

## Leadership and Organizational Justice: Similarities and Differences across Cultures.

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Abstract: Offers a study that examines the relationship of transformational leadership and leader member exchange to organizational justice and job satisfaction in five separate cultures. How there is a consistent support for some linkages; Differences across cultures; Implications for theory and future research on international business.

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### LEADERSHIP AND ORGANIZATIONAL JUSTICE: SIMILARITIES AND DIFFERENCES

#### ACROSS CULTURES

We examine managerial work values and subsequent behaviors of Vietnamese managers that investors may face doing business in Vietnam.

To establish a global reference-point, we compare the U.S. managers. The findings from this exploratory study, while not always intuitive, should help foreign investors to better understand Vietnam. Furthermore, the study raises important theoretical issues.

Emerging as one of Asia's newly industrializing countries [NICs], Vietnam represents a fascinating opportunity for Western businesses interested in investing in a country rich in economic opportunity, as well as political and cultural history (Engholm, 1995; Naisbitt, 1996). Vietnam's range of natural resources, fast growing population (80 million in 1999) and a 90+% literacy rate among those under 30 strengthen Vietnam's move toward a market economy. Doi moi, or market liberalization, begun in 1986, was further enhanced by admission to the Association of Southeast Asian Nations (ASEAN) and the recent trade agreement signed by the U.S. and Vietnam in July 1999.

#### INVESTING IN VIETNAM

Investors interested in Vietnam have three options: developing a contractual business cooperative, establishing a wholly foreign-owned business, or creating a joint venture with a local partner. As an entry strategy, international joint ventures (IJVs) have been one of the fastest growing in other former "planned economy" countries (Leong & Lira, 1993; Shama, 1995). Yet, creating a successful IJV is challenging (Lorange & Roos, 1992), particularly in developing economies evolving into market-oriented economies (Rosten, 1991; Shan, 1991; Beamish, 1994; Geringer & Hebert, 1991; Lee & Beamish, 1995).

Part of the challenge is the potential mismatch in management philosophy and operationalization strategies of the venture partners (Markoczy, 1994). In the worst cases, partners do not learn from each other, frustrating both sides and leading to debilitating conflict. For example, in developed economies, the "time is money" philosophy emphasizes the need for timely decisions; in formerly planned economies, managers prefer to "wait" for direction, making it difficult to shift to a new "more hurried" approach to making decisions. Similarly, managers in developed economies, accustomed to contracts and legal regulation, can be insensitive to the need for more "personal relationships" in business dealings. In a country like Vietnam, investors must work with a molasseslike bureaucracy, unsettled legal and regulatory structures and flux in cultural and social expectations (Mobius, 1996). Furthermore, not only is the infrastructure in disrepair, but, more critically, the management skills needed for a market-oriented economy are virtually non-existent or inadequate at best in evolving planned economies (Hiebert, 1995; Leong & Lim, 1993).

Critical for successful IJVs are control and local partner knowledge. IJV control mechanisms (Geringer & Hebert, 1989) include organizational structuring, staffing/training programs, and establishment of informal relationships among participating parties. Local partner knowledge is especially important in developing countries (Lee & Beamish, 1995). In addition and sometimes forgotten, is that understanding the fundamental work values of one's partner is crucial to smooth the integration process of the IJV partners.

For Western investors, Vietnam offers a case of striking differences in work values. The country is moving to a market economy under

socialist guidance. However, most western investors come from economies with capitalistic market bases. This contrast in systems and related cultural values may create serious challenges for potential IJV ventures. Mead (1994) notes that the greater the cultural differences between the partners, the more difficult it is to attain satisfactory and successful business relationships. To build the trust and respect needed for a successful IJV is challenging in compatible cultures (Killing, 1983). Developing these partner attributes is much more challenging for partners from different cultures (Lorange & Roos, 1991; Madhok, 1995; Mead, 1994). However, partners with mutual trust and respect can build compatible goals and a common managerial style to accomplish those goals (Hung, 1991). Thus, how the IJV partners cooperate, communicate, and treat subordinates greatly affects the venture's success (Lorange & Roos, 1991). In particular, it is important to understand the specific issues that contribute to a venture's success, especially the value differences among potential partners. Thus, our objective for this paper is to investigate the work values of Vietnamese managers in order to understand the cultural challenges present when Western management teams work with Vietnamese as IJV partners.

