



---

Does Culture Matter? A Cross-Cultural Study of Executives' Choice, Decisiveness, and Risk Adjustment in International Marketing

Author(s): David K. Tse, Kam-hon Lee, Ilan Vertinsky and Donald A. Wehrung

Source: *Journal of Marketing*, Vol. 52, No. 4 (Oct., 1988), pp. 81-95

Published by: [American Marketing Association](#)

Stable URL: <http://www.jstor.org/stable/1251635>

Accessed: 28-11-2015 07:12 UTC

## REFERENCES

Linked references are available on JSTOR for this article:

[http://www.jstor.org/stable/1251635?seq=1&cid=pdf-reference#references\\_tab\\_contents](http://www.jstor.org/stable/1251635?seq=1&cid=pdf-reference#references_tab_contents)

You may need to log in to JSTOR to access the linked references.

---

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



American Marketing Association is collaborating with JSTOR to digitize, preserve and extend access to *Journal of Marketing*.

<http://www.jstor.org>

المنارة للاستشارات

David K. Tse, Kam-hon Lee, Ilan Vertinsky, & Donald A. Wehrung

# Does Culture Matter? A Cross-Cultural Study of Executives' Choice, Decisiveness, and Risk Adjustment in International Marketing

The authors investigate whether a manager's home culture significantly influences his or her international marketing decisions. They also examine whether the impact of home culture diminishes in an open economy with intense exposure to international markets, giving way to a process of "globalization." Decision making in four simulated international marketing situations was studied with executives from the People's Republic of China, Hong Kong, and Canada. The findings confirm that home culture has predictable, significant effects on the decision making of the executives from the People's Republic of China and Canada. Chinese executives from Hong Kong were influenced by a combination of Western and Chinese cultural norms.

**A**N understanding of how cultural differences affect international marketing decisions is important to a firm's external operation. It can be used to predict strategic moves and responses of competitors and hence to design effective competitive strategies. This understanding is also salient to international sales negotiations (e.g., Pye 1983).

In addition, a knowledge of the impact of culture on marketing decisions is important to the internal conduct of multinational firms. Internal coordination

in these firms requires well-orchestrated responses from executives with different cultural backgrounds. Even in organizations with elaborate standard operating procedures, the interpretation of environmental cues may vary among executives from different nations as a result of their cultural differences. A knowledge of cultural influences enables the firms to accommodate and adapt to such differences, hence reducing "noisy" communications among executives and errors in decision making (Montgomery and Weinberg 1979). In the past multinational firms were dominated by "Western managerial culture." Recent trends in international trade and foreign direct investment have increased significantly the global role of Asian multinational firms and North American subsidiaries operating in Asia, thus increasing the salience of understanding cultural impact on a firm's internal operations.

We describe a study of the effects of a manager's home culture on the marketing decisions of Chinese and Western (Canadian) executives. The study also provides some preliminary indications of whether cultural effects on marketing decisions diminish as a consequence of intercultural exposure, interdependence,

---

David K. Tse is Assistant Professor of Marketing, Donald A. Wehrung is Associate Professor of Policy, and Ilan Vertinsky is Professor of Policy and Director of Centre of International Business Studies, Faculty of Commerce and Business Administration, University of British Columbia. Kam-hon Lee is Reader and Director of Marketing Studies, Faculty of Business Administration, The Chinese University of Hong Kong. The order of the authors' names is random. The study was partially supported by the Centre of International Business Studies, University of British Columbia. The authors thank three anonymous *JM* reviewers for their insightful suggestions. Assistance from Leopoldo Gutierrez for the computer analysis is gratefully acknowledged.

---

and learning. To accomplish this, two populations of Chinese executives, one from the People's Republic of China (PRC) and the other from Hong Kong were studied. PRC business executives have been relatively isolated from contacts with international markets for many years. Hence, cultural effects on their marketing decision processes, if present, would represent a relatively pure form of cultural influence on business behavior. The Chinese executives in Hong Kong represent an Oriental business community with intense and continuous interactions with the Western business world. If globalization of markets has eroded the impact of ethnicity on marketing decision making, one would expect Hong Kong executives to behave similarly to North American executives. The Canadian executives, whose decision processes in risky situations have been found to be similar to those of U.S. executives (MacCrimmon and Wehrung 1986), represent the Western managerial culture.

The executives were asked to respond to four hypothetical marketing situations. An "in-basket" format (Frederiksen, Saunders, and Wand 1957; Gill 1979) was selected to investigate the impact of culture on executives' decision making because of its realism and its rich context (see Appendices A through D). In comparison with conventional tools for studying executives' decisions, such as belief statements, this approach provides more relevant decision variables to the respondents. In addition, because executives representing different cultural backgrounds and organizations are responding to some common decision situations, their behavior can be compared. In the past researchers have used the technique to study executive decisions toward trade unions and customer threats (e.g., MacCrimmon and Wehrung 1986).

In the four hypothetical marketing situations, the outcome variables of prime concern were (1) choice, (2) decisiveness, and (3) adjustment of the decision environment. The decisions involve elimination of a current product line, mode of entry into a new market, new product design, and response to a malfunctioning product. The cultural traits addressed include some of those commonly cited in the literature as distinguishing Western from Chinese managers, in particular (1) individual face saving (Lee 1982; Redding 1982), (2) repayment of "dues" and attitude toward competition (Meade and Barnard 1973; Redding 1982; Tung 1981), (3) participation in decision process (Cascio 1974; Han 1983; Meade 1969; Tung 1981), (4) pan-ethical orientation to problems (Ch'ien 1973; Yin 1976), (5) quest for harmony, and (6) fatalistic views (Chan 1967).

## Culture and Decision Making

Some recent studies reported in the marketing literature have confirmed the importance and dynamics of

cultural influence on consumer behavior (e.g., Erickson, Johansson, and Chao 1984; Tse, Belk, and Zhan 1988). Other studies such as the work of Walendorf and Reilly (1983) have focused specifically on ethnic differences. Studies using Singaporean subjects found that traditional Chinese values were fading slowly because of Western influences (e.g., McCullough, Tan, and Wong 1986; Tan and Farley 1987). We examine how home cultural values affect managerial decisions in risky situations.

Hofstede (1980, p. 19) defined culture as ". . . the interactive aggregate of common characteristics that influence a group's response to its environment." Culture may be reflected in general tendencies of persistent preference for particular states of affairs over others, persistent preferences for specific social processes over others, and general rules for selective attention, interpretation of environmental cues, and responses. It is generally known that culture may provide detailed prescriptions (norms) for specific classes of situations while leaving other domains relatively unregulated. National and ethnic cultures are thus distinguished in their degree of regulation of behavior, attitudes, and values, the domain of regulation, and the consistency and clarity of regulation and tolerance of other cultures.

Comparative studies of Chinese and North American cultures have underscored several distinctive general norms that are dominant in one culture and absent in the other. Hence it is possible to find distinctions among societies having the same ethnic but different national cultures, such as those in the PRC and Hong Kong.

