Stereotypes of International Managers

CONTENT AND IMPACT ON BUSINESS INTERACTIONS

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This study presents a comparison of stereotypes held by Israeli and Indian managers. Analysis of the elements constituting international managers' stereotypes shows that they are constructed as a result of direct interaction with other managers and as a product of exposure to indirect information sources. This process is highly dependent on a specific context. In addition, there are some common elements in international managers' stereotypes that signal the existence of a common shared culture code. The study also discusses the impact of international managers' stereotypes on the conduct of business.

Stereotypes are generalizations about a group (Brigham, 1971). Research on stereotyping in the workplace has been conducted primarily on issues related to women in management (Heilman, 1997; Lefkowitz, 1994; Orser, 1994; Powell, 1993; Schein, Mueller, Lituchy, & Liu, 1996; Schor, 1995; Wahl, 1995) and minority groups (Hudson & Hines-Hudson, 1996). Stereotypes, however, also can exist among international managers, potentially influencing their judgment when undertaking business decisions. The need to examine stereotypes in international business is especially important at present as internationalization of business increases (Burns, Myers, & Kakabadse, 1995; Powell, 1992).

Stereotypes held by international managers, like other stereotypes, can be conceptualized from two complementary perspectives, both of which are relevant to this study. From one perspective, stereotypes are represented within the mind of the individual person. In modern approaches, stereotypes are considered ordinary cognitive processes in which people construct schemata to categorize people and entities (Hagendoorn & Kleinpenning, 1991;

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McCauley, Stitt, & Segal, 1980). Schemata are structures of abstract knowledge that influence the individual's perception and judgment of others as well as their behavior toward others. In the individual approach, stereotypes develop as the individual perceives his or her environment (Macrae, Stangor, & Hewstone, 1996).

From the cultural perspective, stereotypes are represented as part of the social fabric of a society, as public information about social groups that is shared among the individuals within a culture (Macrae et al., 1996; Snyder & Miene, 1994). In this approach, stereotypes are perceived as the consequences of social learning (Lippmann, 1922).

Although the individual approach focuses on how stereotypes are learned through direct interaction with others, cultural approaches consider the ways that stereotypes are learned, transmitted, and changed through indirect sources—information gained from parents, peers, teachers, political and religious leaders, and the mass media (Macrae et al., 1996, p. 10). Scholars also have suggested that stereotypes are the product of different learning processes, such as cultural transmission, acculturation, and socialization. Acculturation refers to cultural and psychological change brought about by contact with people belonging to different cultures and exhibiting different behaviors (Berry, Poortinga, Segall, & Dasen, 1992).

This study is based on findings from both the individual and social perspectives. The article focuses on three research topics that are of interest to both international managers and researchers in the field of cross-cultural management: the construction of stereotypes held by international managers, when is stereotyping effective, and the impact of stereotypes on the conduct of business.

The first research topic explores whether stereotypes held by businesspeople who come from different backgrounds reflect the culture of those holding the stereotype or reflect other elements, such as common professional experiences, which cut across the boundaries of culture. Are international managers' stereotypes learned through cultural transmission, acculturation, and socialization, or are they a product of direct learning?

A significant number of common elements found in stereotypes held by managers from different cultures could provide an indication of the existence of a common cultural code among international managers. If all participants came from industrialized nations, these findings would support the arguments of the convergence approach that managers in industrialized nations will embrace the attitudes and behaviors common to managers in other industrialized nations despite cultural differences (see Lubatkin, Ndiaye, & Vengroff, 1997; Neghandi, 1985). If common elements were found in stereotypes held by managers who came from countries with significant differences in the level of industrialization, market conditions, and organizational structure, one would have to look for an alternative explanation. An additional force that might influence the creation of a significant number of common elements in international managers' stereotypes is managerial work value. Similarities in work-related values and attitudes (e.g., based on the work of Hofstede, 1983, and Laurent, 1983) can explain the creation of common stereotype elements.

Participants in this study came from India and Israel, countries with significant differences in their technology, market conditions, and organizational structure. Differences also exist in work-related values. According to Hofstede (1983), significant differences exist between Israelis and Indians in the dimensions of "power distance" and "uncertainty avoidance." Some differences exist in perceptions of masculinity and femininity. However, similarities are found in the dimension of individualism/collectivism. In the Hofstede study, the majority of the Indian and Israeli respondents expressed a collectivist position. The collective nature of a culture may influence the extent to which stereotypes exist within it.

Another explanation for the existence of common elements in international managers' stereotypes might not be related to the level of industrialization or to work-related values but to a common experience international businesspeople share as individuals. The results of a study conducted on gender stereotypes in 30 countries show a dramatic similarity in responses across cultures (Williams & Best, 1982). One of the explanations (Berry et al., 1992, p. 62) of this finding is that the participants (university students) share much in common worldwide: age and generation, high educational attainment, and exposure to international media. The authors suggested that perhaps university students participate in an international "youth culture" that may override more traditional, locally rooted cultural phenomena. Similarly, one can argue that international managers participate in a businesspeople's culture, which is based on their shared experiences.

