

“Exploring the influence of national culture on firms’ competitive actions preferences”

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ABSTRACT

The concept of national culture (NC) and its influence have been acknowledged by many scholars from different literature streams; they have demonstrated that the influence of NC on human behavior and preferences has relevant managerial implications for firms, especially for those competing abroad. However, despite all the existing evidence, the concept of NC has not received much attention in relation to competitive actions. Making use of a conceptual theory building approach, this study aims to fill the gap in the literature by theorizing about the preferences of international firms with regard to competitive actions. To achieve these goals I used two frameworks: Hofstede’s five dimensions of NC (power distance, uncertainty avoidance, masculinity/femininity, individualism/collectivism, and long term/short term orientation) and Chen and Miller’s five dimensions of competitive dynamics (aim, mode, actors, toolkit, and time horizon). By analyzing the relations between these dimensions, this study attempts to help firms to uncover the tendency of their rivals toward certain actions (e.g. economic, political, and social). Furthermore, this study contributes to strategic supply management by developing propositions that might guide managers in the development of competitive strategies and the engagement of appropriate competitive actions by taking into account the cultural profile of their rivals

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Keywords

Competitive dynamics, competitive actions, national culture dimensions

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1. INTRODUCTION

Due to globalization of markets and industries, the world's economy is characterized by higher levels of competition (Bowen, Baker, & Powell, 2015; Hutzschenreuter & Gröne, 2009). As a response to the increasing foreign competition, many firms have opted for expanding the scope of their sales to international levels (Bowen et al., 2015), leading to a greater awareness of the existent cultural differences between countries; and to an increased need for cross-cultural models to deal with cultural related issues. All of this under the assumption that cross-cultural business models might help firms to gain the rival's market share in the places in which they choose to compete (Fougère & Moulettes, 2007).

The concept of national culture hereinafter referred to as "NC", and its influence have been widely researched in different streams of literature such as sociology, psychology, management, marketing, economics, and finance (Søndergaard, 1994; Steenkamp, 2001; Steenkamp & Geyskens, 2012; Yoon, 2009). Empirical evidence demonstrates that NC does matter to businesses (Newman & Nollen, 1996; Petersen, Kushwaha, & Kumar, 2015; Steenkamp, 2001; Steenkamp & Geyskens, 2012; Tse, Lee, Vertinsky, & Wehrung, 1988) and failing to recognize its importance might lead to business failures (Ricks, 2009). However, despite the empirical evidence of its relevance for management, the influence of NC has not received much attention in the competitive dynamic field, especially not in relation to firms' competitive actions. The only paper roughly considering culture within competitive dynamics was written by Chen and Miller (2015) in which culture is seen as one of the factors that determine the appropriateness of a firm competition form of interaction (e.g. rivalry, cooperation). Nevertheless, this paper only addressed two of Hofstede NC's dimensions which might offer a narrow and/or incomplete view of the influence that NC has on competitive dynamics and the competitive actions those dynamics involve.

This study argues that even though domestic and foreign for-profit firms strive for the same goals namely "survival" and "growth", their approach to compete and the nature of the actions they engage in might differ based on the assumption that the people in charge of taking decisions (for instance, managers, CEO, owners) in those firms are influenced by the attitudes and values deeply embedded in their national culture (Hofstede, 1980). Therefore, to fill this gap on the extant literature, I made use of two frameworks. On the one hand, Hofstede's NC framework including the dimensions: power distance (PD), uncertainty avoidance (UA), individualism/collectivism (IND/COL), masculinity/femininity (MAS/FEM) and long-term/short-term orientation (LTO-STO)(1980, 2001) which will be further described in the fourth section of this paper. On the other hand, Chen and Miller's (2015) multidimensional framework of competitive dynamics which includes the dimensions: aim, mode, actors, toolkit and time horizon to contrast the three views of competitive dynamics and the actions they involve. This will be described further in the third section. By analyzing the relation between the NC and the competitive dynamics dimensions, it is expected that firms will be able to identify their rival's dynamic approach and the actions they might engage in.

This study partly follows Chen and Miller's (2015) framework in that it considers the three views of competitive dynamics (rivalry, competitive-cooperative and relational view) and the actions they involve. However, this study differs from their paper, on three aspects. First, it focuses on the influence of NC on competitive actions. Second, it gives a more complete view of NC by exploring the influence of all five dimensions rather

than only two of them. Third, by using Hofstede's NC dimensions, it theorizes on firms preferences with regard to competitive actions. The latter, is reflected in the main research question:

How do competitive actions differ for firms from different national cultures?

This question is followed by three sub-questions:

1. What is a competitive action?
2. What is national culture?
3. What is the influence of NC on competitive actions?

By answering these questions this study attempts to contribute to the extant literature in the field of strategic supply management by developing propositions describing the influence of NC on firms' preferences when engaging competitive actions. The resulting propositions are expected to guide managers in the formulation of appropriate strategies and/or in taking the appropriate competitive (re)actions by acknowledging the national cultural profile of their rivals. The managerial implication of this study suggests that NC does matter for competition and that managers from international firms should take into account their rival's cultural profile in order to better plan their competitive (re)actions.

This study is divided in six sections. The first section starts with the introduction and methodology of the study. Next, the focus of the study will be established. In the third section, I will define the concept of competitive actions and its relation with competitive dynamics. Furthermore, I will introduce Chen and Miller's (2015) multidimensional framework of competitive dynamics. In the fourth section I will explain the concept of national culture and the framework proposed by Hofstede (1980, 2001). In the fifth section I will address the influence on competitive actions. Finally, this paper ends with a discussion and conclusion section, which includes the managerial implication of this study, followed by its limitations and recommendations for future research.

1.1 Methodology

To answer the main research question, this study will use a conceptual theory building approach. The appropriateness of the method stem from the lack of literature explicitly addressing the relation between NC and competitive actions, and from the nature of this study which aims to theorize rather than test the mentioned relationship. Conceptual theory building seeks to "generate and present theory, defined as a system of abstract concepts and the relationships between them, without presenting a measurement model based on specific operationalization of those concepts and relationships" (Meredith, 1993, p. 5). Its goal is to develop a theory without testing it and its success is measured on the subsequent verification's attempts it incites (Skilton, 2011). With regard to the validity of the theories built using conceptual research methods, according to Meredith (1993), the validity of a theory is gained by means of assessing its face validity (recognizing its correctness intuitively). Theory building is considered an important first step to build what Meredith (1993) defines as a "valid theory", theory achieved through empirical testing and the re-assessment of the research cycle, where both approaches, theory building and theory testing are required. Using "logical deduction", this study aims to build theory by gathering, selecting, and analyzing relevant secondary data in the domain of interest (business management), to later, integrate the

information, building relationships that create support for the derived propositions.

1.1.1 Sample

To collect the data that supports the chosen methodology, this study used the literature search strategy proposed by Kable, Pich, and Maslin-Prothero (2012), in which twelve clear and convenient steps are to be followed in order to achieve a well-documented review of literature.

The first step is to provide a purpose statement. As mentioned in the introduction, the purpose of this study is to hypothesize on the differences in competitive actions engaged in by international firms by taking into account their national culture.