The prime distinction between Chinese and North American cultures appears to be the collective orientation of the former and the individualistic orientation of the latter (see e.g. Chan 1986; Ch'ien 1973; Moore 1967; Yin 1976). A collective orientation implies (1) an emphasis on diffused relationships, that is, relationships not limited to a particular domain or function, (2) a pan-ethical approach to action, emphasizing social objectives in decisions, (3) an intergenerational time perspective that considers the rights of both current and future generations, and (4) an emphasis on collective harmony and discipline. In contrast, an individualistic orientation implies (1) the specific or functional definition of relationships, (2) a utilitarian concept of problem solving, (3) a shorter time perspective, and (4) an emphasis on freedom of choice and competition. A collective orientation also implies a tendency to submit to one's individual fate—fatalism (Chan 1967)—whereas the individualistic orientation, in the quest for freedom, implies a desire to seek control over one's fate.

Specific norms have been proposed in the literature as dominant in one culture and absent in the other.

Four such norms that are relevant to the decision situations are discussed next.

### **Face Saving**

“Face” refers to the respect, pride, and dignity of an individual as a consequence of his or her position in society. This principle influences many facets of Chinese life and is regarded as a means for fostering harmony (Moore 1967). The norm regulates responsibilities and interpersonal relationships in the family and society. It prescribes that the dignity of the individual, even in trivial matters, must be defended and respected (Chan 1967). This responsibility for the preservation of dignity ensures the maintenance of hierarchies and elucidates the responsibilities of persons within the hierarchy. To a large extent this norm is similar to the notion of shame in Japanese culture.

In a marketing context, a product represents part of the person who initiated it. Hence the initiator is psychologically tied to the product and any criticism of the product would mean damage to his or her “face.” It is reasonable, therefore, to expect Chinese executives to be more inclined to persist in investing in their products even if weakness is demonstrated. Studies of how Japanese managers react to product failures have found this characteristic in Japan (Johansson 1986).

### **Repayment of “Dues” and Attitude Toward Competition**

Exchange relationships are present in both cultures. In Western culture they are based on principles of balance, clearance, and specific relationships. In Chinese culture exchanges create long-term moral obligations. This intricate system of long-term moral obligations of repayment, without explicit rules for termination of the obligations, buttresses collective survival and increases harmony.

In the marketing context, the Chinese system may place limits on destructive competition and may induce certain market imperfections. For example, some preferential treatment may be given to the “insiders” and barriers may be erected against the “outsiders.”

### **Participation in Decision Making and the Significance of Consensus**

Closely related to the Chinese face-saving norm is subordinates’ lack of involvement in key decisions. Within the Chinese value system a subordinate is expected to obey, sometimes without question. A leader is consistently regarded as the most intelligent member of the group (Wu 1967). Consequently a question—or worse, a difference of opinion—may bring about loss of face of superiors. Authoritarian behavior by superiors and passive obedience by subordinates are expected. In contrast, consensus and participation in key decisions are valued in most Western cultures.

They are also important elements of the Japanese system through the *ringi* (Cascio 1974).

In the marketing context, this tighter coordination is important to both the effectiveness of the marketing department and its contribution to the firm. It may lead to a quicker product development process and more effective brand management.

### **Pan-Ethical Versus Utilitarian Approach to Problems**

The key paradigm guiding behavior in the West is utilitarianism. In an extreme form, utilitarianism encourages a cost-benefit approach to the decision by the decision maker based on his or her own preferences. The alternatives are assessed from an individual’s perspective rather than from a societal point of view. This approach tends to shorten the time horizon considered and increase the time discount rate. Ethical obligations are sometimes viewed more as social costs and constraints to be satisfied than as objectives to be fulfilled. In contrast, Confucian teachings emphasize moral ideals and place the virtue of social justice above any considerations of utility (Wu 1967, p. 223). This virtue is also emphasized in PRC’s organizational guidelines (Tung 1981).

In the marketing context, the pan-ethical approach implies a concern for consumers that exceeds the usual rational considerations of costs and benefits (the basic decision criterion of the utilitarian approach). It may mean that a “moral” product warranty is stronger than either legal obligations or requirements for maintaining the firm’s reputation.

### **Effects of Cultural Norms**

The prime question we address is to what extent these cultural characteristics are reflected in the marketing decision process. The “ideal” business decision model in Western culture presumes rationality—a choice among feasible alternatives so as to maximize the decision maker’s utility. In a risky situation the choice must reflect the risk-taking tendency of the decision maker, that is, the tradeoff between risks and returns.

Culture may affect the validity of such a model as a prescription for behavior in several ways.

1. Cultural norms may influence problem definitions. What appears in the functional orientation to be a generic marketing problem may be interpreted as another type of problem because of the presence of features that trigger distinct cultural interpretations.
2. Cultural norms may affect problem definition by providing standard operating procedures and programs for processing information. Thus, for example, some cultures promote the absorption of uncertainty by encouraging a “black and

white” external description of uncertain situations.

3. Cultural norms that regulate control beliefs may influence the generation of alternatives before and after a choice.
4. Some cultures may encourage individuals to take strong positions on alternatives whereas other cultures may value caution and ambiguity in positions.
5. Some cultures emphasize the processes of decision making (e.g., obtaining a consensus) more than the quality of the decisions reached.
6. A culture may affect business decisions by generally influencing risk-taking patterns (e.g., promoting caution and discouraging gambling) or prescribing a pattern of tradeoffs between risk and return.
7. A culture also may prescribe patterns of reward and punishment that affect what executives do to make the decision situation more favorable (i.e., risk adjustment) before and after the choice is made. Thus, if the Chinese culture tightly regulates how Chinese executives make decisions in the international marketing domain, a diffused orientation would imply susceptibility of problem definitions to concerns outside the scope of “risks and returns.” Face saving may dominate functional organizational objectives related to risks and returns in certain decision situations. Fatalism may reduce willingness to generate alternatives and other risk-adjustment activities of Chinese executives in comparison with North Americans. A quest for harmony may decrease decisiveness among Chinese executives (i.e., strength of preference between alternatives).

## Hypotheses

The basic hypothesis of this study is that general cultural differences significantly affect marketing decision making. We expect to find differences between PRC and Canadian executives in (1) choice, (2) decisiveness, and (3) adjustment of decision environment—the dependent variables investigated. A corollary to this hypothesis is that, as international contacts intensify (as in the case of Hong Kong executives), the influence of ethnic culture diminishes. Hence we hypothesize that the behavior of Hong Kong executives will be between that of PRC and that of Canadian executives. This hypothesis and the others discussed in this section are summarized in Table 1.

On the basis of the cultural effects discussed in the preceding section, we hypothesized that the choices adopted by Canadian and PRC executives would dif-

fer in several ways. In comparison with Canadian executives, PRC executives would choose decision alternatives involving (1) greater face saving, (2) longer term repayment of obligations, (3) more authoritarian and less consensual decision processes, and (4) greater focus on a pan-ethical viewpoint. This hypothesis ( $H_1$ ) was examined in four decision situations designed to allow cultural effects to influence the decision options under consideration, as described in the next section.

Most marketing decisions involve a choice among alternatives. An individual executive may (1) choose among the alternatives presented or (2) engage in what MacCrimmon and Wehrung (1986) call “risk adjustment” before making a choice. If one of the alternatives is clearly superior to other alternatives, the decision maker is likely to have a stronger preference for that decision. Similarly, in screening the options, a decision maker may find alternatives that can be rejected with strong confidence. The degree of conviction held for a particular alternative or, as Wehrung et al. (1988) termed it, “decisiveness,” could be a function of the choice situation (e.g., its riskiness) or the culture of which the individual is a member.