A significant number of common elements found in stereotypes held by managers from different cultures can also indicate that international managers' stereotypes are created by direct learning; that is, stereotypes are the product of direct interaction and first-hand experience rather than the product of one's own culture.

However, if we were to find that international businesspeople from Group A and from Group B use completely different elements when constructing their stereotype, we could argue that whatever is important to members of one group is not important to members from the other group, and the construction of a stereotype is completely culture-dependent. If this is the case, stereotypes of international managers are most likely transmitted through indirect sources of information gained from one's social agents, such as the family, school system, and media.

Particular elements of a stereotype held only by members of one group can be the result of specific encounters between groups where time, historical circumstances, and cultural differences are major factors. Studies have shown that stereotypes tend to reflect national policy (Brigham, 1971) and historical events. Several studies have indicated that stereotypes can show considerable change in the face of changing external situations. Thus, Dudycha (1942) and Meenes (1943) found that traits assigned to Germans and Japanese by Americans were more negative during World War II than they had been in pre-World War II studies (see also Sinha & Upadhyay, 1960). There is reason to believe that managers' stereotypes also tend to reflect external situations. The result of a survey conducted among European managers showed that British managers gave the French low scores on trustworthiness. Such perceptions may have arisen either through historical influences, or through recent events, for example, lamb exports to France and blockades by French farmers, possibly leading to a lack of trust (Burns et al., 1995, p. 215).

The second research question is the following: Under what circumstances are international managers' stereotypes helpful, or, when is stereotyping effective?

Scholars in social psychology have shown that stereotypes serve groups by offering culturally accepted explanations for events and actions and providing means for groups to differentiate themselves positively from other groups (Tajfel, 1981; Tajfel & Forgas, 1981). During times of crisis, "leaders use stereotypes of the enemy to reduce potential ambiguity, stifle dissent, and to provide a clear set of behavioral norms. . . . Even outside of crisis, stereotypes are promoted by collectives to rationalize or justify existing economic or political conditions." (Macrae et al., 1996, p. 22)

From the individual's point of view, stereotypes are seen as the result of information processing under conditions of limited capacities. Stereotypes systematize and simplify information available to a perceiver (Snyder & Miene, 1994, p. 66; Tajfel, 1981). In the business world, a stereotype becomes helpful when people are aware that they are describing a group norm rather than the characteristics of a specific individual, the stereotype is accurate and descriptive rather than evaluative, the stereotype is the first best guess about a group prior to having direct information about a specific person, and, stereotypes are modified based on further observation and experience with the actual people (Adler, 1997, p. 75).

The third research topic focuses on the business implications of stereotypes held by international managers. Several studies have investigated stereotypes of managers across cultures and their implication in business interactions. Scholars have shown that team members frequently judge more favorably colleagues from the most developed and most economically strong countries (Ferrari, 1972), and that buyers categorize foreign suppliers into two groups: suppliers from technologically advanced countries and suppliers from technologically less advanced countries (Thorelli & Glowacka, 1995). Burns et al. (1995) investigated how managers of European firms perceive other European managers and the potential impact of these perceptions on business negotiations. Scholars also have argued that research in the area of stereotypes and international business can shed light on relationships and expectations regarding what constitutes a good manager in an international setting (Powell, 1992), on the judgment one businessperson may have of another businessperson from a neighboring country, and on the effect that stereotypes might have on the way businesspeople communicate, negotiate, and make decisions (Burns et al., 1995).

The case presented in this article focuses on stereotypes of Israeli and Indian managers. Diplomatic and commercial relations between India and Israel began formally in 1992. Except for a small community of Indians and Israelis who worked in the diamond trade, not included in this study, interaction between Indians and Israeli managers was limited before that time. Data were collected only 4 years after the formal establishment of commercial activities between the nations. It is thus possible to document a complex situation in which stereotypes held by businesspeople are in the process of development and play a major role in the establishment of business interactions. In addition, participants in this study come from two countries that are at a different level of industrialization and that differ in several work-related values and attitudes. These differences create an adequate basis on which to examine to what extent participants share similar views.

The article opens with a presentation of the research methods used for data collection. It then provides results regarding the intensity of use of national stereotypes by Israeli and Indian managers and data on managers' perceptions of out-group members. The remainder of the article includes discussion of the research topics presented previously.

METHOD

MEASURES

A combination of qualitative and quantitative methodology was used. I applied the methodology used in cognitive anthropology for the purpose of revealing and presenting participants' cognitive maps of stereotypes. The purpose of cognitive anthropology is to understand how people in various cultures describe, categorize, and organize their knowledge about their world (Berry et al., 1992). Following Spradley (1979), participants in this study were given the opportunity to express their own categories of out-group members by responding to open questions. This is quite different from the widely used technique introduced by Katz and Braly (1935). The Katz and Braly technique directs the participant to select from a given list those adjectives that she or he considers the most typical of each ethnic group. However, any technique that asks participants to select from a list of adjectives (e.g., Mann, 1967) may force the participant into thinking in terms of a given set of categories that she or he actually might find irrelevant (Brigham, 1971; McCauley et al., 1980).

