



2007 DECADE AWARD WINNING ARTICLE

The impact of national culture and economic ideology on managerial work values: a study of the United States, Russia, Japan, and China

David A Ralston¹,
David H Holt², Robert H
Terpstra³ and Yu Kai-Cheng⁴

¹University of Connecticut; ²Lingnan College;
³University of Macau; ⁴Dalian University of
Technology

Correspondence: David A Ralston,
Price College of Business, University of
Oklahoma, PO Box 720302, Norman, OK
73070, USA.
E-mail: dralston@ou.edu

Abstract

This study assesses the impact of economic ideology and national culture on the individual work values of managers in the United States, Russia, Japan, and China. The convergence–divergence–crossvergence (CDC) framework was used as a theoretical framework for the study, while the Schwartz Value Survey (SVS) was used to operationalize our investigation of managerial work values across these four countries. The findings largely support the crossvergence perspective, while also confirming the role of national culture. Implications from the findings are drawn for the convergence–divergence–crossvergence of values, as well as for the feasibility of multidomestic or global strategies for a corporate culture.

Journal of International Business Studies (2008) 39, 8–26.

doi:10.1057/palgrave.jibs.8400330

INTRODUCTION

The convergence or divergence of work values has been an important debate for the past several decades as international companies have struggled to understand the diverse value systems of their multidomestic operations and whether the cross-societal values of their workforces are becoming more alike or not (Abegglen, 1957; Cole, 1973; Dunphy, 1987; England & Lee, 1974; Eisenstadt, 1973; Kelley & Reeser, 1973; Kelley, Whatley, & Worthley, 1987; Negandhi, 1975; Ottaway, Bhatnagar, & Korol, 1989; Pascale & Maguire, 1980; Prahalad & Doz, 1987; Ralston, Gustafson, Cheung, & Terpstra, 1993; Ricks, Toyne, & Martinez, 1990; Webber, 1969). Now, however, many of these international companies are considering trying to become global organizations in the sense of having a seamless or borderless approach to organization. In essence, being a global organization implies having a universal corporate culture. Since corporate culture grows out of the values held by organizational members, especially the influential members of the organization, a universal corporate culture is one where all members of the organization – regardless of where in the world these individuals grew up or now work – have similar views and beliefs that guide their behaviors when transacting business with members from other societies, as well as with members from their own society (Boeker, 1989; Chatman & Jehn, 1994).

Thus, as these companies that strive to become global organizations envision a unified approach to business that transcends



individual work values differences, whether work values are convergent or divergent becomes even more important (Porter, 1986). If a multinational is going to become a truly global organization, the diverse individual work values from the various geographic locations of a multinational corporation (MNC) must converge and be integrated into a common set of values to create a universal corporate culture. However, is trying to integrate multidomestic operations with individuals who hold diametrically opposed values into a single corporate culture worth the effort? This question is far from resolved. Nonetheless, it is clear that global organizations not only must understand the diverse value systems within their multi-location operation, but also, if they are to create seamless organizations, must now learn to integrate these diverse value systems to create their universal corporate culture (Yip, 1992). Thus, the degree to which a universal corporate culture is feasible may depend upon the degree to which the diverse work values of the various local operations are capable of evolving (i.e., converging) toward a common set of values. In this regard, national culture and economic ideology have been discussed as primary forces that shape managerial work values (Ralston *et al.*, 1993).

Therefore, we address the global organization issue by first discussing the forces that can influence individual (managerial) work values: national culture and economic ideology. (Since the focus of our study is on managers, we use the terms individual and managerial interchangeably when referring to work values.) In turn, we investigate the influence of national culture and economic ideology on individual work values, focusing on the relative contribution of national culture and economic ideology to the overall work values equation. We then introduce the convergence–divergence–crossvergence (CDC) framework as the theoretical foundation that is used to explore these relationships.

A MODEL OF THE IMPACT OF NATIONAL CULTURE AND ECONOMIC IDEOLOGY ON INDIVIDUAL VALUES

National Culture

Culture has been described as an elusive concept, that is “a fuzzy, difficult-to-define construct” (Triandis *et al.*, 1986), capturing the essence of the problems many have had in trying to definitively explain culture. Subsequently, Hofstede and Bond (1988) gave us a reasonable way to view culture as “the collective programming of the mind that

distinguishes the members of one category of people from those of another.” This programming tends to be securely established in an individual by adolescence, but does evolve from generation to generation (Ajiferuke & Boddewyn, 1970). Thus, culture may be viewed as “those beliefs and values that are widely shared in a specific society at a particular point in time” (Ralston *et al.*, 1993). Religion, proximity, history, and education are factors that have been identified as important in defining a culture (Harris, 1979; Ronen & Shenkar, 1985).

In our study, we will focus upon the Eastern and Western cultures. We selected the East-West contrast because of the importance of the Pacific Rim and industrialized Western nations to international business, and because of the substantial differences between these cultures (Ronen & Shenkar, 1985). While a range of behaviors certainly exists within each of these culture groups, important constants within the Eastern and Western cultures also differentiate them from one another (Bontempo, Lobel, & Triandis, 1990; Triandis *et al.*, 1986, 1990). A primary influence, if not the primary influence, within the Eastern culture is Confucianism (Engardio, 1995; Pye, 1985). Confucius lived approximately 2,500 years ago, and his teaching of the importance of society, the group, and hierarchical relationships within a society has endured through the ages. Likewise, Buddhism and Taoism, the primary religions of the Eastern cultures, place similar emphasis on the importance of the group in society (Dollinger, 1988; Waley, 1938). In contrast, the Judeo-Christian religion has been the primary influence in the West. The Protestant Work Ethic epitomizes the Judeo-Christian emphasis on personal achievement and individual self-worth (Furnham, 1984; Wayne, 1989). Thus, a primary contrast underlying the difference between Eastern and Western cultures is the relative focus on the good-of-the-group (Collectivism) in the East versus the good-of-the-individual (Individualism) in the West.

Economic Ideology

Economic ideology may be defined as the “workplace philosophy” that pervades the business environment of a country. While economic ideology most likely evolves from the legal and political systems of a society (Kelley *et al.*, 1987), economic ideology does not equate to the political ideology of a country. The business environment and the political environment of a society can differ.

In our study, we will contrast the two major economic ideologies in the world today -capitalism

and socialism. As with national culture, the two economic ideology classifications have a range of interpretations within each. However, once again, each has important constants that differentiate one from the other. Specifically, capitalism has been described as a self-serving economic system where everyone looks out primarily for his/her own self-interests, while socialistic philosophy teaches that the good of all is everyone's concern (Aslund, 1994). The collectivistic views of socialism purport that all should contribute for the good of the society and the group, and share equally in its rewards (Nove, 1994). Thus, comparable to the East-West culture contrast, a primary underlying contrast between socialist and capitalist ideologies is the focus on the good-of-the-group (Collectivism) of socialism and on the good-of-the-individual (Individualism) of capitalism.

National Culture and Economic Ideology as the Independent Variables

The potential impact of national culture (East-West) and economic ideology (capitalist-socialist) on work values can be represented by the two-by-two model presented in Figure 1. In this figure, national culture is on the horizontal axis with a continuum running from Western to Eastern, and economic ideology is on the vertical axis with a continuum running from capitalism to socialism. Thus, cell 1 (upper left) identifies a Western (individualistic-oriented) national culture with a capitalistic (individualistic-oriented) economic ideology. Cell 2 (upper right) identifies an Eastern (collectivistic-oriented) national culture with a capitalistic (individualistic-oriented) economic ideology. Cell 3 (lower left) identifies a Western (individualistic-oriented) national culture with a socialistic (collectivistic-oriented) economic ideology. Cell 4 (lower right) identifies an Eastern (collectivistic-oriented) national culture with a socialistic (collectivistic-oriented) economic ideology.

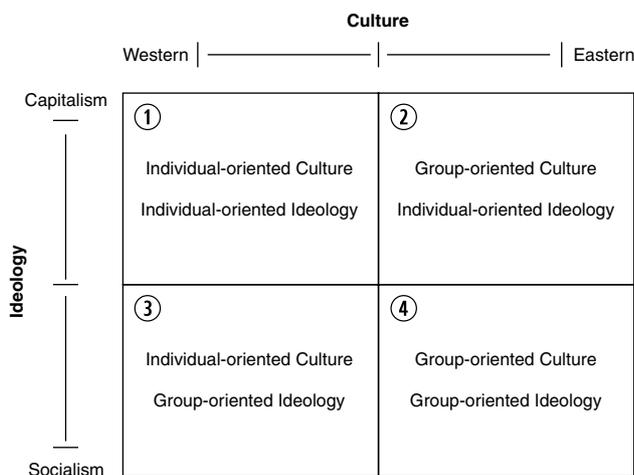


Figure 1 A two-by-two matrix of national culture and economic ideology.