The literature on decision making of PRC executives emphasizes their slowness in reaching a decision (Hendry 1986; Pye 1983), which could be explained as a result of either the executives’ indecisiveness or the necessity of deferring the decision to consult with superiors (one of our subsequent hypotheses). We chose to hypothesize that culture affects the executive’s individual decisiveness ( $H_2$ ) and that PRC executives would be less decisive than the Canadians.<sup>1</sup> As a corollary to this hypothesis and as a test of the presence of globalization effects of decisiveness, we expected Hong Kong executives to be similar in their responses to the Canadians (this corollary is general to all our hypotheses about cultural differences and is not repeated).

Managers frequently try to modify the situations they face to make them more favorable as part of their decision process. Four important types of adjustment identified by MacCrimmon and Wehrung (1986) are (1) gaining control of the environment, (2) gaining information, (3) gaining time, and (4) reducing one’s personal exposure to risk. Chinese, like other Orientals, tend to accept their environments rather than seeking to change them (Chan 1967; Moore 1967). They seek to fit or harmonize with the environment. In contrast, Western cultures reject fatalistic percep-

<sup>1</sup>It may seem contradictory to hypothesize that the Chinese are both authoritarian and indecisive. In the Chinese culture “harmony” is the ideal state (i.e., the “end”) whereas “authoritarian style” is the accepted way of handling things (i.e., the “means”). A Chinese executive therefore can be indecisive but still regarded as authoritarian within an organization. Thus there is no contradiction between the two hypotheses.

**TABLE 1**  
**List of Hypotheses<sup>a</sup>**

Decision Situations and Other Dependent Variables	Cultural Norm Investigated	Hypothesis
H <sub>1a</sub> : Eliminating an unprofitable product line	Face saving	PRC executives: Continue HK executives: Between CND executives: Eliminate
H <sub>1b</sub> : Joint venture with competitor who is in trouble	Repayment of "dues"	PRC executives: Joint venture HK executives: Between CND executives: Enter alone
H <sub>1c</sub> : Adoption of a new design without subordinates' consensus	Leader authority	PRC executives: New design HK executives: Between CND executives: Standard design
H <sub>1d</sub> : Recall malfunctioning product	Pan-ethical view	PRC executives: Recall product HK executives: Between CND executives: Send reminder
H <sub>2</sub> : Decisiveness	Harmony	PRC executives: Least decisive HK executives: Between CND executives: Most decisive
H <sub>3</sub> : Willingness to adopt risk-adjustment strategies	Fatalism or control of the environment	PRC executives: Least willing HK executives: Between CND executives: Most willing
(a) Willingness to control decision environment		PRC executives: Least preferred among all adjustment strategies CND executives: Most preferred among all adjustment strategies
(b) Willingness to consult superiors		PRC executives: Most preferred among all adjustment strategies

<sup>a</sup>PRC denotes People's Republic of China, HK denotes Hong Kong, and CND denotes Canadian.

tions, encouraging executives to seek means for controlling their environment. These control beliefs are part of the North American myth about the unlimited possibilities open to each individual.

Thus we hypothesized that PRC executives would be less inclined than Canadians to engage in risk-adjustment strategies (H<sub>3</sub>). Among the four adjustment strategies, the PRC executives would avoid the use of risk-adjustment strategies to increase control over the decision environment, gather information, or develop alternative courses of action (H<sub>3a</sub>). They would be most likely to reduce both their personal and the firm's exposure to risk by consulting superiors (H<sub>3b</sub>).

## Research Design

We used three subject groups (i.e., executives from three cultures) and four international marketing decisions as repeated measures. Two independent variables—country (i.e., manager's home culture) and situation (i.e., type of international marketing decisions)—were investigated.

### **The "In-Basket" Instrument**

An in-basket format was used to ascertain how executives behave in risky marketing situations. In this

method, developed first by Frederiksen, Saunders, and Wand (1957), hypothetical scenarios solicit managerial decisions. The method has been used in studies of decision making (e.g., MacCrimmon and Wehrung 1984) and other managerial topics. See Gill (1979) for a review.

The executives were asked to play the role of a newly promoted vice-president of a large multinational corporation based in their home country—in Shenzhen (one of the four experimental economic zones in the PRC) for PRC executives, Hong Kong for Hong Kong executives, and Toronto for Canadian executives. The decision problems each subject considered consisted of four international marketing situations. These problems were described by memoranda in the subject's in-basket and required immediate response. The decisions were whether to (1) continue or drop an unprofitable product line, (2) enter a new market alone or through a joint venture with a competitor, (3) adopt a new product design or use a current one, and (4) recall a malfunctioning product or send warning letters to buyers of the product. Appendices A through D are the memos used for the four situations.

The participants were asked to respond using the materials at hand. No outside information was al-

lowed. To discourage delay, the exercise stated that the participant was scheduled to leave for an important business meeting in San Francisco within a couple of hours and would not return for a week, before which decisions would have to be made. None of the materials could be taken on the trip. Each participant was instructed to read through the materials and use his or her own experience as the basis for decisions.

As each situation presented a choice between two alternatives whose expected values were the same, the basis for a choice involved consideration of factors other than expected returns. This method has been used and tested by MacCrimmon and Wehrung (1984). In the decision to continue or drop an unprofitable product line, dropping the product could involve a "loss of face for the decision maker" because the executive had developed the product him- or herself. In the decision to enter a new market, either alone or through a joint venture with a financially troubled competitor who had helped the firm before, going alone might destroy a competitor whereas a joint venture would repay an obligation. The adoption of an innovative product design could be interpreted as making an authoritarian decision because there was no consensus on the design among subordinates, whereas the current design would promote continued harmony in the firm. Finally, in the decision whether to recall a malfunctioning product or send reminders, a pan-ethical orientation would require a complete correction of the problem through recall and a utilitarian orientation would permit a partial, short-run solution. See Table 1 for a summary of the specific hypotheses examined in each of these situations.

The entire questionnaire was translated into Chinese by a doctoral student from the PRC. The translated questionnaire was reviewed by a panel consisting of another PRC doctoral student and two of the authors whose mother tongue is Chinese. The Chinese version was used in a pretest conducted in the PRC and in the major study for PRC executives, whereas the English version (with appropriate changes in names of characters and addresses for each location) was used in Hong Kong and Canada.

The in-basket instrument seemed appropriate for investigating the impact of cultural differences on decision making. In contrast to belief scales (e.g., Anderson and Coughlan 1987) and descriptive techniques (e.g., Lazer, Murata, and Kosaka 1985; Naor 1986), the in-basket instrument provides a rich contextual narrative for each stylized marketing problem, thus permitting cultural influence to be studied across subjects from different cultures. Special care was taken in the design of the instrument to ensure that the tasks were familiar and within the competence of the subjects (see Chakravarti, Mitchell, and Staelin 1981; Little 1970; Little and Lodish 1981). The situations were

designed to provide a broad cross-section of marketing decisions that did not require detailed, specific know-how.

### **Pretest**

Three pretests were conducted, with (1) 45 PRC teachers in business, (2) 16 MBA students enrolled in a West Coast Canadian university, and (3) 20 Canadian Chinese executives from Vancouver's Chinatown. The first and second pretests were designed to show whether the decision situations were perceived as appropriate for PRC and Canadian subjects. The third pretest assessed whether the situations and the amount of investment involved in each situation were realistic. The first pretest used the Chinese language version of the instrument and the latter two pretests used the English version. Subsequent to the pretests, the situations and some questions in the questionnaire were modified.

