

# **A Configurational and Experimental Approach to Compare British and Chinese Cultural Profiles**

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## **Abstract**

This paper provides new activity-based classifications for cultural differences and similarities, in contrast to the cultural dimensions of hierarchy, group behavior, uncertainty avoidance and time-orientation. Cultural activity types have been classified by Lewis (1999) into linear-active, multi-active and reactive cultures. Moving away from a country perspective based on political boundaries to a cultural community approach, it is not only task-orientation, but also the way cultures communicate, negotiate, and contract that is dominated by activity types. This article conceptualize, hypothesize and test observations with a set-theoretic tool (fsQCA). Our analysis focuses primarily on British and Chinese cultural profiles to start with. This should give us an initial approach towards understanding the similarities, differences and overlaps of cultural behavior. The outcome shows that future managers from Britain and China have more similarities than so far portrayed. Cultural dynamics are at the centre of a cooperative outlook towards managing across cultures.

## 1. Introduction

When Aharoni and Burton (1994) considered that the knowledge about managing is likely to be more specific to a culture, an institution, or an organization than people are accustomed to acknowledge and recognize, the climate of globalization contributed even further to the need to investigate whether national cultural traits have an impact on managers. In a recent study, Piaskowska and Trojanowski (2012) investigated the importance of a 'global mindset' in managers and the relevance of international experience. The relevance of the formative period and its implications for understanding managers from different cultures is more important than ever. Many cultural theorists have developed categories to capture the similarities and differences of managing across national boundaries. Social scientists and cultural anthropologists over a period of 70 year period (Weber, 1930; Mead, 1934, Radcliffe-Brown, 1952; Hofstede, 1984, 2001; House et al. 2002) viewed culture as a system of socially transmitted behavior patterns which serves to relate human communities to their ecological settings. Pettigrew (1979) considers that the elements of culture are "in varying degrees interdependent, and there is convergence in the way they relate to the functional problems of integration, control and commitment" (p. 576). Trice and Beyer (1984) come even up with "two basic components of culture: (1) its substance, or the networks of meanings contained in its ideologies, norms and values and (2) its forms, or the practices whereby these meanings are expressed, affirmed and communicated to members (p. 654)". For D'Andrade (1987), a cultural model is a cognitive schema that is inter-subjectively shared by a social group. There are values and beliefs which lead to the functioning of groups within and compared to others. Furthermore, cultural behavior and values have an impact on professional (Thorne, 2000) and organizational (Harris and Ogbonna, 2002) levels of managing.

Cultural research benefits considerably from Geert Hofstede (1981,2001) who published his work on cultural dimensions and then revisits his work to adjust to the changing world of globalization. This direction of research influences Trompenaars and Hampden-Turners (1994) classifications and the GLOBE study's indices (House et al. 2002). All these authors consider hierarchy (power distance),

group behavior (individualism/collectivism), achievement and time-orientation which are similar and different in the national cultures around the world. Into these classifications of national culture comes Richard Lewis (1996) with a somewhat different classification of cultures based on his practical managerial experience.

The idea of considering activity models as a guide for differences is a new way of providing insights into the cognitive schemes of cultures. Lewis (2006) distinguished between linear-active, multi-active and reactive cultural types. Ott (2011) used these types to show the theoretical potential for negotiations and aligned them mathematically. So far an empirical investigation to support cultural closeness and distance has not been done. This is the motivation of this paper to use an empirical investigation and find out how close or distant British and Chinese future managers are. This research project developed a questionnaire to investigate cultural issues and test them against each activity type. The study tried for the first time to hypothesize culture, communication, negotiation and risk-attitude between two countries. It opens up the opportunity for further research into the cooperation and collision of culture away from the usual indices into a more cognitive side of cultural groups.

This paper enlarges the current debate of cultural categories in a direction to provide a theoretical framework for cultural profiles and their impact on managerial communication, negotiation and contracting to provide the correlation with activity levels occurring in communities. This research allows empirical studies of cultural similarities and differences, but also the learning effects which can be seen in this small investigation into BRITISH and Chinese management students.

## **2. Cultural Categories – Theoretical Underpinning, Criticism and New Territories**

The term ‘Culture’ goes back a long way and is rooted in the anthropological literature with the definition which can be seen as one of the best in this respect ‘that complex whole which includes

knowledge, belief, art, morals, laws, customs and nay other capabilities and habits acquired by man as a member of society' (Tyler, 1871).

Anthropologists (Tyler, 1871; Hall, 1959) very early came up with observations and definitions of culture. From these early days of cultural investigations, culture was seen as complex whole of values, beliefs, knowledge, attitudes, and behaviors, which are still relevant in times of globalization. Denison and Mishra (1995) emphasized that social scientists over a 50 year period (Weber, 1930; Mead, 1934, Radcliffe-Brown, 1952) viewed culture as a system of socially transmitted behavior patterns which serves to relate human communities to their ecological settings. Pettigrew (1979) considered that the elements of culture are “in varying degrees interdependent, and there is convergence in the way they relate to the functional problems of integration, control and commitment” (p. 576). Trice and Beyer (1984) even come up with “two basic components of culture: (1) its substance, or the networks of meanings contained in its ideologies, norms and values and (2) its forms, or the practices whereby these meanings are expressed, affirmed and communicated to members (p. 654)”.

Many cultural authors (Hall, 1971; Hofstede, 1983, 2001; Schwartz, 1994,1997; Trompenaars and Hampden-Turner, 1993; Inglehart and Baker, 2000; House et al. 2002, 2004) have tried to classify culture and have done a lot to capture the features. Cross-national and cross-cultural differences have been explored over the decades from various angles and with different tools.