(individualistic-oriented) economic ideology. Cell 3 (lower left) identifies a Western (individualistic-oriented) national culture with a socialistic (collectivistic-oriented) economic ideology. And cell 4 (lower right) identifies an Eastern (collectivistic-oriented) national culture with a socialistic (collectivistic-oriented) economic ideology.

Thus, the individualistic or collectivistic influences of national culture and economic ideology may reinforce each other, as is the case in cells 1 and 4. In cell 1, both national culture and economic ideology encourage or reinforce an individualistic value system, while in cell 4, both support a collectivistic value system. One might think of this in terms of Venn diagrams. Western culture and capitalistic ideology intersect on their individualistic orientation in cell 1, while Eastern culture and socialistic ideology intersect on their collectivistic orientation in cell 4. In cells 2 and 3, national culture and economic ideology do not intersect. In effect, these two influences are conflicting – one supports an individualistic value set and the other supports a collectivistic value set in both cells. Since there is no intersection for these cells, national culture and economic ideology will compete and/or accommodate one another in some fashion. Therefore, the integration – or, perhaps, collision – of these two driving forces will be largely responsible for the managerial work values that evolve through time in any cell 2 or cell 3 society. Chronologically, the interaction of national culture and economic ideology in time period 0 will have an effect on individual (managerial) work values in time period 1 – and that is the focus of this study. However, we also should note that the work values that emerge in time period 1 may, in turn, influence both national culture and economic ideology during time period 2 creating a dynamic, cyclical relationship. Over time, as the economic ideology evolves, it becomes manifest as that society's "model of management."

Cells 2 and 3 – where the competing philosophies must be reconciled during time period 1 – are the cells where the society's model of management is most likely subject to substantial evolution, and thus, these are the cells of most interest to the CDC debate. Therefore, the activity in cells 2 and 3 will be the focus of the hypothesis testing in this study. In turn, since both national culture and economic ideology have an impact on the Individualism–Collectivism values construct, this construct will be the focus of our attention regarding values formation resulting from the integration of diverse

national cultures and economic ideologies that support differing values.

The Individualism–Collectivism Values Construct as the Dependent Variable

The Individualism–Collectivism construct indicates the extent to which a society focuses on self-reliance as opposed to group support (Yang & Bond, 1990). Clearly, there are constructs for cross-societal comparisons on individual work values other than the Individualism–Collectivism construct. For example, Hofstede (1984) also identifies Masculinity–Femininity, Power Distance, and Uncertainty Avoidance as constructs. However, the validity of many of these other constructs has been questioned, while the Individualism–Collectivism construct has consistently been acknowledged as a powerful indicator of differences among societies (Ronen & Shenkar, 1985; Triandis *et al.*, 1988; Yang & Bond, 1990). Also, while Individualism–Collectivism is the best-known name for this construct, Ideocentrism–Allocentrism is the individual-level equivalent for Hofstede’s Individualism–Collectivism construct, which was developed for a societal-level analysis (Triandis *et al.*, 1988). Technically, Ideocentrism–Allocentrism is the construct comparison that we are making, since our measure, the Schwartz Value Survey (SVS), is an individual-level measure. However, Individualism–Collectivism has become the terminology generally used for comparing self versus group orientation, whether at the societal or individual levels. Thus, we chose to use these more familiar terms in our study.

A THEORETICAL FRAMEWORK FOR THE FORMATION OF INDIVIDUAL WORK VALUES

Convergence versus Divergence

The convergence and divergence viewpoints were developed decades ago as contrasting explanations of values formation (Webber, 1969). Those who believe that economic ideology drives values follow the convergence theory perspective. They argue that managers in industrialized nations will embrace common values with regard to economic activity and work-related behavior (England & Lee, 1974). Convergence implies that as nations become industrialized, there is a significant change in values towards behavior that embraces free-market capitalism (Eisenstadt, 1973; Pascale & Maguire, 1980). Since industrialized nations, until very recently, have been equated to Western capitalistic countries, convergence has meant adopting the

ideological values of Western capitalistic economies (Dunphy, 1987; Kelley & Worthley, 1981; Negandhi, 1975; Webber, 1969). Thus, developing countries, including those with a history of socialistic economics, would subsequently be expected to assimilate ideologically driven values common to industrialized, capitalistic Western countries (Kordonsky, 1992; Shmelev, 1991; Yip, 1992). Western management techniques, behavior and business systems would comprise the force for this change, and the managers of global companies would be the change agents. This change likely would mean taking on Individualistic work values.

Conversely, proponents of the divergence approach argue that national culture, not economic ideology, drives values, and that even if a country adopts capitalism, the value systems of those in the workforce will remain largely unchanged (Lincoln, Olson, & Hanada, 1978; Ricks *et al.*, 1990). Thus, divergence proposes that individuals will retain their diverse, culturally determined values regardless of economic ideology (Cole, 1973; Evans, 1970). Consequently, Eastern countries with a history of socialism would not shift their work values toward those held in Western capitalistic countries, regardless of how industrialization occurs (Shaw, Fisher, & Randolph, 1991; Shmelev, 1991; Vance & Zhuplev, 1992).

Crossvergence as an Integrative Alternative

Convergence and divergence identify polar extremes. A more recent perspective, crossvergence, has argued that neither of these views is adequate to explain the dynamic interaction of economic ideology and national culture. Crossvergence, a continuum between the polar extremes of convergence and divergence, provides an integrative alternative that might be characterized as the melting pot philosophy of values formation. Proponents of crossvergence argue that there will be an integration of cultural and ideological influences that results in a unique value system that borrows from both national culture and economic ideology (Ralston *et al.*, 1993).

Crossvergence was originally defined by Ralston *et al.* (1993) as a value set that was “in between” the values supported by national culture and economic ideology. While the meager research that has been done to date focusing on crossvergence supports this narrowly defined perspective, it may not capture the true essence of the crossvergence concept. A broader definition that views crossvergence as “something different.” rather than something

“in between,” may ultimately add richness to our understanding of crossvergent values. Thus, this broader definition might be stated: crossvergence occurs when an individual incorporates both national culture influences and economic ideology influences synergistically to form a unique value system that is different from the value set supported by either national culture or economic ideology.

Studying the Evolution of Individual Work Values

The potential evolution of values proposed by convergence – due to economic ideology, or crossvergence – due to the interaction of national culture and economic ideology, could take ten years, twenty years, or perhaps generations. Since there is general agreement that individuals form most of their value system by adolescence, it may be the next generation of managers whose work values are truly affected (Thompson & Thompson, 1990). Therefore, to explore the issue of evolving values using a cross-sectional, point-in-time study, we have identified countries that have evolved and functioned under specific cultures and ideologies for approximately fifty or more years. As shown previously in Figure 1, a two-by-two matrix can be used to contrast the impact of Eastern and Western cultures and capitalistic and socialistic ideologies on individual work values based on the convergence–divergence–crossvergence theoretical framework.

Thus, the findings of convergence, divergence, or crossvergence for individual work values clearly have implications for multidomestic international companies, and especially for those attempting to create a global corporate culture (Adler & Graham, 1989; Ohmae, 1990; Puffer, 1994; Yip, 1992). Since the fundamental philosophical question that this study will explore is the degree to which national culture and economic ideology influence individual work values, and consequently whether a universal set of work values is possible for a seamless global organization, our objective was to find countries that would reasonably fit each of these four cells. This task becomes a genuine challenge in today’s changing, dynamic global economy, with its vastly improved communication and transportation capabilities, because there will be some cross-pollination of culture and ideology across all countries. However, this “contamination” should tend to lessen, not enhance, the differences between countries. Therefore, where differences are found, they are more likely to be meaningful.

COUNTRIES SELECTED FOR THE STUDY

To assess the impact of national culture and economic ideology on managerial work values, it was essential that we identify representative countries from Eastern and Western cultures with socialistic and capitalistic economic ideologies so that each country selected would represent one cell in our two-by-two model of national culture (East-West) by economic ideology (capitalism-socialism). As shown in Figure 2, the four countries selected for the study were: the United States, Japan, Russia, and the People’s Republic of China. As we shall discuss, these countries are not only relevant representatives for each of the four cells but also represent areas of the world where international companies are doing business, and where issues of combining diverse value systems in multiple localized foreign operations are germane (Baker, 1996).

The United States

The US, our cell 1 representative, is widely accepted as the leading Western economic power with a capitalistic ideology (*Economist*, 1994). While the US has an array of social programs that might not adhere to a pure definition of capitalism, the US economic ideology certainly falls on the capitalism side of the capitalism-socialism continuum.

