GLOBAL BUSINESS & FINANCE REVIEW, Volume. 27 Issue. 3 (JUNE 2022), 75-97
pISSN 1088-6931 / eISSN 2384-1648 | Https://doi.org/10.17549/gbfr.2022.27.3.75

GLOBAL BUSINESS & FINANCE REVIEW

www.gbfrjournal.org

Is there a Clash of Civilizations? Cultures and Institutions across Civilizations

Masud Chand†

Professor of International Business Department of Management W. Frank Barton School of Business Wichita State University

A B S T R A C T

Purpose: We analyze how countries are similar and different in terms of cultures and institutions and the extent to which they can be grouped into civilizations. This is based on Huntington's (1993,1996) framework that states there are major cultural and institutional differences between civilizations.
Design/methodology/approach: Cultural and institutional data were collected on all available countries. For culture, Hofstede index was used. For institutions, scores were used for the Index of Democracy, the Index of Economic Freedom, Freedom in the World Index, the Global Gender Gap Index, the Press Freedom Index, and the Corruption Perceptions Index. The countries were grouped along the lines of Huntington's civilizations and their scores analyzed.
Findings: The results reveal that differences across civilizations are significant and extend across cultures and institutions. Across the nine civilizations, there were significant differences in five of the six cultural dimensions as well as in all the institutions.
Research limitations/implications: Cultural differences across civilizations could point to pervasive differences on issues such as values, motivation, and management norms. Institutional differences across civilizations could represent differences in values that societies attach to different aspects of their institutional environment. Future studies using longitudinal data could help build on our findings.
Originality/value: The use of both cultural and institutional measures to cluster countries into civilizations is a major contribution of this study. The clash of civilizations framework is analyzed relative to other studies on country clusters contributing to the discussion on supranational cultural clusters. The study would be valuable to cross-cultural researchers, international business academics and practitioners.

Keywords: Civilization, Cultures, Institutions, Indices

I. Introduction

Can countries be logically divided into 'civilizations' based on their cultures and institutions? Huntington (1993, p.24) identified civilizations as the "highest cultural grouping of people and the broadest level of cultural identity that people have short of that which distinguishes them from other species". The civilization to which a person belongs tends to be the broadest level of identification with which she/he strongly identifies. Huntington (1993, 1996) identified several major civilizations: Western, Sinic (or Confucian), Buddhist, Islamic, Japanese, Hindu, Orthodox, Latin American, and possibly an African civilization. Some civilizations include multiple countries, such as the Western and the Islamic, while some include just

Received: Nov. 16, 2021; Revised: May. 19, 2022; Accepted: May. 23, 2022

† Masud Chand
E-mail: masud.chand@wichita.edu

one, such as the Japanese. He predicted that going forward, the most important conflicts would occur along the boundaries separating civilizations (Details of these civilizations are in Appendix A).

There have been numerous studies by cross-cultural scholars that have analyzed cultural differences across countries (Hofstede 1980, 2001; Kluckhohn & Strodtbeck, 1961; Schwartz, 1994; Smith, Peterson, & Schwartz, 2002; Trompenaars, 1993), as well as multiple studies that have built on this work to group countries into cultural clusters (House, Javidan, Hanges, & Dorfman, 2002; Inglehart & Baker, 2000; Javidan, Dorfman, de Luque, & House, 2006; Schwartz & Ros, 1995; Schwartz, 1999). From a different angle, institutional scholars have looked at how institutions vary across countries and affect different behaviors (Henisz, 2002; Kostova, 1997; Nelson, 1993; North, 1990; Scott, 1995). However, to our knowledge, there have not been any previous studies that have combined both these approaches to compare different groups of countries. Our study combines cultural and institutional approaches to compare civilizations and uses these to explain their differences, as well as their theoretical and practical implications. This could help us understand the differences across civilizations, why these differences exist, the extent to which these are culturally or institutionally derived, and how these differences could translate into organizational norms and behaviors.

Huntington's 'clash of civilizations' hypothesis[1] is increasingly relevant in the current global economic and political climate with the rise of protectionist rhetoric and populist sentiments across the world. The clash of civilizations framework has been used by Haynes (2019) to explain the rise of right-wing populist movements in the US and Europe. Kiron Skinner, then director of policy planning at the US State Department, speaking about the US-China trade dispute remarked "This is a fight with a really different civilization and a different ideology, and the United States hasn't had that before" (Taylor, 2019). In this paper, we examine cultures and institutions across the civilizations that Huntington (1993, 1996) had identified. We analyze differences across civilizations and evaluate the degree to which they differ from each other. This is done using data collected on all available countries, grouping them into civilizations, analyzing their scores, and carrying out multivariate tests and analysis of variance (ANOVAs) while controlling for per capita income. We follow this up by drawing implications in terms of international business and cross-cultural management. We also analyze the clash of civilizations framework relative to other cross-cultural studies that group countries into clusters and add to the discussion on supranational cultural clusters.

II. Cultures and Institutions

A. Culture

Culture is a widely understood concept with multiple definitions - for example, Kroeber and Kluckhohn (1952) compiled 164 distinct definitions for culture. Hofstede (1980, p.25) defined culture as "the collective programming of the mind which distinguishes the members of one human group from another ... and includes systems of values".

Hofstede's (1980) value survey is one of the most widely used measures of culture. Based on his 40-country study of employees and managers at IBM, Hofstede (1980) constructed four distinct dimensions of culture - power distance, uncertainty avoidance, individualism, and masculinity- as a framework to identify and explain differences in cultural patterns across countries. A fifth dimension, long term Orientation, was later added with Michael Bond (Hofstede, 2001). Based on the results of the World Values Survey (WVS), a sixth dimension, indulgence, was added in 2010 (Hofstede et al., 2010)[2]. These dimensions affect numerous business behaviors. For example,

1) The potential for conflict is high between civilizations because of their significant differences (Huntington, 1993, 1996)

2) For further explanation of these dimensions, please see https://geerthofstede.com/culture-geert-hofstede-gert-jan-hofstede/6d-model-of-national-culture/

high power distance is associated with centralized authority in organizations with power concentrated among senior managers and tall organizational hierarchies. High levels of individualism are associated with market-based employer-employee relationships, belief in individual decision making, and less importance to familial ties in hiring and promotions. High levels of uncertainty avoidance are typically associated with more loyalty to company and higher resistance to innovation. Higher masculinity levels are often associated with preference for higher pay in relation to more work life balance, fewer women in top management, and more differences across levels in companies. Long term orientation is associated with greater workplace perseverance. (Hofstede, 2001). High indulgence levels are associated with people being more willing to express their emotions and emphasizing individual happiness (Hofstede et al., 2010; Maleki & de Jong, 2014), which in turn could affect the willingness of employees to voice opinions and provide feedback.

Hofstede's (1980, 2001) cultural framework has been used more often compared to other cultural frameworks (Kluckhohn & Strodtbeck, 1961; Schwartz, 1994; Smith, Peterson, & Schwartz, 2002; Tang & Koveos, 2008; Trompenaars, 1993). Its prominence in cross-cultural research is partly because of its 'clarity, parsimony, and resonance with managers' (Kirkman, Lowe, & Gibson, 2006, p.286). However, despite its popularity, several studies have questioned its applicability in different situations (McSweeney, 2002; Schwartz, 1994; Shenkar, 2001). There have also been calls to move beyond Hofstede's cultural measures (Tung & Verbeke, 2010) and to be aware of issues with treating countries and cultures interchangeably (Taras, Steel, & Kirkman, 2016) in the cross-cultural literature. Minkov and Hofstede (2012) using WVS data for 299 in-country regions from 28 countries, however, found little empirical support for significant cultural diversity within and similarities across nations.

There have been a number of studies that look at the idea of country cultural 'clusters'- groups of countries with similar cultural values that are part of a cultural cluster. Culture scholars usually attribute three major forces as the reasons behind grouping countries into similar clusters. These include geographic proximity (Furnham, Kirkcaldy, & Lynn, 1994), large-scale migration and ethnic ties (Portes & Zhou, 1994) and religious and linguistic similarity (Cattell, 1950). In his study of cultural values, Schwartz (1994) identified seven sets of values - Conservativism versus Intellectual and Affective Autonomy, Hierarchy versus Egalitarianism, and Mastery versus Harmony. Based on these seven types of values identified, 49 countries were then clustered into different clusters based on similarities of values (Schwartz, 1999). These pointed to possible clusters of Western European nations, English speaking nations, Eastern European nations, East Asian nations, Latin American nations, and possibly Islamic nations.

The GLOBE project, which, examines culture and leadership in 62 countries, also pointed to the existence of different country clusters. It identified nine cultural dimensions: performance orientation, assertiveness, future orientation, humane orientation, institutional collectivism, in-group collectivism, gender egalitarianism, power distance, and uncertainty avoidance (House et al., 2002). Six of these dimensions are based on Hofstede's framework. The differences are in Hofstede's individualism/collectivism dimension that was divided into institutional collectivism and in-group collectivism, and in Hofstede's masculinity/femininity dimension, that was divided into gender egalitarianism and assertiveness orientation. These cultural dimensions are scored on a "As Is" (Practices) and "Should Be" (Values) basis. "As Is" measures how things are currently done and "Should Be" measures how people think things should be done (House et al., 2002).

