Hybridizing cultures under monolithic conditions
The effects of global networks and governance of locally embedded knowledge

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Abstract
The paper seeks to contribute to the debate on hybridization introducing issues of power and conflict in knowledge processes. It's justified by the observation that this debate is underrepresented in the literature. Such omission is puzzling as a glance outside the confines of the knowledge management literature reveals the importance of brand power in explaining the dynamic reputational landscape, as well as the relationship between knowledge processes and power. Mobility is a central idea of modernity which has radical effects how people experience the world. The dynamic character of tourism serves as an appropriate arena to analyze how networked interactions stretch beyond local situations spatially, temporarily and familiar cultures. Our objective is to outline why issues of power and conflict are relevant and require to be taken into consideration when examining issues cross cultural and competences issues that surround the managing and sharing of knowledge in the post-industrial landscape determined by technology and urbanization. Today's social space is rarely isolated from material, mind space and information space. Our electronic media culture mediates service interactions, accelerates the speed of mass reproduction and homogeneity nurturing a monolithic brand culture. Simultaneously, cultural diversity without such integration strengthens indigenous customs, but when left unchecked is likely to lead to tribalism. Drawing on the literature and cross-cultural management theory, we apply an interactive network methodology to test the integration-diversity paradox. In the context of the Basque culture we try to answer a question of import: Can a cultural hybridization approach mitigate a possible breach of norms, between regional values, lifestyles and the monolithic power of Bilbao's Guggenheim brand to enable the institutionalization of a new, negotiated regional innovation arrangement?

Keywords: monolithic conditions, hybridisation, global networks, embedded governance.

1. Introduction
Is, as Hickson and Pugh (1995) suggested, social culture impacting organizations around the world? Or is organizational culture, impacting social culture around the world? Why would this matter to researchers and organizations?

In *Images of Organization* Gareth Morgan refers to how in the 1970s the performance of Japan's automobile and electronics industries began to challenge the hegemony of America's management and industries, increasing 'the interest in understanding the relationship between culture and organizational life' (1986, p. 112). Morgan goes on to define the phenomenon of 'culture' as 'the pattern of development reflected in a society's system of knowledge, ideology, values and laws, and day-to-day ritual' (Morgan, 1986: 112).

Subsequently, Tulder (1999) reports how throughout the 1990s managers of large companies were active in redrawing a multitude of boundaries, simultaneously. This many-sided process

involved four boundaries: organizational- industrial, geographical, and ethical/regulatory boundaries. These restructuring operations got followed by internationalization strategies, including the outsourcing of work to low-cost economies, which, in turn, triggered the need for cross-cultural collaboration.

Go and Fenema chronicle (2006) how in the early 21st century information and communication technologies (ICTs) connected people at different ends of the globe and accelerated sharing information and news, thereby stretching the boundaries of life itself (Simon, 1991). In that the mass media are "stunningly successful in telling us what to think about" (Shaw & McCombs, 1977), it is important to understand the effects of mass communication on how cultures mentally order and organize their world. Furthermore, the cultural values that form the societal cultures' unconscious habits and different attitudes in regard to age, time, power, status, masculinity, individualism and collectivism, uncertainty and loyalty (Hickson and Pugh 1995).

As the title of our paper suggests, it is our ambition to develop towards new frontiers in cross-cultural and competences studies. In particular, the paper aims to outline why issues of power and conflict are relevant themes and require to be taken into consideration when examining cross-cultural and competences issues that surround the managing and sharing of knowledge in the post-industrial landscape determined by technology and urbanization. This enquiry is further justified by the observation that the debate of power and conflict in knowledge processes, designed to shape civic and democratic renewal, is underrepresented in the literature.

The case study of Bilbao's iconographic Guggenheim Museum brand highlights controversies tests the theoretical argumentation through policy, socio-cultural and symbolic analysis. Particularly, examining debates born out of cross-cultural, monolithic-based behavior manifest in master branding, causing the urban environment to turn into contested space due to the discontinuity of values, norms and practices, based on traditional competences, resulting in the integration-diversity paradox. This backdrop evokes a question of import: Can a cultural hybridization approach mitigate a possible breach of norms, between regional values, lifestyles and the monolithic power of Bilbao's Guggenheim brand to enable the institutionalization of a new, negotiated regional innovation arrangement?

The paper is organized as follows. Section 2 reviews the literature, including economic geography, institutional economics, economic sociology and cross-cultural management traditions and perspectives from knowledge management and regional innovation systems, which although linked in remit are often researched from disciplines that differ from one another in terms of philosophical and methodological assumptions, resulting in contradictions. Normann's (2001: 290) 'integrated diversity' model is introduced to comprehend both the tensions and affordances that integration and diversity configurations present in the regional innovation system. Section 3 presents the case of Basque culture and examines the the study results, particularly, the potential for re-framing the Bilbao Guggenheim Museum within the hybridizing monolithic context. The Discussion in Section 4 explores the significance of the results of the work and shows how the study results add to existing knowledge and discussion of published literature. The final section concludes and presents study limitations, paradoxes and puzzles and suggestions for possible future interdisciplinary research including cross cultural management in the context of regional development.

2. Literature Review

Paradoxically, in a world wherein information and communication technologies were popularly believed to integrate connections and serve as driver to 'flatten the world' (Friedman 2005), rendering the local all but redundant, the territory is being 're-discovered' as the well of diversity. Above all, the territory is bound up with self and group, ideas and representations as captured in 'place identity' and city branding. The difference between 'us' and 'them,' or here and there, is often based on the value of trust and knowledge conceptualized in 'arenas' or spaces of networked contestation and discontinuation of values, norms and practices. In turn, networked interactions increasingly stretch beyond local situations spatially, temporarily and familiar cultures, which raises a central issue: How can organizations and territories cope with the limitations of their knowledge understand cultural encounters with the 'Other', their constraints and possibilities of manoeuvring in the surrounding world?