A societal perspective, Schwartz (1994,1997) developed as well cultural dimensions for universal human values which are conservatism versus autonomy, hierarchy versus egalitarianism and mastery versus harmony. Similarly, Inglehart's World Value Survey (Inglehart and Baker, 2000) implements considerations from economic, religious and survival/self expression to compare cultures around the

globe. The clusters consider the Anglo-Saxon, Protestant, Christian, Ex-Communist, Confucian cultures as groups with similarities. Hall (1971) is still influential in management research with his classification into high and low context cultures. These studies have found their way into management research in terms of different values and beliefs affecting the managerial way of dealing with people.

The current main cultural theories hypothesize hierarchy, group behavior, assertive behavior towards uncertainty, communication and time-orientation as central to the differences of national cultures. The refinement into regional cultures and their similarities was not captured with the indices and the classifications. Cultural and social communities have not developed along political boundaries. There are cognitive patterns which are influenced by upbringing in groups which can be found across political borders and which have a stronger impact on managerial behavior in communications, negotiations and contracting than just a list of values and beliefs. This research assumes that with the teaching and learning of cross-cultural management issues, managers have evolved and therefore new ways of understanding need to be developed.

## 2.1. Classifications - Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Time

Hofstede (1984, 2001), Trompenaars/Hampden-Turner and House et al (2002, 2004) developed so far classifications for national cultures with numerical values to see the differences and similarities. Though these three studies differ in terms of data collection and design, they all deal with

Table 1: Cultural Dimensions of Hofstede, Trompenaars/Hampden-Turner and the GLOBE

Hofstede 1983)	Trompenaars/ Hampden-Turner (1993)	GLOBE (2002)
Power Distance	Universalism vs. particularism	Power Distance

Individualism Masculinity Uncertainty Avoidance Long-term Orientation	Individualism vs. communitarianism Neutral vs. Emotions Specific vs. diffuse Achievement vs. ascription Attitude towards time Attitude towards environment	Collectivism I (Societal) and II (In-group) Assertiveness and Gender Egalitarianism Uncertainty Avoidance Time Orientation Humane Orientation Performance Orientation
IBM, 117,00 employees 70 countries	30 companies, 30, 000 participants, 50 countries	Three industries, 700 companies, 200 researchers in 62 countries

Highly criticized for its theoretical underpinning and empirical data collection as part of an IBM consultancy study (Javidan et. al, 2006; McSweeney, 2002), Hofstede's work was however a stepping stone for others to follow with classifications into national cultures. The main criticism involves the constructs of the study which were not defined and positioned; the action research did not follow the necessary rigor either (Javidan et al. 2006, McSweeney,2002). Furthermore, Woodside et al. (2011) points out that Hofstede's framework receives criticism due to the lack of correspondence between the measurement items and conceptual definitions in the cultural dimensions. Thus, the GLOBE study seems to be the most recent international study which counteracts this criticism, but still uses the classifications for hierarchy, collectivism, uncertainty avoidance, time-orientation. The GLOBE uses even humane-orientation and performance-orientation to make it relevant for leadership and organizational studies, which is a clear adaptation to managerial research. Overall, the field and teaching of international management has benefitted from the understanding of the hierarchical, group behavior, time and risk attitude differences and similarities across different cultures.

This research direction has come a long way to understand the cultural differences and cherish them for mutual learning. With new challenges from globalization, managers can now move a step further to

understand the deep-rooted behavioral patterns between cultures. Lewis (2006) acknowledged these in his classification of linear-active, multi-active and reactive groups. People tend to show all of these activity-types in various degrees in their behavior. This gives us a more adaptable tool for management.

## 2.2. Activity Levels – Linear-active, Multi-active, Reactive Behavior

Using Lewis (2006) and Ott (2011) to move the debate towards the differences of activity types in cultural communities, the hypotheses consider this new development against the theories of culture. The three major activity groups can be divided into sub-themes and their respective behavior in it. Linear-active, multi-active and reactive characteristics are relevant in these categories. Lewis (2006) uses his classifications of different cultures with a focus on activity, time perspectives and communication styles. Three main groups were distinguished as task-oriented, highly organized planners (linear-active culture); people-oriented, loquacious ‘inter-relators’ (multi-active culture) and introvert, respect-oriented listeners (reactive culture). The different national and regional cultures can be categorized into these three types. Ott (2011) added the negotiation perspective and the correlation between activity types and their initial offers, rejection of offers, acceptance and length of negotiation process. Peoples tend to be mixtures of the cultural types, and their behavior and strategies varies according to their upbringing, cultural cognitive program and learning. Regional differences and similarities go across national boundaries and can be found within Europe, Asia, Africa and Latin America.

Table 2: Characteristics of the Linear-active, Multi-active and Reactive Cultures

<b>LINEAR-ACTIVE</b>	<b>MULTI-ACTIVE</b>	<b>REACTIVE</b>	<b>FOCUS</b>
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<ul style="list-style-type: none"> <li>• works in strict time limit</li> <li>• is dominated by time schedule</li> <li>• divides projects</li> </ul>	<ul style="list-style-type: none"> <li>• works at any time</li> <li>• time schedule is not predictable</li> <li>• projects influence other projects</li> </ul>	<ul style="list-style-type: none"> <li>• works flexible time</li> <li>• reacts to time schedule</li> <li>• regards the whole picture</li> </ul>	<p><b>Importance of time</b></p>
<ul style="list-style-type: none"> <li>• sticks to the plan</li> <li>• believes in facts</li> </ul>	<ul style="list-style-type: none"> <li>• changes plans</li> <li>• changes facts</li> </ul>	<ul style="list-style-type: none"> <li>• makes small changes</li> <li>• statements are promises</li> </ul>	
<ul style="list-style-type: none"> <li>• obtains information from a statistics, handbooks and databases</li> </ul>	<ul style="list-style-type: none"> <li>• obtains information first hand (orally)</li> </ul>	<ul style="list-style-type: none"> <li>• Uses both</li> </ul>	<p><b>Information</b></p>
<ul style="list-style-type: none"> <li>• pursues correct procedure</li> <li>• finishes actions</li> </ul>	<ul style="list-style-type: none"> <li>• considers relationships as important</li> <li>• finishes human transactions</li> </ul>	<ul style="list-style-type: none"> <li>• reacts in a quiet way</li> <li>• reacts on partner</li> </ul>	<p><b>Action profile</b> (Activity)</p>
<ul style="list-style-type: none"> <li>• confronts with logic</li> <li>• interrupts rarely</li> </ul>	<ul style="list-style-type: none"> <li>• confronts emotional</li> <li>• interrupts often</li> </ul>	<ul style="list-style-type: none"> <li>• avoids confrontation</li> <li>• Does not interrupt</li> </ul>	<p><b>Negotiation style</b></p>
<i>Culture Examples</i>			
US (WASPs), Germanics, Swedish  Australians,	Mediterranean, Eastern European, Latin American; Arab African, Indian, Pakistan,	Japanese, Chinese, Taiwanese, Singaporean, Korean; Finnish	