### **Sample**

A total of 145 executives from Canada, Hong Kong, and the PRC formed the sample. The PRC sample consisted of 50 working executives from the PRC who participated in an executive training program in international marketing management in Hong Kong. The Hong Kong sample consisted of 45 working executives from Hong Kong who participated in an executive program in marketing and international business at a major university in Hong Kong. The Canadian sample was pooled from two sources. It consisted of 34 executives attending an evening MBA program at a West Coast university and 16 executives identified by a local international trade association who agreed to participate in the study. Aside from differences in age and work experience, the two Canadian samples showed no marked differences in the dependent measures and hence were combined.

### **Research Procedure**

Each participant was asked to respond to each in-basket memorandum presenting the decision situations without consulting others. Once the subjects had read a memorandum they were asked to write a memorandum in response, describing what they would do and the reasons for their actions. After completing each memorandum the subjects were asked to provide additional judgments on 9-point bipolar scales. They were instructed to respond completely to one decision situation before beginning the next one.

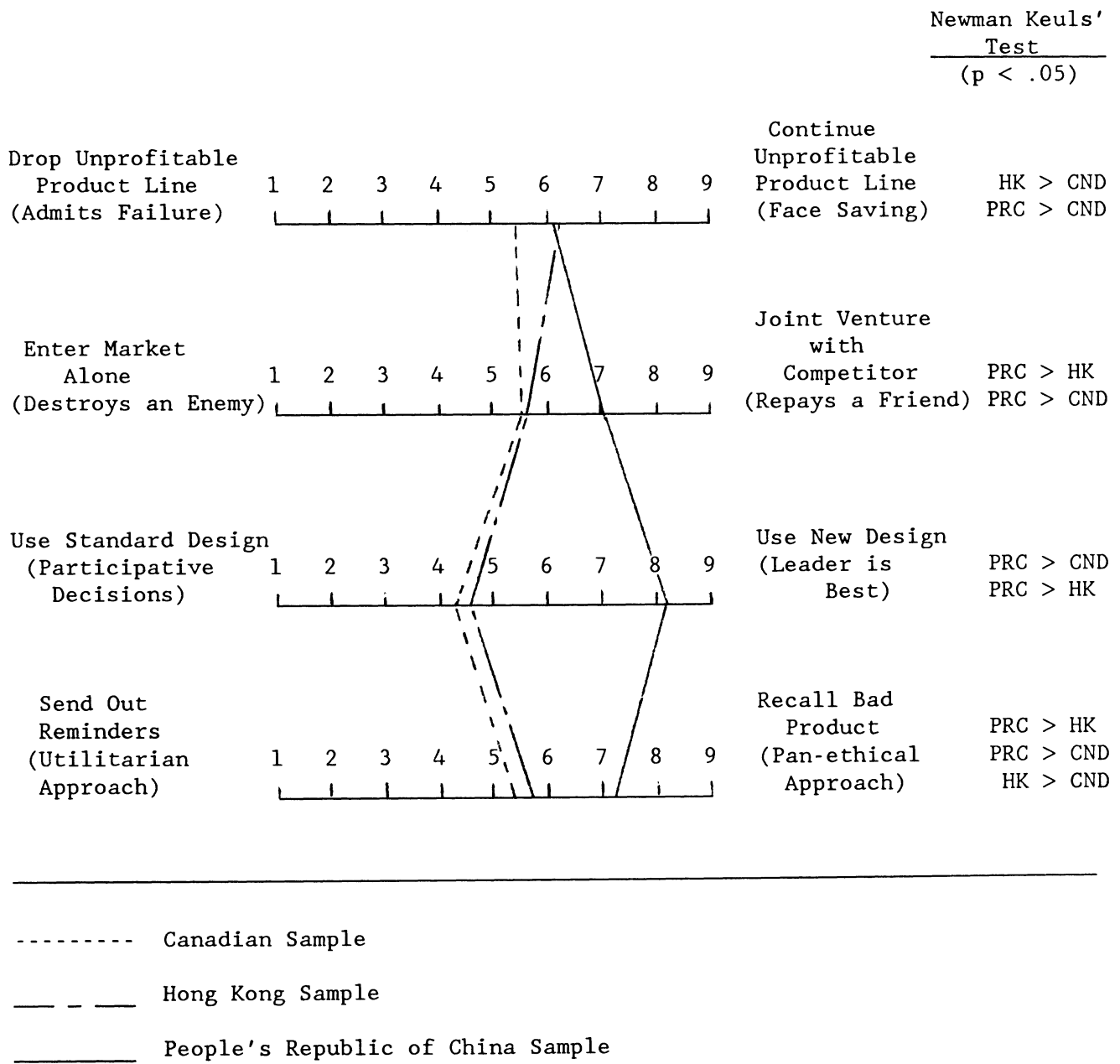
The six scales can be divided into three types. The first type assessed the subject's perception of the riskiness of the situation to the organization (from 1 = very risky to the organization to 9 = not risky to the organization). The second type consisted of four scales measuring the participant's inclination to engage in

four types of risk-adjustment strategies. They included the participant's inclination to (1) use resources to change the environment (from 1 = accept whatever outcomes occur from the decision to 9 = try to influence situation through bargaining and spending resources), (2) collect additional information (from 1 = use the available information to make the decision to 9 = gain as much additional information as possible), (3) develop more options (from 1 = decide among the options currently available to 9 = try to develop new options), and (4) consult superiors (from 1 = make decision by myself without consulting my

superiors to 9 = make decision in consultation with my superiors).

The third type of scale measured the strength of the participant's preference between the two decision options specified in each situation. These alternatives formed the two ends of a 9-point scale. Higher values corresponded to a preference for the alternative consistent with the hypothesized Chinese perspective as summarized in Figure 1. Some additional scales indicated sociodemographic characteristics of participants. The entire response to the four decision situations took about one hour to finish.

**FIGURE 1**  
**Choice in Four Situations by Subject Groups**





## Findings

### Manipulation Checks

The data first were checked to ensure that (1) each situation connoted similar levels of riskiness to the executives across cultures so that comparisons among the executives were meaningful and (2) the four situations represented different levels of riskiness so that a wide range of risky marketing decisions were considered.

Subjects' perceived riskiness for each situation was used as a manipulation check. Analysis of variance was performed with subjects' perceived riskiness as the dependent variable and country (i.e., subjects' home country) and situation as independent variables. The country effect and the country by situation interaction were insignificant, whereas the situation effect was highly significant ( $P < .01$ ). The mean perceived riskiness ratings for the four situations were, respectively, 5.1, 6.9, 6.0, and 4.4 on a scale that ranged from 1 (very risky) to 9 (not risky to the company). The Newman-Keuls tests indicated that each situation was perceived to be significantly ( $P < .05$ ) different from another. Hence, though the four situations differed in their perceived riskiness, executives from all three cultures perceived about the same degree of riskiness in each situation.

The data were analyzed mainly by ANOVA with country and situation as independent variables. Table 2 is a summary of the tests of the three formal hypotheses and some of their corollaries.