Japan

Japan is an Eastern country equivalent to the US in terms of economic status. Its capitalistic philosophy began as early as the Meiji restoration of the late 1860s (Christopher, 1983; Whitehill, 1991). This ideology was further ingrained through the work by Deming, the American solicited after the

		Culture	
		Western	Eastern
Ideology	Capitalism	① UNITED STATES	② JAPAN
	Socialism	③ RUSSIA	④ CHINA

Figure 2 Countries identified to fit the two-by-two matrix of national culture and economic ideology.



conclusion of World War II to show the Japanese an American philosophy of quality control – even though this approach was not well received in the US until popularized in Japan (Baillie, 1986). However, throughout history, Japan has been an ethnically and religiously homogeneous society with a feudal past of strong internal and nationalistic allegiances (George, 1992; Howard & Teramoto, 1981; Ouchi, 1981). As might be expected, the Japanese interpretation of capitalism is not identical to the US model. Nonetheless, Japan also clearly falls on the capitalistic side of the capitalism-socialism continuum (Economist, 1997).

Russia

Russia, our cell 3 representative, is an example of a nation struggling with apparent ideological transition, yet the socialistic values of communism remain strongly embedded (Holt, Ralston, & Terpstra, 1994; *Economist*, 1995a, b). Recent events, including the June 1996 election, have shown popular interest in returning to communism. An implication is that the Russian movement toward capitalism, while likely to continue, is far from determined and certainly not the preference of the older and the “formerly-in-power” contingencies (Galuszka & Brady, 1996).

The Russian state within the Confederation of Independent States (CIS) is that nation’s dominant populace, and although the CIS is comprised of several well-defined minority states with independent cultures. Russia is quite similar to the US in being heterogeneous and largely European in its history and cultural characteristics (Dobrokhotoy, 1993). Prior to the recent communist regime, the Russian people had experienced substantial Western influence (Berliner, 1988). In fact, Moscow and St. Petersburg – the major business centers of Russia – have been described as the “melting pots” of Russia. Additionally, a recent study of Russian values found no differences between business people in Moscow and St. Petersburg (Elenkov, in press).

People’s Republic of China

China, our cell 4 representative, is not only the fastest growing economy in the world, but also the leading socialist economy, especially in terms of economic ideology (*Economist*, 1994; Ralston et al., 1995). China, even more certainly than Russia, is in an apparent transition to capitalism (Youzhou, Jiasheng, Wong, & Stewart, 1996). However, there is little doubt that the economic ideology in China

still adheres to the collectivistic notions of socialism. That is, the socialistic philosophy still applies strongly to ownership of means of production. In China, 85% to 90% of all businesses countrywide are collectively owned. This includes all forms of organization – joint ventures and wholly owned foreign subsidiaries, as well as state enterprises. The township and village enterprise (TVE) collective is one of the most prevalent forms of organization, including joint ventures and wholly owned foreign subsidiaries. Although some of these companies are listed (or seeking listing) on one of the local stock exchanges, less than 20% of the shares are in the public float, with the remainder being held collectively by the township or village.

Similarly, recent empirical research has found that collectivistic values are still dominant in China (Ralston et al., 1996). Also, as shown in the Ralston et al. (1995) study, individual values change slowly in China, even when measured over the emotional period of the June 1989 Tiananmen incident. Thus, we believe that it is reasonable to assign China to the socialism side of the economic ideology continuum, as well as the Eastern side of the East-West national culture continuum.

A Comparison of the Four Countries

National culture and economic ideology. If we accept that economic ideology and national culture can combine to form values, we would logically expect a higher level of individualistic values in the US where both national culture and economic ideology reinforce individualistic behavior. The converse might be said of China. Thus, China and the US represent ideological opposites in the work environment, in spite of the present move toward capitalism in China (Chanda & Huus, 1995; Dunne, 1995; Tse, Francis, & Walls, 1994). They also represent cultural extremes in the sense of Western and Eastern beliefs, religious underpinnings, and social values (Cheng, 1994; Engardio, 1995; Furnham, 1984; Miller, 1995; Ralston et al., 1993; Xing, 1995). Thus, we feel that it is reasonable to view the US (cell 1) and China (cell 4) as polar extremes of our contrasts, as shown in Figure 2. Of course, the data ultimately will support or reject this perspective.

Japan and Russia, on the other hand, have been influenced over the past fifty years by economic ideologies and national cultures that emphasize different orientations. In Russia, the economic ideology is more collectivistic-oriented while the



national culture is more individualistic-oriented. Thus, Russia contrasts with China from a socio-cultural standpoint, and with the United States from an economic ideological perspective. Conversely, Japan has an economic ideology that is more individualistic-oriented and a national culture that is more collectivistic-oriented (Whitehill, 1991). Thus, Japan's culture contrasts with that of the US, while its economic ideology contrasts with China's socialistic ideology.

Individual work values. William Miller, an executive in the electronics industry, notes that, of the four countries where he has led plant startups, China is by far his most formidable challenge due to the unbelievable differences in work values (Miller, 1995). He cites having to deal with individuals who have lived through three decades of a collectivist society, where jobs are guaranteed and no one can be fired for poor performance, and where security and tradition are still highly regarded values. Additionally, a recent study that found Chinese students to be significantly more left-brain oriented than US students could imply that the underlying fundamental differences between these two societies are not rapidly subsiding (Jacobs, Keown, & Worthley, 1993).

When we look at values, in terms of Hofstede's (1980) initial analysis of the Individualism–Collectivism values construct – our dependent measure, the United States scored highest on the dimension of Individualism, while Japan ranked lower than the US. Although neither Russia nor China was included in Hofstede's study, Japan did score higher than Hong Kong and Taiwan – the two countries in Hofstede's study that most closely approximate China. Also, in subsequent work, Tung (1988) hypothesized that China would score low on Individualism due both to the high value that Chinese attach to the family/referent group and to the socialistic influence of Communism. In yet another study, Holt et al. (1994) showed that Russian managers' scores were mixed – some were significantly lower and some were not significantly different – when compared with their US counterparts' scores on dimensions related to Individualism. Thus, there already is some evidence to suggest that Individualism appears to equate best to the Western culture and capitalistic ideology of the United States, while Collectivism appears to equate best to the Eastern culture and socialistic ideology of China. However, we also want to acknowledge that one limitation of not being able

to do a multidecade, longitudinal study on the same countries is that our paired samples, while similar, certainly are not identical. At the same time, this study may provide a baseline of comparison for future longitudinal studies on the impact of evolving economic ideologies on work values, most notably, for China and Russia.

In sum, the US and Japan, the two leading economies in the world today, are relevant representatives of Western and Eastern capitalistic economies. China, which is presently the preeminent Eastern socialistic economy, also may become the leading world economy over the next quarter century (*Economist*, 1994). And Russia, once the heart of the superpower USSR, is a prime example of a socialistic Western culture that is showing great potential – as well as growing pains – in its quest to become once again a global economic power (*Economist*, 1995b; Holt et al., 1994). It also should be noted that these four countries are real-world societies that are important players in today's changing international business world. In that regard, recent geopolitical changes have sparked questions about the assimilation of a management philosophy that is based on market economies, in countries where a socialistic economic ideology has prevailed (Holt et al., 1994; Kiezun, 1991; L'Vov, 1992; Ralston et al., 1993). For example, Russia and China are showing signs of their intent to evolve from communistic to capitalistic economies. How these countries evolve clearly has implications for international business. Thus, one of the issues that we hope to address – or, at least, to speculate upon – is whether Eastern European and emerging Pacific Rim countries, such as Russia and China, can embrace Western management practices based on market economies and subsequently accommodate the economic ideological tenets of Western capitalism. Implicit is the question of whether economic ideology or national culture has the stronger influence on individual (managerial) work values. If the answer is economic ideology, it puts both Russia and China on relatively equal footing. However, if national culture is the primary force that influences values, then, theoretically, Russia and the other Western culture countries of Eastern Europe would appear to have it better chance for accommodation than China and the other Eastern culture Pacific Rim countries. Answers to these questions are crucial for managers of international companies positioning themselves for a rapidly changing geopolitical environment. Thus, these issues are relevant to companies aspiring to create

seamless global organizations, as well as to companies trying to develop more efficient multidomestic organizations. In the subsequent section, we develop hypotheses designed to try to shed some light on these issues.

HYPOTHESES

In terms of the underlying philosophical question in our study – is it possible to create a common corporate culture for a seamless global organization? – a pure economic ideology-driven convergence finding would most clearly support the notion that a single set of values for all industrialized nations is possible. Conversely, a pure culture-driven divergence finding would argue most strongly against that possibility. A crossvergence finding, using the narrow definition of being somewhere along a continuum between these extremes, would be less conclusive. However, to the degree that economic ideology is a more important influence than national culture, the case for a common set of values would be better supported.