Source: Lewis, (2006) and Ott (2011)

In a recent publication, Ott (2011) distinguished the characteristics of these types into importance of time, strategic configurations (process information), information, negotiation styles and action profiles relevant. The three types can be related to emotions, logic and patience focused cultures. In comparison to the classifications of cultures around power distance, individualism, masculinity, uncertainty avoidance and time orientation of Hofstede and the GLOBE, the classification of these activity types identifies cultural categories and considers communication, negotiation, contracting, uncertainty, time issues. They are contributing to the culture debate in a way that cognitive patterns will be observed and



combined with the big theoretical developments. Dividing these cultural characteristics in clusters of emotion, logic and patience should enable a more detailed and less stereotypical approach.

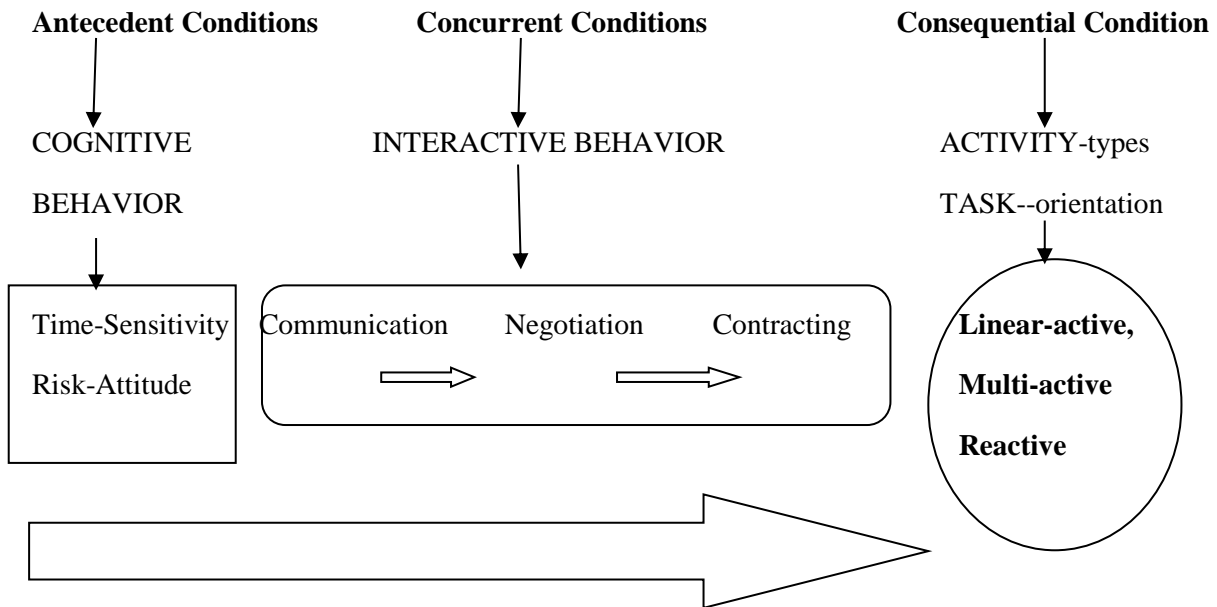


Figure 1: A framework for cultural activity types

### 3. Research Questions and Hypotheses

Activity assumptions are an important starting point for our analysis. Embedded in the theoretical background of cultural theorists are the characteristics of cultural behavior such as communication, negotiations, time horizon, risk attitude, contracting and activity levels. There is a correlation between time perspectives and the way cultures communicate and negotiate. This has among other issues an influence on how contracting works differently across cultures. Another difference between cultures is the different attitude towards risk and uncertainty, but also towards information sharing and knowledge gathering.

To begin with we focus on communication. Hall (1959) investigated communication from a contextual approach. This research is valuable and offered a lot of insights into the differences in communication in which low context cultures will directly communicate their messages and high context cultures find it difficult to talk or talk so much that the meaning is not directly conveyed. The strength of this approach is that a clear explanation can be given why some cultures have difficulties to communicate. Nevertheless, the weakness is that non-communication and a high amount of words used in communication are both treated the same way as high context cultures. This paper would like to stress that communication is a much more complex process and needs to consider conversational patterns, interruption and silence as well as the emotional sphere into a joint set of communication. We therefore hypothesize the following.

H1 (*Communication*): The joint sets of Emotion, Interruption and Conversation are significant for the outcome communication. **(RLM)**

From communication to negotiation is not a step too far away from. We consider the publications of communication and negotiation as a good basis for our analysis of differences between cultures (Brett and Adair;). A lot of the research shows that negotiation patterns are culturally diverse and US-American negotiators differ from Japanese, Chinese, Mexican and Brazilian counterparts for example. The cultural patterns are again more important than the easy to grasp differences in manners. When it comes to cognitive schemas cultures are different considerably. We investigate therefore two hypotheses, that a) negotiation is a function of patience, contracting and time and b) a function of price, rejection of offers and time. Both hypotheses are relevant to find the joint sets of what makes negotiations so challenging when it comes to international negotiations.

H2 (*Negotiation*): The joint set of price, rejection of offers and time is significant for negotiations of activity-based types.

