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Behavioral Economics as a Methodological Bridge: Rethinking Economic Rationality Through the Lens of Multilingualism and Cross-Cultural Management

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Why do managers with different cultural backgrounds make completely different choices in the same situation? The neoclassical economic theory assumes that decision-makers are rational, meaning that people will weigh various choices and make the best decisions[1]. But my own experience tells me that this is not the case.

During the internship in course of my Master's thesis, I found out that decision-making was not smooth sailing. It was influenced by factors such as intuition, cultural habits and the language used by people[5]. This prompted me to turn to behavioral economics. This field provides a more realistic explanation of people's actual decision-making process, focusing on cognitive biases such as loss aversion or overconfidence[1].

However, behavioral economics also has limitations. It often regards these cognitive biases as universal and cannot fully explain why Chinese managers and German managers show excessive confidence in different ways, nor can it explain the difference between the framework effect in high-context culture and low-context culture[2]. Here it makes sense to turn to cross-cultural management research. Frameworks such as Hofstede's cultural dimension help explain the differences in decision-making styles in different cultural contexts[6]. However, these models describe what happened but do not fully explain the reason. They lack the cognitive depth provided by behavioral economics[3].

In addition, there is also the problem of language. I can speak many languages myself. I often think about whether thinking in a different language will change my view of risks or opportunities. Recent research shows that the answer is yes[12]. Multilingual ability seems to improve cognitive flexibility and may even reduce cognitive bias such as the framework effect[11]. This means that language is not only a communication tool, but also a cognitive filter.

My thesis tries to combine these three areas. Its core idea is simple: if we want to understand the decision-making in global business, we need a broader perspective. We must combine behavioral economics, cross-cultural management and multilingual research. Any single study is not enough to explain all the problems. Based on this synthesis, I put forward two views. The first one is "cognitive cultural intelligence"[8]. This means not only to recognize the obvious cultural differences, but also to recognize the deeper differences in people's way of thinking. The second is "language metacognition"[9]. This refers to how reflective language shapes our ability to reason. This may help managers realize their own bias before making wrong decisions. For me, this is not just an academic discussion. There are many smart people in international business, yet the decisions they make often seem obviously wrong in hindsight. Usually, the problem is not the lack of information, but the unexamined assumptions in our way of thinking[4]. If we can better understand the cognitive and cultural roots of decision-making, we may be able to help managers avoid these mistakes.

My research is still in progress. I haven't found all the answers yet, but I hope to contribute to the broader discussion. What does economic rationality mean in a world where managers have to shuttle between different cultures and languages every day? The decision-maker model that transcends reality and is purely rational is no longer applicable. The question is: what should be used to replace it?

Источники и литература

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