The second step consists of the documentation of the databases or search engines used for the search strategy. I chose the bibliographic database Scopus, because it is considered to be the largest literature database offering the broadest and the most integrated coverage of high quality peer-reviewed literature, including 27 fields of research (for example, Business, Management and Accounting, Psychology, Social Science), and a variety of document types (such as articles, books, and reviews) ("Databases," n.d.). The third step is to specify the limits applied. The search of literature was mainly focused on peer-reviewed articles (with the exception of some books by Hofstede addressing NC) written in English and published in academic journals. The choice to use peer-reviewed articles is related to the quality of these studies, which is enhanced by the process of feedback and revision (Solomon, 2007). The field of research was "Social Science & Humanities" including studies with topics like national culture and competition. Furthermore, based on the assumption that current papers build on past findings described by Sir Isaac Newton in 1976 as "standing on the shoulders of giants", in order to reduce the amount of articles, the range chosen for this study covers the years 2000 to 2015.

Step four consists of listing the inclusion and exclusion criteria. The inclusion criteria are related to the limits established in step three (like English, peer-reviewed, journal, in the area Social Sciences and Humanities for the period 2000-2015). Moreover, with regard to the population's sample of the papers, both single and multi-country samples are considered. The exclusion criteria consist of non-English articles that are outside the scope and purpose of this study.

Step five consists of listing the search terms used. The search of literature included both, single and combined terms in order to cover a broader range of initial hits. Single terms examples are: competitive actions and national culture. These search terms led to an overwhelming number of articles that were reduced later by means of the selection criteria. Combined terms examples are national "culture "AND" competitive actions", "national culture influence "AND" competition" and "national culture "AND" competitive behavior".

In step six, the search process is documented. On the 5th of July 2015, I started the search process in Scopus. The search process consisted of five steps. The first step describes the search for peer-reviewed articles by means of four initial filters available in the Scopus database namely: the article title, abstract and keywords; the period of the articles; the document type (for example, article) and the area of interest in this case "Social Science & Humanities". The second step reduced the amount of the initial hits by means of the subject area "Business Management & Accounting". The third step reduced the amount of articles even further by means of the criteria

language (English) and source (journal). However, with some search terms the amount of articles was still considerably large; therefore, in step five I use keywords that help me to get closer to this study's topic (see Appendix Table 1).

In the seventh step, the relevance of the articles is assessed. First, I read the article's title and abstract assessing the articles independent from each other by using the selection criteria mentioned in step four. In order to avoid false negatives, in cases of doubt, the papers were quickly skimmed to judge their relevance. Since the number of articles relevant for this study declined considerably, back referencing was also needed in order to get a better understanding of the previous work related to national culture and competitive actions. Furthermore, I realized that some authors like Ming-Jer Chen and Danny Miller were cited in many articles related to competition; therefore, their previous works were also taken into account, using the same selection process and criteria.

Step eight is to document a summary table of the selected articles. The summary of the peer-reviewed articles meeting the inclusion criteria of step four will be provided in Appendix Table 2. The articles founded by back referencing will not be part of this table but will be part of the reference list.

Step nine is to provide a statement specifying the numbers of retrieved articles. After using the selecting criteria, from the 223 peer-reviewed articles found in Scopus, only 8 articles were selected. Additionally, another 63 papers were included by means of back referencing. The small number of articles founded in Scopus is related to the lack of literature addressing this study's topic, which also explains the large amount of back referencing articles.

Step ten, conducting a quality appraisal of the retrieved literature was not performed because, as mentioned in step 3, peer-reviewed articles are already an indicator of quality due to the process of feedback and revision (Solomon, 2007).

Step eleven consists of the critical review of the literature. Therefore, the selected papers were revised thoroughly giving special attention to the findings related to the influence of national culture on the competitive actions of firms in order to build and /or support the derived hypothesis of this study. Critiques from Hofstede's framework were also taken into account, helping me to address the limitation of this study's proposals.

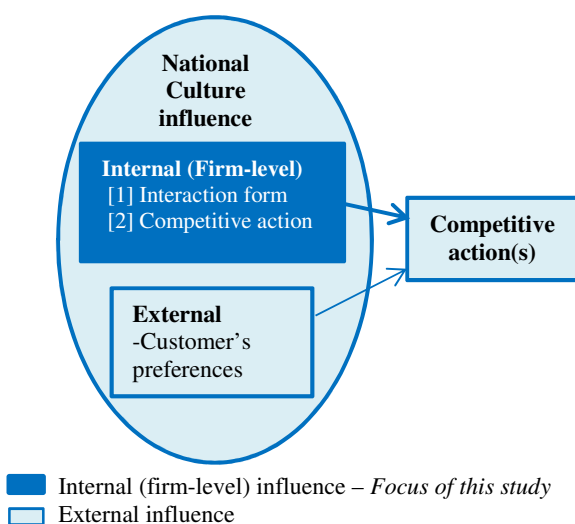
Finally, step twelve is to check the reference list for accuracy. All sources, books, articles and website links which contribute to this study were updated before the submission of the study.

2. FOCUS OF THE STUDY

This study considers that NC has an internal and external influence on the competitive actions taken by a firm. Internally, NC influences a firm's preference of interaction form or dynamic (e.g. whether firms prefer rivalry over cooperation-competition) influencing at the same time the preferences of a competitive actions a firm might engaged (e.g. whether a firm will prefer, economic or cooperative moves). This assumption is based on the premise that national culture is deeply embedded in all the members of a society including parents, their children, students, employees, top manager and firm's owners (Hofstede, 1980), and that different cultures (nations) have different preferences based on their values, which is defined as "a broad tendency to prefer certain states of affairs over others" (Hofstede, 1980, p. 19). Moreover, externally, a firm's competitive actions are moderated by the preferences of

their target customers (Jenner, MacNab, Briley, Brislin, & Worthley, 2008), According to these scholars NC influence's marketing decisions with regard to the 4P's (product, price, promotion and place) and firms should adapt their strategy to the changes in culture. Similarly, Petersen et al. (2015), found that the dimensions LTO, UA ad MAS have a direct influence on their consumer's financial decision making, moderating also the impact of their firm marketing's effort. Nevertheless, the focus of this paper will be only in the internal influence of NC of competitive actions (see figure 1).

Figure 1: The influence of national culture on competitive actions



This section explained the expected internal and external influence of NC on competitive actions making explicit the focus of this study on the former influence (internal/firm-level). The following section will deal with the concept of competitive actions and the multidimensional framework as proposed by Chen and Miller (2015).

3. COMPETITIVE ACTIONS

In order to answer the first sub-question of this study, here I will describe the background and definition of competitive actions. Next, I will introduce Chen and Miller's multidimensional framework including a briefly description of the dimensions structuring competitive dynamics and the three prototypical views based on those dimension. Finally, I will explain how this study will attempt to differentiate competitive actions using Chen and Miller's framework in order to answer the main research question.

3.1 Competitive actions background and definition

The concept of competitive actions emerged from the research field of competitive dynamics (Chen & Miller, 2012). Lamberg, Tikkanen, Nokelainen, and Suur-Inkeroinen (2009), describe competitive actions as the units of analysis of competitive dynamics. The concept of competitive dynamics has its roots in the concept of creative destruction coined by

Schumpeter (1950) and the Austrian school of strategy written by Jacobson (1992). Creative destruction, defined as "the process of industrial mutation that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one" (Schumpeter, 1950, p. 83), is reflected in the competitive dynamic process in which firms constantly act and react upon each other seeking advantage over their rivals and their survival in the long term (Chen & Miller, 2012). Likewise, according to the Austrian school (Jacobson, 1992) the market is seldom, if ever, in equilibrium because entrepreneurs continuously engage on the process of creative destruction. Initially, production and product innovation help a firm to outcompete its rivals earning supernormal profits, however, this advantage is not perennial and it is extinguished as soon as other firms imitate their source of advantage.

