The change in cultural mix of Hong Kong working population
- a 21st Century perspective

by

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I hereby certify that the work embodied in this dissertation project is the result of original research and has not been submitted for a higher degree to any other University or Institution.

_Tse Chung Chi_

Signed by: ______________________________________

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CHAPTER 5  DATA ANALYSIS

5.1 Frequency – Demographic Questions

5.2 Longitudinal analysis of previous VSM survey results
  5.2.1 Lai and Lam (1982) vs. Current Study
  5.2.2 Summary

5.3 Comparison among different occupational groups
  5.3.1 Frequency
  5.3.2 Value Scores Analysis – VSM 94
  5.3.3 Summary

5.4 Comparison among different ethnic/linguistic groups
  5.4.1 Frequency
  5.4.2 Value Scores Analysis – VSM 94
  5.4.3 Summary

5.5 Cross-border commuters and non cross-border commuters
  5.5.1 Frequency
  5.5.2 Value Scores Analysis – VSM 94
  5.5.3 Summary

5.6 Chapter Conclusion

CHAPTER 6  SUMMARY AND CONCLUSION

6.1 Introduction

6.2 Discussion of Research Findings
  6.2.1 Hong Kong managers in the private sector
  6.2.2 Occupational groups
  6.2.3 Linguistic group culture - Cantonese and Chaochowese
  6.2.4 Cross-border commuters working in China

6.3 Contributions of this study
  6.3.1 Economic Integration between Hong Kong and China
  6.3.2 Leadership style
  6.3.3 Human Resources Management

6.4 Research Limitations and Recommendation for future cultural studies

6.5 Conclusion

Bibliography

Appendix 1 – Questions listing
List of Tables

Table 1.1 Index Scores and Ranks for Hong Kong from IBM Set…………..8
Table 2.1 Ranking of scores on five dimensions for fifty countries and three regions in IBM’s International Employee Attitude Survey………26
Table 2.2 Index Scores and Ranks for Hong Kong and China…………… 52
Table 2.3 GLOBE dimensions – comparative ratings between Hong Kong and China……………………………………………………… 55
Table 3.1 Research Questions and related Hypothesis listing…………… 67
Table 4.1 Comparative Features of Positivistic and Phenomenological paradigms………………………………………………………… 70
Table 5.1 Mean summary of demographic questions………………….. 82
Table 5.2 Frequency distribution – Gender……………………………….83
Table 5.3 Frequency distribution – Age…………………………………… 83
Table 5.4 Frequency distribution – Years of formal school education……84
Table 5.5 Frequency distribution – Job category………………………… 85
Table 5.6 Frequency distribution – Nationality at birth…………………… 86
Table 5.7 Frequency distribution – Place of origin……………………… 86
Table 5.8 Frequency distribution – Commute to work in Guangdong Province……………………………………………………………87
Table 5.9 Frequency distribution – Size of the company………………… 88
Table 5.10 Longitudinal comparison of value index scores……………… 89
Table 5.11 Means analysis of Question 19………………………………. 94
Table 5.12 Value scores with different job categories…………………… 95
Table 5.13 Frequency – Place of origin (by occupation categories)………99
<table>
<thead>
<tr>
<th>Table Reference</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.14</td>
<td>Frequency – Place of origin (by Years of education)</td>
</tr>
<tr>
<td>5.15</td>
<td>Value scores for different linguistic groups</td>
</tr>
<tr>
<td>5.16</td>
<td>Frequencies – Commute to Guangdong Province (by Gender)</td>
</tr>
<tr>
<td>5.17</td>
<td>Frequency – Commute to Guangdong Province (by occupational categories)</td>
</tr>
<tr>
<td>5.18</td>
<td>Frequency – Commute to Guangdong Province (by years of education)</td>
</tr>
<tr>
<td>5.19</td>
<td>Value scores for cross-border commuters and non cross-border commuters</td>
</tr>
<tr>
<td>5.20</td>
<td>Result of Hypothesis Testing</td>
</tr>
</tbody>
</table>
List of Figures

Figure 2.1  The “Onion Diagram” .........................................................20
Figure 2.2  GLOBE Theoretical Model ..............................................22
Figure 3.1  Conceptual Framework Diagram – cultural diversity study
of the Hong Kong working population ........................................63
Synopsis