### Choice

The ANOVA results on the subjects' choices are summarized in the first column of Table 2. As expected,

the country effect is significant, confirming  $H_1$  that cultural difference affects subjects' decisions. The situation effect, which was not a central theme in the study, is insignificant. The country by situation interaction is significant at the .01 level, suggesting that a situation by situation analysis is necessary. A closer examination suggests the significance of this interaction probably is caused by the choices of Hong Kong executives in situation 1 (see Figure 1).

Figure 1 displays the subjects' mean choice scores in the four situations with the results of the Newman-Keuls tests on the right. In summary, all the corollaries in  $H_1$  that pertain to Canadian and PRC executives are confirmed; Hong Kong executives differ from the other two groups, depending on the situation.

The first situation involved the influence of face saving on decision making. Both Hong Kong (mean score 6.21) and PRC (6.10) executives were more sensitive to saving-face concerns than Canadian executives (5.35), and hence persisted with the unprofitable product line. Similar persistence was reported by Johansson (1986), who described Japanese reactions to product failures.

In the second situation, PRC executives (7.00) were significantly more inclined to maintain long-term exchange relationships by agreeing to a joint venture with a competitor than either the Hong Kong (5.64) or Canadian (5.47) executives, who were less inclined to repay their friends.

The results for situation 3 confirm our hypothesis about the impact of preferences for different decision processes. PRC executives (8.06) reflected in their choices a preference for authoritarian decision styles, whereas Canadian (4.37) and Hong Kong (4.70) executives revealed a preference for participative management.

TABLE 2  
Results of ANOVA on Different Dependent Variables

Effects	Dependent Variables						
	Choice (n = 144)	Decisiveness (n = 144)	Use Resources to Change Environment (n = 141)	Gather Information (n = 144)	Develop Alternatives (n = 142)	Consult Superior (n = 143)	Overall <sup>a</sup> (n = 140)
Country (C)							
Sum of squares	406.97	128.07	590.54	173.76	550.45	23.14	3650.11
F-value	19.16**	33.00**	22.42**	6.87**	27.74**	1.02	23.40**
Situation (S)							
Sum of squares	8.94	20.11	84.98	39.97	433.05	212.36	3519.54
F-value	.38	8.03**	5.98**	19.32**	24.39**	11.09**	29.41**
C × S							
Sum of squares	187.08	3.94	35.64	84.46	12.86	70.80	434.29
F-value	3.96**	.79	1.25	2.04	.36	1.85	1.82
r <sup>2</sup>	.39	.55	.57	.45	.49	.41	.53

<sup>a</sup>Sum of all four types of risk adjustment.

\*p < .05.

\*\*p < .01.

Situation 4 involved a test of the impact of cultural differences stemming from pan-ethical versus utilitarian orientations. PRC executives (7.10) were more inclined to follow a pan-ethical approach to the problem and take complete remedial action when a faulty product was discovered than were Hong Kong executives (5.71), who were in turn significantly more inclined to do so than the Canadian executives (5.28).

Except in situation 1, where Hong Kong executives had a greater though insignificant tendency to continue an unprofitable product line, Hong Kong executives always scored between their PRC and Canadian counterparts. Three of the four situations studied, however, showed Hong Kong executives to be more similar to Canadian executives than to PRC executives. This finding suggests the important impact of continuous interactions with the Western business world in contrast to the influence of the ethnic culture. However, the significance of the country by situation interaction suggests that the globalization process is uneven along different cultural norms. Hong Kong executives appear to adhere to the “face-saving” norm as strongly as the PRC executives but are similar to the Canadian executives on other norms investigated.

### **Decisiveness**

An executive was regarded as decisive if one of the two decision alternatives specified in a situation was clearly chosen. An executive’s degree of decisiveness therefore was operationalized as the absolute difference between the score given on the choice scale and the midpoint of that scale. Hence the decisiveness variable ranges from 0 (totally indecisive) to 4 (strongly committed to a particular course of action).

The ANOVA result (Table 2, second column) with decisiveness as the dependent variable shows that both the country and situation effects are significant but the interaction effects are not. The Newman-Keuls test results indicate that the PRC executives were significantly more decisive (mean score 3.6) than either Hong Kong (mean score 2.8) or Canadian (mean score 2.5) executives, whereas the latter two show no significant difference.

This finding contradicts  $H_2$  and the common views in the literature. It can be explained by the PRC executives inclination to classify the world into extremes—“black or white,” “evil or good” (Moore 1967)—which implies a tendency to resolve ambiguity quickly and hence be more decisive.

### **Adjustment of the Decision Environment**

Three indicators were used to understand how the subjects adjust their decision environment: the strength (or magnitude), the number, and the type of adjustment used.

First, each subject’s responses to four adjustment scales in four situations were used as dependent vari-

**TABLE 3**  
**ANOVA on Risk Adjustment with Country, Type of Adjustment, and Situation as Independent Variables (N = 143)<sup>a</sup>**

<b>Effects</b>	<b>Sum of Squares</b>	<b>F-Value</b>
Country (C)	991.95	25.21**
Type of adjustment (A)	276.31	13.91**
Situation (S)	971.86	48.93**
C × A	418.25	10.51**
C × S	130.70	3.29**
A × S	151.87	2.55**
C × A × S	71.65	0.60
$r^2$	.29	

<sup>a</sup>Here subjects’ responses to four adjustment scores in four situations were used as repeated measures in the dependent variable; hence the number of observations is  $143 \times 4 \times 4 = 2288$ .

\*\* $p < .01$ .

ables in an ANOVA. The independent measures were country, situation, and type of adjustment. Table 3 shows that all three main effects and three two-way interactions are significant at .01 but the three-way interaction is not. The significant country main effect confirms  $H_3$  and its corollary. PRC executives were significantly (Newman-Keuls test  $P < .05$ ) less inclined to adjust their environment (mean score 3.94 on a 9-point scale) than those from Hong Kong (5.17) and Canada (5.46). The latter two groups show no significant difference. Though they are not the principal foci of the study, types of adjustment, situation, and all two-way interactions of the three main effects are also significant in understanding the executives’ risk-adjustment behavior.

The results of the ANOVA with total adjustment scores as the dependent variable are given in the last column of Table 2. They show that the sum of the four adjustment strategies depends significantly on country and situation effects but not on interaction between them. This sum ranges from 4 to 36, with higher values corresponding to a greater use of risk adjustments. Examining the country effect, we find that PRC executives (mean score 15.7) were significantly (Newman-Keuls test  $P < .05$ ) less likely to try to adjust their environment than Canadian (mean score 20.7) and Hong Kong (21.9) executives. Similar results are obtained when the four adjustment scores are analyzed by MANOVA, confirming  $H_3$ . No significant differences are found between Hong Kong and Canadian executives. As found in the preceding test, the situation effect also is significant in explaining this measure of executives’ risk-adjustment behavior.