According to Chen and Miller (2012), competitive dynamics is defined as "the study of inter-firm rivalry based on specific competitive actions and reactions, their strategic and organizational contexts, and their drivers and consequences." (p. 137). Nevertheless, in 2014 the same authors acknowledged, first, that most of the previous work (e.g. academic articles) on competitive dynamics had emphasized the rivalry aspect of competition. Second, that managerial topic's like the stakeholder theory (Freeman, Harrison, Wicks, Parmar, & De Colle, 2010) and cooperation (Dyer & Singh, 1998) lead to other views of competition than the classic rivalry approach. Third, that forces such as the globalization; the increasing power of a firm's stakeholders; the increasing concern over the adoption of corporate social responsibility standards; and the increasing importance of the Eastern economies, have uncovered the limits of the classic rivalry approach of competition in which the main focus was on action and reactions of firms within an industry. Chen and Miller (2015), further argued that nowadays, competition not only comes from within the same industry but also across industries; from firms considered before as non-competitors; from national and international firms, transforming the competitive dynamic's nature and leading to other views of competitive dynamic. These dynamic views will be further described in section 3.2

Despite of the recent developments in the competitive dynamics field (Chen & Miller, 2012), there is neither a universal definition of competitive actions (Lamberg et al., 2009), nor an agreed on typology or classification of the actions a firm may use. (see Appendix Tables 3 and 4). With regard to the definition of competitive actions, most of the existent definitions differ in the terms they used to describe the concept, yet they do agree that competitive actions intent to defend and/or enhance the positions of a firm in terms of market share and/or profits (Baum & Korn, 1996; Derfus, Maggitti, Grimm, & Smith, 2008; Ferrier, 2001; Ferrier, Smith, & Grimm, 1999; Miller & Chen, 1994; Smith, Grimm, Gannon, & Chen, 1991; Stambaugh, Yu, & Dubinsky, 2011). Therefore, in this study, a competitive action is defined as "a specific competitive move initiated by a firm, such as introducing a new product or entering a new market that may lead to the firm's acquiring its rivals' market shares or reducing their anticipated returns" (Chen & Miller, 2012, p. 10).

With regard to the categorization or typology of the competitive actions available to firms (see Appendix table 4). Most categorizations/typologies are related to the scope and samples of the studies performed. For instance, Miller and Chen (1994) suggested 21 types of action based on the airline sector; Baum and Korn (1996) also in the airline sector, make a distinction between tactical and strategic actions based on the requirement of resources for implementation (Limited amount vs. commitment of specific resources) and the irreversibility of the

actions (relatively easy vs. difficult to reverse); and Ferrier (2001) developed a categorization based on the actions' domain (e.g. financial, product, marketing actions). However, scholars do agree on the relevance of competitive actions for a firm's long term performance and even survival (Chen & Miller, 2012; Ferrier et al., 1999; Lieberman & Montgomery, 1988; Schumpeter, 1950).

This sub-section described the competitive action's background by explaining its relation with the concept of competitive dynamics. Furthermore, a competitive action was defined and the lack of consensus with regard to the typology/categorization of competitive action was addressed. The latter, although posing a difficulty to differentiate the competitive actions engaged by firms from different countries, will be solved by using Chen and Miller's categorization of action's toolkit further described in the next section.

3.2 Chen and Miller's multidimensional framework of competitive dynamics

According to Chen and Miller (2015), competitive dynamics can be structured along five essential dimensions, which in turn reveal a variety of competitive dynamics (competitive options). The five dimensions are the following:

- (1) *The aim* of the interaction which may vary from the *appropriation of rival's value* by means of outcompeting/dethroning rivals in terms of market share/profits while defending a firm's current turf; to mainly gain *competitive advantage*, being willing to cooperate if at the end the firms will benefit from it; to raise *all the boats* benefiting a wider range of stakeholder.
- (2) The nature of engagement also referred as "*mode*" varies from *attack and retaliation* between a firm and its (direct and indirect) competitors; to *cooperation* between firms; to compete and cooperate simultaneously, *managing a firm's relationship with other players and stakeholders*.
- (3) *The actors* involved in the interactions vary from (direct, indirect) *competitors*; to *alliances* with upstream and downstream partners; to a broad range of *stakeholder* for instance, employees and governments.
- (4) *The action's toolkit* defined as "the repertoire of moves a firm may take in its engagements with other actors" (Chen & Miller, 2015, pp. 763,764). According Chen and Miller (2015), there are three toolkit options: the economic, the political and the social -ideological.

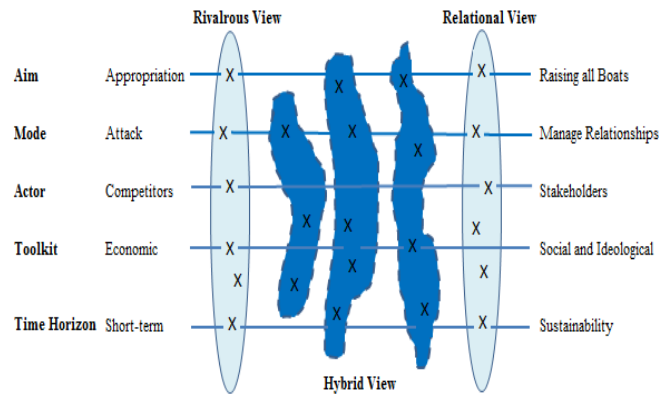
The economic option, the actions within this category aim to the increase of profit of market share of the firm by using elements of the marketing mix for instance: new product introductions, promotions, pricing, and market signaling (e.g. public announcements, threats, bluffs) (Smith, Ferrier, & Ndofor, 2001) generally within in an industry and technological boundaries.

The political option actions will be clearly cooperative in order to collude and lobby, setting standards in their favor to gain competitive advantage; moreover, the amount of partner and industry range is broader.

The social- ideological option aims to enhance a firm's reputation related to its competitors to gain support and resources. This option include actions like building an excellent reputation as a corporate social responsible firm, as a marvelous employer, as a good citizen for their community (Chen & Miller, 2015)

- (5) *Time horizon* or length of the engagement varies from *short term* engagement with an interval of one of two years; to *intermediate* engagement reflected on the way firms consider alliances and agreements; to a *sustainable* interaction in which the actions' outcomes (whether from short or long run actions) should improve rather than comprise the firm future. (see Figure 2).

Figure 2: Dimensions of competitive dynamics



Note. From "Reconceptualizing Competitive Dynamics: A Multidimensional Framework" by Chen and Miller, 2015, *Strategic Management Journal*, 36(5), p.765

As can be seen in Figure 2, the five dimensions proposed by Chen and Miller (2015), contrast three competitive dynamics views namely, rivalry, competitive-cooperative and relational views. Next, these three competitive dynamic views will be briefly described.

(1) *Rivalry view*. According to Chen and Miller (2015) rivalry is seen as zero-sum game in which a firm main goal is to find the right actions to react or defeat their rivals. The interaction approach is based on a basic competition form in which a firm should create effective attacks trying to avoid retaliation. The actors are involved are direct rivals (e.g. those in the same market and size) and indirect rivals (e.g. those from different markets). The interactions' horizon is relatively short (around one of two years). The action toolkit is mainly focus on economic means (e.g. price changes, promotion) where firms use more tactic than strategic initiatives to compete within an industry. Tactical initiatives or actions are defined as those requiring fewer resources and are relatively easy to start or stop; conversely, strategic actions are those requiring a significant investment of resources and are more difficult to implement or reverse (Ferrier & Lee, 2002).