#### VIETNAM-ONE COUNTRY OR Two REGIONS?

On April 30, 1975, the Day of Liberation, Vietnam was officially reunited. However, the country's North and South regions--long divided by war--continue to have different modes of operation and manners of behavior that thwart true integration and may create challenges for investors (Engholm, 1995; Quinlan, 1995; Robinson, 1995). The traditionally more conservative, bureaucratic North has operated under socialism since the 1940s. The "renegade" South experienced domination

for two decades by U.S. and Western influences until 1975 when the Americans withdrew (Engholm, 1995). These potential regional differences must be addressed, as well as Vietnam's work behavior orientation relative to those of other economies. Therefore, we will investigate two questions: (1) how do the work values of managers in the North and South regions of Vietnam compare with one another, and (2) how do the Vietnamese work values compare with those of their counterparts from other representative cultures.

We chose China and the U.S. as representative cultures for comparison purposes because of their economic importance, the cultural distinctiveness between an Asian communist and a Western capitalist society and because of the U.S. influence in the South to the mid-1970s and China's continuing influence in the North (Engholm, 1995; Ralston, Holt, Terpstra & Yu, 1997). China's influence in Vietnam can be traced to Chinese immigration from the Southwest region, which is geographically adjacent to North Vietnam, and North Vietnam's commerce with the more industrialized South region of China. Thus, China's geographical and economic influences in Vietnam come from different regions. This distinction seems important in light of the Ralston, Yu, Wang, Terpstra and He (1996) findings that identified the Southwest region of China as "traditional" and the South region as "cosmopolitan" in terms of the work values held by the business people in these locales. Thus, we deemed it relevant to have two Chinese reference groups: one from the Southwest region of China because of its immigrant influence in Vietnam's North region, and one from China's South region because of its commercial ties to North Vietnam. Adding the U.S. as a reference point to these China reference points may help to provide those wanting to invest in Vietnam an initial means of assessing the work values orientation within this diverse society.

#### MEASURES OF MANAGERIAL VALUES

We examined five groups in this study--North and South Vietnam, Southwest and South China, and the U.S.--with the comparisons across groups focusing on the Individualism/Collectivism construct. This construct has frequently been used to contrast Asian and Western cultural behaviors and values (Hofstede & Bond, 1988; Triandis, Bontempo, Villareal, Asai & Lucca, 1988; Yang & Bond, 1990). Hofstede (1980) introduced Individualism/Collectivism as polar points of a single continuum. However, Triandis and colleagues later proposed that Individualism and Collectivism might be unique constructs instead of polar points of a single continuum (Triandis et al., 1988). Recent research supporting this contention (Earley & Gibson, 1998) found that splitting Individualism and Collectivism into separate continua identified relevant differences between them missed when Individualism and Collectivism were forced onto a single continuum (Ralston et al., 1997, 1999). Additionally, Individualism may be a multifaceted dimension consisting of more than one component (Triandis, Bontempo et al., 1986).

For this study, we used a measure that allowed us to assess

Individualism and Collectivism in the context of the Triandis perspective. Thus, following Ralston's et al. (1996) study of the six regions of China, we used the Schwartz Value Survey [SVS] (Schwartz, 1992), which allowed us to contrast the groups on their relative degrees of Individualism and Collectivism at the overall level, the component (multi-facet) level and at a subdimensional level. The SVS consists of ten universal subdimensions: power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, tradition, conformity and security. All ten subdimensions exist in every culture, but their relative importance may vary significantly. In turn, these subdimensions combine to form the Individualism and Collectivism dimensions, where Individualism is comprised of the Openness-to-Change and Self-Enhancement facets (Schwartz, 1992).