GLOBE found 10 culture clusters within the 62 cultures. These were identified as: Latin America, Anglo, Latin Europe, Nordic Europe, Germanic Europe, Confucian Asia, Sub-Saharan Africa, Middle East, Southern Asia, and Eastern Europe (Gupta & Hanges, 2004). Each country (and cluster) had separate scores for each dimension on the practices and values dimensions. For example, clusters with the highest performance orientation scores were Confucian Asia, Germanic Europe, and Anglo, while the clusters

scoring the lowest were Latin America and Eastern Europe (Javidan, Dorfman, de Luque, & House, 2006).

The WVS have been another basis for classifying countries into similar clusters. Inglehart (1997) and Inglehart and Baker (2000) used data from 65 countries plotting these on two dimensions using WVS data (1990-91 and 1995-98). The first dimension was Traditional Values versus Secular/Rational values while the second dimension was Survival values versus Self-Expression values. According to Inglehart and Baker (2000), traditional values highlight the centrality of religion, parent-child relationships, deference to authority, and traditional morals and family values. Secular/Rational values have the opposite preferences, placing less emphasis on religion, traditional family values, and deference to authority while being more accepting of divorce, abortion, and euthanasia. Survival values emphasize economic and physical security and are linked to low levels of trust and tolerance and a relatively ethnocentric outlook. Self-Expression values emphasize environmental protection, growing acceptance of outsiders, gender equality, and increasing demands for inclusion in economic and political decision-making. Inglehart and Baker (2000) identified several clusters: A Protestant Europe culture, an English-speaking culture, a Latin American culture, an African culture, a South Asian culture, a Catholic Europe culture, an Orthodox culture within a broader ex-Communist culture, and a Confucian culture. There were significant differences across these cultures in terms of Traditional vs Secular/Rational and Survival vs Self-Expression values. Inglehart and Norris (2009) pointed to enduring differences in self-expression values across civilizations.

The widespread use and intuitive understanding of Hofstede's dimensions make them a useful tool to understand and classify cultures in this study. Other studies (such as GLOBE) have often used dimensions derived from them (for example, Institutional and In-group Collectivism derived from Hofstede's Individualism-Collectivism dimension) in grouping countries into clusters. These scores are also the most widely available for different countries across the world. Throughout this paper, we use Hofstede's dimensions as a proxy for country and ultimately civilization cultural values.

B. Institutions

Institutions are the 'rules of the game in a society' (North, 1990, p.3). They provide order and structure in society and guide behavior (North, 1990; Scott, 1995). They also provide the necessary frameworks to reduce uncertainty and opportunistic behavior in economic transactions (Meyer, Estrin, Bhaumik, & Peng, 2009; Tan & Chintakananda, 2016). Political institutions refer to how governments create and enforce key policies that oversee a country's economic and social system (Holburn & Zelner, 2010; North, 1990). Legal institutions refer to the structure of rules that direct behavior and create order through laws, regulations, property rights, court decisions, and contracts (Henisz, 2000; North, 1990; Tan & Chintakananda, 2016). Kostova (1997) drawing on the approach of Scott (1995), proposed that countries' institutional characteristics are the basis for examining country-level effects. Cultures and institutions often interact and evolve in a two-way process with mutual feedback, with one affecting the other (Alesina & Giuliano, 2015). Building on the work of previous country-level institutional studies, we use several widely used indices that measure different country-level institutions and serve as a proxy for institutional differences in our study.

Previous studies have pointed to the importance of institutional differences in terms of democracy and civil rights in affecting economic growth and foreign direct investment (FDI) either directly (Durmaz, 2017; Scully, 1988) or indirectly (Rivera-Batiz, 2002; Tavares & Wacziarg, 2001). In a cross-country study utilizing data from 1960-2010, Assiotis and Sylwester (2014) found that increased democratization was linked to higher growth rates in sub-Saharan Africa. Inclusive democratic systems tended to be more effective in gathering and using local knowledge, and democracy is vital in building healthy institutions (Rodrik, 2000). Human development is also positively

affected by democracy- in their metanalysis of democracy and economic growth, Doucouliagos and Ulubaşoğlu (2008) found that democracy had significant positive, though indirect, effects on economic growth.

Institutional differences in terms of economic freedom across countries lead to significant differences in economic growth, human development, and FDI (Azman-Saini, Baharumshah & Law, 2010; Li & Resnick, 2003). Using World Bank data between 1996 and 2011, Medina-Moral and Montes-Gan (2018) identified economic freedom as vital for success at all development levels. In their study of the impact of economic freedom and culture on economic growth, Williamson and Mathers (2011) demonstrated the importance of both, with economic freedom found to be more important. While economic freedom positively affects human development at all levels, its effects were especially apparent at lower levels of human development (Naanwaab, 2018).

Differences across countries in terms of corruption impact issues such as economic growth and FDI (Busse & Hefeker, 2007; Durmaz, 2017; Lee & Mansfield, 1996). Corruption has been associated with lower levels of human development (Akcay, 2006). Institutional differences in terms of corruption have a negative effect on economic growth (Hodge, Shankar, Rao, & Duhs, 2011). Gelbrich, Stedham, and Gäthke (2016) using GLOBE scores found that in-group collectivism incongruity (the difference between values and practices) is negatively related to pervasive corruption. Increasing levels of globalization have been shown to lead to reduction in corruption (Mishra, 2018).

Differences across countries in terms of women's rights affects economic development (Doepke & Tertilt, 2009, Duflo, 2012). Women's lack of access to education negatively affects economic growth by reducing average human capital (Klasen, 2002). Rising wage gaps resulting from discrimination against women lead to decreases in per capita income (Cavalcanti & Tavares, 2016). Utilizing cross-country longitudinal data between 1960 and 2000, Klasen and Lamanna (2009) found that gender gaps in education and the workplace reduce economic growth by between 0.9 and 1.7%.

Press freedom has an important positive effect on economic growth and welfare (Alam & Shah, 2013; Masrorkhah & Lehnert, 2017; Roll & Talbott, 2003). Higher levels of press freedom help reduce corruption and are linked to higher GDP (Ambrey, Fleming, Manning, & Smith, 2016). By helping provide reliable and accurate information, press freedom helps reduce the risk of investing in a country and promotes FDI (Alam & Shah, 2013).

This would mean that when examining institutional differences, indicators such as democracy, civil liberties, economic freedom, gender inequality, corruption, and press freedom can point to how major institutions differ across countries. Based on this review, we decided to examine differences in these when analyzing the similarities and differences across civilizations.

This leads to two research questions:

Research Question 1: How do civilizations differ across cultural dimensions?

Research Question 2: How do civilizations differ across the following institutions: democracy, civil liberties, economic freedom, gender inequality, corruption, and press freedom?

III. Methodology

Sampling: We collected cultural and institutional data on all available countries in the world. There were sufficient data to compare 100 countries for culture across Hofstede's four original dimensions, 85 for the long-term orientation dimension, and 80 for the indulgence dimension. For institutions, we used scores for the Index of Democracy, compiled by the Economist Intelligence Unit, the Index of Economic Freedom, compiled by the Heritage Foundation, the Gender Gap Index, compiled by the World Economic Forum (WEF), the Press Freedom Index, compiled by Reporters Without Borders, the Corruption Perceptions Index, compiled by Transparency

International, and the Freedom in the World Index compiled by Freedom House. There were data for 167 countries for the Democracy Index, 180 for the Economic Freedom Index, 195 for the Freedom in the World Index, 144 for the Gender Gap Index, 180 for the Press Freedom Index, and 180 for the Corruption Perceptions Index.

Measures: Given prior research that showed democracy and civil rights affecting economic growth and FDI, we decided to use these as variables for this study. We used the Economist's Democracy Index to measure the state of democracy in each country. The index is based on five categories: electoral process and pluralism, civil liberties, government functioning, political participation, and political culture. It rates countries on a scale of 1-10, with 10 being the highest level of democracy (Economist Intelligence Unit, 2018).

Civil liberties and personal freedoms were measured by the Freedom in the World Index developed by Freedom House. It measures freedom around seven sub-categories - electoral process, political pluralism, functioning of government, freedom of expression, organizational rights, rule of law, and personal autonomy and individual rights. Countries are ranked on scores of 0-100, with 100 being the freest (Freedom House, 2019).

Differences in economic freedom across countries can lead to significant differences in economic growth, human development, and FDI. We used the Index of Economic Freedom to measure the level of economic freedom in each country. The index defined economic freedom as "the fundamental right of every human to control his or her own labor and property" (Heritage Foundation, n.d.). A score of 100 signifies an economic environment that is most conducive to economic freedom.