H 2a: Patience, Contract, Time **(LMR)**

H2b: Price (LRM), Reject Offers (RLM) and Time (LMR)

When Moran and Stripp (1991) and Salacuse (1999) found that negotiations end with a formal agreement and that can be either the end of negotiation or the beginning of a relationship, the relevance of this is for contracting and the elements combined in different cultural context. We hypothesize for this reason that contracting is a function of patience, time and trust and a function of risk, information and price (as initial offer).

H3 (*Contracting*): The joint sets of risk, information and price are significant for contracting as outcome.

H3a: Patience, Time, Trust, **(LMR)**

H3b: Risk (RML), Information (RML), Price (LRM)

A lot of culture research has taken uncertainty and risk attitude into account (Hofstede, ; House et al, 2002,2004; Weber and Hse, ). The assumption that cultures differ in terms of perception, attitude and action when it comes to uncertainty has been investigated. Our research understands these factors and considers attitude towards uncertainty to be a function of attitude towards risk, information sharing and knowledge acquisition.

H4 (*Uncertainty*): Risk, Information, Knowledge **(RML)**

It is in the meantime a fact that cultures have different understandings of time and that time is treated differently around the globe (Hofstede, 1983, 2002; House et al.2004 ; Usunier, 2002; Ghauri, 2002, Lewis, 2006; Ott, 2011). Our hypothesis is different in that respect that it considers time as a function of emotion, patience and task-orientation.

H5 (*Time*): The joint sets of task-orientation, emotion and patience are significant for the time orientation.

Besides identifying the new questions for understanding the cultural differences across nations and regions, our investigation uses the classification of the three activity types to find out about the range of initial proposals and price offers, how the different approaches towards rejection of offers, the time orientation, and the task-orientation differ across cultures. The descriptive statistics of mean value and standard deviations for the activity types will be investigated for these purposes. In order to understand the price offers, rejection of offers, time-orientation and task-orientation for the two countries we add to the five hypotheses another four hypotheses to find out whether the cultural profiles are consistent with a linear-active, multi-active or reactive approach:

#### **4. Data Collection and Analysis**

##### **4.1. Study 1: Configurational Analysis with fsQCA**

The cultural profiles of the British and China have been studied by Hofstede and the GLOBE and to give an initial comparison between these two national cultures from the perspective of these two cultural dimension frameworks. The table below shows how hierarchy (power distance),

individualism, masculinity, humane-orientation, time horizons (LTO and future-orientation) compare between these distinct cultures.

The comparison between the British and other cultural profiles has included emerging market managers from Eastern Europe (Pavlica and Thorpe, 1998) and China (Thompson and Phua, 2005) among others. These authors compared the British managers to Czech and Chinese counterparts on a managerial and senior managerial level. Our analysis differs from previous research, since we consider future managers as a good indicator of a trend and prediction on how the British -Chinese business relationships might develop.

#### 4.1.1. Data Collection

The participants of the study were final year Management students who have been waiting for their graduations after a year in management returning as graduates to their firms. They had intensive experience in managerial roles and were used to decision-making in their jobs. The Chinese respondents were MSc students in International Management taking up posts in industry after their graduation. Both students were taking part in negotiation experiments and filled in the questionnaire which investigated their cultural behavior in situations of general cognitive choices. The questionnaire was 4 pages and comprised 14 questions with detailed scales for linear-active, multi-active and reactive behavior which was not known to the students. 39 British students and 25 Chinese students responded to the questions thoroughly and were taken into consideration for an in-depth analysis. The students were choosing on a 10 scale from 0 to 10 which reflects the fuzzy set nature of the analysis. This detailed questionnaire only allowed for a small number of students to be investigated with whom a rapport already existed due to the negotiation experiments. The small number of respondents and the qualitative approach allows the use of fsQCA as an analytical tool for an in-depth analysis.

#### 4.1. 2. Fuzzy set Qualitative Comparative Analysis (FsQCA) - Results

Considering culture as a ‘complex whole’ (), this paper approaches cultural behavior as joint sets of conditions which combine to a complex being and for this reason fuzzy-set Qualitative Comparative Analysis (fsQCA) based on Ragin (1987,1997, 2000, 2008) provides an appropriate method. FsQCA has been used by scholars in management to classify organizational behavior and cultural values. Geckhamer (2011) and Kvist (2007) use fsQCA to analyze the cross-cultural differences in compensation schemes and to classify types. We are now able to develop the set-theoretic analysis. Consistency and coverage help the interpretation of results (Ragin, 2008; Greckhamer, 2011). Geckhamer (2011) emphasized that cases with strong membership in a configuration are the most relevant consistent and inconsistent cases. Therefore, we need to look at the consistency measure which should be close to 1 to enable inferences that a subset exists, indicating that all cases share a condition do also share the outcome. We therefore set a consistency benchmark of 0.90 for necessary and sufficient condition (Greckhamer, 2011). Raw coverage is the overall coverage of a combination that may overlap with other combinations. Another important feature became clear that the highest consistency and coverage was for power distance and individualism which we take therefore for our further analysis of prescribing the right kind of incentives for cultural co-operative behavior.

##### 4.1.2.1. Calibration of Conditions and Outcome

In our investigation we use a scale of 0 to 10 which can be transferred into fuzzy memberships of the conditions easily. It was allowing the respondents to give weights to their types. Another bonus of this approach was that they could be a mixed type which was so far very difficult to appoint to.