### Individualism

The Overall Individualism dimension indicates an individual's perception of self-reliance and focus on attaining personal needs. Likewise, Individualism implies competition, rather than cooperation in business (Hui & Triandis, 1986). The SVS overall Individualism dimension consists of the power, achievement, hedonism, stimulation and self-direction subdimensions. The Openness-to-Change facet identifies the degree to which individuals follow their own intellectual and emotional interests, and thus, the degree to which they are receptive to different methods. It consists of the stimulation and self-direction subdimensions. The Self-Enhancement facet of Individualism identifies the degree to which individuals promote self-interest and personal gain, even when doing so may have negative repercussions for others. Self-Enhancement consists of the power, achievement and hedonism subdimensions. Thus, the Openness-to-Change and Self-Enhancement facets form the Overall Individualism dimension.

### Collectivism

This dimension indicates an individual's orientation toward others, especially those within the individual's in-group and implies behavior that subordinates personal goals to the goals of the ingroup (Triandis et al., 1988). Thus, Collectivism indicates the importance of developing relationships when conducting business. The SVS Collectivism dimension consists of the benevolence, tradition, and security subdimensions. To Western business people the value of using these subdimensions and dimensions as issues for discussion is that they provide a means of comparing the basic values that underlie business philosophy of their Vietnamese counterparts within a national or regional culture.

### HYPOTHESES

Even though we found no empirical studies relating to the work values of Vietnamese managers, we wanted to develop our hypotheses as rigorously as possible. Thus, we selected as a theoretical basis the convergence-divergence-crossvergence framework (Ralston, Gustafson, Cheung & Terpstra, 1993; Ricks, Toyne & Martinez, 1990). This framework assesses the impact on work values when a societal culture interacts with external influences. The crossvergence perspective argues that the interaction of home culture and external environmental influences leads to a "melting pot" effect, resulting in a unique set of values evolving from the interaction (Ralston et al., 1997). Because of the influence by the U.S. in the South and by China in the North, crossvergence seemed the most logical perspective for us to hypothesize in our investigation of Vietnamese values. However, many competing issues make the prognostication of a crossvergence outcome complicated. For the South, the American influence ended over twenty-five years ago, and subsequently people from South Vietnam have been re-educated. Thus, does the Western influence from [the mid-1970s remain, or has over two decades of communist influence had a greater impact? For the North, the influence has been primarily Chinese, from two different regional cultures. Thus, has migration, primarily from "traditional" Southwest China, had more of an impact than commerce with the "cosmopolitan" want-to-be-capitalists of South China? Tangentially, since communist China began its economic liberalization policy long before Vietnam did, might the Vietnamese managers hold values that are more "traditional Chinese" than those of the Chinese managers in either region-if these Chinese managers have already begun to crossverge? Therefore, in the South we have to explore whether the primacy or recency of cultural influence has more impact, while in the North, we need to determine the importance of geographic presence versus economic presence, as well as the relative movement toward individualistic, capitalistic ideals found in China and Vietnam. Answers to these questions would have greatly assisted in developing our hypotheses. However, since we have no definitive answers, we combined existing empirical data on other Chinese cultures with

anecdotal information about Vietnam to create our hypotheses. Ultimately, we look to the data for answers in this exploratory study.

We based our hypotheses on the Triandis perspective that Individualism and Collectivism are separate continua. We placed U.S. and Chinese groups on these continua, based on previous theoretical and empirical research. Thus, the U.S. managers are located at the high Individualism end (Hofstede & Bond, 1988), the Chinese managers are lower on Individualism than the U.S. managers (Ralston et al., 1997). Also, we expected the cosmopolitan Chinese managers to be higher on Individualism than the traditional Chinese managers (Ralston et al., 1996).