Another drawback of the Katz and Braly technique is that it yields simple generalizations. Recent studies have demonstrated that under certain conditions, stereotypes of subcategories of out-group members may emerge instead of an across-the-board image of the entire group (Ashmore, 1981; Hamilton, 1981; Hamilton & Trolier, 1986). It also has been demonstrated that situations as well as groups can become the focus of a stereotype. For instance, Cantor, Mischel and Schwartz (1982) discussed stereotypes of persons-in-situations, and Hagendoorn and Kleinpenning (1991) discussed domain-specific stereotypes, or how expectations of out-group members vary according to the situation.

Semistructured interviews, the data collection method used in this study, allowed participants to express their own categories of out-group members. It was thus possible to identify the components of the stereotype of the Indian businesspeople as constructed by the Israelis, and vice versa, and to determine whether different components of the stereotype were given equal importance by the participants. Open questions also discouraged a simplistic presentation of stereotypes and allowed for the analysis of international managers' stereotypes as a complex phenomenon.

The ethnographic approach to the study of international managers' stereotypes allows the reader to discern a particular group in its commercial, organizational, or sociopolitical context (see Mitchell, 1998). In this study, data regarding the context of the creation, use, and impact of international managers' stereotypes were collected from several sources. In addition to interviews with Indian and Israeli businesspeople (see subsequent discussion), interviews also were conducted with key informants such as the First Secretary for Economic Affairs, Embassy of India, Tel Aviv, and the first Israeli economic advisor in New Delhi. Relevant newspapers were reviewed. Observations and unstructured discussions with Israeli and Indian businesspeople took place in the 1996 exhibition for agriculture and technology in Tel Aviv.

PARTICIPANTS

Interviews were conducted with 26 Israeli and 28 Indian businesspeople, including two businesswomen. All the participants had extensive firsthand knowledge of out-group members. The participants—owners of companies, marketing managers, presidents, chief executives, and so forth—represented large companies that had been involved in international trade between Israel and India since 1992.

The Israeli participants were selected from three sources. First, I used a list prepared by the Israeli Ministry of Industry and Trade of Israeli firms that had conducted business with Indian firms since 1992. I approached 16 firms (26% of the total of 61 firms on the list). The second source was a list of the participants in a workshop conducted in February 1996 on business transactions in India organized by the Israel Export Institute. Finally, I used a list compiled by the Economic Counselor of the Embassy of Israel, New Delhi. Most of the managers I talked with represented private sector firms.

All the Israeli participants represented companies with significant business transactions with Indian firms. Not all of these transactions had been successful. Indian participants were recommended to me by the Economic Counselor and Senior Trade Officer of the Embassy of Israel, New Delhi. Most businesspeople represented private sector companies with significant business transactions with Israeli firms.

The Indian and Israeli participants represented an assortment of industries, such as textiles, chemicals, communications, agriculture, infrastructure, and consulting. The position of the Indian participants in their companies was higher than the position of the Israeli businesspeople interviewed. There were more presidents, vice presidents, and managing directors among the Indian participants compared to the Israeli group. There were more marketing managers among the Israelis than among the Indian participants. Significant differences in power distance between Israeli and Indian firms can explain the data. Indians score much higher in power distance compared to Israelis (Hofstede, 1983). However, position differences between Israeli and Indian managers had no effect on the findings because Israeli managers, like Indian managers, had the power and the authority to negotiate and dictate business terms.

In-depth, semistructured interviews were conducted with those who were actively participating in business at the time the data were collected. The interviews took place in the area of New Delhi, India, and in various locations in Israel, mostly in the offices of the participants. Interviews lasted between 45 minutes and 2½ hours. Interviews with Israeli managers were conducted in Hebrew, and interviews with Indian managers were conducted in English.

All interviews were transcribed exactly. The participants were assured that their responses would remain anonymous.

THE INTERVIEW PROCESS

Managers were asked to describe a general pattern of business interaction with out-group members. They also were asked to describe their future or potential partners. The interviewer started by reading a list of open questions and asking the participants to respond in any order. Several major questions were presented to the participants. Following are examples of the questions asked.

- As part of your job as an international manager, you often interact with Indian/Israeli businesspeople. Please describe Indian/Israeli businesspeople.
- What is the stereotype of the Indian/Israeli businessman? [Most of the Indian interviewees did not understand this question and it was necessary to use other questions.]
- What advice would you give to an Indian colleague who is going to do business with an Israeli?
- What image do you have of the Israeli/Indian businesspeople?
- Describe a pattern of business interaction with Indian [or Israeli] managers.