2.1 Economic geography, institutional economics and economic sociology

To respond to this question we review the relevant literature from economic geographers, institutional economists and economic sociologists.

2.1.1 Economic geography is the study of the location, distribution and spatial organization of economic activities across the world. The economic geographic paradigm focuses on theories of development, e.g. the role of evolutionary economics and poses questions such as: How do new variations in the economy arise? How does the selection environment, comprised of markets and institutions, determine which variation survives and how same leads to a certain type of stability? How does path of dependency affect change processes?

Through the analysis of flow and production in urban areas Jane Jacobs' (1984) found that cities rather than nations have been the constituent elements of a developing economy since the dawn of civilization, thereby undermining Adam Smith's the Wealth of Nations paradigm. Her observation has been supported by Harrison's (2012: 7) observation that: "the contemporary expressions of territory are being materially and experientially transformed by an untold myriad of trans-territorial flows and networks in the era of globalization […] boundaries more porous than ever before and increasingly punctuated by trans-territorial networks and webs of relational connectivity." Confirming a century old trend showing how numerous cities transformed in their spaces through a variety of material, socio-economic and symbolic interventions.

"Out of their network of interlinked urban economies came new artistic, technological creativity, new ways of organization and new production forms. These generated wealth and became magnets for the attraction of talented 'outsiders'" (Go and Govers, 2012).

It also throws up a challenge: 'And with this flattening of the globe, which requires us to run faster in order to stay in place, has the world gotten too small and too fast for human beings and their political systems to adjust in a stable manner?' (Friedman 2005).

2.1.2 Institutional economics focuses on understanding the role of the evolutionary process and the role of institutions in shaping economic behavior. Institutional economists pose questions such as: Who are the dominant players? Who holds the power to make decisions? What conflicts are likely to arise in the group decision making process? Institutional economics focuses on learning, bounded rationality, and evolution. Institutional economics emphasizes a broader study of institutions and views markets as a result of the complex interaction of these various institutions (e.g. individuals, firms, states, social norms).

Institutional economists such as Morgan (1997), Scott (1998), and Storper (1997) assume that regions and cities are focal points for knowledge creation, learning and innovation in the post-Fordist era. With regard to the socio-cultural impacts, anthropologists and sociologists point to the evident link with consumer culture manifest in tourism demand. They pose questions such as what changes may occur in destinations involving the effects of e.g., marginalization and de-culturation? But this approach masks other relevant factors that must be examined either within the territory or on the macro-level through the globalization process that are likely to contribute to monolithic conditions which if not arrested are likely to colonize the local, vernacular culture.

2.1.3 Economic sociology studies both the social effects and the social causes of various economic phenomena. The 1985 work of Mark Granovetter entitled "Economic Action and Social Structure: The Problem of "Embeddedness" consolidated what is presently known as the new economic sociology, and elaborated the concept of embeddedness. In brief it states that economic relations between individuals or firms take place within existing social relations, are structured by these relations and the greater social structures of which those relations are a part. The primary methodology for studying this phenomenon has been social network analysis. Granovetter's theory of the strength of weak ties and Ronald Burt's (1992) concept of structural holes are two best known theoretical contributions of this field.

2.2 Reflexive modernization
The concept of reflexive modernization was launched by a joint effort of three of the leading European sociologists - Anthony Giddens, Ulrich Beck and Scott Lash. This new paradigm of reflexive modernization was embraced by sociologists such as Zygmunt Bauman.
In Liquid Modernity, Bauman (2000) claims that we have moved from a solid to a fluid phase of modernity, in which nothing keeps its shape and social forms are constantly changing at great speed, radically transforming the experience of being human. Bauman's attempt to resolve the tension that exists in much social theory between explaining social phenomena as aspects of modernity, and accounting for their appearance raises a set of pertinent issues: Whether the 'solid' institutions of prior modernity were merely the residue of tradition, or pointed towards a more enduring potential of the monolith. Subsequently and, does the deconstruction of static pillar of society enable beyond fragmentation, imbalances (social, economic, spatial, political) the creation of organizations which could be potentially at one and the same time characterized by 'differentiation' and by 'integration' mechanisms, or is the diversity subject in the cross cultural literature merely an illusion?

The literature and practices are pointing to increasingly complex and fluid political institutional contexts. Recurring claims have been made regarding transformation and potential organizational incapability to adapt to external change, particularly the effects of liquid modernity.

Multiple societal imbalances and fuzzy boundaries bring about fragmentation and a whole new arena for networked interactions, which stretch beyond local situations spatially, temporarily and familiar cultures, putting diversity centre stage. It creates a fundamental management dilemma that underlies many others and can be summarized as the diversity-integration dilemma. The latter remains a significant factor to consider for the creation, sustenance of a sense of familiarity, stability, security and trust.

Following Lawrence and Lorsch (1967; cited by Normann 2001, p. 290) we assume 'that organizations which were at one and the same time characterized by 'differentiation' and by 'integration' mechanisms were more successful in achieving innovation than other

combinations.' Moreover, that an innovative organizational culture serves as a core capability to cope with discontinuity.