The concept of crossvergence that was introduced in the Ralston *et al.* study (1993) contrasted three countries. Since only one country could possibly fall on the crossvergence continuum between the two countries representing the polar extremes in their study, the researchers could not assess the relative degree to which national culture and economic ideology might influence the new set of values. However, when all four cells of the matrix in Figure 1 are represented (as in the present study), there are two diverse countries that could fall in a crossvergent manner on the continuum. Therefore, the respective contribution of national culture and economic ideology may be more evident. Thus, we will develop the crossvergence hypothesis in a manner that considers the relative dominance of national culture and economic ideology on managerial work values. Also, the hypothetical alternatives for the Individualism–Collectivism continuum will be presented in terms of Individualism, since the literature suggests that if values change, the expected direction is toward the values of Western capitalism, as epitomized by the Individualism construct (Negandhi, 1975).

Convergence

Since convergence is economic ideology-driven, three conditions must be met for the findings of this study to be interpreted as convergence. First, the mean scores on the Individualism measures for the US and Japan – who share the same economic

ideology – cannot differ significantly. Similarly, the mean scores for Russia and China cannot differ significantly. Third, the mean scores on Individualism for the US and Japan must be significantly higher than those for Russia and China.

Divergence

Three conditions must also be met for national culture-driven divergence to occur. First, the mean scores on the Individualism measures for the US and Russia – who share a common Western culture – cannot differ significantly. Similarly, the mean scores for Japan and China cannot differ significantly. Third, the mean Individualism scores for the US and Russia must be significantly higher than those for Japan and China.

Crossvergence

For a crossvergence finding, the mean scores for the four countries should be significantly different from one another, with the mean scores for the US highest on the Individualism measures and the mean scores for China lowest. The scores for Japan and Russia would fall between those of the US and China, and their order would depend on whether economic ideology or national culture was dominant.

Economic ideology-dominant crossvergence means that economic ideology is the stronger influence, and thus, the Individualism scores for Japan will be higher than those for Russia. That is, capitalistic Japan will be closer to the US on the Individualism–Collectivism continuum, while socialistic Russia will be closer to China.

National culture-dominant crossvergence means that national culture is the stronger influence, and thus, the Individualism scores for Russia will be higher than those for Japan. That is, Western-culture Russia will be closer to the US on the Individualism–Collectivism continuum, while Eastern-culture Japan will be closer to China.

Mathematically, there are a number of other possible configurations that these four countries could assume. However, based on the CDC framework, these are the alternatives that are theoretically supported and that appear to be the most likely. Also, although the crossvergence concept has been minimally studied, recent research suggests that deterministic arguments of convergence and divergence are inadequate to explain dichotomies observed in emerging economies (Ferraro, 1993; George, 1992; Holt *et al.*, 1994; Ohmae, 1990; Ralston *et al.*, 1993). Likewise, determining the location of a country on the crossvergence continuum has yet to be explored. However, it appears reasonable to

propose that the location on the continuum would be a function of the relative strengths of the effects of national culture and economic ideology. Given that the most recent literature provides more support for the divergent – *national culture-dominant* – perspective than the convergent – *economic ideology-dominant* – perspective (Ralston et al., 1993), it will likewise be hypothesized that national culture will be the stronger of the two effects. Thus, we can summarize these arguments with one global hypothesis.

Hypothesis: The relationships among the US, Russia, Japan, and China will indicate crossvergence with a national culture-dominant effect for the three dimensional measures of Individualism and their related subdimensional measures.

METHOD

Subjects

The sample consisted of 855 managers from four countries: the United States (*n*=223); Russia (*n*=197); Japan (*n*=210), and China (*n*=225). All subjects were professional or managerial level employees. The demographic data, as presented in Table 1, show the four groups to be reasonably comparable. Our data for the US were countrywide. Our Japanese data were collected in two phases. Approximately 60% of the data come from Tokyo. The remainder is countrywide. After finding no significant differences on the higher-order dimensions between the Tokyo data and the countrywide data, we combined these two groups of data for this study. Our Russian data were collected primarily in St. Petersburg (80%), with the remaining data coming from the formerly closed city of Chelybinsk, which is located in the Urals. We combined these two groups of data when we found no significant differences between them on the higher-order dimensions. Thus, our Russian data appear to be representative of the major business centers in European Russia, as well as of the smaller industrial

areas that had not received as much exposure to foreign influence as had Moscow and St. Petersburg. Finally, our data for China are countrywide, and were randomly selected from a larger database.

Measure

The Schwartz Value Survey (SVS) was selected as our measure because it provides a well-developed set of ten subdimensions and three higher-order dimensional continua that are comparable to measures used in previous cross-cultural research (Hofstede & Bond, 1988; Ralston, Gustafson, Cheung, & Terpstra, 1992; Schwartz, 1992; Triandis et al., 1988). The SVS consists of fifty-six items. Each of the fifty-six items is measured with a nine-point Likert scale that ranged from *opposed to my values* [-1] through *important* [3] to *of supreme importance* [7].

SVS subdimensions. The ten universal subdimensions of motivation are found in every culture; however, the level of importance of each varies from one culture to the next (Schwartz & Bilsky, 1990). A brief description of the ten universal subdimensions can be found in the Appendix, while a more detailed discussion is presented by Schwartz (1992). The subdimensions may range from a value of 7 to a value of 1. These subdimensions are, in turn, clustered to create the higher-order dimensional continua.

SVS higher-order dimensional continua. The higher-order dimensions were developed from data collected in twenty countries (Schwartz, 1992). Initially, Schwartz drew a contrast between individualistic and collectivistic orientations (Ralston, Cunniff, & Gustafson, 1995). The subdimensions that make up Individualism are: Power, Achievement, Hedonism, Stimulation, and Self-Direction. Collectivism, at the other end of the continuum, is comprised of the Benevolence, Tradition and Conformity subdimensions. The Individualism–Collectivism dimensional continuum scores were derived by subtracting the average of the three Collectivism

Table 1 Demographic data for the managers (*n*=855) from the four countries

		US (<i>n</i> =223)	Russia (<i>n</i> =197)	Japan (<i>n</i> =210)	China (<i>n</i> =225)
Age	(Mean years)	40	38	45	37
Gender	(% Male)	58	68	98	75
Marital status	(% Married)	75	69	95	80
Years employed	(Mean years)	16.5	12.9	19.4	13.7
Company size	(% >100 employees)	91	73	90	81

subdimension scores from the average of the five Individualism subdimension scores. Thus, this continuum is referenced in terms of its degree of Individualism, since this is the “plus-side” of the continuum. A similar approach was used to calculate the other two dimensional continua.

Consistent with the view of Triandis et al. (1986), that Individualism is a multifaceted dimension, Schwartz (1992) also identifies two higher-order motivational continua, Openness-to-Change-Conservation and Self-Enhancement-Self-Transcendence, that more precisely describe the Individualism–Collectivism differences. The Openness-to-Change-Conservation continuum contrasts the extent to which individuals are motivated to follow their own intellectual and emotional interests in undetermined or non-prescribed ways versus the extent to which they are motivated to preserve the status quo and the certainty that it provides in relationships with others. Openness-to-Change, which is comprised of the Stimulation and Self-Direction subdimensions, represents the Individualism end of the continuum. Conversely, Conservation is comprised of Security, Conformity and Tradition. The Self-Enhancement-Self-Transcendence continuum indicates the extent to which a person is motivated to promote self-interest, even when those interests have costs for others, versus the extent to which one is motivated to promote the welfare of others – whether close friends or distant acquaintances – and nature. Self-Enhancement consists of the Power, Achievement and Hedonism subdimensions, and thus represents the Individualism end of the continuum. Self-Transcendence is made up of the Benevolence and Universalism subdimensions.

Procedure and Design

Subjects were given a native language version of the SVS instrument. They were informed that there were no right or wrong answers, and that it was only their opinions that mattered. They also were told that their anonymity would be maintained. After the data had been collected, interested subjects were debriefed on the general purpose of the research – a cross-cultural evaluation of managerial work values.

Analysis

The first step of the analysis was to calculate a one-way MANOVA where the three higher-order dimensional continua – Individualism, Openness-to-Change and Self-Enhancement – are dependent

variables. The MANOVA had four levels – one for each of the four countries. If a significant effect was found in the MANOVA, univariate analyses (ANOVAs) were calculated for the three dimensional continua. Significant ANOVA effects were further tested for differences among the four groups of managers using Duncan multiple comparison tests (Kirk, 1982). The analysis of the subdimensions followed a similar procedure to that described for the higher-order dimensional continua. The subdimension information is presented in tabular form and discussed to help clarify the hypothesized relationships among the four countries. The approach of this analysis is consistent with the one used in the Ralston et al. (1993) study of convergence–divergence–crossvergence.

RESULTS

Higher-Order Dimensions

The MANOVA indicated a significant Wilks' *lambda* effect ($\lambda=0.723$, d.f.=3,5,855, $p<0.001$). Since this effect was significant, univariate ANOVAs were calculated to determine the significance of each of the three higher-order dimensional continua – Individualism, Openness-to-Change and Self-Enhancement. All three ANOVAs were significant. The means, standard deviations, and F-test results of these ANOVAs are reported in Table 2. Since all ANOVAs were significant, multiple comparison tests were run for the three higher-order dimensional continua. These Duncan results are reported in Table 3.