(2) *Competitive-cooperative view*. Contrary to rivalry, this view's main goal is not to defeat the enemy, in fact, a firm might help its rivals as long as "the focal firm comes out ahead of its competitors in the end"(Chen & Miller, 2015, p. 761). The interaction between a firm, its allies (e.g. suppliers) and "allied" rivals (e.g. direct competitors) is mainly cooperative; sharing knowledge, patents, technologies and experts (key personnel). Here the toolkit emphasizes political actions to later gain advantage by lobbying and colluding. The actors involve is broader than in the rivalry view. It includes not only suppliers and other rival firms but also partners from upstream and downstream industries. The interactions' horizon is intermediate. A firm might engage short-term actions but they also take into account their actions' consequences in a long-

term since alliances are fruitful only in the long-term once the firms learn to trust each other and learn how to work effectively. This view's toolkit is more focus on the political rather than the economic means. The emphasis is on the Firm needs to identify, understand and ally potential partner that will lead to competitive advantage (Chen & Miller, 2015).

(3) *Relational view*. The goal of the relational view of competition is to benefit an even broader range of stakeholders seeking a win-win situation. It includes not only competitors but other also other players in the market (e.g. employees, customers) creating value for them by means of developing standards, infrastructure and open source designs (Chen & Miller, 2015). The interaction between the stakeholders involved is way more complex than in rivalry and competition-cooperation since the consequences of the actions engaged by the focal firm have different effect on the other players which in turn, might lead to different kind of responses. The toolkit emphasizes the social-ideological option. The actions engaged can be seen as both competitive and cooperative depending on the other player's perception and the relation hold with the focal firm. The relationship between the focal firm and other players are evaluated taking into account the needs and intentions of all the parties (Chen & Miller, 2015). As mentioned, the range of actors is broader and the potential partners may also include public institutions like universities and other parties and/or institutions that might have influence on the focal firm (e.g. employees, political support). The election of partners/allies and the appropriate time to establish relationships are based on the nature and availability of the potential partner's key resources and their ability to impede or neutralize the reactions of other competitors. The interaction's horizon is multi-temporal. In which both, short-term and long-term actions are engaged by the focal firm seeking competitive sustainability that is, to improve rather to comprise the firm's future. Table 1 shows a clear overview of the three views of competitive dynamics.

Table 1: Three views of competitive dynamics

Dimensions	Rivalrous	Competitive-Cooperative	Relational
Aim	Appropriation	Competitive advantage	Raise all boats
Mode	Attack, retaliate, avoid attack	Cooperate or co-opt	Compete and cooperate simultaneously in the same act, dependend on rivals' reactions
Actor	competitors	Also alliance partners	Inclusive set of stakeholder: e.g. clients, suppliers, government
Toolkit	Largely economic, generally within industry and technological boundaries	Political as well of economic, sometimes spanning industry boundaries	Also social an ideological, allowing for significant redefinitions of industry and technological boundaries
Time horizon	short term	Intermediate	Short term to build for long term, and vice versa

Note. From "Reconceptualizing Competitive Dynamics: A Multidimensional Framework" by Chen and Miller, 2015, *Strategic Management Journal*, 36(5), p.761

This sub-section described Chen and Miller's multidimensional framework explaining the three prototypical views of competitive dynamics contrasted by the five dimensions they proposed. The next sub-section will explain how these dynamic views will help this study to uncover a firm's tendency toward certain competitive actions.

3.3 Applying the multidimensional framework to this study

Since there is no an agreed on typology/categorization of competitive actions, in order to differentiate the competitive actions engaged by firms from different countries, this study will focus on a firm's repertoire (the sum of moves) as described by Chen and Miller's "toolkit" dimension. Furthermore, in order to uncover the rival's position with regard to the three views of competitive dynamics, and consequently, the toolkit those views emphasize, in fifth section of this study, I will analyze the influence of the NC dimensions with regard to the five dimensions of competitive dynamics. Next, I will introduce the concept of national culture and its dimensions as proposed by Hofstede (1980, 2001).

4. NATIONAL CULTURE

The concept of national culture and its dimension have been studied by many scholars including (Hall & Hall, 1990; Hofstede, 1980, 2001; Kluckhohn & Strodtbeck; Schwartz, 1994; Trompenaars & Hampden-Turner, 1998)(see Appendix Table 5). For the purpose of this study, I chose Hofstede's NC dimensions above the other existent models because; even though his model have received some critiques, for instance, about failing to acknowledge the sub-cultures within a country (McSweeney, 2002), authors like Girlando, Anderson, and Zerillo (2005) have provided empirical evidence against McSweeney's critique. Moreover, his model's construct validity has been reconfirmed by recent replications (Pagell, Katz, & Sheu, 2005; S ndergaard, 1994), being considered the most influential cultural framework (Golonka & Rzacca, 2013) and "a watershed conceptual foundation for many subsequent cross-national research endeavors" (Fernandez, Carlson, Stepina, & Nicholson, 1997, pp. 43,44), the latter supported by (Sivakumar & Nakata, 2001), who reported 1,101 citations on Hofstede's framework in the period 1987-1997.

Although the definition of culture is still a topic of debate among scholars (Dabrowska & Savitskaya, 2014; Pisani, Hayes, Kumar, & Lepisto, 2009), following the Dutch psychologist and anthropologist Geert Hofstede, culture is defined as "The collective programming of the mind which distinguishes the member of one human group from another" (Hofstede, 1980, p. 25). Hofstede also argued that a nation is a good proxy of culture because their members tend to share the same language, history, religion and a sense of identity (1994). NC is an important concept for the Management field because, management implies getting things done through people (e.g. employees) and in order to get the things done, it is important to know not only the objectives (the ends) but it is also important to understand the people (employees) who will achieve those objectives (Hofstede, 1994). According to Hofstede (1980, 2001) and Minkov and Hofstede (2010) a nation's culture is comprised of five dimensions:

- (1) *Power distance (PD)*: related to the degree of power inequality allocated among the society's members and how those members dealt with it where the power inequality is reflected in areas like social status, prestige wealth and rights.
- (2) *Uncertainty avoidance (UA)*: refers to the uncomfortable feeling of society's member with regard to uncertainty and

ambiguity expressed through stress and reflected in the need for rules.

- (3) *Individualism (IND)* as oppose to Collectivism refers to the loose affiliation within the members of a society where individuals are expected to take care of their family and themselves. *Collectivism (COL)* refers to the tight affiliation among a society's members where individual also consider members of other groups as relevant and the concept of loyalty play a role.
- (4) *Masculinity (MAS)* is related to the society's division of gender values. Accordingly, masculine societies are characterized by values like assertiveness, achievement and material rewards whereas *Femininity (FEM)* cultures are characterized by modesty, cooperation, the care of the weak individuals and the quality of life
- (5) *Long-term orientation (LTO)* characterizes societies in which effort and thrift is encouraged as way to prepare for the future, demonstrating "propensity to save and invest, and perseverance in achieving results", *short-term orientation (STO)* characterizes societies that are past – present oriented maintaining traditions while viewing societal changes with distrust. Furthermore, STO societies are characterized but their concern for the face, less savings and tendency for quick results.

In this section, the concept of NC was defined and its five dimensions as proposed by Hofstede (1980, 2001) were briefly described. Furthermore, the choice to use Hofstede's framework above other existing frameworks was discussed. The next section will deal with the influence of NC on competitive actions.