Considering context as a socio-spatial formation opens a window to consider polymorphic and multidimensional socio-spatial relations (Jessop et al., 2008) and 'relational regionalism' (Harrison, 2008), themes of 'unusual regions' (Deas and Lord, 2006), 'cities-regions' (Hamedinger, 2011) and the 'cross-border region' (Ilbery and Saxena, 2010). In fact, under conditions of the 'network society' (Castells, 1996), transnational networks of power (Massey and Jess, 1995) and multilevel governance emerge, which tests the limits of traditional cross-cultural management theory. The latter focuses on the intra- and inter-organization studies, but fails to accommodate the complexity of polymorphy and multidimensional socio-cultural and spatial contexts at the regional and urban level.

2.2 Cross-cultural Management

Cross-cultural management research has been primarily concerned by comparative investigations at the national scale and the characteristics of national cultural values (Hofstede, 1980). Its literature focuses particularly on the themes of cultural differences between organizations of diverse cultural contexts and how the national culture and organizational culture can be leveraged to enhance entrepreneurial conduct and performance (García-Cabrera and García-Soto, 2008).

One of the defining characteristics of the bulk of writing on cross-cultural management is that any discussion in the territorial context is typically absent. Consequently, it can be assumed that cross-cultural researchers regard the networked systems and relations, organizations and actors are embedded within vernacular cultural identity do not regard issues of power and conflict as being relevant to understanding the functioning of cross-cultural social practices as a nexus of micro- and macro relations and representations.

Although during the last years theoretical and empirical organization studies have qualified the concept of culture using different definitions and metaphors (Calvelli, 1998), culture can be assimilated to a framework or pattern of common values that defines principles, ways of thinking and guides actions. Hofstede (1991) defined culture as the "software of the mind" that guides us in our daily interactions and our connections with environment and society. "Culture is always a collective phenomenon, because it is at least partly shared with people who live or lived within the same social environment, which is where it was learned. Culture consists of unwritten rules of the social game. It is *the collective programming of the mind which distinguishes the members of one group or category of people from another".* (Hofstede et al., 2010: 6)

In the theoretical framework of cross-cultural management the analysis of culture impact on the intra and inter-organization relationship can be summarize in three cultural constructs (Fink, Neyer, Kölling, 2007), these are: the cultural dimensions, personality traits and cultural standards.

 The anthropological and sociological perspectives present important implications in order to define place boundaries where culture 'resides' creating socialized knowledge and meaning. Boundaries aren't only geographical and spatial (Tomlinson, 1999), they can be identified by gender (Martinez, 1998; Sinclair, 1997) by socioeconomic status (Bourdieu, 1984; Mathews, 2000), by religious and/or ethnic affiliation (Hitchcock, 1999; Seufert, 1997) or be dominated by local elites (Crain, 1998). Consequently, within the same organization (or place) can co-

exist different and separate sub-cultures that interact for purposes of creating knowledge, meaning, value and generating integration, assimilation, separation and marginalization (Berry et al., 1989).

A recent study (Dauber, Fink, 2011) introduces in the merger and acquisitions (M&A) analysis the process of hybridization as intermediary stage in the process of social integration and assimilation. Seeing hybridization as a strategy facilitating assimilation and integration between organizations allows qualifying the "process of blending organizational cultures and management knowledge to transform an acquisition into a new socially viable system with a sustainable culture" (Fink, 2008: 10). It presents implications in order to provide a communicative environment which facilitates processes, such as socialization and knowledge sharing, the integration of values; adjustment of ways of thinking and actions; management of values and rules meaning (Dauber, Fink, 2011: 8). They suggest seven conceptual forms of hybridization applicable an individual/group and organization level, classified by level of formality, ability to manage instabilities and effect on the social system.
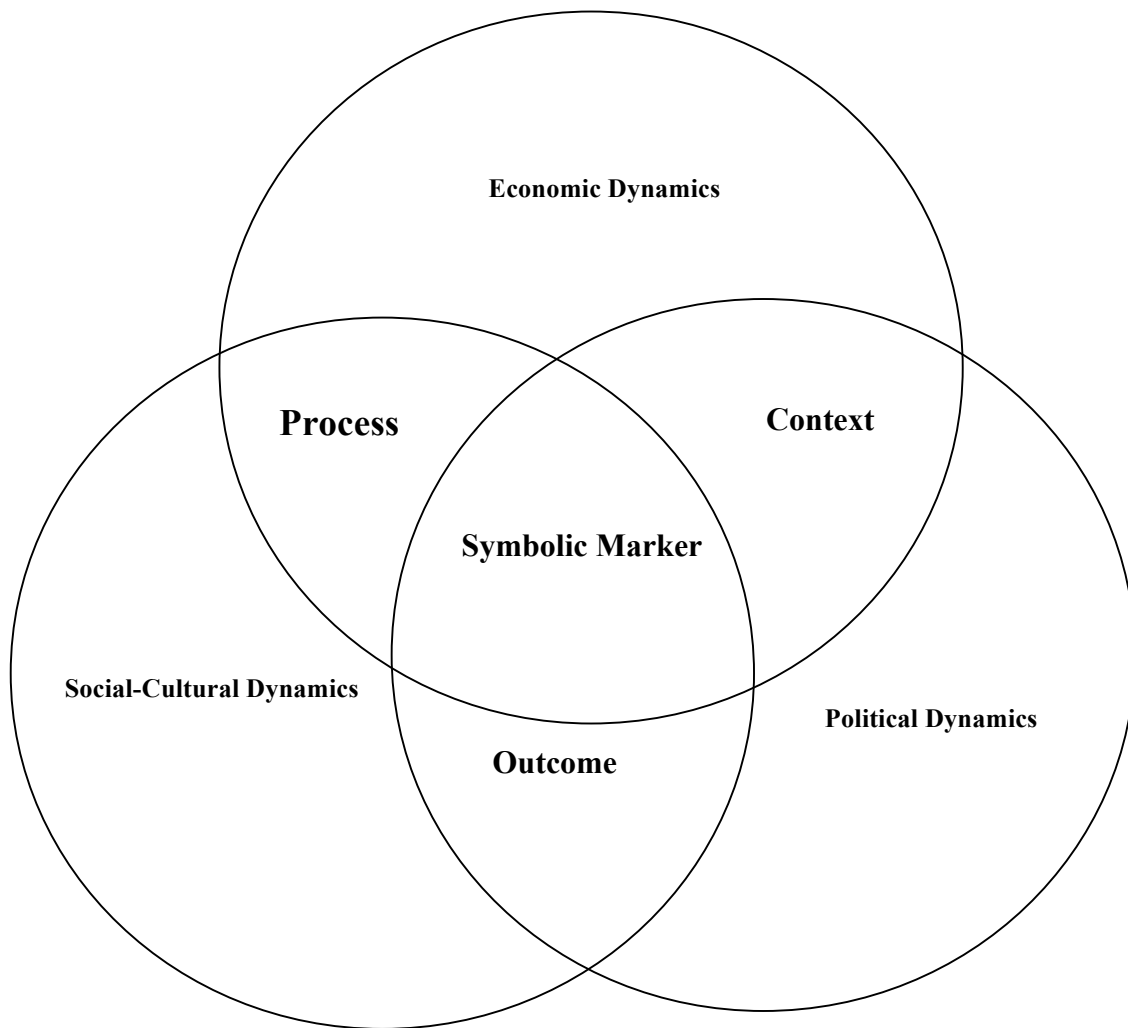
Fink (2008) is one of few authors in the cross cultural knowledge domain, who takes the issue of cultural hybridisation seriously, which raises a question of import: Why is the theme of hybridization underdeveloped in the management literature?