ANALYSIS

Data about stereotypes was analyzed through categorization of similar adjectives and statement characteristics. Redundancy and duplication were avoided by expressing similar concepts by varying the language. Categories are presented here according to the number of examples in each. Finally, a comparison was made between the components and the contents of the stereotype of the Indian businesspeople as constructed by Israelis and the components and the contents of the stereotype of the Israeli businesspeople as constructed by Indians.

The data may have been influenced by the fact that the author (who also conducted the interviews) is a member of one group (Israeli), and by situational factors, such as the fact that the author was a guest in India. Quantitative methodology was used to calculate the intensity of the stereotypes held by Israeli and Indian managers and was used to present the data.

Figure 1 presents the number of businesspeople who used each stereotype. The data are presented for the group of Israeli businesspeople (white columns) and for the group of Indian businesspeople (black columns). A minimum number of people agreeing with a characteristic property was set as a "stereotype threshold." In other words, the property was considered to be a stereotype and is shown in Figure 1 only if the number of interviewees who held this view was larger than or equal to the stereotype threshold. In this work, the stereotype threshold was taken to be 6 interviewees, meaning that 6 persons in the group had to believe in a property element for it to be considered a stereotype. The number six is based on the data pull. There were five characteristic properties (from both groups) that had 8 respondents. There was one property with 7 respondents, one with 6, one with 5, and one with 2. The threshold should be a number smaller than 8 and greater than or equal to 5. Six was chosen because there was a clear break between 5 and 6 respondents. Seven Indian respondents mentioned a property out of 27 Indian respondents, which is 25.9% of the whole. Six Israelis out of 25 Israeli respondents mentioned a different property, which is 24% of the whole, and yet another property was mentioned by 5 Indian respondents out of 27 respondents, which is 18.5%. The break is thus shown between the numbers 5 and 6.

Figures 2 and 3 describe other aspects of the data that were collected. The graphs show, for each characteristic property, the percentage of interviewees who agreed with the stereotype. Israeli interviewees are shown in Figure 2 and Indian interviewees in Figure 3. In both graphs, the answers were divided into "positive" and "negative" and were plotted accordingly. The author is aware that this division is subjective and that the quantitative analysis should remedy any bias, if such a bias exists.

RESULTS

Stereotypes were commonly used by Israeli and Indian businesspeople. Our data show that only 2 people (1 Indian and 1 Israeli) out of 54 avoided using generalizations about their business partners. They chose to describe specific people and refused to make generalizations about other out-group members. The majority of both Indians and Israelis presented quite a uniform description of the stereotype.

The collective nature of a culture may influence the extent to which stereotypes exist within it. To quantify and compare the use of stereotypes by each group, the number of stereotype elements used by each member of the group was noted, and these numbers were totaled for the whole group. The result (that is equal to the sum of heights of all the columns of the same color in Figure 1) is an indication of how strongly the groups rely on stereotypes to characterize the other group. This result was divided by the number of members in each group to yield an average measure of the number of stereotype elements used by each group member. This measure, expressed in percentages, was termed *stereotype intensity*. Another way to arrive at the stereotype intensity of a group is by computing the total area of all the columns in Graph 2 or 3

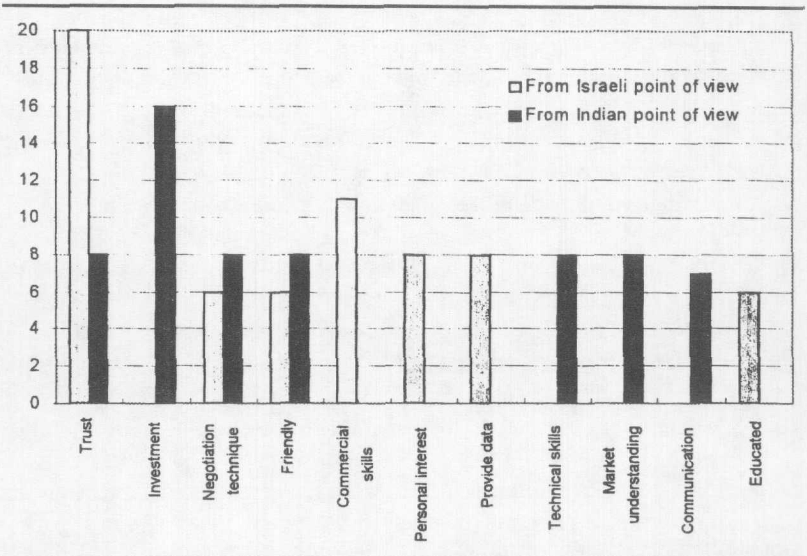

Figure 1: Number of Interviewees Who Referred to a Stereotype Element, Divided by Nationality of Interviewee

(assuming each column has a unit width). The stereotype intensity gives a quantitative idea of how much the group members rely on stereotypes in business interactions, enabling us to compare the two groups. This method corrects the subjective division between positive and negative stereotypes shown in Graphs 2 and 3. Because the area of the positive, as well as the negative, columns is considered to be positive and of the same weight, each column in the graphs adds to the stereotype intensity of the group in the amount relative to its area, whether it is termed positive or negative.