Gender gaps in education and employment affect economic growth. To measure gender gaps, we use the gender gap index. The gender gap index developed by the WEF is a framework used to calculate gender-based disparities and their progress over time in a country. It is calculated based on the gap between men and women in four areas: health, education, economy, and politics. The index rates countries on a score of 0-1, with 0 having the highest gap and 1 meaning no gap (World Economic Forum, 2018).

Press freedom has a positive effect on economic, growth, FDI, and social welfare. Freedom of the press was measured by the Press Freedom Index compiled by Reporters Without Borders based upon its evaluation of the countries' press freedom in the previous year. It reflects the degree of freedom that journalists, the media, and netizens enjoy and the extent to which the government respects this freedom. Scores range from 0 to 100, with 0 being the best possible score (Reporters Without Borders, 2019).

Corruption negatively affects economic growth and FDI. Corruption was measured by the Corruption Perceptions Index (CPI) developed by Transparency International. It ranks countries by their perceived levels of corruption as determined by expert opinion surveys on a scale from 100 (very clean) to 0 (highly corrupt) (Transparency International, 2018).[3)]

Hofstede's cultural dimensions were used to measure different aspects of culture.

The data were entered into SPSS. For cultural variables, we entered data for the six dimensions of individualism, power distance, masculinity, uncertainty avoidance, long-term orientation, and indulgence for all the countries. The countries were arranged by Huntington's (1996) grouping of civilizations and the cultural dimensions averaged. We excluded countries that Huntington classified as part of 'cleft' civilizations (explained in detail in Appendix A). We next checked for differences across civilizations by using a multivariate model and carrying out ANOVAs for each of these dimensions across the nine civilizations. We then used estimated marginal means range tests to obtain pairwise comparisons across civilizations. These results are available in Table 1.

3) For further details on these indices, please see the following:
Democracy Index – https://www.eiu.com/topic/democracy-index
Freedom in the World Index: https://freedomhouse.org/report/countries-world-freedom-2019
Index of Economic Freedom: http://www.heritage.org/index/about
Gender Gap Index: http://www3.weforum.org/docs/WEF_GGGR_2018.pdf
Press Freedom Index: https://rsf.org/en/ranking
Corruption Perceptions Index: https://www.transparency.org/cpi2018

For institutional variables, we entered data for the six indices previously mentioned for all countries. The countries were arranged by civilization after excluding countries that were part of cleft civilizations. Economic development can generate some convergence in global values and behaviors from developed societies to developing ones (Dunlop, Harbison, Kerr, & Myers, 1975). Thus, it is important to check for economic development levels as a control when comparing institutional differences across countries. We used Gross Domestic Product (GDP), adjusted for purchasing power parity (PPP), as a control to ensure that institutional differences across countries were not being driven by differences in wealth. This data was obtained from the World Bank's 2018 figures (World Bank, 2018). We next checked for significance by carrying out ANCOVAs (analysis of covariance) for each dimension. We then used estimated marginal means range tests to obtain pairwise comparisons across civilizations. These results are available in Table 2.

IV. Results

For Research Question 1, the results for cultural variables revealed that on five of the six dimensions, power distance, individualism, uncertainty avoidance, long term orientation, and indulgence, there were significant differences across civilizations. These were all significant at the ($p < 0.01$) level. On one dimension, masculinity, however, these differences were not significant at the ($p < 0.01$) level. The results are summarized in Table 1.

There were significant differences across civilizations on the dimension of power distance. The Western civilization has the lowest average power distance score at 44. This was significantly lower than all civilizations except the Buddhist and the Japanese.

There were significant differences across civilizations on the dimension of individualism. The Western civilization has the highest average individualism score at 65. This was significantly higher compared

Table 1. Cultural Differences across Civilizations (Standard Deviation in Brackets)

Civilization	Power Distance	Individualism	Masculinity	Uncertainty Avoidance	Long Term Orientation*	Indulgence
African (N=9)	71 (12)	28 (16)	37 (14)	50 (8)	20 (13)	71 (16)
Hindu (N=2)	71 (8)	39 (13)	48 (11)	40 (0)	51 -	26 -
Buddhist (N=3)	79 (15)	36 (16)	25 (13)	46 (18)	39 (9)	45 -
Islamic (N=19)	79 (13)	27 (9)	52 (10)	68 (14)	33 (17)	29 (18)
Japanese (N=1)	54 -	46 -	95 -	92 -	88 -	42
Latin (N=15)	70 (16)	22 (12)	49 (16)	80 (16)	23 (9)	71 (20)
Orthodox (N=5)	80 (14)	32 (5)	44 (8)	92 (6)	60 (15)	27 (14)
Sinic (N=6)	70 (7)	21 (3)	50 (12)	36 (29)	75 (18)	30 (11)
Western (32)	44 (19)	65 (16)	46 (26)	65 (20)	52 (19)	50 (20)
Total	65 (21)	39 (22)	47 (19)	65 (21)	43 (23)	47 (23)

Note: For Long Term Orientation and Indulgence, several countries that had scores on other dimensions did not have scores. 85 countries had scores on long term orientation and 80 on indulgence, compared to 100 on the other dimensions.

Table 1. Continued

Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Power Distance - Hofstede Dimension	14795.385[a]	8	1849.423	7.478	<.001
	Individualism - Hofstede Dimension	26760.782[b]	8	3345.098	17.488	<.001
	Masculinity - Hofstede Dimension	4144.720[c]	8	518.090	1.332	.244
	Uncertainty Avoidance - Hofstede Dimension	12919.901[d]	8	1614.988	4.970	<.001
	Long Term Orientation - Hofstede Dimension	20775.343[e]	8	2596.918	8.810	<.001
	Indulgence - Hofstede Dimension	17681.003[f]	8	2210.125	6.654	<.001
Intercept	Power Distance - Hofstede Dimension	97396.656	1	97396.656	393.821	<.001
	Individualism - Hofstede Dimension	26023.379	1	26023.379	136.048	<.001
	Masculinity - Hofstede Dimension	57615.030	1	57615.030	148.180	<.001
	Uncertainty Avoidance - Hofstede Dimension	91562.947	1	91562.947	281.761	<.001
	Long Term Orientation - Hofstede Dimension	49835.157	1	49835.157	169.073	<.001
	Indulgence - Hofstede Dimension	40600.967	1	40600.967	122.242	<.001
Civilization	Power Distance - Hofstede Dimension	14795.385	8	1849.423	7.478	<.001
	Individualism - Hofstede Dimension	26760.782	8	3345.098	17.488	<.001
	Masculinity - Hofstede Dimension	4144.720	8	518.090	1.332	.244
	Uncertainty Avoidance - Hofstede Dimension	12919.901	8	1614.988	4.970	<.001
	Long Term Orientation - Hofstede Dimension	20775.343	8	2596.918	8.810	<.001
	Indulgence - Hofstede Dimension	17681.003	8	2210.125	6.654	<.001
Error	Power Distance - Hofstede Dimension	16075.264	65	247.312		
	Individualism - Hofstede Dimension	12433.231	65	191.280		
	Masculinity - Hofstede Dimension	25273.185	65	388.818		
	Uncertainty Avoidance - Hofstede Dimension	21122.815	65	324.966		
	Long Term Orientation - Hofstede Dimension	19159.143	65	294.756		
	Indulgence - Hofstede Dimension	21588.848	65	332.136		
Total	Power Distance - Hofstede Dimension	307446.000	74			
	Individualism - Hofstede Dimension	178699.000	74			
	Masculinity - Hofstede Dimension	200779.000	74			
	Uncertainty Avoidance - Hofstede Dimension	354673.000	74			
	Long Term Orientation - Hofstede Dimension	186562.000	74			
	Indulgence - Hofstede Dimension	204905.000	74			
Corrected Total	Power Distance - Hofstede Dimension	30870.649	73			
	Individualism - Hofstede Dimension	39194.014	73			
	Masculinity - Hofstede Dimension	29417.905	73			
	Uncertainty Avoidance - Hofstede Dimension	34042.716	73			
	Long Term Orientation - Hofstede Dimension	39934.486	73			
	Indulgence - Hofstede Dimension	39269.851	73			

a. R Squared = .479 (Adjusted R Squared = .415)
b. R Squared = .683 (Adjusted R Squared = .644)
c. R Squared = .141 (Adjusted R Squared = .035)
d. R Squared = .380 (Adjusted R Squared = .303)
e. R Squared = .520 (Adjusted R Squared = .461)
f. R Squared = .450 (Adjusted R Squared = .383)

Table 1. Continued

Estimated Marginal Means Range Tests and Pairwise Comparisons (LSD)