We try to answer this question by turning to the tourism sector, which uses the regional and urban landscape to host the 'Other.' Its enterprises depend on knowledge management and cross-cultural competences to make sense and manage their relationships and positions in a complex network.

3. Managing Knowledge and Regional Innovation Systems

"Knowledge dynamics in the urban and regional setting are characterised as interactive rather than linear processes where tacit knowledge in particular can contribute to reinforce innovation and learning so that the outcomes of new and ground-breaking economic synergies appear in the form of production of new goods and services" (Gibney, 2011: 18). The theme of this paper lies in the overlap of three dynamics of three domains of study: economics, socio-cultural and political studies (Exhibit 1).

The tourism sector has a heterogeneous character: It is a system comprised of five interdependent components: attractions, transportation, services, information and promotion (Gunn, 1997:31), but these are fragmented in nature and remit. This fragmentation is exacerbated by the demand side, comprised by a great variation of tourist types whose motives may differ dramatically. Same renders effective implementation of tourism marketing strategy difficult, because the responsibility for directing and managing tourism development is typically deferred to a series of different organizations that often operate without a clear mandate.

Economic Dynamics

Process

Context

Symbolic Marker

Social-Cultural Dynamics

Political Dynamics

Outcome

3.1 Global value chain analysis of the service sector

In this paper we posit that the Guggenheim Museum situated in Bilbao serves as a tourism attraction and therefore should be examined as a component of the (global) value chain. Global value chain (GVC) analysis is a systemic approach that focuses on transnational networks of companies, aligned in value chains (Gereffi and Korzeniwicz, 1994).[1] GVC analysis helps identifying the underlying global organization of an industry in order to uncover basic power relations within the chain as well as the allocation of economic surplus (Clancy, 1998: 125).

Global commodity chains reduce the complexity in tourist perception of service delivery as they offer international brand name standards of comfort, safety and convenience of booking reservations. Investors perceive proven international brands as less risky than unproven formulas. However, the global commodity chain effect poses a threat of sorts in that results in a destination identity - image gap (Govers and Go 2009). Moreover, its contamination can spread the influences of monolith culture across the community.

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[1] GVC analysis was developed under the name of 'global commodity chain', but the term 'commodity chain' has been replaced by "value chain' in the recent literature in order to enable coverage of those products that lack commodity characteristics (Gibbon and Ponte, 2005: 77).

In contrast, individual lifestyle preferences afford competition on the basis of modular tourist services, which requires, firstly, a focus on territory-based forms of authenticity, secondly, intelligent collaboration beyond earlier conceptions of diversity and integration. They are supported by an interactive model of managing knowledge based on a logical and temporal sequence to bridge the identity-perceived image gap by providing: 1. external stimulus; 2. accessibility and receptivity (in parallel); 3. identity; 4. interaction and combination (in parallel); 5 creativity and governance; 6. innovation and feed-back capabilities (Cappellin, 2011: 37).

However, such paradigmatic shift raises the issue how to leverage the 'place-specific circuits of power linked to society, economy and the state' (Yüksel et al., 2005) remains a main challenge.

3.2 The diversity and integration dilemma

In their studies of innovation, Lawrence and Lorsch (1967) empirically demonstrated 'that organizations which were at one and the same time characterized by 'differentiation' and by 'integration' mechanisms were more successful in achieving innovation than other combinations' (cited by Normann, 2001: 290). While today's social space is rarely isolated from material, mind space and information space (Go and Fenema, 2006) our electronic media culture mediates interactions, accelerates the speed of mass reproduction and homogeneity nurturing a monolithic culture. Simultaneously, cultural diversity without integration strengthens indigenous customs, but when left unchecked is likely to lead to tribalism.