Stereotype intensity for the Israeli group was 250% and for the Indian group was 288%. The similar numbers indicate that both groups rely on stereotypes to a similar extent. Relatively similar levels of collectivism (Hofstede, 1983) might explain these findings. However, as we see, the content of these stereotypes is not identical.

INDIAN BUSINESSPEOPLE AS PERCEIVED BY ISRAELI BUSINESSPEOPLE

The most important component of the Israeli managers' stereotype of the Indian businesspeople is trust (see Figure 1). At the negative end of the continuum were 10 statements such as "Indians are not reliable" or "I do not trust them." There were 7 people who mentioned trust in a milder tone ("The

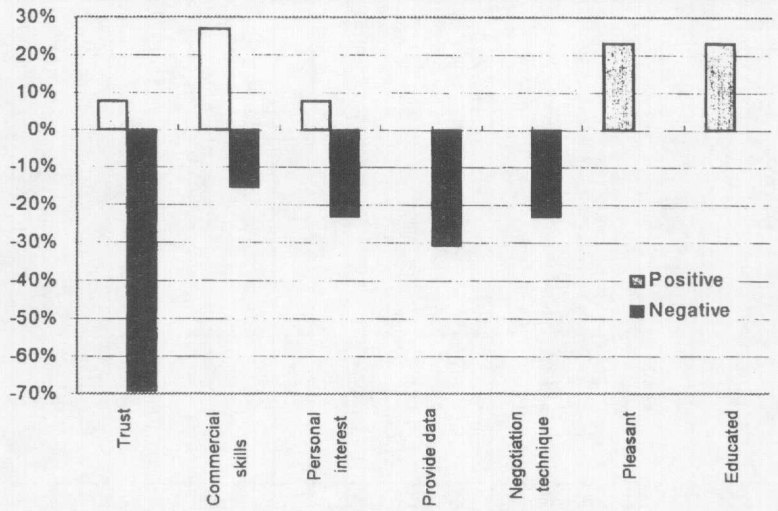

Figure 2: Israeli Businesspeople's Perception of Indian Businesspeople

Indian businessman does not perform according to his promises"). At the positive end of the continuum were 2 people who said that Indian businesspeople were honest and trustworthy. Three people avoided using a stereotype and said that there are some Indian businesspeople whom they can trust and there are those whom they could not trust.

The second element in the stereotype of the Indian businessman referred to his commercial skills. The majority praised the commercial skills of the Indian businessman. Three statements were more critical, saying that Indian businesspeople were speculators.

Israeli businesspeople discussed two additional topics, which were purported to be equally important. There were eight statements in each category. First, the Indian businessman was portrayed a person who would look for his own personal benefit in the proposed business. This was viewed as negative by the majority; however, two people expressed a neutral position, saying that these were the requirements of the system. Second, it was claimed that the Indian businesspeople did not routinely provide the information necessary to conduct the business.

The next three categories included statements regarding the Indian businesspeople's negotiation techniques and personal characteristics. With regard to the Indian manager's negotiation techniques, Israelis said that he

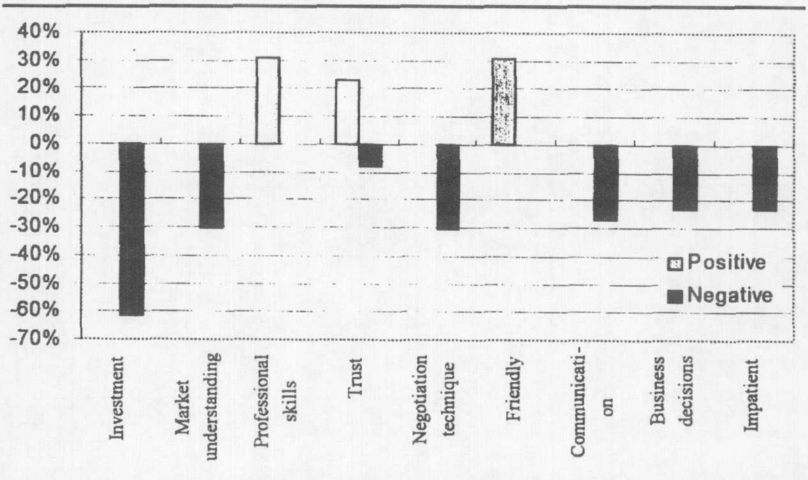

Figure 3: Indian Businesspeople's Perception of Israeli Businesspeople

had "no shame in negotiation" and that he was shrewd. He was perceived as well educated, clever and intelligent, and warm, pleasant, and open. (The latter two elements of this stereotype partially overlap with the stereotype that Indians have about themselves; see Rath & Das, 1958.)