When the four adjustments are analyzed separately (Table 2, columns 3 to 6), similar results are obtained for three adjustment strategies, namely using resources to change the environment, gathering information, and developing additional alternatives. Again

**TABLE 4**  
**Mean Score on Types of Adjustment Across Three Countries**

	Country Groups <sup>a</sup>			Newman-Keuls Test ( $p < .05$ )
	Canada ( $n = 50$ )	Hong Kong ( $n = 45$ )	People's Republic of China ( $n = 50$ )	
Use resources to change environment (B)	5.69	5.91	3.52	CND > PRC HK > PRC
Gather information (I)	5.31	5.75	4.44	CND > PRC HK > PRC
Develop alternatives (A)	4.99	4.96	2.89	CND > PRC HK > PRC
Consult superior (S)	4.75	5.24	4.91	No sig. difference
Newman-Keuls test ( $p < .05$ )	B > A, B > S  I > S	B > A, B > S  I > A	S > B, S > A  I > B, I > A B > A	

<sup>a</sup>Mean score averaged across four situations on a scale ranging from 1 = least likely to 9 = very likely to engage in the particular risk-adjustment strategy.

the main effects are significant but the interaction is not. The mean score also reflects the fact that PRC executives were less likely than other executives to adopt these three risk-adjustment strategies (Table 4), as predicted by  $H_{3a}$ . The insignificant country main effect on consulting superiors disconfirms  $H_{3b}$  and suggests that PRC and Canadian executives preferred this mode of adjustment at similar levels. The Newman-Keuls test on the types of adjustment among the PRC executives (Table 4, last row) suggests that consulting superiors was the most preferred among the four risk-adjustment strategies.

#### **Number of Adjustment Strategies**

A related measure for the degree of adjustment is the number of adjustment strategies adopted by an executive. An indicator variable was developed that recorded an adjustment as having been adopted (scored 1) if the corresponding raw score (from 1 to 9) exceeded the midpoint value of 5. The sum of these indicator variables across the four adjustments then was analyzed by ANOVA with country and situation as independent variables. These results confirm that PRC executives adopted significantly ( $P < .001$ ) fewer adjustment strategies (1.32) than Hong Kong (2.23) and Canadian (2.18) executives. The latter two do not differ significantly ( $P < .05$ ).

More importantly, results in Table 5 show that more than half of Hong Kong and Canadian executives used multiple risk adjustments, in contrast to only slightly more than a third of PRC executives (the chi square score is significant at .001).

#### **Preferences Among Adjustment Strategies**

Table 6 reports the ANOVA result with the scores on all four adjustment strategies in each situation as dependent variables and type of adjustment and situation as independent variables. In general, both main effects (types of adjustment and situation) are significant for all countries whereas the interaction is marginally significant only for Canadian executives. The results reconfirm  $H_3$ . As shown in the first column of Table 4, the Canadian executives ranked highest the spending of resources to change the environment (Table 4, last row), followed by information gathering and development of new alternatives. Consulting a superior was the least preferred adjustment.

Hong Kong executives also rated highest the strategy of spending resources to change the environment

**TABLE 5**  
**Zero, Single, and Multiple Risk-Adjustment Strategies Across Three Countries**  
**(number of responses = 640)**

Number of Strategies Committed <sup>a</sup>	Canada (%)	Hong Kong (%)	People's Republic of China (%)
Zero	27	13	33
One	15	22	30
Multiple (2-4)	58	65	37
Total	100	100	100

$\chi^2 = 43.62$  with 4 d.f., significant at .001.

<sup>a</sup>A strategy was recorded as a 1 if the raw score (from 1 to 9) on the adjustment strategy was more than 5.

**TABLE 6**  
**ANOVA on Risk Adjustment with Type of Adjustment and Situation as Independent Variables**  
**Across Three Countries**

Effects		Canada (n = 50)	Hong Kong (n = 45)	People's Republic of China (n = 50)
Type of adjustment (A)	Sum of squares	101.17	106.72	493.67
	F-value	5.96**	5.13**	16.99**
Situation (S)	Sum of squares	335.79	240.98	541.47
	F-value	19.78**	11.58**	18.63**
A × S	Sum of squares	95.82	67.64	62.44
	F-value	1.88*	1.08	0.72
$r^2$		.11	.08	.13

\*p < .05.

\*\*p < .01.

(Table 4, last row). This alternative was followed by gathering information. Like the Canadian executives, Hong Kong executives show no significant differences in their preferences for consulting superiors to the options of developing new alternatives. In contrast, the PRC executives rated the option of consulting superiors as the most preferred, confirming  $H_{3b}$ . They rated the option of developing new alternatives as the least preferred whereas gathering additional information and the use of resources to change the environment were rated between these two options.

### Implications

One important consideration underlying many international marketing plans is the extent to which traditional cultural values persist in a rapidly changing environment. This question is especially crucial when managers approach the world's most populated and underexplored market, China. One motive of our study was to investigate how much of the traditional Chinese value system persists after 38 years of communist philosophy and more than eight years of modernization.

We hypothesized and found that all four Chinese values investigated not only persist, but influence PRC executives' decisions and their reactions to the environment. The values of saving face, long-term exchange relationships and restricted competition, unquestioned respect for leaders, and pan-ethical views are well reflected in their market entry and product decisions. Their tendencies to hold dichotomous and fatalistic views of their environment are evident in their decision process.

We discovered, contrary to common views held by other authors as well as our own hypothesis, that PRC executives are more decisive than either Hong Kong or Canadian executives. Though we assumed that the Chinese acceptance of hierarchy and quest for harmony would reduce their willingness to make a de-

cision, perhaps their inclination for uncertainty absorption leads to increased decisiveness.

Another interesting finding is the effect of culture on risk-adjustment behavior. PRC executives engaged to a lesser degree in adjusting their decision environment than either Hong Kong or Canadian executives. They preferred strategies that would reduce their personal exposure to failure. In contrast, both Hong Kong and Canadian executives showed marked preference for strategies to control their environment.

Traditional cultural influences are consistently challenged by exposure to different values. Executives from Hong Kong were influenced more by their exposure to Western business practices than by their Chinese heritage, though some residual influence of such deep-rooted values as face saving and pan-ethical views is reflected in their choices. We thus find that the process of globalization is uneven in its effect on different cultural norms. The persistence and dynamism in cultural values clearly suggest the need to trace, monitor, and understand cultural factors in international marketing plans.

### Conclusion

Our findings suggest that ethnic cultures do matter (at least for Chinese and Canadian executives) in marketing decision making. A general comparative analysis of cultures may help marketing executives to anticipate the responses of their rivals, understand more accurately their customs in business transactions, and deal with colleagues of different nationalities in joint decision making. Culture makes a difference in problem identification and in the objectives motivating choice. Culture also may make a difference in the communication of problems and recommendations, and particularly in the decisiveness of recommendations. Failure to understand these differences may lead to "noisy" communication, misinformation, and mis-

understanding. Culture also makes a difference in individual strategies to adjust decision situations to facilitate choice and mitigate undesirable consequences for the organization and the decision maker.

Our investigation also demonstrates, however, that

in a marketing world characterized by intensive communications, standardization, and the employment of similar decision technologies, cultural differences tend to diminish. Indeed, the process of globalization (Levitt 1983) on the supply side has already begun.

## APPENDIX A

---

**General Products International, Inc.**  
Memorandum

To: Mr. Chan Wing-Tat

From: Lee Ka-Keung  
Assistant to V.-P.,  
International Operations  
Date: June 4, 1986

---

We have completed our annual review of the European Division's product line for the upcoming meeting of the Executive Committee. There were no real surprises and in general the European Division has had a good year. One issue that is sure to come up in the Executive Committee meeting, however, is what to do with the Natural Beauty Care product line that has been losing money since it was introduced a year ago.