In much of the literature it has been commonplace to introduce culture as a continuous process characterized by interactions and changes, that confer meaning through the formation of symbolic signifiers. Meethan (2003) critiques this 'container model' of culture and rejects its static perspective. In the knowledge-based society, a more interesting facet concerns the nature and development of globalizing networks of culture, because cultural forms are becoming increasingly diasporic, transnational or translocal (Hall, 2001; Nederveen-Pieterse, 1995; Welsch, 1999). Moreover, Bauman's (1999) vision of liquid modernity affords the new interdependences and potential hybridizing between people, places, technology and governance. It suggests that notions of transience and mobility render traditional cultural analysis increasingly outmoded.

Relevant for our analysis are observations in tourism studies (Nederveen-Pieterse, 1995; Meethan, 2003), that dual and hybrid model based on the interaction between local culture processes and trans-local, mobile culture processes, including tourism territorial culture can be applied for analysis. The latter may serve to illustrate how regional innovation system development is punctuated by a series of crises that trigger challenges which centre on addressing a sequence of issues, including the fragile state, fiscal risks and resource scarcity.

Normann (2001, p. 290) has framed the aforementioned issues, whose model we use to identify the challenges that may present themselves along the path of innovation either in sequential stages or, increasingly more likely, in an interactive model between organizations and institutions of a cluster (Cappellin, 2011, p. 40).

Figure 1 depicts four cells which result from the theoretical contradictions and possible practical tensions between the variables 'fragmentation' and 'integration' and 'homogeneity' and 'diversity.' First, the 'islands'-type culture is characterized by both homogeneity and

fragmentation resulting in a sense of independency (base-left cell 'A'). Second, the 'tribal'-type culture is marked by its ethnic identity based on shared heritage and features such as language and customs that differentiate such groups from other groups resulting in fragmented conduct (base- right cell 'B'). Third, 'homogeneity' in combination with 'integration' renders a sense of solidity and uniformity', which constitute the 'monolith,' (top-right cell 'C') manifested by e.g., monolithic brands. [2]

Last but not least the latent need to combine 'integration' with 'diversity', as shown, fourth, allows to cultivate 'integrated diversity' (top-left cell 'D'). Such mechanism is also known as 'hybridizing cultures' and in this paper is meant to draw disparate attributes together for the configuring of interdependency among a diverse cast of stakeholders from a range of disciplines, backgrounds and with different agendas.
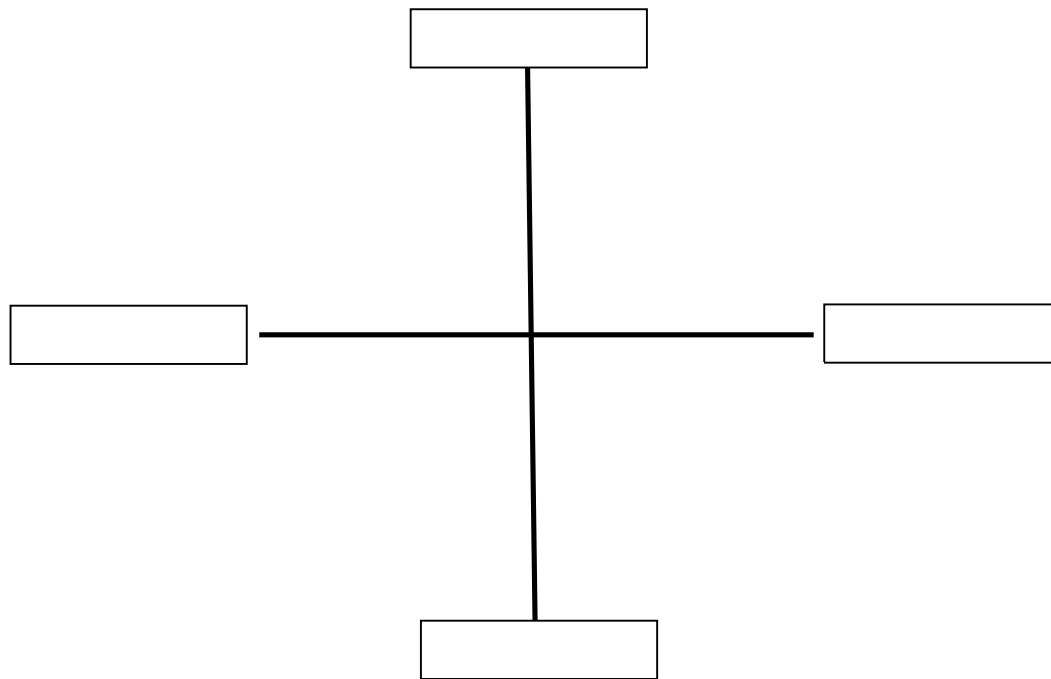
Source: Normann, 2001: 290.

3.3 The Role of Reflecting on the Hybridizing Process

Hybridizing cultures in the monolithic contexts appears a paradox for the intrinsic nature of the concepts. In fact, Calvelli (1998), Cannavale (2008); Cannavale and Canestrino (2009) identify a high internal homogeneity in monolithic contexts and characterize same as 'categorization' (e.g. predetermined interpretative schemes that accept only similarities) and conflict (in response to encounters with diversity). In turn, this reduces the propensity to accept different cultural models and accommodate divergent behavioural conduct.

Consequently, monolithic contexts don't create the conditions for the hybridization – as intermediary stage in the process of social integration and assimilation – generating only marginalisation (Berry et al., 1989) or de-culturation (Nahavandi and Maleksadeh, 1988).

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[2] http://www.brandchannel.com/education_glossary.asp.

Sic stantibus rebus, multicultural contexts present favorable conditions for hybridizing cultures; in the pluri-cultural contexts, where the presence of different ethnic groups impedes people concrete integration and generates social conflicts between the cultural minorities and the dominant group, the process of hybridization present some difficulties.