This study explores changes in cultural diversity of the Hong Kong working population over the past two decades. Hofstede’s cultural dimension scales were used as a basis of analysis and measuring change. The survey method was adopted and a stratified random sample was selected from the Hong Kong Trade Development Council (HKTDC) online database for this study. The results showed that the culture of the Hong Kong working population is highly diversified. Since there has been a lack of research regarding a possible cultural shift in the Hong Kong working population, the results in this study reveal significant changes in uncertainty avoidance and masculinity among Hong Kong managers. Furthermore, significant cultural differences are shown between managers commuting between Hong Kong and Guangdong and managers remaining in Hong Kong. This preliminary result indicates that there is a need to monitor cultural change among Hong Kong managers. Indeed, the implications for human resource planning, leadership and career development and rewards systems in terms of cultural change can be further explored in future studies.
CHAPTER 1  
INTRODUCTION

1.1 Background of this study

Since the onset of globalisation in the early 1960s, culture has been a crucial element in human-related studies. It also has a profound influence on both business- and non-business-related topics. Culture is related to: i) business-related topics such as management, marketing and accounting; and ii) non-business-related topics such as cross-cultural studies, anthropology and sociology (Baskerville, 2003).

In 1980, Professor Geert Hofstede published the results of his global scale cultural research in his book ‘Cultural Consequences’. This was the first empirical research to focus on cultural studies at a national level. Since then, cultural studies has become a popular topic of both academic and non-academic pursuit.

Within the area of cross-cultural studies, in the past few decades there have been several pioneers such as Hofstede (1980), Schwartz (1994), Trompenaars (1994). Geert Hofstede is the founder of various dimensions used to measure culture. His research findings showed a significant cultural variation among nations, especially between East and West. His famous national culture assertions are widely cited in cross-cultural studies. However, his five dimensions used to measure national culture have also triggered disagreement from other researchers, especially Schwartz (1994), Trompenaars & Hampden-Turner (1997). In recent years, the Global Leadership and Organisational Behaviour Effectiveness (GLOBE) project, which is a
long-term research project involving 170 researchers from 62 countries, has been completed (Wilson, 2005) and has provided additional data on cultural values in relation to leadership.

National culture has a profound influence in management studies, such as i) leadership and leadership styles (Yousef, 1998; Fu, Peng, Kennedy & Yukl, 2004; Slabbert, 2004) and ii) management practices (Hofstede, 1994; Newman & Nollen, 1996). A country’s management practices are culturally dependent, and financial performance is higher when management practices are congruent with the national culture of the host country (Newman & Nollen, 1996; Gomez & Werner, 2004).

Hong Kong, due to its unique historical development and the integration between Western and Eastern values, is chosen as an appropriate geographical location for this study. Culture itself requires a long-term view (Trompenaars, 1994). As the culture of Hong Kong is highly diversified (Lok & Crawford, 2004), it is important to monitor closely the changes in cultural diversity in this specific location.

Cultural diversity, including national culture, has huge implications regarding human resources planning and organisational behaviour. Managing cultural diversity can enhance competitive advantage for better business performance (Cox & Blake, 1991; McMillan-Capehart, 2003). By exploring the changes in cultural diversity within a nation at different levels or in different forms, management can gain a better understanding of the possible cultural impact of a diversified workforce in an organisation. The purpose of this study is to examine the changes in cultural
values among managers in Hong Kong over recent decades. Furthermore, the influence of ethnic group cultures on the national or organisational levels is also explored in this study.

1.2 Cultural change due to population shift

There is literature addressing cultural change among immigrants or travellers. Hines (1973, 1974 cited in Hofstede, 2001) stated that immigrants from Greece to New Zealand and the United States persisted in maintaining their own cultural values. Trompenaars also asserted that frequent travellers persist in maintaining their own cultural values (Lloyd & Trompenaars, 1993). However, there is no research regarding cultural change in various phases of population shift.

Since the cultural values of Hong Kong and China are somewhat different (Cheung & Chow, 1999; Fu et al., 2004), movement of the working population across the borders can significantly change human resources practices that may create workforce planning issues on both sides. The potential for cultural conflict between Hong Kong people working in China and mainland Chinese is apparent (Selmer, 2002), and it is critical to examine possible cultural changes among Hong Kong managers working in China.