I don't need to go into the background of this line because you initiated and managed the Natural Beauty Care line when you were Marketing Manager with the European Division. The President of the Division has expressed his concern about this product's losses of \$500,000 (U.S.) during its first year of sales in Europe. The feeling seems to be that the use of traditional Asian beauty aids derived from natural ocean vegetation and sea life has a difficult time catching on with Europeans.

It seems that we have two options with this product line. We can scrap it now with no future consequences except incurring our past losses. Alternatively, we can invest another \$600,000 (U.S.) in marketing the natural beauty idea. The chances of success do not seem too good and are estimated by the European Division to be maybe one chance in five. However, if successful, we would receive an expected profit of \$3 million (U.S.) net of the marketing expenses. If unsuccessful, we would lose another \$150,000 in addition to the \$600,000. These figures do not include last year's loss of \$500,000.

You will likely be called on at the Executive Committee meeting on June 15th to express your views on this product line, so let me know if I should do anything else to help you on this issue before the meeting.

---

## APPENDIX B

---

Mr. Lee Shing-Tak  
Vice-President  
International Operations  
General Products International, Inc.  
2300 Alexandra House  
5000 Queen's Road  
Hong Kong

Dear Mr. Lee:

Last week the president of Tak On's Brazilian Division called me to see whether General Products International might be interested in a joint venture with them in South America. I am not surprised at this suggestion because they must still be hurting from the major losses they incurred in their failed venture in the Middle East. Tak On is General Products International's closest competitor and we haven't had a joint venture with them in quite some time.

However, remember that Tak On helped us out in our European venture in the late 1970s and we have had good relations with their management for many years. So far they have always competed with us fairly.

The proposed joint venture sounds quite promising. We and Tak On would jointly produce our standard water pumping equipment in our respective Hong Kong factories and market this equipment under a single new brand name in Brazil. All costs, revenues, and profits would be shared equally and both firms would put up half of the estimated initial investment of \$1 million (U.S.). Tak On said they needed our participation in the joint venture to obtain the needed investment capital and to share the risks of a new market entry. They also had heard that we have been considering an independent entry into Brazil's water pump equipment market and believe a cooperative joint venture would make both companies better off than a competitive battle for this new market.

Our analysis shows that a joint venture would yield a 20% return on investment for both firms. Tak On has already acquired strong support from the Brazilian government and this market should continue to expand. We have the necessary production capacity and we would be helping Tak On to get back on its feet after the difficult period it has been facing.

## APPENDIX B (continued)

Alternatively, we can enter this market alone as we have been planning. In a competitive venture against Tak On, however, there is uncertainty about how much of the market we could capture. If Tak On doesn't have the resources to make a strong independent entry, we should gain a large market share. In this case we would earn a 25% return on our somewhat higher investment. On the other hand, Tak On might focus its energy on this new market because we had rejected their offer of a joint venture. Under this scenario, we could get only a small share of the market and perhaps only a 10% return on investment. Because of Tak On's situation, we believe the chances are two out of three that we could get a larger market share in a competitive venture and there is a one-third chance of getting a small market share.

Tak On has asked us to decide on their offer of a joint venture by June 12. Please let me know your thinking on this question so a formal reply can be made.

Yours truly,

Cheung Yee-Ching  
President  
South American Division  
General Products International

---

## APPENDIX C

---

May 30, 1986

Mr. Chan Wing-Tat  
Vice-President, International Operations  
General Products International  
2300 Alexandra House  
5000 Queen's Road  
Hong Kong

Dear Mr. Chan:

Congratulations on your new appointment. I am sorry to greet you with a problem so early in your new position, but we have a pressing situation in the North American Division that requires your recommendation and you asked to be consulted on all international contracts.

Six months ago the Division began negotiating a contract to supply a robot toy to a New York wholesaler. During this period we have been investigating two alternative designs for the toy. One design is a standard one we have used successfully in several similar toys marketed throughout the world. The technology for producing this standard toy is well-known and we are sure to make a return of about 25% on our investment because the market for this design is large and stable. The vast majority of the engineering and marketing people in the Division recommend going with this standard design.

However, a couple of very knowledgeable people from the research and marketing departments support a new design they have extensively researched; but there is little experience in marketing the new design though the costs in producing both designs are roughly the same. They argue the market for the standard design is not expanding and the Division needs to produce innovative products. The new design has its problems also. The major uncertainties seem to be whether this design will allow the toy to hold up under hard use and whether the North American market will accept the new design. Advocates of both designs agree that the new design has a much greater potential than the standard design. If it is accepted in the market and stands up to use, the new design could lead to a 40% return on investment. If not, the new design would yield only a 10% return, well below our Division's average return of 20%. Both groups also agree that the chances of success for this new design are 50-50.

The urgency on this issue is caused by the New York wholesaler's requirement that we complete the contract (with the design specified) no later than June 10, 1986. Starting production later than this date would jeopardize Christmas sales in North America. The wholesaler has no preference on the two designs because its fees are fixed as our foreign agent.

Shall we go with the standard design that has the support of the majority of our engineers and marketing people, or with the new design even though it has few advocates? Please let me know your recommendation on this issue as soon as possible.

Yours truly,

Raymond Lee  
President  
North American Division  
General Products International

---

## APPENDIX D

### General Products International, Inc. Memorandum

To: Mr. Chan Wing-Tat

From: Frank Chin  
Head, Customer Service  
Date: May 31, 1986

We have received three complaint letters within the last week from customers who have had serious problems with our new household electronic control panel. Two letters were from U.S. customers and one was from a Canadian customer. It seems that if the buttons are pushed in one particular sequence all appliances hooked up to the panel are automatically shut down. I checked with the manufacturing group that produces these units and they have confirmed the problem. It seems to be a programming flaw in the design of the control unit.

Although there appears to be no safety problem, the malfunction could seriously inconvenience customers by shutting down refrigerators, freezers, air conditioning units, and the like. We must take some action quickly to correct the problem. Two options have been suggested by the manufacturing group. First, they could recall all the units and replace the programming unit. We have already sold over 100,000 of these units internationally which retail for about \$500 (U.S.). The recall and replacement costs would be about \$50 for each unit. This adjustment would therefore cost the firm about \$5 million (U.S.).

A more cost effective solution would be to mail each customer who sent in his warranty card a notice advising him of this problem and cautioning him against pushing the buttons in this particular sequence. This option would cost only \$500,000 U.S. because we have the warranty list on our computerized database. The problem is that not all customers sent in their warranty cards so they would not receive our correction notice and even those who do receive the notice might not read it. If the problem occurs frequently enough, our customers might think our products are of poor quality and our reputation as a high quality producer might be tarnished. Our expected profits of \$20 million for this year should not be affected. However, if our image as a quality producer deteriorates our expected profits of \$20 million per year for the remaining four year life expectancy of the product will likely drop to only \$15 million. I hope this doesn't happen, but the sales people I have contacted here estimate about one chance in four that the sales drop could occur.

The production, marketing, and design people at headquarters have all put their heads together on this problem, but these two options are all that we could come up with. What do you think? We need to come to a decision by June 12.