The contexts typologies must to be integrated with the group belonging feeling – qualified by literature on the themes of 'individualism' and 'collectivism' – in order to analyze the firm's openness to international networking and, consequently, possible relations between organizations. Accordingly, with recent studies (Calvelli, 1998; Cannavale and Canestrino, 2009), the integration of both variable - contexts typologies and group belonging feeling – in a matrix allows to identify possible typologies of relations on order to explain opportunities and limits coming from different cultures interactions.

As shown (ed) in the matrix of firms' openness to international networking (Calvelli, 1998: 105; Cannavale and Canestrino, 2009: 5), the monolithic conditions presents scarce possibilities for collaborations, because these impede an openness to networking. Particularly in the case of individualistic cultures, where self-interest tends to be emphasised, which creates a fertile ground for the formation of coerced relationship; collectivism, which motivates people to cohere with the group's interests, thereby excluding inter-cultural relationships. In the context of the firm such conditions typically preclude inter-cultural networking thereby impeding the cultivation of a hybrid firm culture.

4. Case Study

4.1 Case Study Method and Protocol
Per convention and to allow for sufficient detail for our work to be reproduced, we drew on the case Study Research Design and Methods by Robert K.Yin (1994).

Why did we study the Bilbao Guggenheim Museum case in the Basque cultural context? Because the former presents a subject of academic discourse and a critique of biased representation of powerful agencies, manifested in global master brand offered, increasingly, by urban environments as stereotypical images, which mask the complex cultural and political local realities.

Also, what evidence did we seek? In particular we drew on the literature and our field visits to the Basque region in search of evidence that master branding as practiced by the Bilbao Guggenheim Museum case is based on monolith ideology, manifest in the organizational forms that lead to contamination, i.e., a configuration which does resembles neither a structure nor a system, but rather 'a culture in its own right' (Mintzberg 1991: 58). He continues to state that: 'Of course, contamination may seem a small price to pay for being coherently organized. True enough. Until things go out of control' (Mintzberg 1991: 58).

The master branding process is inextricably intertwined with the configuration known as Global Commodity Chains (Clancy, 1998). In the context of tourism the production of markers or signifiers and the knowledge infrastructure and power relationship which underpin these plays a significant role in the process of codified image projection. The latter designed to signify and manipulate the representation of Bilbao as simplistic and in tune with the images of other global cities and the assembly of service commodities.

The arguments that follow draw on the literature and a recent studies on Basque culture (Linstroth, 2010) Basque politics (McNeil, 2000) the iconographic value of Bilbao Guggenheim Museum (Go and Trunfio, 2011b). It explores whether the local embedded governance of knowledge and creativity is capable of supporting a possible transition from the monolithic context through a networked hybridizing service process to one of integrated diversity.

4.2 The 'Iconographic' Guggenheim Effect

The case of the Bilbao's Guggenheim effect offers vital knowledge on the hidden "program" of master branding issue that governs the behavior of cultures in a time of global connections. Paradoxically, the latter affords space for developing competence-based change strategies, beyond a organization's internal logic with a variety of stakeholders, which is increasingly important for our future individual and collective lives. And raises challenges ahead for the culture of the Basque to hybridizing integration and diversity norms so as to enable the institutionalization of a new, negotiated regional innovation arrangement, called social innovation, based on the symbolic eco-genetic perspective (Go, Breukel, Trunfio, 2012).

The present argumentations and the following Bilbao's case study introduce in the debate the need to integrate different theoretical framework to interpret different dynamics (economic, political, social) in order to analyze the cultural hybridization under monolithic conditions. In particular, the concept of *entrepreneurial regionalism* attempts to synthesize the complexity of regional development in order to both, first, capture the contradictions of urban/regional regeneration and globalization's imperatives and, second, understand that economy, politics and culture are mutually constituted at local and global scale (Prythech and Huntoon, 2005).

The 'Iconographic' Bilbao Guggenheim brand serves as empirical argumentation of socio-cultural, political, economic and symbolic changes following the attractions of global network. A museum is the space where the encounter between 'hard' and 'soft' properties occurs with the potential for co-dwelling (Normann, 2001).

At present, a more interconnected, more volatile and more unstable world' (Go and Govers, 2010) gives pause for reflection in regard to the reputation-reality scale and the paradoxes that flow from it. In particular, Bilbao has been able to develop important links with consumers who hail from beyond the territory, but in the pursuit of attracting outsiders the territory's population may have felt possibly somewhat neglected (Go and Trunfio, 2011b).

During the years, Basque nationalism, founded in the late 19th Century, with the pervasive "Basqueness" has created the monolithic conditions giving many Basques the feeling to be superior and unique people and creating racist tensions against migrants who moved to the region from different areas of Spain and Europe. "Basque language" became a potent symbols of the uniqueness of Basque identity and culture. "Images of the "Basque Homeland", especially maps and artistic representations, are regarded by most Basques as bordering on the sacred as symbols of a unified people living in their own territory. For many Basques, looking at a map of their homeland is emotive, especially if it clearly demarcates a territorial difference between France and Spain (Linstroth, 2010: 210).

These values and images have been reinforced by media (new papers, television, and new media) although the Basque culture has become dynamic, ever-changing and is constantly reinventing itself with new forms of art (music, cuisine, and others form) calling to

hybridizing traditional (also folkloristic) culture, part of an idyllic past, with the numerous cultures that interact in main cities, particularly Bilbao.