The overall intention of this study is to examine changes in the cultural diversity of the Hong Kong working population and identify the possible implications for Human Resources practices and workforce planning in both Hong Kong and China.
A brief summary of i) literature review, ii) research methodology, iii) ethics implications and iv) limitations are discussed in this chapter. Finally, the overall organisation of this study is outlined at the end of this chapter.

1.3 The meaning of value, culture and national culture

Values are defined as “broad tendencies to prefer certain states of affairs over others” (Hofstede, 2001, p.5). Values reside deep in people’s minds and constitute the root of culture; values are the inner part of Hofstede’s ‘culture onion’ concept, and are fundamentally different from practices (Hofstede, 2006). Values can be held by individuals or collectives, and when values are common to a group of people or shared within a group of people this is termed culture (Hofstede, 2001).

Hofstede’s definition of value is no difference from Rokeach’s (1979) assertion that it is an enduring belief about a certain state of conduct or existence, and that when this belief is favoured by a group, it becomes culture. Values are specific mental software in Hofstede’s (2001) interpretation, which is no different from the concept of attitudes or beliefs of other researchers’ assertions. Attitudes or beliefs also contain a value element and values have both intensity and direction (Hofstede, 2001). Culture is formed implicitly when people share value judgements. A value judgement in terms of intensity implies that beliefs have certain degrees of relevance, and a value judgement in terms of direction implies that values have two poles (Hofstede, 2001). Culture is naturally created while values are found at common levels of intensity and in common directions within a human group.
The definition of culture is varied. Hofstede (1980, p.43) defined culture as “the collective mental programming of the people in an environment”. The word ‘collective’ implies shared beliefs that are common within a group of people. Trompenaars & Hampden-Turner (1997) contended that culture was a combination of self-organising values systems in different times, in different geographical locations, in different ways and with no truly independent variable. This assertion implies the existence of cultural diversity.

In recent years, culture has been interpreted in the GLOBE project as “shared beliefs, values, motives, interpretations, identities or meanings of important events that result from common experiences of collective members and are transmitted across age generations” (House et al., 1999 cited in Nikandrou, Apospori & Papalexandris, 2003, p.62). ‘A socially created system’ was also emphasised by Fu et al. (2004) in defining culture. Dahl (2004), after his study of those definitions of culture made by Hofstede (1980), Schwartz (1994), Trompenaars & Hampden-Turner (1997), briefly defined culture as “various factors that are shared by a given group, and that it acts as an interpretative frame of behavior” (Dahl, 2004, p.4).

Culture at a national level was described as the beliefs, assumptions and values learnt in early childhood that define people in different nations (Beck, Brenda & Moore 1985; Hofstede 1991, cited in Newman & Nollen, 1996; Li & Karakowsky, 2002). Value drives culture (Hofstede, 2006), as values common to a nation become national culture.
Lok & Crawford (2004) stated that values, attitudes or beliefs can be viewed from different nationalities in the form of culture. Measuring national culture is a way to identify the cultural traits of different societies. Members of a nation share common characteristics, which can sometimes be identified through personality tests (Hofstede, 2001). Hofstede (2001) stated that this kind of culture constitutes the programming values found in individual’s early lives. A nation is the most complete set of human groups, consisting of different sub-groups. When the values, attitudes or beliefs that form the cultural traits of different sub-groups are identified, these sub-categories depend on each other and form the national culture of a society.

1.3.1 Different forms of cultural diversity

Due to Hofstede’s exploration of cultural diversity between the East and the West, there are rich works exploring cultural diversity among different countries. Literature about cultural diversity within a nation or a country was previously limited mostly to ethnic groups. The identities of these groups are usually determined by the individual’s place of origin, such as Hispanic and Anglo (Ogden, 2005), Chinese American (Peng & Knowles, 2003), ethnic Chinese in New Zealand (Kim, 2004) and in Canada (Chung & Fischer, 2001). Some literature has explored cultural diversity in other forms, such as occupational groups (Hofstede, 1980), a specific industry (Wong & Chung, 2003), and religious (Richardson, 2003) or linguistic groups (Grin & Sfredo, 1998). Important social or economic events may also lead to changes in the cultural diversity of a place (Lenartowicz & Roth, 2004).
1.3.2 Research Gaps and Questions