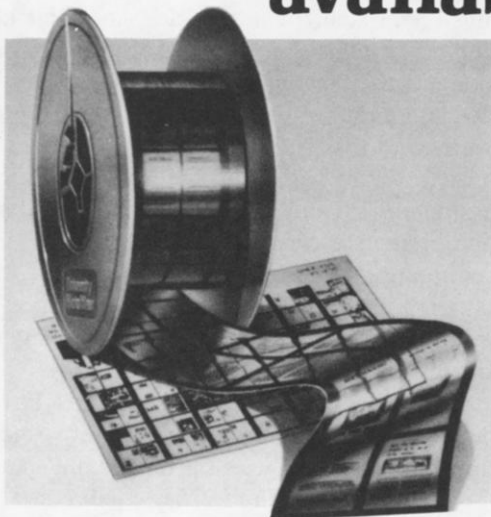
## REFERENCES

- Anderson, Erin and Anne T. Coughlan (1987), "International Market Entry and Expansion via Independent or Integrated Channels of Distribution," *Journal of Marketing*, 51 (January), 71-82.
- Cascio, Wayne F. (1974), "Functional Specialization, Culture, and Preference for Participative Management," *Personnel Psychology*, 27 (4), 593-603.
- Chakravarti, Dipankar, Andrew Mitchell, and Richard Staelin (1981), "Judgement Based Marketing Decision Models: Problems and Possible Solutions," *Journal of Marketing*, 45 (Fall), 13-23.
- Chan, Wing-tsit (1967), "The Individual in Chinese Religions," in *The Chinese Mind*, Charles A. Moorehead, ed. Honolulu: University of Hawaii Press.
- (1986), *Chu Hsi and Neo-Confucianism*. Honolulu: University of Hawaii Press.
- Ch'ien, Mu (1973), "On the Systems of Academic Knowledge," in *Higher Education and University Students*, Philip Shen, ed. Hong Kong: University Press, 15-32 (in Chinese).
- Erickson, Gary M., Johny K. Johansson, and Paul Chao (1984), "Image Variables in Multi-Attribute Product Evaluations: Country-of-Origin Effects," *Journal of Consumer Research*, 11 (September), 694-700.
- Frederiksen, N., D. R. Saunders, and B. Wand (1957), "The In-Basket Test," *Psychological Monographs*, 76, 438.
- Gill, R. W. T. (1979), "The In-Tray (In Basket) Exercise as a Measure of Management Potential," *Journal of Occupational Psychology*, 52 (June), 185-97.
- Han, Xinlan (1983), "Democratic Management in China's State-Owned Industrial Enterprises," in *China's Management Reforms*, K. C. Mun and K. Y. Wong, eds. Hong Kong: New Asia College, The Chinese University of Hong Kong, 117-32.
- Hendry, Steven R. (1986), "The China Trade: Making the Deal Work," *Harvard Business Review*, 64 (July-August), 75-84.
- Hofstede, Geert H. (1980), *Culture's Consequences*. Beverly Hills, CA: Sage Publications, Inc.
- Johansson, Johny K. (1986), "Japanese Marketing Failures," *International Marketing Review*, 3 (3), 33-46.
- Lazer, William, Shoji Murata, and Hiroshi Kosaka (1985), "Japanese Marketing: Towards a Better Understanding," *Journal of Marketing*, 49 (Spring), 69-81.
- Lee, Kam-hon (1982), "Personal Values and Consumption Behavior, a Comparison Between Chinese and Western Managers," in *The Sinicization of Social and Behavioral Science Research in China*, Institute of Ethnology Academic Sinica Monograph Series B, No. 10 (April), 441-67 (in Chinese).
- Levitt, Theodore (1983), "The Globalization of Markets," *Harvard Business Review*, 61 (May-June), 92-102.
- Little, John D. C. (1970), "Models and Managers: The Con-

- cept of a Decision Calculus," *Management Science*, 16 (April), B466-B485.
- \_\_\_\_\_ and Leonard M. Lodish (1981), "Comments on Judgement Based Marketing Decision Models," *Journal of Marketing*, 45 (Fall), 24-9.
- MacCrimmon, Kenneth and Donald A. Wehrung (1984), "The Risk In-Basket," *Journal of Business*, 57 (July), 367-87.
- \_\_\_\_\_ and \_\_\_\_\_ (1986), *Taking Risks*. New York: The Free Press.
- McCullough, James, Chin Tiong Tan, and John K. Wong (1986), "Effects of Stereotyping in Cross Cultural Research: Are the Chinese Really Chinese?" in *Advances in Consumer Research*, Vol. 13, Richard J. Lutz ed. Provo, UT: Association for Consumer Research, 576-8.
- Meade, Robert D. (1969), "An Experimental Study of Leadership in India," *Journal of Social Psychology*, 79 (December), 283-4.
- \_\_\_\_\_ and William A. Barnard (1973), "Conformity and Anticonformity Among Americans and Chinese," *Journal of Social Psychology*, 89 (February), 15-24.
- Montgomery, David B. and Charles B. Weinberg (1979), "Toward Strategic Intelligence Systems," *Journal of Marketing*, 43 (Fall), 41-52.
- Moore, Charles A. (1967), *The Chinese Mind*. Honolulu: University of Hawaii Press.
- Naor, Jacob (1986), "Toward a Socialist Marketing Concept—The Case of Romania," *Journal of Marketing*, 50 (January), 28-39.
- Pye, Lucian (1983), *Chinese Commercial Negotiation Style*. Cambridge, MA: Oelgeschlager, Gunn and Hain.
- Redding, S. G. (1982), "Cultural Effects in the Marketing Process in Southeast Asia," *Journal of the Market Research Society*, 24 (2), 98-114.
- Tan, Chin Tiong and John U. Farley (1987), "The Impact of Cultural Patterns on Cognition and Intention in Singapore," *Journal of Consumer Research*, 14 (March), 540-4.
- Tse, David K., Russell W. Belk, and Nan Zhan (1988), "Learning to Consume: A Longitudinal and Cross-Cultural Content Analysis of Print Advertisements from Hong Kong, People's Republic of China and Taiwan," *Journal of Consumer Research* (forthcoming).
- Tung, Rosaline L. (1981), "Patterns of Motivation in Chinese Industrial Enterprises," *Academy of Management Review*, 6 (July), 481-9.
- Wallendorf, Melanie and Michael D. Reilly (1983), "Ethnic Migration, Assimilation and Consumption," *Journal of Consumer Research*, 10 (December), 292-302.
- Wehrung, Donald A., Kam-hon Lee, David K. Tse, and Ilan Vertinsky (1988), "Adjusting Risk Situations: Theory and an Empirical Test," working paper, University of British Columbia.
- Wu, John C. H. (1967), "Chinese Legal and Political Philosophy," in *The Chinese Mind*, Charles A. Moore, ed. Honolulu: University of Hawaii Press.
- Yin, Hai-kuang (1976), *The Future of Chinese Culture*. Hong Kong: The Arts Book Store.

Reprint No. JM524107

## This publication is available in microform.



University  
Microfilms  
International

University Microfilms International reproduces this publication in microform: microfiche and 16mm or 35mm film. For information about this publication or any of the more than 13,000 titles we offer, complete and mail the coupon to: University Microfilms International, 300 N. Zeeb Road, Ann Arbor, MI 48106. Call us toll-free for an immediate response: 800-521-3044. Or call collect in Michigan, Alaska and Hawaii: 313-761-4700.

Please send information about these titles:

\_\_\_\_\_

\_\_\_\_\_

Name \_\_\_\_\_

Company/Institution \_\_\_\_\_

\_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Phone ( ) \_\_\_\_\_