In 1997 the iconographic Guggenheim Museum of Bilbao opened its doors to worldwide and activated the Bilbao urban and symbolic regeneration transforming an industrial city into a new social, cultural and touristic landscape. In fact, this new cultural forms of globalisation present opportunities but also threats for local culture: when every cultural agent (especially global capitalism and cultural imperialism) is mixing and matching forms, we need to be able to recognize strategic claims for localism or authenticity, as possible sites of resistance and empowerment rather than of simple nativism (Clifford, 1997: 183). He could represent an external/global dominant culture, so called McGuggenisation (McNeil, 2000), that "attaches" local identity and dominant local culture.

Over the years, the Guggenheim Museum became the central node of the overall strategy to revitalize Bilbao generally, by commissioning the construction of a series of impressive buildings, designed by famous architects (Foster, Stirling, Calatrava, Pelli and Stark): a business centre, a conference and performing arts centre, a large transport interchange, a metro system, a new terminal for the city's airport, and new bridges over its river.

The Guggenheim effect activated urban regeneration, cultural and social changes attracting tourists to the city. But there is also a price to be paid for overcoming an uncompetitive regional position by concentrating public attention on an iconographic brand. In particular, the ongoing mass commodity production in Bilbao's central district, eschews meaning which alienates the citizens, who reside in the region's periphery, from what is being produced (Go and Trunfio, 2011b).

The international debates express multiple conflicting opinions and positions about the real hybridization between local culture, Guggenheim culture (U.S.) and tourists culture. Since its opening the Bilbao museum was initially considered the result of particular historical circumstances, born from local and regional political aspirations coupled with external negotiations with the Guggenheim Foundation. In fact, the project was defined by top-down approach without advocating the need for public participation mechanisms. Basque reaction to the agreement was immediate; much of it negative, pointing out the elemental sense of democracy.

5. Discussion
The IACCM Annual 2012 conference held in Naples aims 'at understanding in depth the impact of cross cultural differences on international relationships between European partners and their Southern neighbors'. It will give insight into the prevailing cultural streams of these countries and on the main cultural barriers, which can affect international relationships, and particularly international business.'

What is the significance of the results of our paper in relation to the theme of the IACCM Annual 2012 conference in Naples: Cultural synergies on the Southern Border of Europe?

From a methodological perspective of the global value chain applied in the tourism service context development we need to repeat the issue we posed at the start of this paper: Does social culture impact organizations around the world? Or does organizational culture, impact social culture around the world?

Responsible tourism development formulation and implementation demands attaining 'broader and environmental goals of society' (Singh et al 1989:13) through transformation involving three dimensions.

There is, first, a *process* at play within the tourism value chain comprised of other sectors, due to forward and backward linkages. This paper presents evidence that urban transformation process in Europe (McNeill, 2000) is strongly influenced by the power of the political elite and lobbies.

In particular, their openness to 'global-local' interplay has been relevant for the attraction of foreign direct investment (FDI). FDI requires deep analysis of cross-cultural differences and of their impact on business success in the Basque 'host region, but our analysis of the Guggenheim Museum Bilbao suggests that the Basque culture, which can be characterized as 'community-spirited' is more deeply affected by the monolithic, top-down rationale, with consequences for the size, style and organizational structure impacting on the vernacular culture, than the other way around.

Observes McNeill: "It is how such events are *politically mediated* which will dictate their importance in discursive or symbolic 'imaginings' of the nation - how they are negotiated, funded, designed, represented, controlled and curated" (McNeill, 2000: 491).

Second, *context* counts. That is to say 'where still matters'. The tourism sector is characterized by complex patterns of multi-level, multi-sectoral and multi-actor challenges, where economic institutions and networks of power (Massey and Jess, 1995) try to dominate not only tourist markets, but also social, spatial-environmental and cultural contexts. By levering media power, the political elitist power relationships within European territories reshape the symbolic meaning of reality, by favoring global symbols (e.g. McGuggenization) and standardization instead (McNeill, 2000). Thereby, perpetuating the *lock-in* problem (Boschma, 2005) and, consequently, impeding regional cultures to 'blossom'. In contrast, the Bilbao Guggenheim may be seen to use its powerful brand name to "masterbrand" all products or services in a range within the Basque territory.

Third, the tourism process should result in *'output' or products*. These can yield positive economic and less tangible benefits but also negative socio-cultural impacts. Culture is widely accepted as an important element which affords space to affect international relationships, particularly on international knowledge transfer, which is a main feature to promote economic development, and social stability. The role of McGuggenization is to introduce standards and a worldwide known symbol to bridge the complexity of cross-cultural encounters and position Bilbao on the map with the adoption of a new strategic brand and organizational solution in the new landscape of global competition for the favor of tourists.

While it cannot be denied that the 'Guggenheim effect', framed in the iconographic museum brand has placed Bilbao on the global map and attracted millions in tourists' arrivals and expenditures it has also resulted in socio-cultural contradictions and political conflicts.
Said Baniotopoulou: the art, present in different forms and in a climate of continuous intervention, "did not advance the citizens' quality of life in its cultural context, because neither did it promote the local artistic spirit and creativity; on the contrary, it rather impeded them [...] Modern art, it seems, has long been associated with consumerism and publicity and is still divested with a considerable political power" (2000).

How do the study results add to existing knowledge and discussion of published literature?

In search of cultural synergies on the Southern Border of Europe we re-framed, theoretically, the concepts of 'cross cultural differences' and 'cooperation,' respectively, in the context of "mobility," as manifest in tourism patterns from Northern to Southern Europe. Mobility is a conceptual framework defined within the social sciences for analysing the emerging spatial, symbolic, emotional and representational spaces characterised by blurring boundaries and fluid relationships. The study results add to existing knowledge and discussion of published literature as follows.

