is true for two businesses. Each business has its own way of getting through each day as well as its own motivations and goals. These will affect the way it operates and interacts with others in much the same way that a culture does.

Also, since businesses consist of individuals, an understanding of how individuals work together is ultimately beneficial. This where anthropological perspectives can come into play. The understanding of society and the individuals that make up the society can help to make the optimum decision regarding those individuals. Since anthropology is about the understanding of
societies, the use of anthropological perspectives when observing the relationships between businesses is a logical step to take.
The Role of Individual Agency

Brian Moeran puts forth in his book that connections between businesses are often the result of connections between individuals who act as representatives of their business. His example of this is intercorporate alliances (2005:117). Intercorporate alliances are “institutionalized relationships among firms based on localized networks of dense transactions, a stable framework for exchange, and patterns of periodic collective action” (Gerlach 1992:3).

Oftentimes, the leaders of an organization are viewed as representatives of their organization. Connections between organizational leaders are often viewed as connections between the organizations they represent. When forming a business alliance, it is common sense that both businesses must have something to offer the other in order for the partnership to be beneficial. The real question is, what motivates an organization to partner with a particular organization over another? There are several other questions of importance in the selection of a partner such as: How do we know the potential partner’s core competencies and true capabilities? How can we be sure that the organization is reliable? Is it possible to gage the trustworthiness of an organization?

There exists a rather common “preference for transacting with individuals of known reputation,” according to Mark Granovetter (1985:490). Basically, beneath the formal ties connecting organizations, there are numerous personal interactions at work that have an active exchange of
information and lead to a building up of trust between individuals (Moeran 2005:119). This trust between individuals could ultimately lead to a partnership between two organizations.

This path to partnership could prevail even if the cost of the partnership is not the absolute lowest in the pool of potential partners. There are other things that need to be taken into account. Unreliability, exaggerated competencies and skills, and carelessness could lead to large expenses. Thusly, even though the initial cost of the partnership might be elevated, the long term costs could be reduced. Trust is a basic human need that has been observed as important in every level of society from hunter-gatherers to chiefdoms to states. The value of trust cannot be easily translated to a dollar amount.
Conclusion and Summary

Commerce and economics go hand-in-hand with the development of human culture. The accumulation of wealth has been used as a way to increase social status since the inception of civilization. Conspicuous consumption is a form of wasteful spending used to “enhance social prestige and power” (Trigger 1990:124, Veblen 1902). This phenomenon is seen archaeologically through examples such as the monumental architecture of the ancient Egyptians (Trigger 1990:127). It is also seen ethnographically in cultures such as the Kwakiutl of the Northwest coast of the North America in their ritual event called the potlatch in which wealth is accumulated in order to be redistributed to others and sometimes destroyed in order to gain prestige and status (Rathje 2000).

I believe that it is conspicuous consumption and the drive to demonstrate status through wealth that ultimately connects business and anthropology. This drive is present in most human societies across time and space and therefore needs to be examined in the holistic perspective of anthropology in order to be most accurately explained.

I have demonstrated how the study of scalar stress can be useful to businesses when going through training exercises for new hires as well as for team projects for established employees. The human mind can only handle a certain number of interactions at a time effectively, and once that maximum number is reached, a trend of declining effectiveness and benefit occurs.
Therefore it is more time and cost effective to form groups of no more than six individuals.

I have applied the cultural and archaeological theory of social space to the business environment to show that visual orientation in space can have a strong effect on the perception of hierarchical organization and dominance. A company should be aware of these human psychological reactions when positioning management personnel in order to accurately reflect their hierarchical structure and cultural values in terms of dominance.

Furthermore, I have shown the utility of using ethnography in the business environment to better understand the needs and desires of employees as well as the actual culture of the company. This leads to a better understanding of how to keep employee satisfaction and morale up in order to increase efficiency. Also, providing real cultural information to potential hires could allow both the business and the potential hire to make a more informed decision on whether or not the person would be a good cultural fit.

I gave many pertinent examples of the potential consequences a business could reap if culture is ignored. The examples, while humorous, represent the loss of millions of dollars and ultimately hurt each company through loss of profits and also through damage to their reputation. One marketing campaign might be perfectly suited to one demographic, but it must be re-evaluated in accordance with the culture of each new demographic in order to insure its reception will be positive.
I outlined a new movement in consumer research called ethnoconsumerism. This method attempts to understand consumption and motivations through the emic perspective, or trying to understand the world as someone of another culture understands it. By seeing not only what is culturally important to a demographic, but why it is culturally important, will ultimately aid businesses in determining what to market, where to market it, and how to market it more effectively. This will lead to increased sales and improved consumer opinions of the brand.

I also wrote about how anthropology is useful in relationships businesses have with other businesses. Understanding the cultural differences between two business partnering together is essential to insure effective communication. Miscommunication because of poorly understood motivations and goals can be very costly to both businesses. Employing an anthropological perspective can lead to a holistic understanding of both businesses cultures and goals and benefit the overall relationship.

Finally, I wrote of the role of individual agency in establishing relationships between businesses. People in roles of power in an organization often come to represent that organization in their lives outside of the office. When two people representing organizations form relationships, it is more likely that their businesses will also form relationships because of the trust and respect built up through the non-business interactions. Reliability is arguably the most important factor that determines whether two businesses
will work together, and extrapolating the reliability of a leader in a business to
the business itself is a common phenomenon.

These examples I have enumerated clearly demonstrate the utility of
anthropological perspectives in the business environment. I do not, however,
argue that all businesses should go out and hire anthropologists to use these
perspectives. Most of these views can be used by people already involved with
the business such as managers and human resources professionals. My
argument is essentially that anthropology and business, while usually not
uttered in the same sentence, can actually be mutually beneficial to each other,
and that neither should discount the worth of the other.
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