ISRAELI BUSINESSPEOPLE AS PERCEIVED BY INDIAN BUSINESSPEOPLE

The most important component of the Indian businesspeople's stereotype of Israeli businesspeople was the Israeli's limited investment in business (see Figure 3). Sixty percent of the participants described the Israeli as a businessman who does not invest enough time, thought, or money in the business. Israeli businesspeople were described as interested only in short-term sales rather than in long-term investments. The Israelis were described as people who "do not get involved in the business" and as people "who come to see the 'Taj' and go."

There are five additional categories, consisting of negative and positive statements about Israeli businessmen, and each category contains eight statements. There appears to be a close relation among these five categories. Indian businesspeople believed that Israelis did not have deep or broad understanding of the global market or of local conditions in India but did have high technical/professional skills (such as the ability to adapt products to local conditions). There were six positive statements that the Israelis were honest in doing business, and two statements that "one cannot trust Israelis." The last category, with 8 respondents, consisted of statements about the personality of Israeli businesspeople who were perceived as warm and friendly.

The next category, which contained seven items, included statements about the poor communication skills of Israeli businesspeople. The milder statements included phrases such as "They are direct" (that could be interpreted as a positive statement by a Westerner), whereas the more critical comments stated "They are rude [or aggressive]." Israeli businesspeople also were portrayed as slow in making business decisions and as impatient.

DISCUSSION

COMMON AND PARTICULAR ELEMENTS IN INTERNATIONAL BUSINESSPEOPLE'S STEREOTYPES

Common elements in stereotypes constructed by Indian and Israeli managers. Some common elements appeared in the stereotype of the Israeli businessman held by Indian managers and of the stereotype of the Indian manager held by Israelis: trust, negotiation skill, and friendliness. However, these common elements were ranked differently in terms of their importance. Trust was the most important element in the stereotypes held by Israeli managers, whereas it had only secondary importance in the view of Indian managers. Nevertheless, most stereotypical elements were unique to a stereotype constructed by managers of one nationality.

The relation between stereotypical elements and nationality can be seen clearly in Figure 1, in which the number of interviewees who referred to each element of a stereotype is presented. The responses are divided according to the nationality of the interviewees, and the black and gray columns represent the number of Indians and Israelis, respectively, who mentioned the stereotype element. The data are arranged in descending order according to the total number of references (Indian + Israeli).

An additional element that can be categorized as common to both groups' stereotypes is business skills. However, managers were concerned with different skills. Israelis mentioned the commercial skill of the Indians, referring to their creativity in the legal and financial aspect of the business. Indians referred to the professional skills of the Israelis, mainly the quality of their products and their lack of marketing knowledge, as well as to their lack of communication skills.

These data show that (a) international managers most likely interpret reality in a similar way and create similar schemata even though they come from different cultural backgrounds, and (b) an international businesspeople's cultural code appears to exist in which trust, negotiation skills, and friendliness are important components.

Support for the findings regarding the centrality of friendliness in the cultural code of international managers may be found in Cooper and Kirkcaldy (1995), who asked British and German managers to complete a 20-item inventory and rate managers from the other country. The authors found that accepting (warm and nonthreatening) versus rejecting (humorless and rejecting) behavior was considered to be one of three important concepts.

Our findings regarding the centrality of international managers' personality as a concept created by the actors themselves have further implications. For example, future studies can explore not only the different expressions of this schemata but also can contribute to existing research regarding the desired qualifications of expatriates (see Adler, 1997).With regard to the two other common elements in international managers' stereotypes—trust and negotiation skills—no relevant data were found in the literature. However, the importance of building trust in international encounters has been recognized and studied by different scholars (Geyskens, Steenkamp, Scheer, & Kumar, 1996; Johnson, Cullen, Sakano, & Takenouchi, 1996). Negotiation skills are also a major element in cross-cultural management studies (see Adler, 1997, for discussion and references). Thus, it seems that the investigation of the existence of common stereotype elements and their theoretical as well as practical implications is a topic that needs further elaboration.

Particular elements in stereotypes held by international managers. The term "particular" refers to stereotype elements held only by members of one group. These elements are discussed in relation to the wider social contexts while referring to the relationships and attributes of Culture A and Culture B.

From the point of view of the Israeli managers, two particular beliefs are most relevant: The Indian manager does not provide accurate data, and the Indian manager has a personal interest in the business. From the Indian manager point of view, the most evident particular element is the perception of the Israeli as one who does not invest enough in the business. This latter element does not appear in the stereotype of the Israeli businesspeople as held by American businesspeople (Shahar & Kurz, 1995). Thus, some stereotype elements are the a result of specific encounters between members of Group A and members of Group B. The construction of these elements is probably related to specific value, ethnic, and economic systems, as well as power structures in the work environments of Groups A and B. This point is illustrated by a discussion of the perception of the Indian manager as a person who does not provide accurate data.