In measuring the change in cultural diversity, due to its long colonial history and unique geographical location, Hong Kong is a unique metropolitan mix of Western and Eastern Culture. The so-called ‘Hong Kong ethos’ has transformed Hong Kong residents into a mix of modern cultural attributes and traditional Chinese culture, promoted by both the very nature of the society itself and its changes since World War II (Lau & Kuan, 1989; Roberts, 1992). Hong Kong Chinese may look similar to mainland Chinese as seen by Westerners. However, Hong Kong Chinese perceive themselves to have a different mindset from that of mainland Chinese (Fu et al., 2004).

Purpose of this study

Due to a possible shift in cultural values over the past decade, it is the intention of this study to examine the changes in cultural diversity among the Hong Kong working population in recent decades. Hofstede’s cultural dimensions are used to compare the different groups. In particular, this study will explore the following issues:-

i. the culture of today’s Hong Kong managers as compared with those from twenty to thirty years ago;

ii. the possible cultural diversity among different occupational groups;

iii. the possible cultural diversity among different linguistic groups in Hong Kong; and

iv. the possible cultural change for those regularly commuting to Guangdong
province.

An in-depth literature review indicates the following research gaps in Hong Kong:

**Brief Literature Review on**

**i) Cultural dimensions**

Since Hofstede presented his survey results (Table 1.1 below), no intercultural surveys have been conducted in Hong Kong that are non-industrial and non-business specific. The results of this research can provide valuable insights about values that today’s different groups among the Hong Kong working population as compared with those from 20-30 years ago.

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Index</th>
<th>Rank</th>
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<tbody>
<tr>
<td>Power Distance</td>
<td>68</td>
<td>15-16 (High)</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>29</td>
<td>49-50 (Very Low)</td>
</tr>
<tr>
<td>Individualism</td>
<td>25</td>
<td>37 (Low)</td>
</tr>
<tr>
<td>Masculinity</td>
<td>57</td>
<td>18-19 (Medium)</td>
</tr>
<tr>
<td>Long-Term Orientation</td>
<td>96</td>
<td>2 (Very high)</td>
</tr>
</tbody>
</table>

*Source: Hofstede G. (2001) p. 500*

**ii) Occupational group culture**

Occupational group culture exists in workplaces (Trice & Beyers, 1993; Schein, 1996; Hansen & Kahnweiler, 1997). Hofstede (2001) asserted that different occupational groups created cultural bias when answering various research questions. The two key groups that created such bias were managers and non-managers.
However, Hofstede’s assertion was based on his research result from only a single organisation. There was no further validation as to whether the effect really existed in other samples. The results in this study may provide further insight into this question.

iii) Ethnic groups

Ralston, Gustafson, Cheung & Terpstra (1993) and Baskerville (2003) both recommended a micro-level of cultural study within a nation. In Hong Kong, a different ethnic mix was found in Sai Kung, including Hakka, Hokkien, Cantonese and Chaochow (Omohundro, 1982), consisting of farmers, merchants and boat people. There were also immigrants from Shanghai and Northern China after World War II. Hakka and Cantonese were differentiated by both language and sociocultural variations (Norman, 1995). So far, there is no intercultural study of these ethnic or linguistic groups in Hong Kong. The findings regarding the various ethnic groups could provide us with a greater understanding of the changes in cultural diversity in Hong Kong in recent decades.

iv) Culture of Hong Kong cross-border commuters

The economic contribution of Hong Kong to the mainland China, especially in Guangdong province, is substantial. The number of Hong Kong working population required to interact with people in mainland China is also increasing. According to a survey conducted from January to March 2005 by the Hong Kong Census and Statistics Department, 201,200 Hong Kong residents commute regularly to work in Guangdong Province. However, there has been no intercultural research
to investigate the possible cultural changes among this specific group of Hong Kong people.