Power Distance

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	NA	NA	NA	NA	NA	NA	***
Buddhist	NA	-	NA	NA	NA	NA	NA	NA	NA
Hindu	NA	NA	-	NA	NA	NA	NA	NA	**
Islamic	NA	NA	NA	-	NA	NA	NA	NA	***
Japanese	NA	NA	NA	NA	-	NA	NA	NA	NA
Latin	NA	NA	NA	NA	NA	-	NA	NA	***
Orthodox	NA	NA	NA	NA	NA	NA	-	NA	***
Sinic	NA	NA	NA	NA	NA	NA	NA	-	***
Western	***	NA	**	***	NA	***	***	***	-

Individualism

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	NA	NA	NA	NA	NA	NA	***
Buddhist	NA	-	NA	NA	NA	NA	NA	NA	***
Hindu	NA	NA	-	NA	NA	NA	NA	*	NA
Islamic	NA	NA	NA	-	NA	NA	NA	NA	***
Japanese	NA	NA	NA	NA	-	NA	NA	*	NA
Latin	NA	NA	NA	NA	NA	-	NA	NA	***
Orthodox	NA	NA	NA	NA	NA	NA	-	NA	***
Sinic	NA	NA	*	NA	*	NA	NA	-	***
Western	***	***	NA	***	NA	***	***	***	-

Masculinity

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	NA	*	***	NA	NA	NA	NA
Buddhist	NA	-	NA	NA	**	NA	NA	NA	NA
Hindu	NA	NA	-	NA	NA	NA	NA	NA	NA
Islamic	*	NA	NA	-	**	NA	NA	NA	NA
Japanese	***	**	NA	**	-	**	**	**	**
Latin	NA	NA	NA	NA	**	-	NA	NA	NA
Orthodox	NA	NA	NA	NA	**	NA	-	NA	NA
Sinic	NA	NA	NA	NA	**	NA	NA	-	NA
Western	NA	NA	NA	NA	**	NA	NA	NA	-

Uncertainty Avoidance

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	NA	*	**	***	***	NA	NA
Buddhist	NA	-	NA	NA	NA	NA	NA	NA	NA
Hindu	NA	NA	-	NA	**	**	***	NA	NA
Islamic	*	NA	NA	-	NA	**	***	***	NA

Table 1. Continued

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
Japanese	**	NA	**	NA	-	NA	NA	***	NA
Latin	***	NA	**	**	NA	-	NA	***	***
Orthodox	***	NA	***	***	NA	NA	-	***	***
Sinic	NA	NA	NA	***	***	***	***	-	***
Western	NA	NA	NA	NA	NA	***	***	***	-

Long Term Orientation

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	*	*	***	NA	***	***	***
Buddhist	NA	-	NA	NA	**	NA	NA	**	NA
Hindu	*	NA	-	NA	NA	NA	NA	NA	NA
Islamic	*	NA	NA	-	***	NA	***	***	***
Japanese	***	**	NA	***	-	***	NA	NA	**
Latin	NA	NA	NA	NA	***	-	***	***	***
Orthodox	***	NA	NA	***	NA	***	-	NA	NA
Sinic	***	**	NA	***	NA	***	NA	-	***
Western	***	NA	NA	***	**	***	NA	***	-

Indulgence

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	**	***	NA	NA	***	***	**
Buddhist	NA	-	NA	NA	NA	NA	NA	NA	NA
Hindu	**	NA	-	NA	NA	**	NA	NA	NA
Islamic	***	NA	NA	-	NA	***	NA	NA	***
Japanese	NA	NA	NA	NA	-	NA	NA	NA	NA
Latin	NA	NA	**	***	NA	-	***	***	***
Orthodox	***	NA	NA	NA	NA	***	-	NA	***
Sinic	***	NA	NA	NA	NA	***	NA	-	**
Western	**	NA	NA	***	NA	***	***	**	-

*p <0.1, ** p<0.05, *** p <0.01
NA- Not significant
Pillai's trace 2.20 (p<0.001), Wilks' lambda 0.037 (p<0.001), Hotelling's trace 5.70 (p<0.001), Roy's largest root 3.04 (p<0.001)

to all other civilizations except the Hindu and the Japanese.

We did not find any significant differences across civilizations on the dimension of masculinity, except for Japan that stood out as the highest on this dimension at 95.

There are significant differences across civilizations on the dimension of uncertainty avoidance. Japan and the Orthodox civilization stand out as the highest on this dimension at 92, followed by the Latin civilization on 80. The Sinic and Hindu civilizations have low levels of uncertainty avoidance at 36 and 40 respectively.

The dimension of long-term orientation also revealed significant differences across civilizations, with the Japanese and Sinic civilizations standing out for their high long-term orientations, at 88 and 75 respectively. The African and Latin civilizations had very low ratings on this dimension, at 20 and 23 respectively.

The Latin and African civilizations scored the highest on indulgence at 71, significantly higher than the global average of 47. The Hindu and Orthodox civilizations scored the lowest at 26 and 27 respectively.

For Research Question 2, there were significant differences across civilizations for all the institutions that were measured after controlling for per capita income on a PPP basis. Differences in democracy, civil liberties, gender equality, press freedom, and corruption were all significant across civilizations at the ($p < 0.01$) level, while economic freedom was significant at the ($p<0.05$) level. These results are summarized in Table 2.

In terms of democracy, the Western civilization had the highest level at 8.3 with Japan following closely at 8.0 (out of 10). The Islamic civilization had the lowest average of 4.2. The Western civilization had a significantly higher level of democracy compared to all others except the Japanese.

The Western civilization had the highest level of

Table 2. Institutional Differences across Civilizations

Institution	Civilization	Mean	Std. Deviation	N
Democracy Index	African	5.0	1.7	19
	Buddhist	4.4	1.5	5
	Hindu	6.2	1.5	2
	Islamic	4.2	1.4	27
	Japanese	8.0	-	1
	Latin	6.3	1.3	18
	Orthodox	5.5	1.5	11
	Sinic	5.5	2.2	5
	Western	8.3	0.9	32
	Total	6.0	2.1	120
Economic Freedom	African	55.3	7.8	19
	Buddhist	60.6	5.00	5
	Hindu	54.5	1.0	2
	Islamic	60.6	7.4	27
	Japanese	72.1	.	1
	Latin	58.9	11.6	18
	Orthodox	65.3	5.8	11
	Sinic	66.2	14.8	5
	Western	72.5	6.2	32
	Total	63.3	10.0	120
Civil Liberties	African	53.1	22.6	19
	Buddhist	37	19.6	5
	Hindu	64.5	14.8	2
	Islamic	36.5	18.7	27
	Japanese	96.0	.	1
	Latin	67.1	20.5	18
	Orthodox	59.4	21.9	11
	Sinic	50.0	34.4	5
	Western	92.5	6.7	32
	Total	62.3	27.9	120

Table 2. Continued

Institution	Civilization	Mean	Std. Deviation	N
Gender Equality	African	0.70	0.05	19
	Buddhist	0.69	0.04	5
	Hindu	0.67	0	2
	Islamic	0.64	0.04	27
	Japanese	0.66	.	1
	Latin	0.72	0.03	18
	Orthodox	0.71	0.02	11
	Sinic	0.69	0.02	5
	Western	0.75	0.05	32
	Total	0.70	0.06	120
Press Freedom	African	32.2	10.0	19
	Buddhist	44.8	12.7	5
	Hindu	39.5	8.7	2
	Islamic	42.7	12.0	27
	Japanese	29.4	.	1
	Latin	32.8	9.9	18
	Orthodox	34.3	8.9	11
	Sinic	51.9	24.9	5
	Western	18.3	7.4	32
	Total	32.6	14.5	120
Corruption Perception	African	35.2	13.5	19
	Buddhist	38.2	18.1	5
	Hindu	36.0	7.1	2
	Islamic	39.0	11.1	27
	Japanese	73.0	.	1
	Latin	36.7	13.9	18
	Orthodox	40.0	8.6	11
	Sinic	50.2	21.5	5
	Western	70.0	12.9	32
	Total	47.1	19.2	120

Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	Democracy	295.601[a]	9	32.845	17.087	<.001
	Economic Freedom	6372.763[b]	9	708.085	13.482	<.001
	Civil Liberties	54369.256[c]	9	6041.028	17.423	<.001
	Gender Inequality	.200[d]	9	.022	12.936	<.001
	Press Freedom	12044.652[e]	9	1338.295	11.465	<.001
	Corruption Perceptions	30779.254[f]	9	3419.917	28.434	<.001