Table 2 Means, standard deviations, and F-test results for the four countries on the three higher-order dimensions

<i>Dimensions</i>	<i>Countries</i>	<i>Mean</i>	<i>s.d.</i>	<i>F</i>
Individualism	United States	0.550	0.7	53.9***
	Russia	0.183	1.1	
	Japan	−0.163	0.8	
	China	−0.470	0.8	
Openness-to-change	United States	0.998	1.0	63.0***
	Russia	0.116	1.2	
	Japan	0.011	1.0	
	China	−0.286	0.9	
Self-enhancement	United States	−0.326	1.0	21.0***
	Russia	−0.517	1.2	
	Japan	−0.935	0.9	
	China	−0.983	0.9	

*** $p<0.001$.

Table 3 Duncan multiple comparison results for the four countries on the three higher-order dimensions

Dimensions	Countries				
Individualism	China				
	Japan	*			
	Russia	*	*		
	US	*	*	*	
		China	Japan	Russia	US
Openness-to-change	China				
	Japan	*			
	Russia	*			
	US	*	*	*	
		China	Japan	Russia	US
Self-enhancement	Japan				
	China				
	Russia	*	*		
	US	*	*		
		Japan	China	Russia	US

Note: Countries are arranged in order of their mean scores (lowest to highest) as reported in Table 3.

*Indicates comparisons are significant at the $p < 0.01$ level, controlling for experiment-wise error rate.

Cronbach's *alpha* was calculated by country for each of the six dimensions that create the three dimensional continua. All twenty-four *alphas* exceeded the 0.66 level.

Individualism–collectivism. The Duncan multiple comparison test findings showed that the mean scores of managers from the US were significantly higher than those from the other three countries. Likewise, the scores of Russian managers were significantly higher than those of the Japanese or Chinese managers, and Japanese managers scored significantly higher than their Chinese counterparts. Thus, these findings clearly support the crossvergence with national culture-dominant hypothesis.

Openness-to-change-conservation. The Duncan findings for the Openness-to-Change dimension again showed the US managers scoring significantly higher than the managers from the other three countries, and the Russian and Japanese managers scoring significantly higher than the Chinese managers. However, contrary to the findings for Individualism, there was no significant difference between the scores of the Russian and Japanese managers. These findings still support the

crossvergence hypothesis, but with neither national culture nor economic ideology dominant.

Self-enhancement-self-transcendence. The Duncan findings for Self-Enhancement show the US and Russian managers grouping and the Japanese and Chinese managers also grouping, with the US–Russian grouping being significantly higher on Self-Enhancement than the Japanese–Chinese grouping. Thus, these findings support a divergence perspective.

Subdimensions

The MANOVA indicated a significant Wilks' *lambda* effect ($\lambda=0.359$, d.f.=10,5,855, $p < 0.001$). All ten univariate ANOVAs for the subdimensions were significant at the $p < 0.001$ level. The means, standard deviations and F-test results are presented in Table 4. Additionally, the Duncan multiple comparison tests results are reported in Table 5, as well as being highlighted in the following paragraphs.

Power. The US, Russian and Chinese managers grouped to score significantly higher than Japan managers.

Achievement. The US managers scored significantly higher than managers from the other three countries, while the Chinese and Japanese managers were also significantly higher than the Russian managers.

Hedonism. The US managers scored significantly higher than the managers in the other three countries. Additionally, the Japanese managers also scored significantly higher than the Russian and Chinese managers.

Stimulation. The US managers scored higher than their counterparts from the other three countries, while the Chinese managers also scored higher than the Japanese and Russian managers on this dimension.

Self-direction. The US managers scored significantly higher than their counterparts from the other three countries, while the Russian and Japanese managers scored significantly higher than the Chinese.

Universalism. The Japanese, US and Chinese managers grouped to score significantly higher than the Russian managers.

Table 4 Means, standard deviations, and F-test results for the four countries on the ten subdimensions

Dimensions	Countries	Mean	s.d.	F
Power	United States	2.79	1.1	14.0***
	Russia	2.75	1.1	
	Japan	2.14	1.0	
	China	2.73	1.1	
Achievement	United States	4.79	0.8	25.9***
	Russia	3.97	0.9	
	Japan	4.22	0.9	
	China	4.36	1.0	
Hedonism	United States	4.52	1.2	65.9***
	Russia	3.06	1.4	
	Japan	3.33	1.2	
	China	2.90	1.4	
Stimulation	United States	4.05	1.2	56.2***
	Russia	2.65	1.4	
	Japan	2.77	1.3	
	China	3.35	1.2	
Self-direction	United States	4.92	0.7	60.1***
	Russia	4.34	0.8	
	Japan	4.22	0.8	
	China	3.81	0.9	
Universalism	United States	4.06	0.9	22.8***
	Russia	3.53	0.8	
	Japan	4.18	0.7	
	China	4.03	0.9	
Benevolence	United States	4.66	0.8	29.2***
	Russia	4.03	0.8	
	Japan	4.15	0.7	
	China	4.62	0.8	
Tradition	United States	2.44	0.9	34.4***
	Russia	1.93	0.9	
	Japan	2.61	0.9	
	China	2.90	1.0	
Conformity	United States	3.89	1.0	17.3***
	Russia	3.55	1.0	
	Japan	3.73	0.8	
	China	4.21	1.0	
Security	United States	4.03	0.8	22.4***
	Russia	4.65	0.9	
	Japan	4.10	0.6	
	China	4.50	0.9	

***p<0.001.

Table 5 Duncan multiple comparison results for the four countries on the ten subdimensions of the Schwartz value survey

Dimensions	Countries				
Power	Japan				
	China	*			
	Russia	*			
	US	*			
		Japan	China	Russia	US
Achievement	Russia				
	Japan	*			
	China	*			
	US	*	*	*	
		Russia	China	Japan	US
Hedonism	China				
	Russia				
	Japan	*	*		
	US	*	*	*	
		China	Russia	Japan	US
Stimulation	Russia				
	Japan				
	China	*	*	*	
	US	*	*	*	
		China	Russia	Japan	US
Self-direction	China				
	Japan	*	*	*	
	Russia	*	*	*	
	US	*	*	*	
		Russia	Japan	China	US
Universalism	China				
	Japan	*			
	Russia	*			
	US	*	*	*	
		China	Japan	Russia	US
Benevolence	Russia				
	China	*			
	US	*			
	Japan	*			
		Russia	China	US	Japan
Tradition	Russia				
	Japan	*	*		
	China	*	*		
	US	*	*		
		Russia	Japan	China	US
Conformity	Russia				
	US	*			
	Japan	*	*	*	
	China	*	*	*	
		Russia	US	Japan	China
Security	Russia				
	US	*			
	Japan	*	*	*	
	China	*	*	*	
		Russia	US	Japan	China

Table 5 Continued

Dimensions	Countries				
Security	Russia				
	Japan				
	US				
	China	*	*	*	
		Russia	Japan	US	China

*Indicates comparisons are significant at the $p < 0.01$ level, controlling for experiment-wise error rate.

Benevolence. The Chinese and US managers scored significantly higher than the Russian and Japanese managers.

Tradition. The Chinese managers scored higher than the managers from the other three countries. The Japanese managers scored higher than the US and Russian managers, and the US managers scored higher than the Russian managers.

Conformity. The Chinese managers scored significantly higher than their counterparts from the other three countries, and the Japanese and US managers scored higher than their Russian counterparts.

Security. The Chinese managers scored significantly higher than the managers from the US, Japan and Russia.

DISCUSSION

Hypothesis Tests of the Three Higher-Order Dimensional Continua

In general, the findings for the higher-order dimensions lend credence to the crossvergence hypothesis, even while using the more restrictive narrow definition (i.e., “in between”) of crossvergence. The Individualism–Collectivism findings fully support the crossvergence with national culture-dominant hypothesis. For this higher-order dimensional continuum, the American managers scored higher than the Russians, the Russians scored higher than the Japanese, and the Japanese scored higher than the Chinese. The findings for the Openness-to-Change–Conservation continuum also indicate a crossvergence effect. However, since there is no significant difference between Russia and Japan on this continuum, neither national culture nor economic ideology can be reported as dominant. The Self-Enhancement–Self-Transcendence finding, however, supports better the national culture-based

divergence perspective. With the US and Russian managers scoring significantly higher than the Japanese and Chinese managers, culture clearly appears to be the more plausible explanation for these differences.