With the above issues in mind, the following key questions are proposed for this study:

i. Will there be any cultural changes among Hong Kong managers as compared with those from twenty to thirty years ago?

ii. Will there be any cultural difference among occupational groups of the Hong Kong working population in the commercial and industrial sectors?

iii. Will there be any cultural differences among ethnic sub-culture groups of the Hong Kong working population in the commercial and industrial sectors, including Hakka, Hokkien, Cantonese, Chaochow, Shanghaiese and Northern Chinese?

iv. Will there be any cultural variation between the Hong Kong working population in the commercial and industrial sectors that are commuting regularly to Guangdong Province as compared with those working in Hong Kong?

**Rationale to adopt Hofstede’s dimensions for this study**

Hofstede’s work can be justified in four ways:-

i. His survey results were derived from a total of 116,000 completed questionnaires and were collected by IBM in 64 countries during 1967-69 and 1971-73. His following two research projects for the fifth dimension were
conducted among students in 10 and 23 countries, respectively. The huge sample size provided a strong generalisation effect.

ii. His survey results were the first empirical cross-cultural research conducted in a global context; to validate cultural stability and cultural diversity over time, replicating Hofstede’s study is the only feasible way to provide a meaningful analysis.

iii. There were over 400 significant correlations in national culture dimension scores against a wide variety of source data (Hofstede, 2001). The huge number of correlations proved the validity and reliability of Hofstede’s survey results.

iv. The frequency of citation of his work by other researchers has been steadily increasing, as evidenced by the literature analysis of Baskerville (2003). Thousands of citations validate the importance and contribution of Hofstede’s survey results.

**Significance**

The results of this study could provide us with a greater understanding of managing the new expectations of managers in Hong Kong. The changes in values and cultural expectations could also have significant implications for workforce planning, training and career development. Furthermore, with the political and economic changes in recent years in Hong Kong, there is a significant flow of commuters between Hong Kong and China. The results of this research will provide valuable insight regarding possible cultural changes among this specific group of commuting population.
1.4 Summary of Research Methodology

The below sub-sections summarise the research methodology in terms of paradigm, sampling and data collection, data collection tools and data analysis.

1.4.1 Research paradigm

In order to meet the objectives of this study, a positivistic approach was adopted. It provides a good generalisation effect as well as exploring objective causes and facts (Hussey & Hussey, 1997). In order to test the hypotheses, a quantitative method was also adopted.

1.4.2 Sampling and Data Collection

This study examined changes in cultural diversity among the Hong Kong working population in the commercial and industrial sectors. According to information from the Census and Statistics Department (2006), the total labour force in Hong Kong was 3,607,400 and the net employed population in the commercial and industrial sectors was 3,271,781. Hence, 173,470 member companies of the Hong Kong Trade Development Council (HKTDC) best represent the sampling frame. Due to a low response rate (15%) to the mailed survey, 2,000 questionnaires were sent to potential respondents. The research question specified a longitudinal comparison of managers, hence the questionnaires were mostly addressed to
managerial staff or higher. A self-addressed freepost envelope was attached in order to ensure anonymous return.

1.4.3 Data Collection Tools

In order to collect primary data, a descriptive survey in the form of a closed-ended questionnaire was chosen. A descriptive survey is a common tool in cultural-related studies (Sleezer & Swanson, 1992; Pinsonneault & Kraemer, 1993; Baker, 2001). Hofstede’s VSM 94 questionnaire was used to replicate his study, which approach was also adopted by Huo & Randall (1991) and Lowe (1996) in similar cultural studies. Primary data was collected in the following five cultural dimensions in order to examine the hypotheses:-

i. Power distance,
ii. Individualism versus Collectivism,
iii. Uncertainty avoidance,
iv. Masculinity versus Femininity

1.4.4 Data Analysis

A research analysis using the same indicators of previous established instruments was most suitable to identify cultural diversity (Tinsley, 2005). As the purpose of this study was not to explore a new cultural dimension, Hofstede’s Value
Survey Model 1994 and his value score analysis were adopted to ensure the reliability and validity of this research result (Sondergaard, 1994). Hofstede’s study in Table 1.1 showed that Hong Kong people had high power distance, very low uncertainty avoidance, low individualism, medium masculinity and very high long-term orientation. For the purpose of this study, three new demographic questions were added to the original questionnaire. Likert five-point scales (5 = strongly agree to 1 = strongly disagree) were used in the questionnaire. Five dimensions and related questions are shown in Appendix 1.