Table 3: Break-points for Calibrating Fuzzy Sets

<b>Variable (and label)</b>	<b>Definition for coding</b>	<b>Role in theoretical model</b>	<b>Coding gradations</b>	<b>Breakpoints</b>
Price	The price in this questionnaire is seen as the initial proposal of a negotiation. There are different heights for activity-levels, margins can be +5/10%, +20% or even +50% (Chaney and Martin,2004; Ott, 20011)	The initial price varies between cultures dependent on the time frame (Ott, 2011) and price is a condition which is part of joint sets of negotiations and contracts.	0 none, 0.1 linear-active 0.2 reactive 0.5, multi-active 0.8 1 high	0.20; 0.5; 0.8
Rejection of Price	Rejection of the price is connected to the activity-levels and the meaning of the word 'No' (Roth, et al, 1991; Ott, 2011)	Rejection of offers in the model are used to determine the types with regards to the negotiation behavior	0 none, reactive 0.2 linear-active 0.5 mid level, 0.8 almost full 1 high – multi-active	0.2; 0.5; 0.8
Contract	Contracts are the goal, the definition and issue of the negotiation (Moran and Stripp, 1991; Salacuse, 1999)	Contracts and contracting determine the end of a negotiation in the Western negotiation process.	0 none, reactive 0.2 linear-active 0.5 mid level, 0.8 almost full 1 high – multi-active	0.2; 0.5; 0.8
Communication	Communication is a complex cultural composition of emotion, conversation, language, non-verbal and interruption behavior (Hall, 1959; Lewis, 2006)	Communication has been seen from the contextual and the conversational perspective. The role in this model it has been seen as either important for relationships or independent of influence on culture	0 none, reactive 0.2 linear-active 0.5 mid level, 0.8 almost full 1 high – multi-active	0.2; 0.5; 0.8
Emotion	Emotions are important in conversation, time perspectives and in negotiation (Gelfand and Brett, 2004; Kumar, 2004)	Emotions are part of the joint set of communication	0 none, 0.2 0.5 mid level, 0.8 1 high	0.2; 0.5; 0.8
Interruption	Cultures tend to have a different approach towards interruption (Lewis, 2006)	Interruption is a condition which is relevant for the joint set of communication	0 none, 0.2 0.5 mid level, 0.8 1 high	0.2; 0.5; 0.8
Task-orientation	Task-orientation has been identified as being dependent on cultural activity types (linear-active cultures are most task-oriented, whereas the multi-active cultures are the least dependent on task)	Task-orientation is an outcome condition as it determines the activity types	0 none, multi-active 0.2 0.5 mid level, reactive 0.8 1 high linear-active	0.25; 0.5; 0.8

Time-orientation	Time is an important factor in cultural studies. Different cultures put different meaning into time, distinguishing monochronics, polychronics; linear, cyclic cultures( Ususnier, 2003; Lewis, 2006). Cultures were divided into long-term and short-term orientation (Hofstede, 1982; Trompenaars/Hampden-Turner, 1997; House et al, 2004)	Time-orientation is relevant as an antecedent influencing concurrent and consequential conditions in the model. The cognitive cultural design has an impact on the outcome of negotiations, contracting and task-orientation.	0 none , 0.2, 0.5, 0.8 1	0.25, 0.5,0.8
Patience	The level of patience is important in cultural communication and negotiation as well as contracting. Reactive cultures have the highest level of patience (Lewis, 2006)	Patience in this model is a complementary condition to find out about contracting, time sensitivity and task-orientation	0 none , 0.2, 0.5, 0.8 1	0.25, 0.5,0.8
Risk-orientation	Risk has been studied by many scholars in connection with culture and was often referred to as uncertainty avoidance (Hofstede, 1982; Trompenaars/Hampden-Turner, 1997; House et al, 2004),	In the model risk belongs to the antecedent conditions as this is part of the cognitive cultural setting.	0 none , 0.2, 0.5, 0.8 1	0.25, 0.5,0.8
Information sharing	Information exchange and its impact on profits is important in international negotiations (Adair and Brett, 2004, 2005; Brett and Okumura, 1998)	Information exchange is a concurrent condition in the model leading to the joint sets for risk-attitude and contracting	0 none , 0.2, 0.5, 0.8 1	0.25, 0.5,0.8
Trust	Trust-building and trusting cultures versus low trust cultures play are part of a societies way of using time and are dependent variables for time horizon for this reason (Fukuyama, 1998)	Trust is a concurrent condition influencing contracting	0 none , 0.2, 0.5, 0.8 1	0.25, 0.5,0.8
Knowledge	Knowledge creation and the importance of having knowledge shared is a cultural approach which differs between cultures. It is similar to information sharing	Knowledge is part of the joint set of Information sharing	0 none , 0.2, 0.5, 0.8 1	0.25, 0.5,0.8
Linear-active	task-oriented, highly organized planners (linear-active culture)	The values for linear-active cultures	0 none, 0.2 low linear-active	0.25; 0.5; 0.8



			0.5 mid level 0.8 Linea-active 1 fully	
Multi-active	people-oriented, loquacious ‘inter-relators’ (multi-active culture)		0 none, 0.25 low-multi-active 0.5 mid level, 0.8 highly multi-active 1 high	0.25; 0.5; 0.8
Reactive	introvert, respect-oriented listeners (reactive culture)		0 none, 0.2 low reactive 0.5 mid level, 0.8 reactive 1 high	0.25; 0.5; 0.8

#### 4.1.2.2. Results of Study 1

**Descriptive Statistics – Mean Values and Standard Deviation.** Consider the mean values for the height of initial offers, the British respondents had clearly reactive 0.51 characteristics more than linear-actives, whereas the Chinese respondents had higher means for multi-active (0.52) proposals. Interestingly, both respondents the British and Chinese pool of future managers responded in the same way for the rejection of offers, time-orientation and task-orientation. Rejection of offers and time-orientation had mean values which suggest that the cultural profiles are linear-active for both countries. The task-orientation of British and Chinese future manager and with this the activity levels point to reactive cultural types.

**Necessary Condition.** Comparing the joint sets of H1a, H1b for negotiations, we find that in both cases the British respondents showed a clear linear-active path. The strong route suggests that negotiations are a function of patience, time and contract and this shows a clear result for the linear-active approach of British future managers. Taking the ‘softer’ route into consideration, negotiation is a function of initial offer, rejection of offers and time. This route was as well chosen by British future managers/respondents. When it comes to distinguish between the time attitude as a function of task, emotion and patience for British and Chinese managers, then it was clear that the British respondents reacted more linear-active whereas the Chinese respondents were clearly reactive.