In sum, the more inclusive Individualism measure supports the crossvergence with national culture-dominant hypothesis. The Openness-to-Change and Self-Enhancement measures that largely make up the Individualism measure, indicate crossvergence in the Openness measure and the influence of national culture in the Self-Enhancement measure. Perhaps the tendency for crossvergence on the inclusive Individualism measure, but not on the Openness or Self-Enhancement measures, indicates that not all values change at the same rate, if some culture-based values ever change. Clearly, in this study, we found that one’s self-orientation values appear to be more influenced by culture and slower to change than other value groups. While certainly not conclusive, these findings do identify the difference in rate of change as a potential area for future values research. Additionally, these findings suggest that Russia will be more likely than China to adopt more fully the current Western capitalism ideology of the US – the political environment aside (granted this is an important issue to put aside). The national culture-dominant crossvergence finding for the Individualism continuum is especially supportive of this perspective. At the same time, we are not suggesting that the Chinese will not develop their own form of capitalism, but that more likely they will develop a form that is uniquely compatible with the Chinese culture. If true, this certainly would have implications for the vision of a single global corporate culture. However, we shall save our discussion of the multidomestic versus global corporate culture debate until after we have addressed the subdimensional findings.

The Subdimension Contribution to the Interpretation of the Findings

As noted previously, each higher-order dimensional continuum consists of a number of subdimensions that may help us to better understand the dynamics underlying the higher-order dimensions. Therefore, we now turn to the results for the subdimensions that were used to create each continuum.

Individualism–collectivism subdimensions. The subdimensions that make up the Individualism–Collectivism higher-order dimensional continuum



show that the US managers typically scored significantly higher on the Individualism subdimensions (Power, Achievement, Hedonism, Stimulation, Self-Direction) while the Chinese managers scored higher on the Collectivism subdimensions (Benevolence, Tradition, Conformity). However, the Power and Benevolence subdimension findings were interesting in that both the Chinese and US managers' scores were high and not significantly different from one another.

Since Power is an individualistic subdimension, it could be hypothesized that the US managers would score significantly higher than the Chinese managers. Conversely, since Benevolence is a collectivistic subdimension, it could be hypothesized that the Chinese managers would score significantly higher than the US managers. From the results, we see that while the locations of the subdimensions were generally consistent with the higher-order dimensional continuum for the US and Chinese managers, these two subdimensions were exceptions. Perhaps this is an indication that some values are becoming more similar across these two diverse groups. Moreover, the Power and Benevolence findings might be indicators of a convergence trend. If so, this reinforces the notion that not all values change at the same rate and suggests that crossvergence is a temporary, transitional state during which values move over time from divergence to convergence. However, if crossvergence is a transitional state, it is uncertain whether it is one that should be measured in decades, centuries, or millennia.

Another issue suggested by the results for Benevolence deals with the direction in which change can occur. The convergence literature proposes that the values in countries where the capitalistic economic ideology is introduced, such as developing Asian countries, will move toward the values of the West. However, the question might also be asked: Is it possible that the Western economies will assimilate values from the Eastern cultures with which they interact? In other words, is the assimilation process a two-way street? For example, in the US, the adoption of quality circles and an increased emphasis on project teams suggests that American companies are looking to the East and learning from their Japanese counterparts. Also, other research supports the relevance of investigating this issue further (Abegglen & Stalk, 1986; Dollinger, 1988).

Likewise, as would be expected from the overall Individualism–Collectivism results, the average

Russian ($X=3.35$) and Japanese ($X=3.34$) scores for the Individualism subdimensions tend to be in the moderate range. However, when looked at individually, we find some differences on these subdimensions for the two countries. For Power, Russia is significantly higher than Japan; for Achievement and Hedonism, Japan is significantly higher than Russia, while for Stimulation and Self-direction, there were no significant differences. For the Collectivism subdimensions, the Japanese ($X=3.50$) and Russians ($X=3.17$) differences were more pronounced and more consistent. The Japanese scored significantly higher than the Russians on two of the three subdimensions – only Benevolence was not significantly different. Thus, the lower scores on the Collectivism subdimensions were a prime reason the Russian managers scored more individualistic on the Individualism–Collectivism continuum. As this illustrates, it is important to understand the subdimensional dynamics that contribute to the findings for the higher-level continua. These findings are consistent with those of Ralston *et al.* (1995) who report that there appears to be a paradox in the Chinese society. The Chinese seek to embrace the “new way” of capitalism, as epitomized by Individualism values, without forsaking traditional Confucian-based cultural values. Thus, an implicit need exists for a crossvergent philosophy to reconcile the differences of old and new within the paradox. Also, these findings continue to raise the question: Do certain values change more easily or faster than others?

Therefore, what we may be seeing when we look at the Individualism–Collectivism subdimensions is that embedded in these crossvergence findings is an almost subliminal tendency for divergence on values associated with Confucian-based Eastern cultures, especially with the Tradition and Conformity subdimensions. Thus, there clearly is a trend that is relevant for locating the Russian and Japanese managers – the two groups under primary investigation in this study – on the crossvergence continuum. That trend is the consistent, significantly high scores for Japan on the subdimensions related to group-oriented values, which in Japan's case could be referred to as cultural-based Collectivism. Had the opposite occurred – Russia scoring high on these subdimensions – we might have referred to it as ideology-based Collectivism. Conversely, we did not find a culture-based or ideology-based Individualism trend. Perhaps these findings indicate that it is easier to adopt the economic ideology-based capitalistic (individualistic) values

than it is to abandon the traditional culture-based collectivistic values. Also, the points raised in our previous discussion of the Self-Enhancement higher-order dimensional continuum add credence to the need to investigate further the impact that culture-based Collectivism has on how managerial work values develop. Clearly, these are issues that would have implications for MNCs attempting to form a seamless global organization.

Openness-to-change-conservation subdimensions. For the Openness-to-Change-Conservation continuum, as with Individualism–Collectivism, we found that both the Russian and Japanese scores were located significantly below the US score and significantly above the Chinese score. However, when we look at the subdimension scores we see a marked contrast between the Japanese and Russians on some of the subdimensions. While there were no significant differences between Russia and Japan on Stimulation and Self-Direction, the Openness-to-Change subdimensions, two of the three Conservation sub-dimensions were significantly different. For Tradition and Conformity, Russia was significantly lower than Japan, while for Security, the two groups of managers were not significantly different. Nonetheless, the Conservation subdimensional differences were not enough to result in an overall significant difference for the Openness-to-Change dimension. Also, it is interesting, given the current unsettled situation in Russia today, to find Security as not highly valued – perhaps the low value for Security is the explanation for the current situation in Russia. Conversely, given Japan’s cultural heritage based on Confucian philosophy, it is not difficult to understand the Japanese managers’ higher scores on Conformity and Tradition.

Self-enhancement-self-transcendence subdimensions. As with the Individualism and Openness-to-Change continua, the US managers had the highest scores on Self-Enhancement. Therefore, as might be expected, the US managers score relatively high on all Self-Enhancement subdimensions. However, what is curious is that they also score relatively high on both Self-Transcendence subdimensions. Nonetheless, after subtracting the Self-Transcendence scores from the Self-Enhancement scores, the US managers were the group with the overall highest score on the Self-Enhancement continuum. Also, as in the findings for the Russian and Japanese scores on the

Individualism and Openness-to-Change dimensions, there was no consistent pattern for the Self-Enhancement subdimensions. The pattern for the Self-Transcendence sub-dimensions was consistent with the findings for Collectivism and Conservation. The subdimensions that were significantly different found Eastern culture Japan having the higher score.

Perhaps more intriguing, however, is a comparison of the Eastern cultures on the Self-Transcendence subdimensions. The Japanese scored relatively high on Universalism when compared to the Chinese and significantly lower than the Chinese on Benevolence. The interesting point is that the concern for family as the referent group – which typically leads to Asian cultures scoring high on Benevolence – does not appear to be particularly important to present-day Japanese. This finding is consistent with previous research that has shown Japanese and Chinese to hold different definitions of who belongs to the in-group. The Chinese hold the traditional view that family and trusted friends comprise the in-group, while the Japanese view their company as the in-group (Hall & Xu, 1990). One possible explanation for the Japanese managers’ view of the in-group, and thus relatively low Benevolence score, is an historic crossvergence effect. That is, fifty years of Western ideological influence, combined with the Confucian-based importance that Eastern cultures attach to in-group membership, has led to an integration of economic ideology and national culture that, in turn, has resulted in the “company family” becoming the referent in-group in Japan.

Finally, the findings for Hedonism may be worthy of notice. While the Japanese managers scored lower than the US managers on Hedonism, they both scored significantly higher than the Russian and Chinese managers. This finding leads us to ask: Is Hedonism an outcome, or perhaps a predictor, of economic development? Also, the US scoring higher than Japan is consistent with the idea that a correlation may exist between Hedonism and economic development, given the length of the periods of current economic development in the US and Japan.