A high level of cultural distance in task-related communication between Indians and Israelis can explain this stereotype element. From the Israeli businesspeople's point of view, communication should be goal-oriented, focusing on information rather than on relationships. Israelis expect that the mass of the information should be vested in the explicit code (Low Context) (Hall & Hall, 1987). When facing high context communication, in which very little information is in the coded, explicit, transmitted part of the message, they criticize the Indian for not providing enough information. The Israeli businesspeople's utilitarian discourse system—which values clarity, brevity and sincerity, and the dugri (straightforward) speech that is characterized by truthfulness, informativeness, relevance, and clarity (Katriel, 1986)—is opposite of Indian English as spoken by Indian managers, which is formal and poetic, consisting of long sentences with complicated structures, and is relationship-oriented (Kandiah, 1991; Kumar Das, 1982; Mehrotra, 1982). The different language expectations results in communication gaps, including gaps in what is considered to be appropriate business information. Thus, particular stereotype elements should be explained in relation to a specific (social, cultural, economic, or political) context.

Other particular elements: The ethos of the Israeli. Along with stereotypes of Israeli businesspeople, as described previously, Indian businesspeople retained a different view of Israelis that only partially overlapped the first. The source of the first conviction is the daily experience of the Indian businesspeople, and the source of the second is social knowledge. Here, it would be more appropriate to use the term *ethos* rather than the term stereotype. For the purpose of this article, ethos is defined as the collection of virtuous qualities of a people or a nation. Thus, one sees the coexistence of the stereotype of the Israeli as a businessman and the ethos (or generalization) of the Israeli as a representative of the state of Israel. The principal assumption of the ethos of the state of Israel and of Israelis is that Israelis are appreciated, admired, or both, for their successful economy and for their technological achievements. The majority of Indian interviewers were impressed by the "amazing use of your resources" and the fact that "they [Israelis] made a desert into a fertile country." Individual Indian businesspeople, but not those in public positions, expressed admiration toward the ability of the state of Israel to survive in the Middle East in such hostile surroundings.

A second ethos focuses on the natural affinity between the two people. According to this ethos, both people and cultures are ancient, and both states were instituted at approximately the same time. These notions were frequently expressed by politicians of both countries as well as by Indian businesspeople. The following quotations, from the front page of *The Times of India* in its special supplement on the anniversary of 46 years of Israeli independence (April 14, 1994), demonstrate the arguments set out previously. Shimon Peres, Israel's foreign minister, said, "India cannot escape its greatness, and Israel cannot escape its smallness. But the similarity in spirit draws us together." Bharati Sadasivam said, "Both are ancient civilizations, home to the world's oldest religions, but young nations liberated within a year of each other from the same colonial master." This ethos has not been developed to distinguish one group from the other (Tajfel, 1981) or as an explanation or emotional framework in times of crises; rather, it has been developed to strengthen connections between two nations (Macrae et al., 1996).

Statements regarding the affinity between the two peoples were expressed often by Indian businesspeople and, to a lesser degree and in more moderate tones, by Israeli businesspeople. Indian businesspeople, including those who were very critical of the Israeli negotiation style, used the terms "natural allies" or "friends." Comparisons often were made with businesspeople from other nationalities in favor of the Israelis.

Creation of the stereotypes. The stereotype of the Israeli businesspeople, as constructed by Indians, appeared to be based on experiences with Israelis since 1992. There were no commercial or diplomatic relations between India and Israel prior to that year. Naturally, the stereotype of the Israeli businessman was determined on data that evolved after that year. The second generalization, that of the Israeli as a representative of Israel, has probably been developing since 1948, the year of the creation of the state of Israel, one year after the creation of the state of India. These two stereotypes differ in the sources of information. One was based on firsthand experience and the other was based on books and the mass media with some kind of ideological and emotional filters. At present, Indian businesspeople retain both sets of stereotypes. A typical discussion with Indian businessmen about Israeli businesspeople often would open with expressions of admiration for the achievements of the Israelis but also include critical statements about the attitudes and abilities of the Israeli businessman.

The stereotype of the Indian businesspeople, on the other hand, was based mainly on the experiences of Israelis with Indian businesspeople since 1992. Israelis did not make such a clear connection between the general image of India and the Indian businesspeople they had met. It is possible to argue that, for many Israelis, India is first of all a spiritual center. As such, Israelis do not make the connection between that image and their own experiences in business.

WHAT IS EFFECTIVE STEREOTYPING?

In the case discussed in this article, stereotypes help to define relationships between groups (Tajfel, 1981; Tajfel & Forgas, 1981). Positive stereotypes of Israelis, or the ethos of Israelis, and the ethos of the connection between the nations, contributed positively to the relationships between managers and influenced business interactions, as we can see. However, there are some indications of noneffective stereotyping by members of both groups. First, stereotypes were not always consciously held. The majority of the participants were not always aware that they were describing a group norm and that individuals could be different. Second, there was a tendency by members of both sides to evaluate and not describe out-group members. Third, it is not clear if Indian managers were aware of the possible contradiction between the ethos of the Israeli and the actual Israeli manager that they met. In other words, were their stereotypes set aside when faced with contradictory evidence?