The joint set for further investigations comprised :a) Contracting as a function of risk, information and price, b) attitude towards risk as a function of risk, information and knowledge and c) Communication as a function of emotion, confrontation and interruption. For all these cultural features communication, contracting and risk attitude the British and Chinese respondents showed a similar attitude and were clearly reactive.

Another aspect of the necessary conditions was found when activity types were analyzed and classified according to their joint sets. There are many ways to explain, understand, and categorize activity levels. Activity levels across culture can differ across culture if they are a a) function of emotion, communication and interruption, b) a function of attitude of risk, information sharing, knowledge acquisition, c) a function of price offers, rejection of offers, and time orientation and d) a function of patience, contracting and time orientation. Our results were derived for these functions under the conditions that linear-active, multi-active and reactive features were analyzed for each of these functions (see the appendix for detailed analysis).

Comparing the values we can clearly identify that Britain and China have both strongly reactive characteristics when activity level is a function of emotion, communication and interruption. Both cultures showed similar strong features when activity was a function of price offers, rejection of offers and time orientation, since both were clearly linear-active. Then, both cultural profiles differ when activity is a function of function of attitude of risk, information sharing, knowledge acquisition, then the British respondents were showing multi-active features whereas the Chinese were reactive. For the activity levels being a function of patience, contracting and time-orientation, we found that the British respondents saw themselves as multi-active, whereas the Chinese respondents were strongly linear-active.

Table 4: Necessary Conditions for the British culture

Consistency/Coverage	Linear-active	Multi-active	Reactive
<b>Communication/Emotion</b> Emotion $\cap$ Communication $\cap$ Conversation H1	0.960699 0.709677	0.870370 0.764228	0.965217 0.732673
<b>Negotiation</b> Price $\cap$ Rejection of Offer $\cap$ Time H2a	0.933962 0.736059	0.930693 0.728682	0.862559 0.791304
<b>Negotiation</b> Patience $\cap$ Contract $\cap$ Time H2b	0.942478 0.737024	0.975961 0.659091	0.928889 0.794677
<b>Contracting</b> Risk $\cap$ Information $\cap$ Price H3	0.899582 0.799257	0.931159 0.868243	0.947369 0.689655
<b>Risk and Information:</b> Risk $\cap$ Information $\cap$ Knowledge H4	0.921397 0.772894	0.981481 0.666667	0.930435 0.725424
<b>Time</b> Task $\cap$ Emotion $\cap$ Patience H5	0.958848 0.809028	0.971154 0.701389	0.982143 0.583039

Table 5: Necessary Conditions for the Chinese culture

Consistency/Coverage	Linear-active	Multi-active	Reactive
<b>Communication/Emotion</b> Emotion $\cap$ Communication $\cap$ Conversation H1	0.950704 0.658537	0.851351 0.787500	0.964286 0.790244
<b>Negotiation</b> Price $\cap$ Rejection of Offer $\cap$ Time H2a	0.985075 0.713514	0.945946 0.736842	0.893750 0.893750
<b>Negotiation</b> Patience $\cap$ Contract $\cap$ Time H2b	0.971831 0.715026	0.959460 0.699507	0.904762 0.835165
<b>Contracting</b> Risk $\cap$ Information $\cap$ Price H3	0.914894 0.758824	0.930636 0.860963	0.990826 0.593407
<b>Risk and Information:</b> Risk $\cap$ Information $\cap$ Knowledge H4	0.956834 0.726776	0.935714 0.671795	0.975000 0.787879
<b>Time</b> Task $\cap$ Emotion $\cap$ Patience H5	0.908537 0.841808	0.963415 0.806122	1.000000 0.844221

Equally, interesting were the results for contracting as a function of risk attitude, price offer and information sharing, when both the British and Chinese respondents were clearly reactive. Finally, testing all three types for time-orientation as a function of task-orientation, emotion and patience both cultural profiles were reactive. This means that there is more understanding between these two cultures than generally perceived.

**Consistency.** Consistency shows how closely the pairing of antecedent and outcome scores constitutes a perfect subset relationship. It gauges the degree to which the cases sharing a given combination of conditions agree to display the outcome (Woodside et al, 2011).

$$\text{Consistency } (X_i \leq Y_i) = \sum \min(X_i, Y_i) / \sum X_i$$

**Coverage – Size of the Joint Set.** Coverage is used to assess the degree to which a cause or causal recipe accounts for instances of the outcome (Woodside et al, 2011). Several paths to the same outcome, can lead to a small size of the coverage. Coverage gauges empirical relevance or importance.

$$\text{Coverage } (X_i \leq Y_i) = \sum \min(X_i, Y_i) / \sum Y_i$$

Table 6: Cultural Profiles Britain

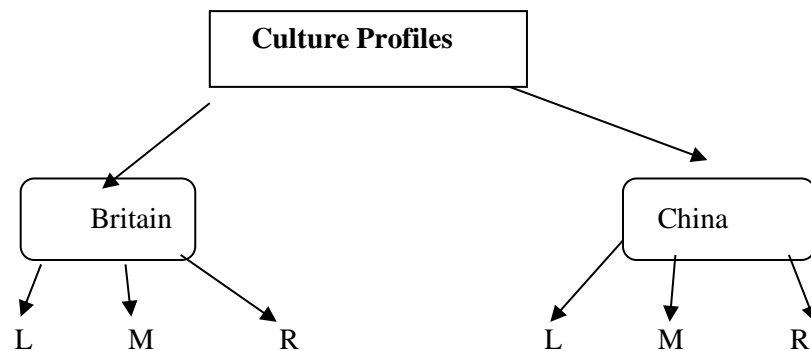
	Negotiations	Communication	Contracting	Risk and Information
Necessary Conditions	Price $\cap$ Rejection of Offer $\cap$ Time	Emotion $\cap$ Interruption $\cap$ Conversation	Risk $\cap$ Information $\cap$ Price	Risk $\cap$ Information $\cap$ Knowledge
Consistency	0.933962	0.965217	0.947369	0.921397
Coverage	0.736059	0.732673	0.689655	0.772894