Table 2. Continued

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Intercept	Democracy	833.388	1	833.388	433.565	<.001
	Economic Freedom	84871.166	1	84871.166	1615.990	<.001
	Civil Liberties	96087.882	1	96087.882	277.135	<.001
	Gender Inequality	11.863	1	11.863	6894.174	<.001
	Press Freedom	33755.485	1	33755.485	289.177	<.001
	Corruption Perceptions	35537.977	1	35537.977	295.474	<.001
PPP_Per_Capita	Democracy	1.559	1	1.559	.811	.370
	Economic Freedom	1511.221	1	1511.221	28.774	<.001
	Civil Liberties	8.567	1	8.567	.025	.875
	Gender Inequality	.000	1	.000	.147	.702
	Press Freedom	25.631	1	25.631	.220	.640
	Corruption Perceptions	5641.914	1	5641.914	46.909	<.001
Civilization	Democracy	207.752	8	25.969	13.510	<.001
	Economic Freedom	981.000	8	122.625	2.335	.023
	Civil Liberties	43447.232	8	5430.904	15.664	<.001
	Gender Inequality	.177	8	.022	12.850	<.001
	Press Freedom	9901.291	8	1237.661	10.603	<.001
	Corruption Perceptions	6686.924	8	835.865	6.950	<.001
Error	Democracy	211.439	110	1.922		
	Economic Freedom	5777.159	110	52.520		
	Civil Liberties	38139.111	110	346.719		
	Gender Inequality	.189	110	.002		
	Press Freedom	12840.231	110	116.729		
	Corruption Perceptions	13230.212	110	120.275		
Total	Democracy	4787.053	120			
	Economic Freedom	493546.590	120			
	Civil Liberties	558014.000	120			
	Gender Inequality	59.512	120			
	Press Freedom	152478.683	120			
	Corruption Perceptions	309842.000	120			
Corrected Total	Democracy	507.040	119			
	Economic Freedom	12149.921	119			
	Civil Liberties	92508.367	119			
	Gender Inequality	.390	119			
	Press Freedom	24884.883	119			
	Corruption Perceptions	44009.467	119			

a. R Squared = .583 (Adjusted R Squared = .549)
b. R Squared = .525 (Adjusted R Squared = .486)
c. R Squared = .588 (Adjusted R Squared = .554)
d. R Squared = .514 (Adjusted R Squared = .474)
e. R Squared = .484 (Adjusted R Squared = .442)
f. R Squared = .699 (Adjusted R Squared = .675)

Table 2. Continued

Estimated Marginal Means Range Tests and Pairwise Comparisons (LSD)

Democracy

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	NA	**	*	***	NA	NA	***
Buddhist	NA	-	NA	NA	**	***	NA	NA	***
Hindu	NA	NA	-	**	NA	NA	NA	NA	*
Islamic	**	NA	**	-	***	***	***	*	***
Japanese	*	**	NA	***	-	NA	NA	NA	NA
Latin	***	***	NA	***	NA	-	NA	NA	***
Orthodox	NA	NA	NA	***	NA	NA	-	NA	***
Sinic	NA	NA	NA	*	NA	NA	NA	-	***
Western	***	***	*	***	NA	***	***	***	-

Economic Freedom

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	NA	NA	NA	NA	**	NA	***
Buddhist	NA	-	NA	NA	NA	NA	NA	NA	NA
Hindu	NA	NA	-	NA	NA	NA	NA	NA	*
Islamic	NA	NA	NA	-	NA	NA	**	NA	***
Japanese	NA	NA	NA	NA	-	NA	NA	NA	NA
Latin	NA	NA	NA	NA	NA	-	**	NA	***
Orthodox	**	NA	NA	**	NA	**	-	NA	NA
Sinic	NA	NA	NA	NA	NA	NA	NA	-	NA
Western	***	NA	*	***	NA	***	NA	NA	-

Civil Liberties

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	*	NA	***	**	**	NA	NA	***
Buddhist	*	-	*	NA	***	***	**	NA	***
Hindu	NA	*	-	**	NA	NA	NA	NA	**
Islamic	***	NA	**	-	***	***	***	NA	***
Japanese	**	***	NA	***	-	NA	*	**	NA
Latin	**	***	NA	***	NA	-	NA	*	***
Orthodox	NA	**	NA	***	**	NA	-	NA	***
Sinic	NA	NA	NA	NA	**	*	NA	-	***
Western	***	***	**	***	NA	***	***	***	-

Gender Inequality

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	NA	**	NA	NA	NA	NA	***
Buddhist	NA	-	NA	***	NA	NA	NA	NA	***
Hindu	NA	NA	-	NA	NA	NA	NA	NA	**
Islamic	***	***	NA	-	NA	***	***	***	***

Table 2. Continued

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
Japanese	NA	NA	NA	NA	-	NA	NA	NA	**
Latin	NA	NA	NA	***	NA	-	NA	NA	**
Orthodox	NA	NA	NA	***	NA	NA	-	NA	**
Sinic	NA	NA	NA	**	NA	NA	NA	-	***
Western	***	***	**	***	**	**	**	***	-

Press Freedom

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	**	NA	***	NA	NA	NA	***	***
Buddhist	**	-	NA	NA	NA	**	*	NA	***
Hindu	NA	NA	-	NA	NA	NA	NA	NA	**
Islamic	***	NA	NA	-	NA	***	**	*	***
Japanese	NA	NA	NA	NA	-	NA	NA	*	NA
Latin	NA	**	NA	***	NA	-	NA	***	***
Orthodox	NA	*	NA	**	NA	NA	-	***	***
Sinic	***	NA	NA	*	*	***	***	-	***
Western	***	***	**	***	NA	***	***	***	-

Corruption Perceptions

	African	Buddhist	Hindu	Islamic	Japanese	Latin	Orthodox	Sinic	Western
African	-	NA	NA	NA	**	NA	NA	NA	***
Buddhist	NA	-	NA	NA	*	NA	NA	NA	***
Hindu	NA	NA	-	NA	*	NA	NA	NA	**
Islamic	NA	NA	NA	-	**	NA	NA	NA	***
Japanese	**	*	*	**	-	**	**	*	NA
Latin	NA	NA	NA	NA	**	-	NA	NA	***
Orthodox	NA	NA	NA	NA	**	NA	-	NA	***
Sinic	NA	NA	NA	NA	*	NA	NA	-	***
Western	***	***	**	***	NA	***	***	***	-

*p <0.1, ** p<0.05, *** p <0.01
NA - Not significant
Pillai's trace 1.41 (p<0.001), Wilks' lambda 0.15 (p<0.001), Hotelling's trace 2.85 (p<0.001), Roy's largest root 1.87 (p<0.001)

economic freedom followed closely by Japan at 72.5 and 72.1 respectively (out of 100). All the other civilizations scored between 55 and 66.

In terms of civil liberties, Japan and the Western civilization had the two highest scores at 96 and 92.5 respectively (out of 100). The Islamic civilization had the lowest score of 36.5. Both the Japanese and the Western civilizations were significantly higher on civil liberties compared to other civilizations.

The gender gap was the lowest in Western and Latin countries at 0.75 and 0.72 respectively (with 1 representing equality). The Islamic civilization had the highest gap at 0.64. The Western civilization had a significantly higher level of gender equality compared to other civilizations.

The Western civilization had the highest level of press freedom with a score of 18.3 followed by Japan at 29.4 (0 being the least restrictive). The Sinic civilization was at the other end, scoring 51.9. The Western civilization had a significantly higher level

of press freedom compared to other civilizations except the Japanese.

In terms of corruption perceptions, Japan had the highest score at 73, followed by the Western civilization at 70 (with 100 being the least corrupt). The African, Buddhist, Hindu, Islamic and Latin civilizations had low scores below 40. Both the Japanese and the Western civilizations were significantly higher on press freedom compared to other civilizations.

V. Discussion

The results of the study provide supporting evidence to Huntington's (1993, 1996) framework that differences across civilizations are real and extend across cultural and institutional boundaries. In the civilizations that Huntington identified, we see significant cultural differences across the following dimensions: power distance, individualism, uncertainty avoidance, long term orientation, and indulgence. We did not see a significant difference in the masculinity dimension.

In terms of institutions, we see significant differences across civilizations on all the institutions studied: democracy, civil liberties, economic freedom, gender inequality, press freedom, and corruption. This held true after controlling for GDP per capita on a PPP basis.

When it comes to power distance, the results of this study would imply that the Western civilization is significantly different in that the unequal distribution of power is not easily accepted by the less powerful. The results partly support the findings of the GLOBE project which found that among the different clusters, only Nordic Europe had a lower than average power distance rating compared to the world average (Gupta & Hanges, 2004). In that study, the Western civilization was roughly divided into Anglo, Nordic, Germanic, and Latin European clusters. Contrary to that study, however, we find the West taken together has a lower power distance score than other civilizations. It should be pointed out that even within Western countries, there are significant differences on this dimension - we see Nordic countries with extremely low power distance scores (once again, supporting GLOBE findings on this dimension), countries like Canada and the United States are mid-ranking, and post-communist countries like Croatia and Slovakia have relatively high scores. The western civilization coupled the low power distance with the highest level of individualism observed.

Japan and the Orthodox civilization stand out as having the highest scores on uncertainty avoidance. In the case of Japan, this could be reflective of the fact that it is one of the countries most affected by natural disasters and has thus created a society which prepares itself by delivering the maximum possible predictability in uncertain situations. In the case of the Orthodox civilization, this could partly be because of the heritage of strong centralized rule. The Latin civilization also scores high on this dimension. This could partly be because of the influence of its Catholic heritage -this was also echoed by GLOBE findings about the Latin American cluster (Gupta & Hanges, 2004). The Sinic civilization stood out as having the lowest level of uncertainty avoidance. This could partly be because of a history of entrepreneurial trading and risk taking in economies like Singapore and Hong Kong.