CONCLUSIONS

The findings from this study raise a number of questions. For example, is the assimilation of values a two-way, or perhaps a many-way street? Two-way assimilation would certainly have positive implications for the global corporate culture design over



the long run. Likewise, is crossvergence a temporary, transitional state between convergence and divergence? And if so, how long is the transition process? The answers to these questions also have long-term implications for the likelihood of the global organization. Therefore, while this study raises rather than answers these questions, we believe that these questions identify relevant issues for today's global businesses, as their leaders struggle to determine the designs that will prove to be competitive in tomorrow's organizations. Thus, we believe that these questions deserve consideration if we are to fully comprehend the effect of local work values on the design and development of corporate cultures for multinational companies in the future. However, in addition to raising issues for consideration, this study also provides a clearer insight into the present possibility of a global form of organization in which a company creates a seamless/borderless corporate culture.

Our findings are encouraging for a global form of organization in that they do not strongly support the divergence perspective. However, on the other hand, neither do the findings strongly support the ideal for a seamless corporate culture – a convergence finding. Our findings, by substantially

supporting crossvergence with culture-dominant, suggest that the global corporate culture concept may be viable in the long term, especially if crossvergence proves to be a transitional state, and values assimilation is a mutual process. However, we feel that these findings are not particularly supportive of the global organizational concept in the short term, especially when we look at the differences at the subdimensional level. There appear to be too many work value differences to make this concept presently realistic. Thus, these findings better support the multidomestic approach as a reasonable strategy for international businesses today. This implies that focusing effort on understanding and coordinating the different cultural values would be a more beneficial strategy than trying to force-fit them into a single corporate culture.

ACKNOWLEDGEMENTS

The authors wish to thank Pamela Perrewé, Sharon Foley, Sharon Segrest, and the anonymous reviewers for their helpful comments on an earlier draft of this paper. A prior version of this paper was presented at the 1995 Academy of Management Meetings, Vancouver and included in the *Best Papers Proceedings* of that conference.

REFERENCES

- Abeeglen, J. C. 1957. Subordination and autonomy attitudes of Japanese workers. *American Journal of Sociology*, 63: 181–189.
- Abeeglen, J. C., & Stalk, G. 1986. The Japanese corporation as competitor. *California Management Review*, 28: 9–27.
- Adler, N. J., & Graham, J. L. 1989. Cross-cultural interaction: The international comparison fallacy? *Journal of International Business Studies*, 20: 515–537.
- Ajiferuke, M., & Boddewyn, J. J. 1970. "Culture" and other explanatory variables in comparative management studies. *Academy of Management Journal*, 13: 153–163.
- Aslund, A. 1994. Comment on 'macropolicies in transition to a market economy: A three-year perspective,' by Balcerowicz and Gelb. *World Bank Research Observer* (Annual conference supplement): 45–48.
- Baillie, A. S. 1986. The Deming approach: Being better than the best. *SAM Advanced Management Journal* Autumn: 15–23.
- Baker III, J. A. 1996. The United States and other great Asian powers: Russia, Japan, and China. *Vital Speeches of the Day*, 62: 389–392.
- Berliner, J. 1988. *Soviet industry from Stalin to Gorbachev: Essays on management and innovation*. Ithaca, NY: Cornell University Press.
- Boeker, W. 1989. Strategic change: The effects of founding and history. *Academy of Management Journal*, 32: 489–515.
- Bontempo, R., Lobel, S., & Triandis, H. H. 1990. Compliance and value internalization in Brazil and the U.S.: Effects of allocentrism and anonymity. *Journal of Cross-Cultural Psychology*, 21: 200–213.
- Chanda, N., & Huus, K. 1995. The new nationalism. *Far Eastern Economic Review*, November 9: 20–26.
- Chatman, J. A., & Jehn, K. 1994. Assessing the relationship between industry characteristics and organizational culture: How different can you be? *Academy of Management Journal*, 37: 522–553.
- Cheng, C. 1994. Diversity as community and communions: A Taoist alternative to modernity. *Journal of Organizational Change Management*, 7(6): 49–58.
- Christopher, R. C. 1983. *The Japanese mind*. New York: Fawcett Columbine.
- Cole, R. E. 1973. Functional alternatives and economic development: An empirical example of permanent employment in Japan. *American Sociological Review*, 38: 424–438.
- Dobrokhoto, L. N. 1993. The key to understanding Russia today: Realism. *Russia Today*, 1(3): 1–4.
- Dollinger, M. J. 1988. Confucian ethics and Japanese management practices. *Journal of Business Ethics*, 7: 575–584.
- Dunne, M. J. 1995. Scaling the wall of China. *Management Review*, 84(8): 13–14.
- Dunphy, D. 1987. Convergence/divergence: A temporal review of the Japanese enterprise and its management. *Academy of Management Review*, 12: 445–459.
- Economist* 1994. War of the Worlds. October 1: 3–6.
- Economist* 1995a. Russian communists: Endangered species. May 6: 51–52.
- Economist* 1995b. Russian roulette. December 23: 12.
- Economist* 1997. Reforming Japan: The once and future boom. March 22: 79–80.
- Eisenstadt, S. N. 1973. *Tradition, change and modernity*. New York: John Wiley.