The placement of the South and North Vietnamese managers was more difficult, but we proposed that the combination of previous American and recent communist influences would lead Southern managers to be more individualistic than their Northern counterparts whose influence was purely Chinese communist. We also proposed that South managers would be similar to cosmopolitan Chinese managers and that North managers would be similar to the traditional Chinese managers. We know that we are taking liberties by proposing a non-significant relationship. However, in this exploratory study, we wanted to indicate where we expected to find similarities as well as differences. Thus, three hypotheses emerged:

H1: Overall Individualism, the U.S. managers will score significantly higher than the cosmopolitan Chinese and South Vietnamese managers, while the cosmopolitan Chinese and South Vietnamese managers will score significantly higher than the traditional Chinese and North Vietnamese managers.

H1a: Openness-to-Change, the U.S. managers will score significantly higher than the cosmopolitan Chinese and South Vietnamese managers, while the cosmopolitan Chinese and South Vietnamese managers will score significantly higher than the traditional Chinese and North Vietnamese managers.

H1b: Self-Enhancement, the U.S. managers will score significantly higher than the cosmopolitan Chinese and South Vietnamese managers, while the cosmopolitan Chinese and South Vietnamese managers will score significantly higher than the traditional Chinese and North Vietnamese managers.

For Collectivism, we hypothesize the mirrored opposite for the relationships among the five groups. Support--or consistent rejection--of all our hypotheses argues for the single continuum perspective of Hofstede. Conversely, if the findings for Individualism and Collectivism are not mirrored opposites, then the dual continua perspective of Triandis et al. holds more credibility.

H2: Collectivism, the U.S. managers will score significantly lower than the cosmopolitan Chinese and South Vietnamese managers, while the cosmopolitan Chinese and South Vietnamese managers will score significantly lower than the traditional Chinese and North Vietnamese managers.

### METHOD

#### Subjects

The study consists of 724 subjects who are managers and professionals from North Vietnam (Hanoi), South Vietnam (Ho Chi Minh City, formerly Saigon), Southwest China (Chengdu), South China (Guangzhou), and the U.S. (country-wide). All the data collection cities in Vietnam and China are major, regional business centers. For all groups, no more than five managers are from any one company, and these companies represent primary, secondary and tertiary industries. Table 1 presents a demographic breakdown of the five groups.

#### Procedures

An English language version of the questionnaire was translated and backtranslated from English into both Vietnamese and Chinese. Subjects were given a native language version of the SVS instrument administered by a native colleague. They were assured of anonymity and told there were no right or wrong answers.

#### Measure

We used the Schwartz Value Survey [SVS] (Schwartz, 1992). The SVS consists of 56 items measured with a 9-point Likert scale ranging from "opposed to my values" [-1] to "of supreme importance" [7]. Each of the four dependent measures (Overall Individualism,

Openness-to-Change, Self-Enhancement, Collectivism) has been constructed to range from a value of +7 to a value of -1, where the higher the score, the greater the support for the value.

## Design and Analysis

Since Table I shows demographic differences across our five groups, we performed a one-way MANCOVA using all demographic variables as covariates. If the MANCOVA was significant, the second step was to run ANCOVAs for each of the four dependent measures, including any covariate(s) found to be significant for the specific dependent measure. Finally, for these analyses, found to be significant, we ran Duncan multiple comparison tests to identify which of the five groups of managers were different.

## RESULTS

The MANCOVA was significant at the 0.001 level, with gender being a significant covariate for each of the four dimensions. Therefore, ANCOVAs were run for all dependent measures using gender as the covariate. All four ANCOVAs were significant, at the 0.001 level. Since the ANCOVAs were significant, we ran Duncan multiple comparison tests to identify the between-group differences for each of these measures. Table 2 presents findings of the multiple comparison tests. The following information describes the findings from these multiple comparison tests.