5. THE INFLUENCE OF NATIONAL CULTURE ON COMPETITIVE ACTIONS

Having established the relation between competitive dynamics and competitive actions (section 3.1), and described both frameworks, Chen and Miller's multidimensional framework of competitive dynamics (section 3.2) and Hofstede's five NC dimensions (section 4); this section of the paper will analyze the influence of the five dimensions of NC on the five dimensions of competitive dynamic to reveal a firm's preference with regard to competitive actions. For the analysis, I will use the two extremes of competitive dynamics framework, the rivalry and relational view which will represent the higher and lower scores/levels of a determinate NC cultural dimension. With regard to the competitive and cooperative view, according to Chen and Miller (2015), this view lies between the two mentioned extremes, thus, all the scores considered as "medium" should fall in this category (see Figure 2), this issue will be further discussed in the managerial implications of this study.

5.1 Individualism / Collectivism

Chen and Miller (2015) framework, suggest that firms aims varies from the appropriation of rival's value (e.g. outcompeting rivals to gain market share) to "raise all the boats" (e.g. collaborating to benefit a firm's stakeholders including their competitors). Based on the extant literature, it

could be argue that a firm's preference to whether appropriate value or collaborate can be explained by the IND-COL values. According to Hofstede (2001), the IND-COL dimension refers to "how people define themselves and their relationships with others (p. 160). IND characteristics values are: self-independency reflected on the loosely affiliation between its members; self-interest reflected on their prevailing personal interest above the others and their tendency to set goals without considering others welfare; and self-assertion reflected on individual's actions based on personal believes and values (Hofstede, 2001). Furthermore, IND societies are also characterized by their tendency to compete (Doney, Cannon, & Mullen, 1998; Triandis, McCusker, & Hui, 1990) and value task's outcomes (Ng, Koh, Ang, Kennedy, & Chan, 2011). Finally, Due to IND focus on outcomes, IND societies will tend to show less loyalty to people and firms (Doney et al., 1998) which in turn, has a negative influence in collaborative relationships.

Conversely, COL cultures "emphasize relationships among people to a greater degree" (Hofstede, 2001, p. 161) and this tendency is reflected on the collectivistic characteristics. According to Hofstede (2001), in COL societies people tend to have a tight affiliation between its members, leading to cohesive groups with long-term relationships orientation where protection and loyalty plays an important role. Doney et al. (1998) argued that the loyalty, the joint effort, and the interdependent nature of COL societies suggest a strong inclination towards cooperation. The latter reflected on the nature of COL partnerships which tend to be based on mutual benefits (Chen, Chen, & Meindl, 1998) which also implies the prevalence of group interests above individual ones and a goal setting process in which the collective welfare is taken into account (Hofstede, 2001). Finally, Due to the tendency for greater social awareness, collectivistic firms will tend to pursue new opportunities by means of less aggressive/disruptive actions, moreover, the actions engaged will seek benefit not only for a firm but many players in the market including competitors (Chen & Miller, 2015).

Proposition 1: *Managers from countries with high individualism are more likely to appropriate their rival's value than do managers from COL countries.*

5.2 Masculinity/Femininity

According to Hofstede (1984) masculine societies are "performance societies" (p. 84). They are characterized by being goal oriented, assertive, aggressive, competitive and focused on achievement, heroism and success in terms of material rewards (e.g. money, things) (Hofstede, 2001). Furthermore, "Doing" and "Acquiring" are also considered MAS characteristics (Newman & Nollen, 1996). MAS societies tend to have an unilateral rather than a collaborative behavior in order to achieve success which is explained by their greater value to heroism and their less focus on relationships (Magnusson, Peterson, & A. Westjohn, 2014), moreover, MAS societies tend to see the world from a winner-loser perspective (Steensma, Marino, Weaver, & Dickson, 2000) Finally, according to Doney et al. (1998), the MAS values: achievement, action and independence of thoughts explain the expected confrontational situations between parties. Based on the values and characteristics mentioned above, it is expected that managers in MAS countries will tend to have a very competitive behavior implying a tendency to attack and retaliate (to act) in order to enhance their reputation in the market (be the "hero") and obtain their desired reward (e.g.

their rivals profits and market share). Contrarily, Hofstede (1984) argued that feminine societies are “welfare societies” (p. 96) where caring form all the society’s member (especially the weaker ones) is considered an important goal. FEM values include: modesty, solidarity interpersonal relationships, and quality of life (Hofstede, 2001). Hofstede described FEM managers as nurturers, with a concern for the work environment (e.g. friendly environment) and a tendency to strive for consensus, and to avoid conflict (2001). According Akkermans, Harzing, and Van Witteloostuijn (2010) the focus of FEM societies on social relationships and on working together lead to a preference for cooperative behavior, where the coexistence of multiple winners is accepted seeing alliances as a win-win situation (Steensma et al., 2000). However, given that alliance networks benefits its members providing them with potential sources of competitive advantage (e.g. by sharing information and accessing capabilities), rivals actions to match and neutralized their rivals’ potential advantage will be expected (Gimeno, 2004). Therefore, it can be argued than FEM managers will not only cooperate through alliances but they will also compete simultaneously

Proposition 2: *Managers from MAS countries are more likely to attack and retaliate than do managers from FEM countries*

5.3 Power distance

With regard to the actors involved in the interactions, Chen and Miller (2015) suggest that, in one extreme, firms will interact with direct and indirect competitors whereas in the other, the interactions scope will tend to be broader including competitors and other stakeholders. PD deals with the accepted inequality within the members of a society/organization in terms of the distribution of power, prestige, wealth, status, talent and resources (Hofstede, 2001). High PD levels in organizations are characterized by: the acceptance of a hierarchy, the use of formal rules, the power hold by a small number of people which results in centralized decision making, greater supervision, large wage difference between other employees and management. Moreover, with regard to the boss-subordinate relationship, in high PD societies paternalism is the norm where employees expect to be told what do to, respecting and accepting the decision coming from the top however, with regard to the boss-subordinate communication, it tend to be limited as a consequence of the boss authoritarian behaviour (Efrat, 2014; Hofstede, 1980; McGrath & O’Toole, 2014). Scholars agree that the mentioned characteristics seem to challenge collaboration with other organizations for instance, based on the paternalistic assumption, Luczak, Mohan-Neill, and Hills (2010) posit that high PD societies tend to trust their social network but they tend to trust less on other social networks, reducing their accessibility of resources. Van Everdingen and Waarts (2003) argued that the characteristic bureaucracy of high PD societies (hierarchy, rules and centralization) can constrain the sharing of information. Finally, Dabrowska and Savitskaya (2014) argued in high PD societies bringing external knowledge is seen as a threat to the authority and status of a firm therefore, there is no a particular tendency toward collaboration.

By contrast, low PD characteristics reflect the opposite: flatter structure, decentralized power and decision making, less use of formal rules, less supervision, less difference on wages and with regard to boss-subordinate relationship, employees expect to be consulted, they also demand justification for the existent inequalities so the boss ideas can be challenged and there is

tendency for two-way communication (Hofstede, 1980). Scholars argued that these characteristics facilitate collaboration between firms. Leonard et al. (2011) who posit that low PD environments support the multilevel distribution of data, information and knowledge. Doney et al. (1998) argued due to the emphasis on mutual and comparable dependency between members, low PD societies tend to have a higher level of trust between social networks. finally, McGrath and O’Toole (2014) provided empirical evidence of the PD influence on the development of network capability. By using a sample of eight Irish and six Belgian micro-brewing firms they found that low PD facilitated the development of network capability of the firms by means of a broad network engagement including local and national governments.