THE IMPACT OF STEREOTYPES ON BUSINESS INTERACTIONS

The results of this study suggest that international managers hold stereotypes and that these stereotypes have an impact on the conduct of business. This connection is seen when one examines stereotypes of both Israeli and Indian businesspeople.

The Israeli is seen by Indian businesspeople as a person who is not willing to invest sufficiently in the business, does not understand the market, and has high technical skills. He is perceived as both a tough negotiator and a warm, friendly person. He also is perceived as a representative of his country, an admirable person because of the ability to create, survive, and succeed in unfavorable conditions. The elements that seem to have an effect on the conduct of business with Israelis are the positive set of stereotypes—the elements that we have defined as the ethos of the Israeli.

Indian businesspeople express broad interests in Israeli technology. This is shown by their efforts to initiate contact with Israeli companies and in their presence at Israeli exhibitions. The first exhibition in which Indians participated was in 1993, after the establishment of open and full diplomatic relations between the two countries. The event was considered the exhibition of the Indians. Nine hundred Indians participated, about 20% of the foreign participants. Moreover, for the 1996 exhibition, 1,400 visitors came to Israel from India, which constituted 18% of the foreign visitors. According to the manager of the Department of Agriculture and Chemistry in the Israel Export Institute, the number of visitors to Israel for the year 1996 could have been higher, but the policy of the Ministry of the Interior limits the number of visas, including those for Indians. He argued that, in general, from the point of view of agrotechnology, Israel is a center of pilgrimage for the Indians. "Governmental as well as private bodies inundated us with requests for cooperation, joint ventures, selling/buying, etcetera." (Y. Kiriyati, personal communication, July 5, 1997). Israeli businesspeople also report receiving huge numbers of requests for cooperation from Indian managers. These findings support several studies in the area of international marketing.

A few Indian interviewees noted that they had decided to approach representatives of Israeli companies because of their good reputation. They mentioned that their interest did not go beyond their commercial and financial calculation of profit; yet, their preconception of Israelis was a factor that affected their choice of a partner and the initial stages of the interaction. Scholars acknowledge the role and impact of country-of-origin image in the buyer evaluation process (Bilkey & Nes, 1982; Khanna, 1986).

In this study, a positive stereotype had a clear influence on the decisions of Indian businesspeople to explore business options with Israeli partners. Most of the Indian interviewees were motivated by the Israeli ethos. It seems that they were less affected by the other stereotypes they held of Israeli businesspeople.

Israelis perceive the Indian businessman as untrustworthy, skillful in conducting business, and lacking ability or desire to provide information. He is perceived as an educated and warm person who is concerned with his own interests. The impact of some elements of this stereotype on conducting business with Indian partners is clear. The element that seems to have the greatest weight is the perception that one cannot trust an Indian businessman. Scholars have noted that trust is a predominant factor in negotiation when forming business relationships. Dwyer, Schurr, and Sejo (1987) argued that trust enables negotiating partners to overcome short-term conflicts of interest, personal confrontations, or even communications misunderstandings, whereas Burns et al. (1995) suggested that a low level of trust may lengthen the time it takes to develop good relationships. Our data show that a low level of trust affects the process of selecting partners, the system of payments, and the attitude toward information given by the other partner. A few Israeli businesspeople reported that they found it necessary to select the potential partner carefully. This selection process included preliminary research on the position of the target company and "tests" to determine if the future partner was "serious." Israeli managers reported that they ask representatives of Indian companies to buy a large quantity of the product as a test or signal that they are serious. They also ask Indian managers to pay for a feasibility study, which is often quite expensive in terms of the local economy, or to pay for their visits to Israel. The stereotype also has an impact on the forms of payments: Israelis tend to request a low-risk payment system, such as payment through letters of credit. Other Israelis insist on double-checking any piece of information given by their Indian partner.

CONCLUSIONS

The conclusions of this study can be summarized as follows:

1. Stereotypes held by international managers are the result of two learning processes. The first is based on direct interaction or direct experience with other international managers. The second learning process is based on indirect sources of information gained from various agents in one's own society, such as cultural transmission and socialization in schools and through the mass media. In the case reported previously, managers who come from India held to socially constructed stereotypes regarding the Israelis, whereas Israeli managers created their stereotypes mainly on the basis of direct interaction. It is possible to assume that the combination and use of learning processes would be different across cultures depending on the level of collectivism in a society, the nature of its mass media, and specific historical circumstance.
2. There is a common core of elements in the stereotypes created by managers who come from countries that differ in their level of industrialization and work-related values. Almost all managers defined three common elements in stereotypes: trust, negotiation technique, and friendliness. These findings signal the existence of a common cultural code of international managers that most likely related to their common experience as international businesspeople.
3. There are stereotype elements that are the result of specific historical circumstances and of specific encounters between two cultural/economic/social groups.
4. Stereotypes held by international managers have an impact on business. In the case presented here, the ethos of the Israelis created interest that resulted in business initiated by Indian managers. The stereotype of the Indian manager influenced processes of selecting partners, the system of payments, and the attitude toward information given by the other partner.

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