### Individualism Dimensions

Table 2 shows that the U.S. was highest on Overall Individualism and significantly higher than both of the Vietnam regions and Traditional China. Additionally, cosmopolitan China was significantly higher than traditional China and South Vietnam; and North Vietnam was significantly higher than South Vietnam. For the Openness-to-Change facet of Individualism, both the U.S. and cosmopolitan Chinese managers were significantly higher than the managers from the other three groups. In addition, the traditional Chinese managers were significantly more open to change than the South Vietnamese managers, but they were not significantly different from the North Vietnamese managers. On the Self-Enhancement facet, the U.S. managers, the cosmopolitan Chinese managers, and the North Vietnamese managers were significantly more self-oriented than the South Vietnamese and traditional Chinese managers.

### Collectivism Dimension

For Collectivism, the U.S. and cosmopolitan Chinese managers reported the lowest level of this dimension and were not significantly different from one another. The traditional Chinese managers were next in their level of Collectivism, being significantly higher than the U.S. and the cosmopolitan Chinese managers. Highest on Collectivism were both Vietnamese groups. North and South Vietnam scored significantly higher on collectivism than did the other three groups.

### Subdimensions

While we proposed no hypotheses at the subdimension level, the following findings did help explain the dynamics underlying findings at the dimensional level. The ANOVA tests for the Individualism subdimensions identified the achievement subdimension as not significant and the other four subdimensions as significant at the 0.001 level. The Duncan multiple comparison test results for the four Individualism subdimensions are presented in Table 3. Likewise, all three Collectivism subdimensions are significant at the 0.001 level. The Duncan multiple comparison test results for these subdimensions are also presented in Table 3. In the following discussion section, we will include the contributions of the subdimensions to the Individualism and Collectivism dimensional relationships.

## DISCUSSION

As stated, we began this paper hoping to provide foreign investors with relevant information on the work values orientation of Vietnamese managers. Our data produced some intriguing findings that appear counterintuitive. However, after careful re-examination of our data and procedures, we are confident that the findings are accurate and logical especially as one considers Vietnam's recent socio-political environment. Further, we believe the study's findings may provide Western business people with helpful perspectives on the work attitudes and behaviors of a society that has been largely closed to the United States since 1975.

Moreover, these findings raise provocative additional questions about the impact of external influences on the work values of the North and

South Vietnamese and about the possibility of these populations crossverging due to separate influences. We present our interpretations of the findings on the two questions raised previously. However, since a comparison of North-South Vietnam values within the East-West global context are inextricably interrelated issues, we will discuss them concurrently in terms of our hypotheses.

### Individualism

As expected, the U.S. managers had the highest numerical score on the overall Individualism dimension. Likewise, as expected, the cosmopolitan Chinese group was higher on Individualism than the traditional Chinese group. However, not all predictions were supported. Most surprising, the North Vietnamese managers scored significantly higher than the South Vietnamese managers, the reverse of our hypothesis. Thus, on the overall measure of Individualism, we found that the managers from North Vietnam are significantly more Individualistic (i.e., Western-oriented) than their Southern counterparts.

Clearly, this finding is inconsistent with our general perspective that exposure to Western cultures in the former South—even if it were over two decades ago—resulted in this region being more individualistic. Additionally, we found that the managers of North Vietnam scored numerically lower than the cosmopolitan Chinese managers and numerically higher than the traditional Chinese managers. However, the North Vietnamese were not significantly different from either Chinese group, even though the two Chinese groups were significantly different from one another. While inconclusive, a look at the overall data appears to indicate that the cosmopolitan Chinese influence is "pulling" the North Vietnamese in the direction of individualistic values. In essence, trade with the South China region may be influencing North Vietnam more than the migration of poor immigrants from the adjacent Southwest region. However, the intriguing question is: Why are the managers from the South significantly less individualistic than those from the North? For an answer to this question, we looked at the findings for Openness-to-Change and Self-Enhancement. In general, the Self-Enhancement findings (Table 2) explain the positioning of the North managers, while the Openness-to-Change findings contribute to the positioning of the South managers.