Looking at the institutional rankings overall, we can make some preliminary conclusions across civilizations (See Table 3).

The Western and Japanese civilizations were significantly more likely to have higher scores on

Table 3. Institutional Scores - Highest and Lowest across Civilizations (PPP controlled)

	Democracy	Economic Freedom	Civil Liberties	Gender Equality	Press Freedom	Freedom from Corruption
Highest	Western	Western	Western	Western	Western	Japanese
Lowest	Islamic	Hindu	Islamic	Islamic	Sinic	African

Note: Press freedom scores were reversed for ease of comparison in this table

democracy, civil liberties, economic freedom, gender equality, press freedom and freedom from corruption compared to other civilizations. The Islamic civilization had the lowest score on democracy, civil liberties, and gender equality. The differences across civilizations could be a result of the differences in values that societies attach to different aspects of their institutional environment as well as differences in cultural values. It is possible that these cultural values go hand in hand with the institutional values that we studied, though the direction and extent of this relationship cannot be determined from this study.

The Sinic and Orthodox civilizations were close to the West in terms of gender equality, though significantly different on other indices. One possible explanation for this could be that both these civilizations had numerous countries that had long periods of communist rule, and in line with Marxist thought, this helped reduce gender inequality, while not helping with building other institutions such as a free press. An alternative explanation is that sustained efforts have been made to reduce gender inequality in these societies while other institutions have not been emphasized to the same extent. The high level of variance for Sinic countries on economic freedom could be reflective of the differences between Hong Kong and Singapore on the one hand, which are some of the world's highest ranked countries on economic freedom, and countries like China and Vietnam, which are more economically restrictive. The Latin civilization had higher than average scores on democracy and civil liberties, although still some distance behind the West.

Theoretical Implications: Our findings reveal some interesting similarities and contrasts with previous studies on cultural groupings. In contrast to GLOBE findings on power distance where only Nordic Europe was significantly lower than the global average, we find that the West taken together was lower on power distance than the global average. This could be partly because Nordic countries are included in the Western civilization in our study, and partly because of the greater number of countries in our sample compared to GLOBE, leading to greater variations across country clusters. Japan being a separate civilization rather than being a part of the Asian cluster could also be affecting these results. Our finding of substantial differences in power distance within the Western civilization lend some support to GLOBE's clustering of Nordic countries separately; these could also be an indication of separate 'sub-civilizations' within the Western civilization.

Another important implication that we build on from previous studies is the possible importance of religious heritage in analyzing country clusters. The Latin civilization's high scores on uncertainty avoidance could be partly attributed to their Catholic heritage, as Gupta and Hanges (2004) pointed out. A similar dynamic could be in play for the Orthodox civilization as well, with the history of a strong Orthodox church in many countries.

The Western civilization as Huntington defined it includes Schwartz's clusters of English speaking and Western European countries. As data becomes available for more countries, it would make sense to study the similarities and differences between these two clusters and help determine the extent to which they are separate clusters or part of a larger civilization. Further analysis of similar groupings across Schwartz, GLOBE, and Huntington's clusters could reveal insights into how similarly themed cultural groupings in each study contrast with each other. For example, comparing the Islamic civilization in Schwartz and Huntington's case, and the Middle East along with parts of Sub-Saharan Africa and South Asia in the case of GLOBE (which would be roughly equivalent to the Islamic civilization) could reveal valuable insights as to the extent to which it can be grouped into larger supranational clusters. The use of Inglehart's country groupings based on Traditional/Secular and Survival/ Self-Expression dimensions to contrast with the previously mentioned clusters could provide further insights, especially since the WVS provide longitudinal data on values and could be used to determine whether some cultures are indeed converging.

In this study, we use both cultural and institutional variables to compare different civilizations and help create a more comprehensive picture of how they

are similar and different. The use of both cultural and institutional measures to cluster countries into civilizations and the implications that this has for international business and cross-cultural studies is a major contribution of this study. We contribute to the institutional theory literature by expanding its use to the study of civilizations and in utilizing different measures of country institutions to augment the grouping of countries into cultural clusters. We compare our summarized findings to previous studies in Table 4.

Practical Implications: The results of this study point to a number of implications for businesses and organizations. Issues of motivation, rewards, compensation, and delegation would be seen differently across civilizations and what would be seen as the right approach in one could be seen differently in another based on differences in cultural values. The Western civilization has a significantly higher level of individualism compared to other civilizations. Alignment to national cultural values is especially important in highly individualistic societies (Magnusson, Peterson, and Westjohn, 2014). The idea of delegating more authority to subordinates may make more sense in settings that have a higher level of individualism. Similarly, societies higher on power distance are more likely to accept the unequal distribution of power, compared to the lower power distance seen in most Western countries. Power distance can also moderate the effect of empowerment on job satisfaction (Hui, Au, & Fock, 2004).

Japan's high rating for masculinity, compared to other civilizations, means that Japanese businesses and policy makers need to be cognizant of their distinctiveness on this dimension. In highly masculine societies, rewards alignment to national cultural

Table 4. Major findings in Comparison to Previous Studies and Contributions

	CULTURE		
	Similarities	Differences	Implications
GLOBE	- Nordic civilization was the only cluster with power distance (PD) lower than world average. - Importance of religion in analyzing country clusters.	- Western Civilization had a lower PD than the world average (However, the Nordic civilization was part of the Western civilization in this study). - No 'Islamic' cluster in GLOBE. - Sinic civilization had very low uncertainty avoidance in this study but mid-ranking in GLOBE.	- Are there sub-clusters within the Western civilization? Is the West really one civilization? - Are Middle Eastern/Northern African and South Asian countries really one civilization - i.e., is there an 'Islamic' civilization? - Japan's inclusion within Sinic cluster in GLOBE could partially explain this.
Schwartz	- Countries making up the Western civilization emphasize autonomy.	- Significant differences across Western countries in terms of PD and egalitarianism.	- Is the English-speaking world a different civilization? How important is the difference between PD and hierarchy, affective and intellectual autonomy v individualism, in evaluating cultures?
Inglehart	- Importance of religion in analyzing cultural values.	- Religiosity, rather than just religion, seems important.	- Are cultural values changing over time? Is there cultural convergence across specific cultures?
	INSTITUTIONS		
	First study to our knowledge that measures institutional differences using multiple indices after arranging countries based on Huntington's groupings.		
	First study to our knowledge that uses a combination of both cultural measures and institutional measures to cluster countries into civilizations and analyzes the implications that this has		
	Expands the use of institutional theory to the study of civilizations and in utilizing different measures of country institutions to augment the grouping of countries into similar cultural clusters.		

values is related positively to firm performance (Magnusson, Peterson, & Westjohn, 2014). The desire for performance, achievement, and material rewards might be outweighed by the desire for cooperation, harmony, and quality of life in more feminine cultures.

In terms of uncertainty avoidance, it is important to keep in mind the different attitudes that societies have toward risk. Financial performance in firms tends to be higher when management practices are aligned with the national culture (Newman & Nollen, 1996). Organizational policies and procedures dealing with issues such as motivation, rewards, compensation, and centralization will tend to look different across civilizations, with higher uncertainty avoidance cultures focusing more on reducing uncertainty through emphasizing detailed policies and procedures. Across civilizations, what is long-term could be very different, leading to major differences as to how organizations view planning scenarios and profit horizons.

In indulgent cultures, employees may be more likely to leave their jobs if they are unhappy (Communicaid, n.d.). While this could lead to greater willingness to express differing opinions, it could also make it more difficult to focus on long term goals that require delaying gratification. Managers need to be cognizant of these differences especially if they work in countries or with employees with different cultural values,

In terms of institutions, it is important for managers to be cognizant of the institutional differences that occurs across civilizations. This would be especially important for managers from countries with higher institutional scores as the institutional framework could be significantly different in other countries that they do business in.

VI. Conclusion, Limitations, and Future Research Directions

The results of this study point to significant cultural and institutional differences across different civilizations. However, it is important to note that the 'clash of civilizations' should not be treated as a predictive hypothesis - rather, it should be seen as a realistic assessment of cultural and institutional differences that can serve as a basis for dialogue and understanding. While cultural values are long lasting and change slowly, certain institutions and their underlying aspirational values can be universal and serve as a basis for building bridges across civilizations.