1.5 Ethics implications

The returned questionnaire was anonymous and no private identifying information was requested, hence no individual could be identified. Participation was completely voluntary, which reduced the bias of respondents and enhanced the accuracy of the findings. The analysis and reporting were in aggregate form, hence data sensitivity was not a concern.

On the whole, this study fully complied with the Personal Data (Privacy) Ordinance in Hong Kong as well as that endorsed by the University’s Faculty of Business and Law Research Ethics Committee.

1.6 Limitations

The research has the following limitations:
Firstly, the sample size in terms of percentage to total population was relatively small. Further studies with a greater sample size are recommended in order to better examine the cultural diversity in this study.

Secondly, as the sample covered the working population in a wide range of industries, the result was unable to represent specific industries, industrial categories or business contexts.

Thirdly, this study only examined the working population in the commercial and industrial sectors. Future studies may consider including public sector.

Fourthly, as this study was limited to five cultural dimensions established by Hofstede, other dimensions were not examined.

Finally, although results in this study indicated a shift in cultural diversity, there may be other factors that caused such change. Future studies are recommended to investigate and confirm those factors causing these changes.

1.7 Organisation of this study

This study includes six chapters.

Chapter 1 – Introduction. This chapter begins with a brief introduction to the background and objectives of this study. A brief summary of the literature review
revealing the gaps and research questions is also given. The rationale and significance of this study are provided. Ethical implications and research limitations are also explained. Finally, an outline of the study is provided.

Chapter 2 – Literature review. This chapter provides a detailed literature review of i) the evolution and development of cross-cultural studies; ii) definition of values, culture and national culture; iii) introduction to Hofstede’s five dimensions in culture and its refinement; iv) cultural diversity in terms of occupational groups and ethnic groups; and v) change in cultural diversity in terms of Hong Kong managers as a whole and cross-border commuters.

Chapter 3 – Conceptual Framework and Research Questions. Following the literature review, a conceptual framework is generated, research gaps regarding cultural stability, cultural diversity and cultural change of Hong Kong working population are identified, and research questions and related hypothesis are presented.

Chapter 4 – Methodology. This chapter discusses research design, the choice of methodologies, the research instrument, sampling method, data collection, data analysis techniques and limitations in the methodology. Within the sampling method, population is defined, and sampling frame and unit, sample size and sample selections are explained in detail. The data collection process is also fully explained. A conclusion is drawn to summarise the entire research paradigm.

Chapter 5 – Data Analysis. This chapter states and reviews all the research
findings. Hofstede’s value index formulas are used to analyse the data. The results of hypothesis testing are further discussed with reference to the findings in previous studies.

Chapter 6 – Summary and Conclusion. This chapter summarises the whole process, from literature review to data collection and data analysis. The significance of the research findings and the implications for cross-cultural studies, research limitations and recommendation are fully explained. A final conclusion for this study is also provided at the end of this chapter.
CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

Culture has had a profound influence on business- and non-business-related topics since the advent of globalisation in the early 1960s. Culture can be viewed at international, national, regional, business and organisational levels (Fan, 2000).

In the 1970s, Hall (1976) emphasised the importance of understanding individuals’ own culture instead of a foreign culture, which was the first assertion of cross-cultural comparison at a national level. In the 1980s, Hofstede (1980) published his large-scale cross-cultural research results, which was the first empirical research to be conducted in a global context. In the 1990s, Schwartz (1994) developed ten value types that further extend and challenge Hofstede’s five value dimensions, whose survey covered 60,000 individuals in 63 countries (Dahl, 2004). A recent representative example in cross-cultural research is the Global Leadership and Organisational Behaviour Effectiveness (GLOBE) project, which is a long-term research program being conducted since 1991, with 170 researchers and 17,000 managers in 951 non-multinational/local organisations from 62 countries (Nikandrou et al., 2003; Fu et al., 2004; Wilson, 2005; Hofstede, 2006).