Regarding Self-Enhancement, there are no significant differences among the North Vietnamese managers, the cosmopolitan Chinese managers, and the U.S. managers. This orientation toward self appears to contribute to the North Vietnamese managers' relatively high placement on overall Individualism. For Openness-to-Change, a somewhat different pattern emerged. Here, U.S. and cosmopolitan Chinese managers are significantly more open than all the other managers, and traditional Chinese managers are significantly more open than the South Vietnamese managers though not significantly different from the North Vietnamese managers. The South managers are the least "open" group. Thus, the Openness-to-Change results appear to be a prime influence on the South managers' low placement on the Overall Individualism continuum. On one hand, these findings argue for both the multifaceted nature of Individualism and the two-region view of Vietnam. Yet, these data really cannot explain the reason(s) underlying the finding for the North managers scoring significantly higher on Individualism than their South counterparts. Therefore, we conducted post-data collection interviews to better understand our findings. These interviews uncovered two complementary reasons. Relevant to the South was the unforgiving, unmerciful re-education program that has been in place since the mid-1970s, while in the North, there is a new "Hanoi attitude" that likewise began to emerge after the end of the war.

The consensus of the interviewees was that people in the South have been reeducated to the point where they are reluctant to be too aggressive in business, fearing their livelihood might be repressed. The behavior of individuals in the South appears to be closely scrutinized by the Hanoi government and sanctioned when deemed appropriate. Thus, the apparent result of the zealous re-education program in the "renegade" South is that these managers are expected to show more commitment to government policy than the managers in the North. Moreover, those in the South who disagreed with these policies most may have left the country altogether. In essence, influence from pre-1975 has been subdued. Additionally, many respondents, due to their age, knew only the period of re-education, and had not experienced the Western influence of the mid-1970s. Therefore, while on the surface, Ho Chi Minh City, and the South in general, may seem like a cauldron of spendthrift entrepreneurs, in reality, many managers we sampled just seek to conform. This interview information is also consistent with the reported lack of Openness-to-Change by

managers in the South, an attitude that seems instrumental in positioning these managers low on Overall Individualism.

Looking at the subdimensions of Openness-to-Change in the South, we see that stimulation is a much greater driving influence than self-direction, for which we find few differences. From an IJV perspective, it seems encouraging that self-direction is not very different across these groups, but—given the stimulation findings—one's desire for excitement and a challenge in life may need to be developed, or perhaps in this case, be permitted.

However, that was only half of the story. Concurrent with the re-education in the South was the counterpart effect of the "new Hanoi attitude" in the North. The Hanoians (and the North in general) in essence may be saying to the government, "We supported you during the war years, and now we deserve something in return—leniency." Additionally, not only do these Hanoians project an image of assertiveness and self-confidence, they also have an awareness of and desire for the economic freedom and financial gains starting to occur across the border in China. Such desires from Northern managers, combined with having "won" the American War, may be the catalyst in the North for a mild economic revolution—or more likely, an evolution. One manager from Hanoi summed it up (with a big smile). "Sometimes we seem like crabs, crawling all over each other for personal gain." Essentially, his metaphor suggests they are eagerly becoming more market-driven and acquisitive.

As noted, the Self-Enhancement component of Individualism provided the primary influence on the higher positioning of the North managers on Overall Individualism. Again, the survey data and the interview responses appear consistent, epitomizing the growing emphasis in the North on "self." At the subdimensional level, the Self Enhancement part of Individualism is composed of power, achievement and hedonism. There were no differences among the groups on achievement and only minimal difference on power. These findings, especially the non-significant achievement findings, seem encouraging for IJV partners, as did the Self-Direction findings. Hedonism is the subdimension that provided the impetus for the Self-Enhancement differences. The U.S. managers were significantly higher than the North managers, while the North managers scored significantly higher than their South counterparts, suggesting that hedonism and capitalism may be correlated, an observation that may be worthy of further study.

In summary, while the results of the Individualism findings surprised none of the Vietnam managers with whom we spoke, clearly, our explanation of these findings are based on inductive reasoning. However, just as clearly, this explanation has a plausible basis that provides a starting point for further investigation.