All in all, high and low PD’s characteristics explains firm’s tendency toward a certain organizational structure (Flexible vs. bureaucratic). Based on that, it could be argued that low PD’s flexible structure will tend to facilitate collaboration between firms and thus, a firm’s interaction will tend to include a broader range of players whereas, high PD’s bureaucratic structure will tend to hamper collaboration leading to “stand-alone” competing interaction.

Proposition 3: *Managers from countries with high PD are more likely to focus on their competitors and less likely to engage other stakeholders than do managers from countries with low PD*

5.4 Uncertainty avoidance

According to Chen and Miller (2015) the toolkit option varies depending on the dynamic view. In one extreme, firms engaging in a rivalry dynamic will tend to use an economic toolkit of actions which aims to increase profit and/or market share by using the traditional levers of strategy (e.g. using the marketing 4p’S) within the technological boundaries of an industry. On the other extreme, firms engaging on a relational dynamic will tend to use a social –ideological toolkit of action which aims to enhance a firm’s reputation in order to access valuable resources; redefining industry and technology boundaries. Hofstede (2001) defines UA as “the extent to which people in a culture feel threatened by uncertain or unknown situations”(p. 174). UA tend reflect itself on feelings such as stress, nervousness, need for rules and predictability (Hofstede, 2001). High UA societies are characterized by formal and informal rules; by being intolerant toward deviating ideas from what they consider “truth”, consequently, new ideas are seen as a threat rather than an opportunity; they also have a tendency towards seeking security in life therefore, achievement is defined in terms relating to security. Moreover, they are afraid of failure which is reflected in their avoidance to take risks (Hofstede, 1980). Conversely, Low UA societies are characterized by the opposite. They tend to have rules but in a less extent compared to high UA; they are relatively tolerant towards creative/novel ideas; they are willing to take risks; and achievement is defined and recognized in terms of pioneering effort (Hofstede, 1980). Analyzing both, the toolkit and the characteristics of high UA societies, it could be argued that high UA managers will tend to use an economic rather than a social-ideological toolkit. From an economic point of view, both, low and high UA managers will aim and attempt to maximize their profits by engaging in actions to gain their rival’s market share. However, their approach to do so will differ. Due to the intolerance of high UA societies, it is expected that high UA managers will attempt to maximize their profit by established

models that have proofed reliability (e.g. promotions instead of totally new products) and follow the rules on the market. Furthermore, reflecting their need for security, the actions engaged will tend to have short term orientation in order to avoid economic uncertainty and the risk of failure. In contrast, the tolerance of UA managers towards novel ideas will lead to innovative actions and/or innovative products that might redefine the market rules and the existent technological boundaries. Moreover, given their tendency to take risks, the action involved can be either short-term or long-term oriented reflecting the relational view time horizon.

Proposition 4: *Manager from countries with high UA are more likely to engaged an economic toolkit than do managers from countries with low UA*

5.5 Long term orientation – Short term orientation

The value of thrift in LTO societies leads to higher savings, reflected for instance in the Five Dragon countries' high saving rates (Hong Kong, Japan, Singapore, South Korea, and Taiwan (Hofstede, 2001). In the competitive context, savings can also represent the opportunity to invest on future assets (e.g. new machinery) and projects (e.g. the development of new technologies) that other economic ill firms might not able to do. Therefore, it is expected that managers from LTO societies will be able to engage both, short and long term actions risking neither their current economic health, nor the firm's future prospects reflected in the concept of "competitive sustainability" described by Chen and Miller (2015). Furthermore, the characteristic perseverance of LTO societies implies that managers from LTO counties will be likely to be persistent in pursuing their goals whatever they are (e.g. reputation, earnings) (Hofstede, 2001) and they will do so, if they perceive a long term benefit for their firms. This argument is in line with Salter, Sharp, and Chen (2013) study of commitment's escalation moderated by NC. Using a sample of 1208 managers and MBA students over several years in Canada, China, Hong Kong, India, Malaysia, Mexico, Pakistan, Singapore and United States; they found that managers from LTO cultures were like to escalate projects based on their potential payoffs in the long run: Finally, Given that LTO societies are motivated by future rewards (Hofstede, 2001), It could be argue that managers from LTO countries having the capital to invest and the tenacity to pursue their goals, will also be willing to engage short and long term actions in order to sustain their competitive advantage from their competitors.

Conversely, according to Hofstede (2001), STO societies are characterized by their concerned with one's "face" defined as "the respect, pride, and dignity of an individual as a consequence of his/her social achievement and the practice of it"(Leung & Yee-kwong Chan, 2003, p. 1575), as opposed to the Confucian teaching of harmony by maintaining everybody's face (Hofstede & Bond, 1988). This STO characteristic might be reflected on a firm's reputation and its identity domain. According to Livengood and Reger (2010) a firm's competitive domain "represents the competitive arena that best represents the organizational identity...thus, carries certain psychological and cognitive importance, becoming the turf most salient to the firm's top managers" (p. 52). Consequently, managerial perception of threat (real or not) will lead to more, faster and varied actions in order to defend what they consider their turf (Livengood & Reger, 2010). STO societies also tend to spend in

order to keep up social pressure (Hofstede, 2001). Social pressure in the competition context is related to Schumpeter's creative destruction and reflected on the continuous investments of firms in order to gain competitive advantage; consequently, leading to fewer savings. Finally, STO cultures have a tendency for quick results (Hofstede, 2001), therefore it is expected that managers from STO countries with a strong sense of "face" (competitive domain), and with less capital available will be more likely to engage short term actions that deliver quick earnings.

Proposition 5: *Managers from countries with high LTO are more likely to prefer a competitive sustainable engagement than do managers from countries with high STO.*

To finalize this section, a summary of the developed propositions will be provided on Table 2. Next, the discussion and conclusions of this study will be addressed together with its managerial implications, and its limitations and future research.

Table 2: The relation between NC and competitive dynamics dimensions.

NC dimensions	Competitive option		Dimensions of competitive dynamics
	Rivalry view	Relational view	
IND*	+	-	Aim
MAS*	+	-	Mode
PD	+	-	Actor(s)
UA	+	-	Toolkit
LTO*	-	+	Time horizon

PD= power distance → (+) = high PD, (-) = Low PD
 UA= uncertainty avoidance → (+) = high UA, (-) = Low PD

(*) Represent two-sided dimensions in a continuum

IND = individualism as opposed to COL = Collectivism
 → (+) = high IND, (-) = high COL

MAS = masculinity as opposed to FEM= Femininity
 → (+) = high MAS, (-) = high FEM

LTO= long-term as opposed to STO = Short-term orientation
 → (+) = high LTO, (-) = high STO

6. DISCUSSION & CONCLUSION

All in all, this study aimed to theorize the influence of NC on competitive actions giving an answer to the research question: "How do competitive actions differ for firms with different national cultures?" To achieve this goal, this study related the characteristics of both frameworks' dimensions. On the one hand, Hofstede's five NC dimensions (1980, 2001), and on the other hand Chen and Miller's five competitive dynamics dimension (2015). The result of this analysis led to five different propositions, each reflecting the relationship between one NC dimension and one competitive dynamic dimension. At an individual level, the relations found in this study suggest that the IND dimension explained a firm's tendency towards certain aim of engagement where High IND managers will aim to appropriate rival's value, whereas COL (low IND) managers will aim to benefit a broader range of stakeholder. Similarly, the

MAS dimension explained a firm's tendency towards certain mode of engagement where High MAS managers will tend to attack and retaliate, whereas FEM (low MAS) managers will tend to cooperate and compete at the same time. Moreover, PD explained a firm's tendency towards the actors involved in their interactions. High PD managers will tend to focus mainly on (direct-indirect) competitors whereas low PD managers will tend to involve a broader range of stakeholders in their interactions. Furthermore, UA explained a firm's tendency towards certain action's toolkit where High UA managers will tend to prefer the economic toolkit option whereas low UA will tend to prefer the social-ideological option. Finally, it was found that the LTO dimension was useful to explain a firm's tendency towards a certain time horizon in their engagements where High LTO manager will tend to prefers short term interactions (about one – two years), whereas STO (low LTO) managers will tend to prefer a more sustainable interaction. All the mentioned findings integrated formed Table 2.