This paper began with a review of definitions for a few key terms, including value, culture and national culture, followed by an introduction to Hofstede’s five dimensions in culture. These definitions are important to clarify the issues of values
and cultural transfer. The paper then explained cultural diversity in the context of
Hong Kong, followed by a literature review of the occupational group effect, ethnic
culture and the current situation in Hong Kong. With a better understanding of
national culture, occupational group culture and ethnic culture, cultural change was
further defined, particularly with reference to: i) the possible change in cultural
dimensions over time for Hong Kong managers as a whole; and ii) the possible
change in cultural dimensions for the Hong Kong commuting population in
Guangdong Province. Hofstede’s cultural dimensions were adopted for this study.
Finally, a summary of literature findings was further explained.

2.2 Value, Culture, National Culture

2.2.1 Values

An early study of human values classified values as various external phenomena,
such as social, political, economic, theoretical, aesthetic and religious categories
(Allport, Gordon & Vernon (1931), cited in Nicholson & Stepina, 1998). This
represented the initial concept of ‘values’ in the 20th century without empirical
research data support. The link between values and behaviour was first explained
by Kluckohn & Strodtbeck (1961) in cross-cultural management studies. Values are
defined as global beliefs that affect how people think and act in different
Hofstede (1989, 2001, p.5), from an anthropological viewpoint, simplified Rokeach’s
(1979) definition of values as “broad tendencies to prefer certain states of affairs over
others”. Schein (1996), in his organisational studies, further defined values
according to three levels: artefacts, beliefs and assumptions. Values are fundamental to culture. Values are a non-visible set of assumptions; when most of the members in a group never think about questioning or examining it, this set of assumptions becomes group culture (Schein, 1996; Cameron & Quinn, 1998). Trompenaars & Hampden-Turner (1997) made a similar assertion that basic assumptions at a core level form culture. The definition of ‘assumption’ is somewhat close to ‘value’, and the combination of the two forms the core level of culture (Oatey, 2000). All these assertions were related to Hofstede’s assertion that values are hidden and held deep in people’s minds, and are primarily different from practices in organisational culture (Hofstede, 2006).

On the whole, values are the core element and root cause of culture, and can either be held by individuals or by collectives. Values common to a group of people become culture (Hofstede, 2001). Hofstede’s ‘culture onion’ concept (figure 2.1) regarding values clearly distinguishes among values, culture, practices and behaviour (Hofstede, 2001).

Figure 2.1
The “Onion Diagram”

![Source: Hofstede (2001, pp. 11)]
2.2.2 Culture

The earliest definition of culture comes from Tylor (1881, cited in Fan, 2000), who defined culture as “that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society.” This preliminary view emphasised societal influence and comes very much from a sociologist point of view. Kroeber & Kluckhohn (1953, p. 181) provided a more comprehensive definition of culture in which value and behaviour were first mentioned as an integral part of the definition:-

“Culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action.”

Hofstede (1980, p.43) simplified the definition and defined culture as “the collective mental programming of the people in an environment”. Hofstede’s view of culture is very much driven by an anthropological perspective rather than a sociological perspective. Trompenaars & Hampden-Turner (1997) contended that culture is a combination of self-organising values systems in different times, in different geographical locations, in different ways and with no truly independent variable. They believe that culture can be changed in different situations, which includes time, people and environment, and that it is a dynamic process in solving
human dilemmas or problems. Their assertion implies that culture is very much diversified and is subject to change under different circumstances. Groeschl & Doherty (2000) asserted that the meaning of culture can be differentiated by two broad scopes: i) value orientations (Kluckhohn & Strodtbeck, 1961) and ii) the analysis of human problems (Inkeles & Levison, 1969). The latter is very similar to Hofstede’s first four dimensions of culture: power distance, individualism, uncertainty avoidance and masculinity. In fact, value orientations are also conceptually related to Hofstede’s value-behaviour assertion.

The definition of culture also varies among different studies. In leadership studies, a detailed interpretation of culture was found in the GLOBE project as “shared beliefs, values, motives, interpretations, identities or meanings of important events that result from common experiences of collective members and are transmitted across age generations” (House, Hanges, Javidan, Dorfman & Gupta, cited in Nikandrou et al., 2003, p.62).