#### Collectivism

As was the case for Individualism, the findings for Collectivism only partially support our hypotheses. As hypothesized, the U.S. managers were low on Collectivism. Not hypothesized was the lack of significant difference between the U.S. and cosmopolitan Chinese managers. In addition, as hypothesized, the traditional Chinese managers were higher on Collectivism than either the U.S. or cosmopolitan Chinese managers. However, perhaps the most interesting finding and greatest departure from the Individualism findings was that both North and South Vietnamese managers were significantly higher on Collectivism than all of the other groups. As mentioned, it appears that the Vietnamese, as a whole, may be more "traditional" (have transitioned less) than even the traditional Chinese. However, Vietnam's market renovation policy of Doi Moi began approximately ten years after China's doors opened to world commerce. Thus, it is not unreasonable to find a stronger adherence to Eastern-culture Collectivism in Vietnam than in China, as China has methodically begun to move (i.e., crossverge) toward a market economy (Ralston et al., 1997).

At the subdimensional level, there are some differences found for benevolence. However, tradition and conformity are the subdimensions that are the primary foundation of the Collectivism outcome. Moreover, and not surprising, these two subdimensions are an almost mirror opposite of the Openness-to-Change facet. In summary, the Collectivism subdimensions indicate a consistent pattern—the North and South Vietnamese are significantly higher than the other three groups. Conversely, the Collectivism findings contrast with the Individualism findings that show the North Vietnamese consistently more Individualistic than the South Vietnamese.

Thus, while the Individualism and Collectivism findings demonstrate some degree of inverse relationship across these cultures, Collectivism is not simply the mirror opposite of Individualism. Clearly, there are important differences. Specifically, on the

Collectivism dimension, the work values of Vietnamese managers are similar throughout the country; on Individualism, the work values of Vietnamese managers diverge across the two distinct regions. An implication is that perhaps we need to reassess Individualism and Collectivism. Should they be a single continuum or two separate continua?

#### The Individualism and Collectivism Relationship

On the relationship of Individualism and Collectivism, our findings are more consistent with Triandis et al.'s (1988) two-dimension view than with Hofstede's (1980) polar-points perspective. Looking at Individualism and Collectivism separately provides deeper insight into the cultural differences of the five groups addressed in this study. Specifically, we found that for these developing Asian countries it is easier for their managers to adopt individually-oriented methods than it is to forsake the traditional values of Collectivism—a finding that is consistent with recent research (Ralston et al., 1996; Ralston et al., 1997, 1999). The results suggest that as developing Asian countries adopt market economic perspectives; they will become more individualistic without substantially forsaking their collectivistic, Confucian roots (Economist, 1996). Thus, our results further support the Ralston et al. (1993) conclusion that developing economies will create their own unique, hybrid version of a market economy, integrating traditional cultures with new economic ideology. The trick for foreign investors appears to be determining how to work within the context of the differing economic approaches.

Additionally, our study discovered an interesting twist on the Individualism/Collectivism dimensionality issue. As noted, Tradition and Conformity are virtual mirror opposites of the Openness-to-Change dimension in this study. Thus, if we accept Triandis et al.'s multifaceted perspective, we propose that there may be components of both the Individualism and Collectivism dimensions that are polar opposites, while other components are not. Obviously, we can only raise the question here, While we must leave its answer to future research endeavors.

#### CONCLUSIONS AND POSSIBLE IMPLICATIONS

The findings of our study have possible implications for both the practitioner contemplating a business venture in Vietnam and for the researcher interested in refining a basic understanding of cross-cultural concepts. As discussed, similarity in business values among Vietnamese managers in the two regions studied was found for Collectivism, while difference was found for Individualism. Managers in the North appear to exhibit a more Western orientation toward Individualism, while managers in the South seem to hold a more traditionally Asian collectivist bent. Ironically, it appears that for Individualism—the bedrock of Western market-oriented economies—the North is facing West while the South is facing East! For those interested in doing business in Vietnam, understanding one another's work values and building a working relationship on that understanding is crucial for successful joint ventures. Implicit is that time may be an important contributing factor in this process. The cosmopolitan Chinese began their evolution to a market-oriented economy before the traditional Chinese, and the traditional Chinese began before the Vietnamese. Therefore, as the traditional Chinese appear to be following cosmopolitan Chinese's evolution toward values related to a market-oriented economy, likewise the Vietnamese appear to be following traditional China's evolution. Thus, the through-time evolutionary process witnessed in China may provide foreign investors a preview of what they might expect to see occur in Vietnam as its economy evolves.