At an aggregate level, giving an answer to this study's research question, it was found that managers from countries with high IND, high MAS, high PD, high UA and low LTO (STO) will tend to engage in a *rivalry dynamic* and consequently the use of an economic oriented action; whereas, managers from countries with low IND (COL), low MAS (FEM), low PD, low UA and high LTO will tend to engage in a *relational dynamic* where the use social-ideological actions is expected. Moreover, managers from countries with "medium" scores (as previously discussed at the beginning of section 5) will tend to engage in a *competitive-cooperative dynamic* which leads to an emphasis on political actions. Furthermore, according to Hofstede (1991), the dimensions of his framework can be used to make predictions about the way a society operates. Based on this assumption, it could be argued that managers could predict the competitive behavior of their rivals and that Table 2 resulted from the propositions developed on this study, could also serve as a tool to predict their rival's tendency towards certain action's toolkit helping them to better plan (re)actions. Finally, with regard to validity of this study, the face validity of this study seems logical enough to assume the correctness of the model (Table 2) and its predictions with regard to the dynamic and action toolkit.

6.1 Managerial implications

The concept of national culture is relevant for the strategic supply management field because it could support strategic planning by predicting the behavior of rivals. Managers engaging or attempting to compete abroad should take into account not only industry related factors (e.g. the number of competitor in the market) when planning moves, but they should also take a deep look into their rival's culture to understand their behavior and be able to go one step further. This study, has proposed five propositions and a potential tool (Table 2) which might help managers to identify their rivals tendency towards certain competitive actions. To do so, we only need to fill in the rival's scores for each NC dimensions in Table 2. Managers could freely access other firm's cultural scores on the Hofstede Centre's website <http://geert-hofstede.com/> which currently contains the information of 102 countries ("Country comparison," n.d.)

With regard to the scores interpretation, according Hofstede (1980), the scale of the dimensions like PD and UA runs from 0-100 with 50 as a middle point. Furthermore he suggests the rule of thumb that, scores under 50 are considered low, whereas

scores about 50 are considered high. The remained dimensions are viewed on a high-low continuum. For instance scores above 50 will be considered as MAS, IND, and LTO, whereas scores below 50 will reflect the opposite dimension FEM, COL and STO. Finally, it is important to mention that, for instance, a score of 40 in femininity would represent a less feminine culture than one with a score of 15, thus the closer to 0 the higher the level of femininity. Nevertheless, for the purpose of the study, taking into account the three views of competitive dynamics, I would suggest the following ranges: single dimensions from 0-39= low, from 40-59= medium and from 60-100= high. In addition, for the two-sided dimensions (for instance, IND-COL) from 0-39= COL (and the closer to 0 the higher the level of collectivism), from 40-59= medium (less collectivistic, less individualistic) and from 60-100= high individualistic. Finally, it is important to remind managers that this study only took into consideration the influence of NC on the preferences of firm's competitive actions and that the inclusion of other relevant factors (e.g. industry factor) might deviate the a rival's real (re)action therefore, the predictions of Table 2 should be use with caution. Nevertheless, although the predictions might not be 100% accurate, it does help managers to visualize the possible scenarios of actions helping them to better plan their future moves.

6.2 Limitations and future research

There are several limitations that might affect the conclusion of this study which also represent an opportunity for further research. With regard to culture, Although Hofstede's Framework is considered one of the most influential and replicated tool with regard to culture (Golonka & Rzacca, 2013; Pagell et al., 2005; Søndergaard, 1994), one of the main critiques is that Hofstede's the scores are not updated (Frijns, Gilbert, Lehnert, & Tourani-Rad, 2013; Pagell et al., 2005). Hofstede (2005) argued that cultures are stable over time and changes in the scores, although possible, might take many generations however, Jenner et al. (2008) provided empirical evidence against Hofstede's claim. He found no significant difference on the UA dimension between US, Mexico and Canada as predicted by Hofstede's previous scores leading to distrust the predictions based on Hofstede's framework. This represents an opportunity for scholar to further test the NC dimensions in order to actualize the scores and improve the accuracy of Table 2. Moreover, scholars could also add the influence of the sixth dimension of NC "indulgence/restrain" to this study's current model which could improve or weaken the resulted propositions of this study.

With regard to competitive dynamics, Chen and Miller's (2015) multidimensional framework is relatively new so it might not have received critiques yet, however, that doesn't mean that their model is completely valid. There is still a possibility for scholars to discover other relevant dimension(s) that might structure competitive dynamics. Furthermore, scholars could also investigate and define the structure of other possible configurations within the competitive-cooperative dynamic which might help the accuracy of the predictions of Table 2. Furthermore, although the five developed propositions of this study and the resulted Table 2 seem logically correct, they still call for empirical validation. In addition, the ranges of the scores proposed for prediction were arbitrary chosen and therefore, they will also need validation to ensure accuracy.

It is important to acknowledge that culture has different layers, and even though we share some values at a national level (the collective level), there are some unique values developed by

individual experiences (the individual level) (Hofstede, 1980), therefore, predictions will reflect a tendency rather than a fact. Finally, as mentioned in section 6.1 (managerial implications), the predictions of Table 2 should be use with caution when considering other relevant factors

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8. Appendixes

Appendix Table 1: Scopus search process

Search Term	Step 1: Initial search limited to "title, abstract and keywords" (search term) published in the field of " Sciences & Humanities", type of document "article", period from "2000 until the present"	Step 2: Search within the initial hits limit to the area of "Business, management and accounting"	Step 3: Limit to articles in journals available in English	Step 4: Limit to keywords	Query	Step 5. Select articles on title, abstract (and global overview in case of doubt) based on inclusion criteria and exclusion criteria. Detailed overview Appendix 1B
National culture	12491	2229	2135	<ul style="list-style-type: none"> • Hofstede • Cross-cultural management • cultural dimensions 106	TITLE-ABS-KEY (national culture) AND DOCTYPE (ar) AND SUBJAREA (mult OR arts OR busi OR deci OR econ OR psyc OR soci) AND PUBYEAR > 1999 AND (LIMIT-TO (SUBJAREA , "BUSI")) AND (LIMIT-TO (LANGUAGE , "English")) AND (LIMIT-TO (SRCTYPE , "j")) AND (LIMIT-TO (EXACTKEYWORD , "Hofstede") OR LIMIT-TO (EXACTKEYWORD , "Cross-cultural management") OR LIMIT-TO (EXACTKEYWORD , "Cultural dimensions"))	19
Competitive actions	1750	783	703	<ul style="list-style-type: none"> • Competition • Competitive Dynamics 105	TITLE-ABS-KEY (national culture) AND DOCTYPE (ar) AND SUBJAREA (mult OR arts OR busi OR deci OR econ OR psyc OR soci) AND PUBYEAR > 1999 AND (LIMIT-TO (SUBJAREA , "BUSI")) AND (LIMIT-TO (LANGUAGE , "English")) AND (LIMIT-TO (SRCTYPE , "j")) AND (LIMIT-TO (EXACTKEYWORD , "Hofstede") OR LIMIT-TO (EXACTKEYWORD , "Cross-cultural management") OR LIMIT-TO (EXACTKEYWORD , "Cultural dimensions"))	5