- Elenkov, D. In press. Differences in managerial values: An empirical study of U.S. and Russian managers. *International Studies of Management and Organization*.
- Engardio, P. 1995. China: Move over, Karl Marx – Here comes Confucius. *Business Week* May 29: 53.
- England, G. W., & Lee, R. 1974. The relationship between managerial values and managerial success in the United States, Japan, India, and Australia. *Journal of Applied Psychology*, 59: 411–419.
- Evans, R. 1970. Evolution of the Japanese system of employer–employee relations, 1868–1945. *Business History Review*, 44(1): 110–125.
- Ferraro, G. P. 1993. *The cultural dimension of international business*. Englewood Cliffs, N.J.: Prentice-Hall.
- Furnham, A. 1984. The Protestant work ethic: A review of the psychological literature. *European Journal of Social Psychology*, 14: 87–104.
- Galuszka, P., & Brady, R. 1996. The battle for Russia's wealth: Can rich new capitalists weather a popular backlash? *Business Week* April 1: 50–52.
- George, R. L. 1992. *The East-West pendulum*. Englewood Cliffs, N.J.: Prentice-Hall.
- Hall, R. H., & Xu, W. 1990. Run silent, run deep – cultural influences on organizations in the Far East. *Organization Studies*, 11: 569–576.
- Harris, M. 1979. *Cultural materialism: The struggle for a science of culture*. New York: Random House.
- Hofstede, G. 1980. *Culture's consequences: International differences in work-related values*. Newbury Park, CA: Sage.
- Hofstede, G. 1984. The cultural relativity of the quality of life concept. *Academy of Management Review*, 9: 389–398.
- Hofstede, G., & Bond, M. H. 1988. The Confucius connection: From cultural roots to economic growth. *Organizational Dynamics*, 16(4): 4–21.
- Holt, D. H., Ralston, D. A., & Terpstra, R. H. 1994. Constraints on capitalism in Russia: The managerial psyche, social infrastructure, and ideology. *California Management Review*, 36(3): 124–141.
- Howard, N., & Teramoto, Y. 1981. The really important difference between Japanese and Western management. *Management International Review*, 21(3): 19–30.
- Jacobs, L., Keown, C., & Worthley, R. 1993. Right/left hemispheric orientation in Japan, China, and the United States: Beware of the difference!. *Journal of International Consumer Marketing*, 5(4): 93–106.
- Kelley, L., & Reeser, C. 1973. The persistence of culture as a determinant of differentiated attitudes on the part of American managers of Japanese ancestry. *Academy of Management Journal*, 16: 67–76.
- Kelley, L., Whatley, A., & Worthley, R. 1987. Assessing the effects of culture on managerial attitudes: A three-culture test. *Journal of International Business Studies*, 18(2): 17–31.
- Kelley, L., & Worthley, R. 1981. The role of culture in comparative management: A cross-cultural perspective. *Academy of Management Journal*, 24: 164–173.
- Kiezun, W. 1991. *Management in socialist countries: USSR and Central Europe*. New York: Walter de Gruyter.
- Kirk, R. E. 1982. *Experimental design: Procedures for the behavioral sciences* (2nd ed.). Monterey, CA: Brooks/Cole.
- Kordonsky, S. 1992. Pressure groups in the social structure of reforming society. *Communist Economies and Economic Transformation*, 4(1): 85–95.
- Lincoln, J. R., Olson, J., & Hanada, M. 1978. Cultural effects of organizational structures: The case of Japanese firms in the United States. *American Sociological Review*, 43: 829–847.
- L'Vov, D. S. 1992. The social and economic problems of perestroika. *Communist Economies and Economic Transformation*, 4(1): 75–83.
- Miller, W. H. 1995. Managing in China. *Industry Week*, 244(14): 20–26.
- Negandhi, A. R. 1975. Comparative management and organizational theory: A marriage needed. *Academy of Management Journal*, 18: 334–344.
- Nove, A. 1994. Once again on concepts of socialism. *Problems of Economic Transition*, 37(2): 41–49.
- Ohmae, K. 1990. *The borderless world: Power and strategy in the interlinked economy*. New York: Harper Business.
- Ottaway, R., Bhatnagar, D., & Korol, T. 1989. A cross-cultural study of work-related beliefs held by MBA students. In W. A. Ward and E. G. Gomolka (Eds.), *Proceedings of the 26th Annual Meeting of the Eastern Academy of Management*: 155–157. Portland, ME: EAM.
- Ouchi, W. G. 1981. Organizational paradigms: A commentary on Japanese management and Theory Z organizations. *Organizational Dynamics*, 9(4): 36–43.
- Pascale, R. T., & Maguire, M. A. 1980. Comparison of selected work factors in Japan and the United States. *Human Relations*, 33: 433–455.
- Porter, M. 1986. Changing patterns of international competition. *California Management Review*, 18(2): 9–40.
- Prahalad, C. K., & Doz, Y. L. 1987. *The multinational mission: Balancing local demands and global vision*. New York: The Free Press.
- Puffer, S. M. 1994. Understanding the bear: A portrait of Russian business leaders. *Academy of Management Executive*, 8(1): 41–54.
- Pye, L. W. 1985. *Asian power and politics: The cultural dimensions of authority*. Cambridge, MA: The Belknap Press of Harvard University.
- Ralston, D. A., Cunniff, M. K., & Gustafson, D. J. 1995. Cultural accommodation: The effect of language on the response of bilingual Hong Kong Chinese managers. *Journal of Cross-Cultural Psychology*, 26: 714–727.
- Ralston, D. A., Gustafson, D. J., Cheung, F., & Terpstra, R. H. 1992. Eastern values: A comparison of U.S., Hong Kong and PRC managers. *Journal of Applied Psychology*, 77: 664–671.
- Ralston, D. A., Gustafson, D. J., Cheung, F., & Terpstra, R. H. 1993. Differences in managerial values: A study of U.S., Hong Kong and PRC managers. *Journal of International Business Studies*, 24(2): 249–275.
- Ralston, D. A., Gustafson, D. J., Terpstra, R. H., & Holt, D. H. 1995. Pre–post Tiananmen Square: Changing values of Chinese managers. *Asia Pacific Journal of Management*, 12: 1–20.
- Ralston, D. A., Yu, K. -c., Wang, X., Terpstra, R. H., Gustafson, D. J., & Wei, H. 1996. The cosmopolitan Chinese manager: Findings of a study on managerial values across the six regions of China. *Journal of International Management*, 2: 79–109.
- Ricks, D. A., Toyne, B., & Martinez, Z. 1990. Recent developments in international management research. *Journal of Management*, 16(2): 219–253.
- Ronen, S., & Shenkar, O. 1985. Clustering countries on attitudinal dimensions: A review and synthesis. *Academy of Management Review*, 10(3): 435–454.
- Schwartz, S. H. 1992. Universals in the content and structure of values: Theoretical advances and empirical tests in 20 countries. In M. P. Zanna (Ed.), *Advances in experimental social psychology*: 1–65. San Diego, CA: Academic Press.
- Schwartz, S. H., & Bilsky, W. 1990. Toward a theory of the universal content and structure of values: Extensions and cross-cultural replications. *Journal of Personality and Social Psychology*, 58: 878–891.
- Shaw, J. B., Fisher, C. D., & Randolph, W. A. 1991. From materialism to accountability: The changing cultures of Ma Bell and Mother Russia. *Academy of Management Executive*, 5(1): 7–20.
- Shmelev, N. 1991. New anxieties. In A. Jones and W. Moskoff (Eds.), *The great market debate in Soviet economics*. Armonk, NY: M.E. Sharpe.
- Thompson, J. E., & Thompson, H. O. 1990. Values: Directional signals for life choices. *Neonatal Network*, 8(February): 77–79.



- Triandis, H. C., Bontempo, R., Bond, M., Leung, K., Brenes, A., Georgas, J., Hui, C. H., Marin, G., Setiadi, B., Sinha, J., Verma, J., Spangenberg, J., Touzard, H., & de Montmollin, G. 1986. The measurement of the etic aspects of individualism and collectivism across cultures. *Australian Journal of Psychology*, 38(3): 257–267.
- Triandis, H. C., Bontempo, R., Bond, M. H., Leung, K., & Hui, C. H. 1990. A method for determining cultural, demographic, and personal constructs. *Journal of Cross-Cultural Psychology*, 21: 302–318.
- Triandis, H. C., Bontempo, R., Villareal, M. J., Asai, M., & Lucca, N. 1988. Individualism and collectivism: Cross-cultural perspectives on self-ingroup relationships. *Journal of Personality and Social Psychology*, 21: 323–338.
- Tse, D. K., Francis, J., & Walls, J. 1994. Cultural differences in conducting intra- and inter-cultural negotiations: A Sino-Canadian comparison. *Journal of International Business Studies*, 25: 537–555.
- Tung, R.L 1988. People's Republic of China. In R. Nath (Ed.), *Comparative management: A regional view*: 139–168. Cambridge, MA: Ballinger.
- Vance, C. M., & Zhuplev, A. V. 1992. Myths about doing business in the Soviet Union. *Journal of Management Inquiry*, 1(1): 66–69.
- Waley, A. 1938. *The analects of Confucius*. New York: Vintage Books.
- Wayne, F. S. 1989. An instrument to measure adherence to the Protestant ethic and contemporary work values. *Journal of Business Ethics*, 8: 793–804.
- Webber, R. H. 1969. Convergence or divergence. *Columbia Journal of World Business*, 4(3): 75–83.
- Whitehill, A. M. 1991. *Japanese management: Tradition and transition*. London: Routledge.
- Xing, F. 1995. The Chinese cultural system: Implications for cross-cultural management. *SAM Advanced Management Journal*, 60(1): 14–20.
- Yang, K. -s., & Bond, M. H. 1990. Exploring implicit personality theories with indigenous or imported constructs: The Chinese case. *Journal of Personality and Social Psychology*, 58: 1087–1095.
- Yip, G.S 1992. *Total global strategy: Managing for worldwide competitive advantage*. Englewood, Cliffs, NJ: Prentice-Hall.
- Youzhou, Z., Jiesheng, F., Wong, M. Y., & Stewart, S. 1996. The 'catfish effect' of the private sector on the economy of The People's Republic of China. *Journal of Enterprising Culture*, 4: 331–349.

APPENDIX

The Ten Universal Schwartz-Value Survey (SVS) Motivational Subdimensions

- Power:** The motivational goal of people with power values is the attainment of social status and prestige, and the control or dominance over other people and resources.
- Achievement:** The primary goal of this type is personal success through demonstrated competence. Competence is based on what is valued by the system or organization in which the individual is located.
- Hedonism:** The motivational goal of this type is pleasure or sensuous gratification for oneself. This value type is derived from orgasmic needs and the pleasure associated with satisfying them.
- Stimulation:** The motivational goal of people with Stimulation values is excitement, novelty, and challenge in life. This value type is derived from the need for variety and Stimulation in order to maintain an optimal level of activation. Thrill seeking can be the result of strong Stimulation needs.
- Self-direction:** The motivational goal of this value type is independent thought and action (for example, choosing, creating, exploring). Self-direction comes from the need for control and mastery along with the need for autonomy and independence.
- Universalism:** The motivational goal of Universalism is the understanding, appreciation, tolerance, and protection of the welfare of all people and nature.
- Benevolence:** The motivational goal of people with benevolent values is to preserve and enhance the welfare of people with whom one is in frequent personal contact. This is a concern for the welfare of others that is more narrowly defined than Universalism.
- Tradition:** The motivational goal of people with Tradition values is respect, commitment, and acceptance of the customs and ideas that one's culture or religion imposes on the individual. A Traditional mode of behavior becomes a symbol of the group's solidarity and an expression of its unique worth and, hopefully, its survival.
- Conformity:** The motivational goal of this type is restraint of action, inclinations and impulses likely to upset or harm others and violate social expectations or norms. It is derived from the requirement that individuals inhibit inclinations that might be socially disruptive.
- Security:** The motivational goal of this type is safety, harmony and stability of society or relationships, and of self.



ABOUT THE AUTHORS

David A. Ralston is a member of the Management Department at the University of Connecticut and a Project Director at the UConn CIBER Center.

David H. Holt is a member of the Management Department at Lingnan College in Hong Kong.

Robert H. Terpstra is Department Chair of the Finance Department at the University of Macau, Macau.

Yu Kai-cheng is a member of the Management Department and Dean of the Business School at Dalian University of Technology, Dalian, PRC.

This paper was previously published in Journal of International Business Studies (1997) 28: 177–207.