Table 7: Cultural Profiles China

	Negotiations	Communication	Contracting	Risk and Information
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Necessary Conditions	Price $\cap$ Rejection of Offer $\cap$ Time	Emotion $\cap$ Interruption $\cap$ Conversation	Risk $\cap$ Information $\cap$ Price	Risk $\cap$ Information $\cap$ Knowledge
Consistency	0.985075	0.964286	0.990826	0.975000
Coverage	0.713514	0.790244	0.593407	0.787879

Positioning the mean values and consistencies of the findings into the cultural profiles of the respondents, the cultural behavior of British and Chinese future managers are closer than expected and offer cooperation and circumvention of misunderstandings.



**Consistency:**

Communication	0.96	0.87	0.965	0.95	0.85	0.964
Negotiation	0.933	0.93	0.86	0.98	0.94	0.89
Contract	0.899	0.93	0.94	0.91	0.93	0.99
Uncertainty	0.92	0.98	0.93	0.956	0.93	0.97
Time-Sensitivity	0.95	0.97	0.98	0.91	0.96	0.99

**Mean Values:**

Task/Activity	0.587	0.55	0.589	0.568	0.59	0.67
Price	0.486	0.367	0.516	0.43	0.52	0.49
Rejection of Price	0.64	0.62	0.33	0.652	0.572	0.488
Time-Sensitivity						

Figure 2: A comparative analysis of British and Chinese Culture Profiles

4.2. Study 2: Experimental Analysis of Intra-Sino, Intra-British and Sino-British negotiations

#### *4.2.1. Data Collection*

The study benefits from dyad negotiations with a well-researched design. The choice of participants was on Master students from China, Final Year Management Students and MBA students with managerial experience. The Final Year Students were returning from internships which equipped them managerial skills and a possibility to return after graduation. They were involved in decision-making and managerial tasks, such as financial, marketing and HR decisions. The MBA students were on a middle management level using their MBA for promotion. The Chinese MSc students were chosen to investigate their behavior when arriving in the UK and studying their regional differences and managerial abilities from a Chinese background. The study uses 40 dyads experiments to explore the dyads of Intra-British, Intra-Chinese and Anglo-Chinese negotiation experiments designed towards a activity-based approach (Ott, 2011). These are examples of MBA students and international management students.

The design of the experiment was considering a dyad negotiation of a buyer-seller with a product (CD or flowers) with a market value of £10. The target was to negotiate the price, quantity, delivery conditions, payment and contract length. The students had basic instruction with cultural profiling questionnaire to start with the negotiations were structure into rounds. There was the qualitative element that the conversations were done via email and the principal investigator was copied into it. This means that the negotiations, communications and decision-making process was documented with the timing recorded. The time between offers could be the following: The novelty of this approach is that the relationship building process and the qualitative side can be analyzed. The design of the negotiation experiment was targeted towards understanding the price setting, trust building, communication and contracting approach of the negotiators. The participants were given an information package with instructions and allowed to communicate with each other via email. This is

a new approach trying to combine the quantitative and qualitative side of negotiating. This means that this analysis can focus on the observation of the pricing, concession-making, but also the timing and the communication.

#### 4.2.2. Results of Study 2

The study uses Raiffa's (1983) negotiations agreement zones to show how seller and buyer move with the agreement zone in the middle of the diagram. The results are in the following summarized and show only the agreements of nine dyads with equilibrium the Intra-British, Intra-Sino and the Sino-British negotiations.

Sino-British Equilibrium: Negotiations take place over quantity/terms in combination with choices of higher price/quantity correlations lower price/more quantity 15/4.5 – **Equilibrium between 8 and 9.8** dependent on the roles.

British Equilibrium: High initial offer (40% margins) two stages to start with quantity and terms by buyer considerable concessions of buyer and gradual concessions (many) of seller – **Equilibrium at 11.20.**

Intra-Sino Equilibrium: very long initial phase of the relationship building via quantities 11.5/11 concessions quick and big. **Equilibrium at £11.50.**