There are a number of important limitations of this study. First, it uses cultural and institutional data from one point in time. A future study that employs longitudinal data can help provide a more detailed look at this issue. Second Huntington's framework has had numerous critics. Said (2001) criticized it on grounds of historical inaccuracies and ideological bias. Other critics have included Fox (2005), Henderson and Tucker (2001), Russett, Oneal, and Cox (2000), and Sen (1999) who have challenged it on empirical, historical, and ideological grounds. While we are cognizant of these critiques, we contend that his framework for analyzing civilizations adds value to our study of cross-cultural differences. Third, while we tried to gather data from all the countries that Huntington had listed under his different civilizations, in some cases the data were not available from published sources. We thus used publicly available data from all countries using Hofstede for culture and the previously listed indices for institutions. We believe that our findings are valid given the limits of available cultural and institutional data. As more data becomes available, we can further test the validity and reliability of our findings. Fourth, we were challenged in coding some of what Huntington called 'cleft' or 'conflict' countries that were divided between two or more civilizations (for example, Nigeria, Philippines). We decided not to use these countries in our calculations. However, further analysis of our data revealed that our overall results did not significantly change if we had coded these countries with their plurality or majority population civilization. Finally, the use of the Hofstede framework as a proxy for national culture has been challenged on multiple grounds in cross-cultural studies. However, given

its ubiquity in cross-cultural research as well as its wide usage among scholars, we decided to employ this framework as the best proxy for national culture.

Future scholars should examine some of the assertions of this study to see if they hold over time. This would answer the fundamental question of whether civilizational cultures have been converging and if so, across what dimensions and across what civilizations. The same question also needs to be asked for institutional differences over time. The Latin culture's existence as separate from the western culture has been challenged by numerous scholars and Huntington (1993, 1996) himself made references to questions about its separateness. It would be interesting to see if over time, its culture and institutions are converging with those of the West. An analysis of Latin American countries as to how their scores have changed over time could provide important information on the relationship between culture and institutions and how change in one affects the other. Future studies that use multiple country clustering measures could build on this study to provide further insights into the applicability of country clusters and the extent to which these are fluid or malleable. This could help us better understand the fundamental differences between civilizations, why these differences exist, how these differences could translate into organizational behaviors, and the extent to which these differences are culturally or institutionally derived. Another important area of study would be to examine how this framework could be extended to specific issues in international relations.

We believe that in this study, we have provided a springboard to examine these questions, understand their cross-cultural implications, and helped identify some future areas of research. The study of civilizational issues is going to be a vital part of identifying, analyzing, and managing areas of cooperation across different countries and organizations and can help in creating conditions for lasting global cooperation, trade, and peace in the 21st century.

References

Akçay, S. (2006). Corruption and human development. *Cato Journal, 26*(1), 29-48.

Alam, A., & Shah, S. (2013). The role of press freedom in economic development: A global perspective. *Journal of Media Economics, 26*(1), 4-20.

Alesina, A., & Giuliano, P. (2015). Culture and Institutions. *Journal of Economic Literature, 53*(4), 898-944.

Ambrey, C. L., Fleming, C. M., Manning, M., & Smith, C. (2016). On the confluence of freedom of the press, control of corruption and societal welfare. *Social Indicators Research, 128*(2), 859-880.

Assiotis, A., & Sylwester, K. (2014). Does democratization spur growth? *The Economics of Transition, 22*(2), 211-246.

Azman-Saini, W. N. W., Baharumshah, A. Z., & Law, S. H. (2010). Foreign direct investment, economic freedom and economic growth: International evidence. *Economic Modelling, 27*(5), 1079-1089.

Busse, M., & Hefeker, C. (2007). Political risk, institutions and foreign direct investment. *European Journal of Political Economy, 23*(2), 397-415.

Cattell, R. (1950). The principal culture patterns discoverable in the syntax dimensions of existing nations. *Journal of Social Psychology, 32*, 215-253.

Cavalcanti, T., & Tavares, J. (2016). The output cost of gender discrimination: A model-based macroeconomics estimate. *The Economic Journal, 126*(590) 109-134.

Communicaid (n.d.). Indulgence v Restraint: The 6th Dimensio n. https://www.communicaid.com/cross-cultural-training/blog/indulgence-vs-restraint-6th-dimension/

Doepke, M., & Tertilt, M. (2009). Women's liberation: What's in it for men? *Quarterly Journal of Economics, 124*(4), 1541-1591.

Doucouliagos, H., & Ulubaşoğlu, M. A. (2008). Democracy and economic growth: A meta-analysis. *American Journal of Political Science, 52*(1), 61-83.

Duflo, E. (2012). Women empowerment and economic development. *Journal of Economic Literature, 50*(4), 1051-1079.

Dunlop, J. T., Harbison, F. H., Kerr, C., & Myers, C. A. (1975). *Industrialism and industrial man reconsidered*. Princeton, NJ: Inter-University.

Durmaz, N. (2017). Foreign direct investments, democracy and economic growth in Turkey. *International Journal of Social Economics, 44*(2), 232-252.

Fox, J. (2005). Paradigm lost: Huntington's unfulfilled clash of civilizations prediction into the 21st century. *International Politics, 42*(4), 428-457.

Freedom House (2019). Freedom in the World 2019. Freedom House. Retrieved from https://freedomhouse.org/report/countries-world-freedom-2019

Furnham, B., Kirkcaldy, R., & Lynn, R. (1994). National

attitudes to competitiveness, money and work amongst young people: First, second and third world differences. *Human Relations, 47*(1), 119-132.

Gelbrich, K., Stedham, Y., & Gäthke, D. (2016). Cultural discrepancy and national corruption: Investigating the difference between cultural values and practices and its relationship to corrupt behavior. *Business Ethics Quarterly, 26*(2), 201-225.

Gupta, V., & Hanges, P. J. (2004). Regional and climate clustering of societal cultures. In R. J. House, P. Hanges, M. Javidan, P. W. Dorfman & V. Gupta (Eds.), *Culture, leadership and organizations: The GLOBE study of 62 countries*. Thousand Oaks, CA: Sage Publications.

Haynes, J. (2019). From Huntington to Trump: Twenty-Five years of the "Clash of Civilizations". *The Review of Faith and International Affairs, 17*(1), 11-23

Henderson, E. A., & Tucker, R. (2001). Clear and present strangers: The clash of civilizations and international conflict. *International Studies Quarterly, 45*(2), 317-338.

Henisz, W. J. (2000). The institutional environment for multinational investment. *Journal of Law, Economics and Organization, 16*(2), 334-364.

Henisz, W. (2002). *Politics and international investment: Measuring risks and protecting profits*. Cheltenham, UK: Edward Elgar Publishing.

Heritage Foundation Retrieved from http://www.heritage.org/index/about

Hodge, A., Shankar, S., Rao, D. S. P., & Duhs, A. (2011). Exploring the links between corruption and growth. *Review of Development Economics, 15*(3), 474-490.

Hofstede, G. (1980). *Culture's consequences: International differences in work related values*. London, UK: Sage.

Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations* (2nd ed.). Thousand Oaks, CA: Sage.

Hofstede, G. (nd) Available at : https://geerthofstede.com/culture-geert-hofstede-gert-jan-hofstede/6d-model-of-national-culture/

Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and organizations: Software of the mind* (3rd ed.). New York, NY: McGraw-Hill.

Holburn, G. L., & Zelner, B. A. (2010). Political capabilities, policy risk and international investment strategy: Evidence from the global electric power generation industry. *Strategic Management Journal, 31*(12), 1290-1315.

House, R., Javidan, M., Hanges, P., & Dorfman, P. (2002). Understanding cultures and implicit leadership theories across the globe: An introduction to project GLOBE. *Journal of World Business, 37*(1), 3-10.

Hui, M., Au, K., & Fock, H. (2004). Empowerment effects across cultures. *Journal of International Business Studies, 35*(1), 46-60.

Huntington, S. P. (1993). The clash of civilizations? *Foreign Affairs, 72*(3), 22-49.

Huntington, S. (1996). *The clash of civilizations and the making of a new world order*. New York, NY: Simon and Schuster.

Inglehart, R. (1997). *Modernization and postmodernization: Cultural, economic and political change in 43 societies*. Princeton, NJ: Princeton University Press.

Inglehart, R., & Baker, W. (2000). Modernization, cultural change and persistence of traditional values. *American Sociological Review, 65*(1), 19-51.

Inglehart, R., & Norris, P. (2009). The true clash of civilizations. *Foreign Policy, 135*, 62-70

Javidan, M., Dorfman, P. W., Sully de Luque, M., & House, R. (2006). In the eye of the beholder: Cross cultural lessons in leadership from project GLOBE. *Academy of Management Perspectives, 20*(1), 67-90.

Kirkman, B., Lowe, K., & Gibson, C. (2006). A quarter century of culture's consequences: A review of empirical research incorporating Hofstede's cultural values framework. *Journal of International Business Studies, 37*(3), 285-320.

Klasen, S. (2002). Low schooling for girls, slower growth for all? Cross-country evidence on the effect of gender inequality in education on economic development. *The World Bank Economic Review, 16*(3), 345-373.

Klasen, S., & Lamanna, F. (2009) The impact of gender inequality in education and employment on economic growth: New evidence for a panel of countries. *Feminist Economics, 15*(3), 91-132.