First, following the new mobility paradigm (Sheller and Urry, 2006) marks a dramatic theoretical change from a static or "sedentarist" social science perspective – which ignores the spatially loose essence of modern social relationships – towards a social epistemology more adequate for addressing the issues of a liquid modernity, in which cultural terrains are no longer framed by immobile (national) coordinates.

Furthermore, while globalisation has come to be defined as a dramatic acceleration in the velocity and "connectedness" of economic and cultural processes (Amin, 2002), the new multiple networked mobility result from the reorganisation and intersection of people's lives, work routines, leisure activities and construction of meaning, also brining about new lines of division between travellers in "slow" or "fast" lanes.

Second, consequent to liquid modernity, which Bauman (2000) interprets as the shift from a solid, fixed modernity to a much more fluid and speeded up liquid modernity the established hierarchies of cities (and within cities) deconstruct under the pull of new global connections. These bring about a set of new values and shape a whole new arena for interaction and competition. One innovation which flows from these developments has been the increasing economic importance of "signifiers." The latter has contributed to acknowledging the field of cultural production as the beacon of the knowledge-based, post-industrial economy. In this frame work branding contribute meaning, quality, and distinctiveness to the emerging landscapes of cities and regions.

Third, this paper applied a pluralist and multidisciplinary research agenda. Also, it proposes an integrated theoretical framework based on the "hybridization" of different theoretical domain (cross-cultural management, governance theory, regional studies). The study results add the following contributions to the existing knowledge and discussion of published literature.

First, it shares a logic around which a coherent theory could be developed to underpin a multidisciplinary approach and advance understanding of cross-cultural management applied to place analysis; second, it identifies the limitations of 'silo-based' knowledge and advocates multidisciplinary research, combining the fields of cross-cultural management, economic geography and institutional economics and other relevant knowledge domains, aimed at refining the process of hybridization in the urban contexts.

Fourth this paper considers Basque political identity – notorious for its fractured and plural nature (Conversi, 1997, pp. 236–240). Also, it recognized that social and cultural factors are important for considering how to get diverse stakeholders to share knowledge to device more effective, efficient and equitable responses to the challenges at hand, including powerful lobby groups who favor monolithic-oriented global brand symbol oriented solutions that are

obsolete in a dynamic networked world. This introduces the integration-diversity dilemma. But, rather than getting got in an academic binary we have argued that the embedded governance can serve to support a process of 'hybridizing.' Figure 1 depicts the evolution of this process from monolith, to combining the attributes of 'integration' and 'diversity' so as to achieve a status of 'integrated diversity'.

Fifth, governance is not synonymous with government. Instead, governance is relative and contextual and "depends on the actors and groups involved in the network, their aspirations and value and the decisions they make about issues, such as accountability, transparency, participation, communication, knowledge-sharing, efficiency and equity" (Beaumont and Dredge, 2010: 7). This led Go and Trunfio (2011a) to present *embedded governance* as a partnership of a wider groups of strategic actors engaged in a Coexistence Strategy design. In the case of Bilbao embedded governance could be support the hybridization of distant cultures by the creation of a platform that represents (Go and Trunfio, 2011c): a *filter of information* to reduce the external variety and converge toward city competitiveness, a *facilitator bridge of knowledge sharing* and communication transfer between single actors and network; a *vehicle for social innovation* by cultures integration including Bilbao's peripheral territorial society.

Sixth, the above described transition implies a dynamic system and re-framing processes beyond the internal organizational logic to include networked stakeholders' engagement in the crafting of a Coexistence Strategy Design (Go and Trunfio, 2011a).

It introduces specific argumentations in order to cope with Bilbao's diversity-integration paradox, through a hybridization process, which develops beyond the monolithic context by embracing the coexistence of different cultures, including the knowledge embedded in the culture of dominant power, entrepreneurship culture, community culture, political culture. Such reframing is timely and relevant, because due to decentralization the political establishment has lost much of its traditional power.

5. Conclusions, limits and implications for future research
This paper introduces an unconventional and multidisciplinary perspective on the debate on power and conflict by introducing the "hybridization" process in relation to the cross-cultural management approach in the contemporary global-local networked context.

Dictated by Basque culture, the paper presents a specific focus on the monolithic context trying to cope with the apparent paradox of monolithic culture hybridization. Specific argumentations in order to cope with the imbalances are presented.
Firstly, consequent to place specificity the city 'harbors' the coexistence of different cultures: these are a culture of dominant power, entrepreneurship culture, community culture, political culture; and, secondly, the monolithic conditions are expressed only by some political and activist lobby. They have reduced their power during the last ten years as affirmed by Linstroth (2012: 214): "Basque identity is not monolithic nor is it vested only in what can be salvaged of past practices".

Secondly, the multi-layered, multi-actor contextual analysis advances understanding how to attain territorial sustainability from a knowledge practice-based epistemology and examines designs for co-existence configuration, especially the relationship between social cohesiveness embedded in cultural identity and economic performance under monolithic conditions. The paper considers the so called Guggenheim effect possible effects on Bilbao's

vernacular local cultural traditions, institutions, the corrosion of character and a decline of the local spirit and artistic creativity.

Thirdly, hybridisation process of managing knowledge is introduced as potential tool of governing the cross-cultural inter-organizational knowledge processes within global and local networked dynamics.

Finally, the study limitations should be evident. While several theoretical issues have been raised throughout the argumentation and empirical analysis aimed at advocating the hybridization process, this paper can only be considered to be exploratory in nature. Many puzzles remain unanswered and selected ones will be part of our future research aimed at improving the present theoretical argumentations supporting by cross-case analysis to deepen practical implications for territories and firms.

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