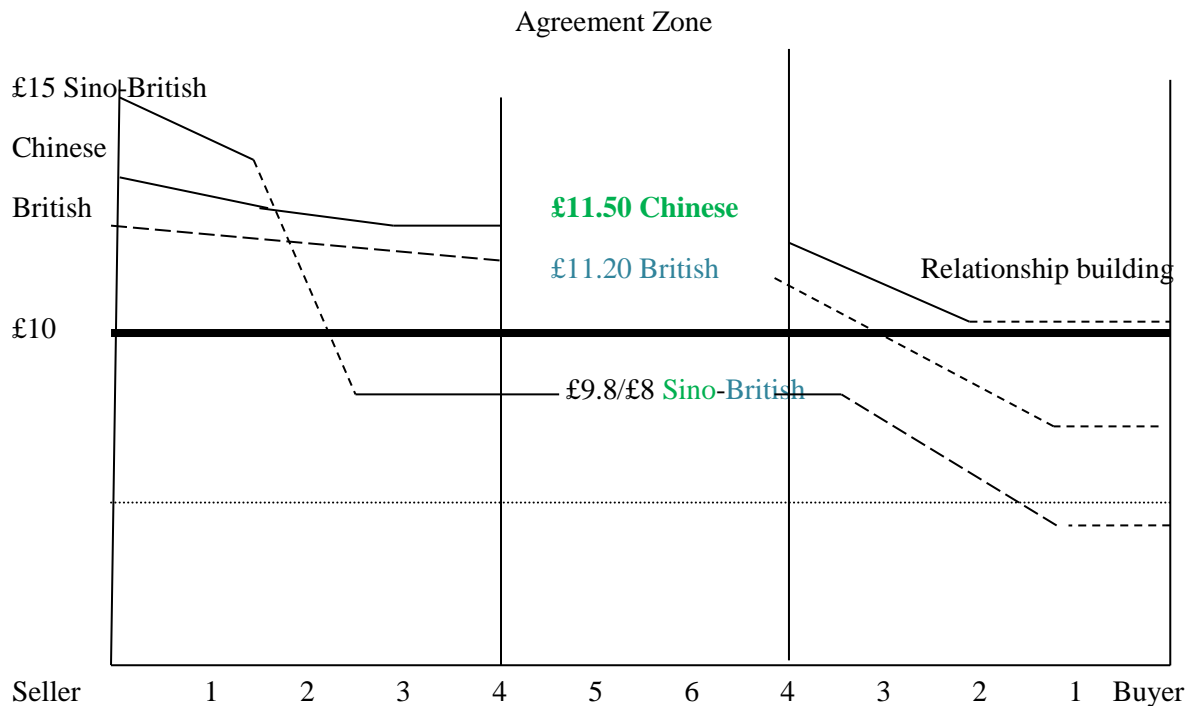


Figure 3: Experimental Evidence of different negotiation behavior between intra- and international negotiations of the British and Chinese

#### 4.3. Limitations

This investigation, through considering a small sample size, but an elaborate mechanism to find out the attitude, shows a clear path for co-operation between these two cultures. Since business students are a good example for future trends, the possibilities and paths for co-operation and conflict guide the analysis. The limitations are that a bigger sample size would be better to generalize the outcome; Future research would need to look into other cultures and a more representative sample. The investigation was in English and at a British university which might have changed the Chinese students' behavior towards reacting to the way what is expected of them. However, one of the authors empirical and practical expertise from working with Chinese managers found that when it comes to leadership behavior in management courses, Chinese managers tend to show multi-active behavior which relates



to the relationship side of the targeted and reactive behaviour. When Chinese respondents are in an educational setting such as business degrees at US or British Universities, then their behaviour tends much more towards linear-active. The latter is therefore a matter of in-depth with Chinese samples and in a context which compares intra- and intercultural Chinese investigations. We might be inclined to understand whether these differences might be part of a 'Cultural Chameleon' approach (Thorne, 2000), which not only happens between national cultures, but also between professional cultures as an interesting approach to adaptation.

## **5. Discussion and Conclusion**

The investigations into culture as 'complex whole' (Tyler, 1871) have been an incentive to come up with a complex analysis into the characteristics and the relationship between the conditions of culture as an outcome of habits, behavior, beliefs, values, attitudes, morals, knowledge and risk attitudes.

The article investigates future managers from Britain and China in a pioneering study to capture the joint sets of conditions making up task-orientation, time-orientation, communication, negotiation, contracting, and uncertainty attitude. The hypotheses of these conditions focus on the joint sets for the cultural profiles. The linear-active, multi-active and reactive cultural profiles play an important role and these cultures show similarities and differences due to their attributes and attitudes. British and Chinese future manager have in fact much more in common than in general perceived. This finding is not only counter what cultural dimensions of Hofstede and other cultural theorist find about these cultures and their differences, when it comes to hierarchy, individualism, time-orientation.

It is more important in international transactions to find out the closeness and distance in communication, negotiation and contracting with a focus on task-orientation as well as risk attitude. In this respect, the findings are striking that the British and Chinese managers will in future generations be much closer than perceived. What does this mean for the British managers? They are much more reactive and less linear-active as is in general perceived. Similarly, Chinese future managers will have some more linear-active (go-getter) behavioral traits and are therefore much more adaptable to Western negotiators than so far anticipated.

Considering now the general results for the dimensions communication, negotiation, contracting, time-sensitivity, task-orientation and risk-attitude, we are now able to propose a framework for activity-based cultural types. Culture as a complex whole was dealt with as a joint set of cultural characteristics which work together to distinguish and identify cultural behavior, strategies and attitudes. Culture has been seen as influencing communication.

The set theoretical findings of this research emphasize that communication is a function of emotion, conversation, but also interruption. This is a new approach and these results clearly point to the necessary and sufficient conditions of cultural distinctions. The next step in a cultural framework of activity types is that negotiation is seen as influenced by culture. The negotiation findings are two-fold that negotiation is a function of price offers, rejection of offers and time-sensitivity, but also a function of contract, patience and time-sensitivity. The joint sets show the complexity of cultural whole when it comes to negotiating between different cultural groups. The result of a negotiation is often a contract and this cultural feature can be seen as a function of trust, patience and time-sensitivity, but also as a function of risk, information and price. This activity-based framework accounts for differences in contracting behavior between cultures. The results support this. Like other cultural theorists, time and risk attitude is of interest to this investigation. The cultural component of

risk-attitude or uncertainty is a function of risk, information and knowledge. Furthermore, time-sensitivity has been treated as a joint set or function of task-orientation, emotion and patience, which is different to other cultural theorist. The strength of this approach is that the methodology of fuzzy set QCA aligns the complexity of culture and provides equifinal solutions. This has strengthened our results and in the comparison between the two big cultural profiles the British and Chinese, the descriptive results of the mean values, standard deviations compare with consistency values for the necessary conditions.

In order to complement the fsQCA study of the configurational approach towards culture categories, the second study focused on the dyad negotiation experiments to use the insights gained. The results of the experiments emphasize the differences between Chinese and British domestic negotiation of intra-cultural in comparison with Sino-British international negotiations. The results are striking and show that Sino-British negotiations are finding an equilibrium on a lower level than the same culture negotiations. Especially, since all participants had the same instructions. Even so Chinese and British have a very similar negotiation behavior, the outcome in international negotiations is on a lower level.

The results of this study propose that globalization has a stronger impact on behavior than up to now allowed to be considered. The potential to cooperate is internationally more apparent than the opposite.

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