While we do not suggest that China and Vietnam are identical, they have shared a long and similar Confucian-based cultural heritage and, more recently, a common communistic political and economic ideology. Further, while each country will create its own form of a market-oriented economy, strong similarities may emerge between countries that have common cultural and ideological roots, as do China and Vietnam. Therefore, watching and learning from the joint venture experiences in China should help business people interested in investing in Vietnam avoid mistakes made in China.

The Vietnam findings, in conjunction with previous findings on China (Ralston et al., 1993; Ralston et al., 1996), also suggest that initially it is easier to adopt new individualistic values than it is to forsake long-held Collectivistic (Confucian-based) values. Growing toward a market economy from an historical communistic economy and Confucian cultural philosophy results in a crossverging set of values that incorporate both old and new creating in a unique form of Confucian market-economic principles.

Today, the North is in this apparently paradoxical position of embracing both Collectivism and Individualism. As found in China

(Ralston et al., 1996), the paradox of embracing both Collectivism and Individualism is a struggle between old and new values that is part of the modernization process (Bond & King, 1985). This process creates a "melting pot" set of unique values that incorporates the old and new. The similarities in economic evolution between the Vietnamese and Chinese suggest that this paradox may be a developing economy paradox—at least an Asian paradox. Likewise, this paradox implies that foreign investors from market economies need to appreciate what it means to grow up in a centrally-planned economy operating in a centuries-old Confucian culture. While politics and economics are always intertwined, in a country like Vietnam, the politics-economics links may be unusually strong, causing negative ramifications to citizens challenging the system. Thus, given that the people in the South have had less autonomy than those in the North, the result appears to be that the North—being more individualistic than the South—may play a more critical role in leading Vietnam's evolution to a market oriented economy, at least at present.

There are two other implications born from the prior discussion that are worthy of note. In the North, it appears that economic ties with cosmopolitan South China may have a greater impact than immigration from traditional Southwest China. More to the point, commerce has more impact than do poor immigrants. If so, the implication of this finding supports the view that trade may be a means of influence, especially for the more dominant country in the relationship. In the South, it might be argued, values have changed substantially over the past generation because of the "re-education" that has occurred. In the future, however, can some comparable influence return the South to the individualistic tendencies seen during the 1960s and '70s? The consensus from our interviews suggests that it is likely, once the South is confident that capitalism, with an individualistic spirit, is the "chosen path" of the government in Hanoi.

Additionally, at the theoretical level, we found evidence to support both Triandis et al. postulates. Treating Individualism and Collectivism as separate dimensions helped clarify the relationships among our five groups, and viewing Individualism as a multi-faceted dimension clearly added depth of meaning to the overall Individualism construct. Therefore, our findings suggest that Triandis and colleagues had it right. Certainly, additional investigation is warranted before we declare Individualism to be a multi-faceted dimension that should be studied separate from Collectivism (Earley & Gibson, 1998). However, we believe that our research supports the need to closely scrutinize the Individualism/Collectivism constructs, since they have been a foundation of crosscultural research for the past two decades.

Assuredly, this paper has only scratched the surface of the work issues of Vietnamese managers and their implications for foreign investors. Likewise, we have raised more questions than we have answered. However, since asking the right questions can lead to useful answers, we hope that the issues raised here provide impetus for both practical research on doing business in Vietnam and theoretical research on the extended development of the Individualism/Collectivism constructs.

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