Kluckhohn, F., & Strodtbeck, F. (1961). *Variations in value orientations.* Westport, CT: Greenwood Press.

Kostova, T. (1997). Country institutional profiles: Concept and measurement. In *Academy of management proceedings* (Vol. 1997, No. 1, pp. 180-184). Briarcliff Manor, NY 10510: Academy of Management.

Kroeber, A., & Kluckhohn, C. (1952). *Culture: A critical review of concepts and definitions*. New York, NY: Random House.

Lee, J.Y., & Mansfield, E. (1996). Intellectual property protection and US foreign direct investment. *The Review of Economics and Statistics, 78*(2), 181-186.

Li, Q., & Resnick, A. (2003). Reversal of fortunes: Democratic institutions and foreign direct investment inflows to developing countries. *International Organization, 57*(1), 175-212.

Magnusson, P., Peterson, R., & Westjohn, S. (2014). The influence of national cultural values on the use of rewards alignment to improve sales collaboration. *International Marketing Review, 31*(1), 30-50.

Maleki, A., & de Jong, M. (2014). A proposal for clustering the dimensions of national culture. *Cross-Cultural Research, 48*(2) 107-143.

Masrorkhah, S. A., & Lehnert, T. (2017). Press freedom and jumps in stock prices. *Economic Systems, 41*(1), 151-162.

McSweeney, B. (2002). Hofstede's model of national cultural differences and their consequences: A triumph of faith - A failure of analysis. *Human Relations, 55*(1), 89-118.

Medina-Moral, E., & Montes-Gan, V. J. (2018). Economic

freedom, good governance and the dynamics of development. *Journal of Applied Economics, 21*(1), 44-66.

Meyer, K., Estrin, S., Bhaumik, S., & Peng, M. (2009). Institutions, resources and entry strategies in emerging economies. *Strategic Management Journal, 30*(1), 61-80.

Minkov, M., & Hofstede, G. (2012). Is national culture a meaningful concept?: Cultural values delineate homogeneous national clusters of in-country regions. *Cross-Cultural Research, 46*(2), 133-159.

Mishra, S. K. (2018). A simultaneous equation model of globalization, corruption, democracy, human development and social progress. *European Journal of Applied Economics, 15*(1), 46-82.

Naanwaab, C. (2018). Does economic freedom promote human development? New evidence from a cross-national study. *The Journal of Developing Areas, 52*(3), 183-198.

Nelson, R. (1993). *National innovation system: A comparative analysis*. New York/Oxford: Oxford University Press.

Newman, K. L., & Nollen, S. D. (1996). Culture and congruence: The fit between management practices and national culture. *Journal of International Business Studies, 27*(4), 753-779.

North, D. (1990). *Institutions, institutional change and economic performance.* Cambridge, UK: Cambridge University Press.

Portes, A., & Zhou, M. (1994). Should immigrants assimilate? *Public Interest, 116,* 18-33.

Reporters Without Borders (2019). World Press Freedom Index. Retrieved from https://rsf.org/en/ranking

Rivera-Batiz, F. L. (2002). Democracy, governance and economic growth: Theory and evidence. *Review of Development Economics, 6*(2), 225-247.

Rodrik, D. (2000). Institutions for high-quality growth: What they are and how to acquire them. *Studies in Comparative International Development, 35*(3), 3-31.

Roll, R., & Talbott, J. (2003). Political freedom, economic liberty, and prosperity. *Journal of Democracy, 14*(3), 75-89.

Russett, B. M., Oneal, J. R., & Cox, M. (2000). Clash of civilizations, or realism and liberalism déjà vu? Some evidence. *Journal of Peace Research, 37*(5), 583-608.

Said, E. (2001, October). The clash of ignorance. The Nation.

Schwartz, S., & Ros, M. (1995). Values in the West: A theoretical and empirical challenge to the individualism-collectivism cultural dimension. *World Psychology, 1*, 99-122.

Schwartz, S. (1994). Beyond individualism/collectivism: New cultural dimensions of values. In U. Kim, H.C. Triandis, C. Kagitcibasi, S.-C. Choi, & G. Yoon (Eds.). *Individualism and collectivism: Theory, method and application* (pp. 85-119). Thousand Oaks, CA: Sage Science Publishers.

Schwartz, S. (1999). Cultural value differences: Some implications for work. *Applied Psychology: An International Review, 48*, 23-48.

Scott, W. (1995). *Institutions and organizations.* Thousand Oaks, CA: Sage Publications.

Scully, G. W. (1988). The institutional framework and economic development. T*he Journal of Political Economy, 96*(3), 652-662.

Sen, A. (1999). Democracy as a universal value. *Journal of Democracy, 10*(3), 3-17.

Shenkar, O. (2001). Cultural distance revisited: Towards a more rigorous conceptualization and measurement of cultural differences. *Journal of International Business Studies, 32*(3), 519-536.

Smith, P., Peterson, M., & Schwartz, S. (2002). Cultural values, sources of guidance and their relevance to managerial behavior: A 47-nation study. *Journal of Cross-Cultural Psychology, 33*(2), 188-208.

Tan, B R., & Chintakananda, A. (2016). The effects of home country political and legal institutions on firms' geographic diversification performance. *Global Strategy Journal, 6*(2), 105-123.

Tang, L., & Koveos, P. (2008). A framework to update Hofstede's cultural value indices: Economic dynamics and institutional stability. *Journal of International Business Studies, 39*(6), 1045-1063.

Taras, V., Steel, P., & Kirkman, B. L. (2016). Does country equate with culture? Beyond geography in the search for cultural entities. *Management International Review, 56*(4), 455-487.

Tavares, J., & Wacziarg, R. (2001). How democracy affects growth. *European Economic Review, 45*(8), 1341-1378.

Taylor, A. (2019, May 1). The worst justification for Trump's battle with China? The 'clash of civilizations'. The Washin gton Post. Retrieved from https://www.washingtonpost.co m/world/2019/05/02/worst-justification-trumps-battle-wi th-china-clash-civilizations/

The Economist Intelligence Unit (2018). Retrieved from Dem ocracy Index 2018: Me Too? Retrieved from https://www.e iu.com/topic/democracy-index

Transparency International (2018). Corruption Perceptions Index 2018. Available at:https://www.transparency.org/cpi2018

Trompenaars, F. (1993). *Riding the waves of culture, understanding cultural diversity in business*. London, UK: Nicholas Brealey.

Tung, R. L., & Verbeke, A. (2010). Beyond Hofstede and Globe: Improving the quality of cross-cultural research. *Journal of International Business Studies, 41*(8), 1259-1274.

Williamson, C. R., & Mathers, R. L. (2011). Economic freedom, culture, and growth. *Public Choice, 148*(3-4), 313-335.

World Bank (2018). GDP per Capita, PPP. Retrieved from https://data.worldbank.org/indicator/NY.GDP.PCAP.PP. CD

World Economic Forum. (2018). The Global Gender Gap Report 2018. Retrieved from http://www3.weforum.org/do cs/WEF_GGGR_2018.pdf

Appendix A

Countries under each civilization

Huntington (1996) divided the world into the following "major civilizations":

• **Western** civilization includes the United States, Canada, Western Europe, Central Europe, Australia, and Oceania.

• **Latin American** civilization includes Central America, most of South America, Cuba, the Dominican Republic and Mexico.

• **Orthodox** civilization includes the former Soviet Union and Yugoslavia (except Croatia and Slovenia, which are considered Western), Bulgaria, Cyprus, Greece and Romania.

• **Sinic** (or Confucian) civilization includes China, Korea, Singapore, Taiwan and Vietnam.

Hindu civilization, with India, Nepal and possibly Bhutan (however, Bhutan was considered a part of two different civilizations and is not included in our calculations).

• **Japanese** civilization, a unique country and civilization by itself.

• **Islamic** civilization, including the Greater Middle East, northwestern Africa, Albania, Bangladesh, Brunei, Comoros, Indonesia, Malaysia, Pakistan, Maldives, and Turkey. Huntington identified Turkey as a 'cleft' country rather than a part of the Islamic civilization -given political developments in the last two decades, we have included it as a part of the Islamic civilization.

• **African** (or Sub-Saharan African) civilization, located in Southern Africa, Middle Africa (excluding Chad), East Africa (excluding Ethiopia, Comoros, and Mauritius), Cape Verde, Ghana, Ivory Coast, Liberia and Sierra Leone.

• **Buddhist** Huntington identified a possible 'Buddhist civilization' comprising of Bhutan, Cambodia, Laos, Mongolia, Myanmar, Sri Lanka and Thailand, but stated that it did not comprise a major civilization in international affairs.

Note: A number of countries were considered 'cleft' countries by Huntington because they had large populations identifying with multiple civilizations - for e.g., Ukraine, Bosnia-Herzegovina, Chad, Nigeria, and the Philippines. We have not included scores for these countries under any civilization except for Turkey.