National culture AND competitive actions	14	6	4	<ul style="list-style-type: none"> • Cultural influence • National culture • Strategic management 3	(TITLE-ABS-KEY (national culture) AND TITLE-ABS-KEY (competitive actions)) AND DOCTYPE (ar) AND SUBJAREA (mult OR arts OR busi OR deci OR econ OR psyc OR soci) AND PUBYEAR > 1999 AND (LIMIT-TO (SUBJAREA , "BUSI")) AND (LIMIT-TO (LANGUAGE , "English")) AND (LIMIT-TO (SRCTYPE , "j")) AND (LIMIT-TO (EXACTKEYWORD , "Cultural influence") OR LIMIT-TO (EXACTKEYWORD , "National Culture") OR LIMIT-TO (EXACTKEYWORD , "Strategic management"))	0
National culture AND competitive behaviour	27	11	10	<ul style="list-style-type: none"> • National cultures • Cross-cultural studies 3	(TITLE-ABS-KEY (national culture) AND TITLE-ABS-KEY (competitive behaviour)) AND DOCTYPE (ar) AND SUBJAREA (mult OR arts OR busi OR deci OR econ OR psyc OR soci) AND PUBYEAR > 1999 AND (LIMIT-TO (SUBJAREA , "BUSI")) AND (LIMIT-TO (LANGUAGE , "English")) AND (LIMIT-TO (SRCTYPE , "j")) AND (LIMIT-TO (EXACTKEYWORD , "National cultures") OR LIMIT-TO (EXACTKEYWORD , "Cross-cultural studies"))	0
National culture influence AND competition	40	11	10	<ul style="list-style-type: none"> • National culture • Competition 6	(TITLE-ABS-KEY (national culture influence) AND TITLE-ABS-KEY (competition)) AND DOCTYPE (ar) AND SUBJAREA (mult OR arts OR busi OR deci OR econ OR psyc OR soci) AND PUBYEAR > 1999 AND (LIMIT-TO (SUBJAREA , "BUSI")) AND (LIMIT-TO (LANGUAGE , "English")) AND (LIMIT-TO (SRCTYPE , "j")) AND (LIMIT-TO (EXACTKEYWORD , "National culture") OR LIMIT-TO (EXACTKEYWORD , "Competition"))	1

Appendix Table 2: Overview of articles selected from Scopus

Search Term	Title	Author(s)	year	Journal	Cited by
National culture (7)	When culture matters: Exploring the open innovation paradigm	Dabrowska, J., Savitskaya, I.	2014	International Journal of Business Innovation and Research 8 (1), pp. 94-118	0
	The direct and indirect impact of culture on innovation	Efrat, K.	2014	Technovation 34 (1), pp. 12-20	2
	The moderating effects of national culture on escalation of commitment	Salter, S.B., Sharp, D.J., Chen, Y.	2013	Advances in Accounting 29 (1), pp. 161-169	0
	Does a connection exist among national culture, alliance strategy, and leading ICT firms' performance?	Golonka, M., Rzacca, R.	2013	Journal of Business Economics and Management 14 (SUPPL1), pp. S395-S412	1
	Examining media effectiveness across cultures and national borders: A review and multilevel framework	Leonard, K.M., Van Scotter, J.R., Pakdil, F., Surkiene, G., Tsai, F.-S.	2011	International Journal of Cross Cultural Management 11 (1), pp. 83-103	0
	The effects of national culture values on consumer acceptance of e-commerce: Online shoppers in China	Yoon, C.	2009	Information and Management 46 (5), pp. 294-301	60
	Cultural change and marketing	Jenner, S., MacNab, B., Briley, D., Brislin, R., Worthley, R.	2008	Journal of Global Marketing 21 (2), pp. 161-172	5
Competitive actions (1)	Reconceptualizing competitive dynamics: A multidimensional framework	Authors of DocumentChen, M.-J., Miller, D.	2015	Source of the DocumentStrategic Management Journal 36 (5), pp. 758-775	1
National culture AND competitive behaviour (1)	Cultural Accommodation and Language Priming Competitive versus Cooperative Behavior in a Prisoner's Dilemma Game	Akkermans, Harzing & Van Witteloostuijn	2010	Management International Review 50 (5), pp. 559-583	10

Appendix Table 3: Definitions of competitive action

Author(s)	Competitive action
Smith, Grimm, Gannon & Chen (1991)	“specific and detectable competitive move... initiated by a firm to defend or improve its competitive position” p.61
Miller & Chen (1994)	"market-oriented changes a company makes in trying to attract customers and outmaneuver competitors" P.2
Baum and Korn (1996)	“ clear, offensive challenges that invite competitor responses on the one hand, and obvious signals of retreat or acquiescence on the other”p.257
Ferrier, Smith & Grimm (1999)	"any newly developed market-based move that challenges the status quo of the market process"p.373
Ferrier (2001)	"externally directed, specific, and observable competitive moves initiated by a firm to enhance its competitive position" p.859
Derfus, Maggitti, Grimm & Smith(2008)	"externally directed, specific, and observable competitive moves initiated by a firm to enhance its competitive position"p.62
Stambaugh & Dubinsky (2011).	"Competitive actions are the means firms use to shift market share and affect relative profit margins" p. 53

Appendix Table 4: Types of competitive actions

<p>Miller & Chen (1994)</p>	<ul style="list-style-type: none"> • Price cut • Price increase • New promotion • Promotion with non-airlines • Service improvement • New service • Commission rate change for agents • Daily departures increase • Daily departures decrease • Route exit • Route entry • Entry price cut • Special fare advertisement • Ticket purchase requirement • Frequent flyer program • Fare structure • Acquisition of new plane • Hub creation • Feeder alliance • Cooperation with another airline • Intra-industry merger and acquisition
<p>Baum and Korn (1996)</p>	<ul style="list-style-type: none"> • Tactical moves, e.g. price cuts, promotions, and service improvements • Strategic moves e.g. facilities expansions, strategic alliances, new product or service introductions
<p>Ferrier (2001)</p>	<ul style="list-style-type: none"> • six categories: • Pricing actions • Marketing actions • New product actions • Capacity actions • Service actions • signaling actions
<p>Bridoux, Smith & Grimm (2013)</p>	<p>4 types of Resource-related actions:</p> <ul style="list-style-type: none"> • Structuring • Bundling • Leveraging in product markets • Leveraging in institutional environments.

Appendix Table 5: Models of culture

Author(s)	Culture dimensions
Kluckhohn and Strodtbeck (1961)	<ul style="list-style-type: none"> • Relation with nature • Relation with people • Human activities • Relation with time • Human nature
Hall (1990)	<ul style="list-style-type: none"> • Space • Time • Context
Schwartz (1994)	<ul style="list-style-type: none"> • Conservatism – Autonomy • Hierarchy – egalitarianism • Mastery - harmony
Trompenaars (1998)	<ul style="list-style-type: none"> • Universalism- particularism • Individualism – collectivism • Specific –diffuse • Neutral affective • Achievement- ascription • Time perspective • Relation with the environment
Hofstede (1980,1988,2011)	<ul style="list-style-type: none"> • Power distance • Uncertainty avoidance • Individualism – collectivism • Masculinity –femininity • Long-term - short term orientations • Indulgence -restraint