Figure 2.2
GLOBE Theoretical Model


The theoretical model of the GLOBE project (Figure 2.2) was based on
Hofstede’s Value-Belief Theory of Culture. It follows Hofstede’s value-behaviour assertion but is more comprehensive, incorporating the Implicit Leadership Theory (Lord & Maher, 1991 cited in Nikandrou et al., 2003), Implicit Motivation Theory (McClelland, 1985 cited in Nikandrou et al., 2003), and the Strategic Contingency Theory of Organisations (Donaldson, 1993 cited in Nikandrou et al., 2003). GLOBE’s definition of culture was further refined by Fu et al. (2004) as a socially created system and learned standards for cognition, judgment, perception and behaviour shared by a specific group of people. This definition emphasised societal culture as shown in the GLOBE theoretical model (figure 2.2).

Similar to GLOBE’s definition, Shih & Allen (2007, p. 91), in their organisational studies, defined culture as a mixed composition of “the core attitudes, assumptions, values, beliefs, behaviours, codes, norms, taboos, and even artefacts shared collectively by members of a cohesive group”. Schein (2004) defined culture as those basic assumptions that are shared and learned by a group. In contrast to these comprehensive definitions, culture was defined briefly by Dahl (2004, p.4) as “various factors that are shared by a given group, and that it acts as an interpretative frame of behavior”.

Different researchers may view culture through their own individual lenses. The variation in different researchers’ definitions of culture are due to cultural bias. Both Hofstede’s view and Trompenaars’s view share a longitudinal or historical similarity. However, Trompenaars’s view that “culture is a dynamic process” is fundamentally different from Hofstede’s assertion that culture is relatively stable over time. Hofstede emphasised the ‘mental programming of [the] individual’ and
Trompenaars emphasised ‘self-organising values’, both of which are very individualistic. The dimension of individualism versus collectivism is further explained in the following section 2.3.3. On the other hand, the view of Trompenaars is a combined viewpoint of both anthropology and sociology and is fundamentally different from the value-behaviour approach of Hofstede. Fu et al.’s (2004) view emphasised the lateral influence of society, and it is very much in the collectivist style.

In general, culture at a group level and personality at an individual level are two sides of the same coin (Mooradian & Swan, 2006). Hofstede contended that it should be a triangle that influences human behaviour, including: i) human nature; ii) culture; and iii) personality (Hofstede & McCrae, 2004). In other words, an individual’s behaviour is a mixture of human nature, culture and personality. Culture shares the common characteristics of a group whereas personality can be reflected as the behaviour of an individual.

### 2.2.3 National culture

Culture at a national level is described as the beliefs, assumptions and values learnt in early childhood that define different groups of people (Beck et al., 1985; Hofstede, 1991; Li & Karakowsky, 2002). ‘Early childhood’ is defined by Hofstede (2001) as aged under ten. National culture has a profound influence on individual behaviour and human resources management, in terms of commitment, loyalty, motivation, perceptions and decision making (Hofstede, 2001). Hofstede, in an interview with Hoppe (2004, p.76) described “National culture as eco-systems of
different individuals, institutions and resources”. A different ethical code-related
definition of national culture covers relationship, idea or value patterns, which guide
societal behaviour (Fukuyama, 1995). Fukuyama (1995) assumed that this kind of
national habit could be reinforced by external forces such as social opinions. This
assertion emphasised knowledge transfer and cultural change within a society that
would lead to the convergence of culture in the long term. It is fundamentally
different from Hofstede’s value-behaviour approach. Similar to Fu et al. (2004),
Fukuyama’s definition itself has cultural bias, as the assertion of societal behaviour
or societal culture is very much the result of the researcher’s collectivistic culture.

Further to the detailed study of value, culture and national culture definitions,
the following section provides a detailed review of cultural dimensions set by
different researchers. In order to fully understand the changes in cultural values
among Hong Kong managers in recent years, it is necessary to have a good
understanding of Hofstede’s (1991) five cultural dimensions and other cultural
dimension models.

2.3 Hofstede’s five dimensions in national culture

From the 1970s onwards, Geert Hofstede was the leading empirical cultural
researcher. Prior to that, there were various cultural assertions made by Hall (1976),
such as high/low context cultures and Mono-/Poly-chronic cultures, none of which
were supported by empirical data. On the other hand, in 1980, since the first
publication of Hofstede’s four dimensions in national culture, there have been
thousands of citations of his work by other researchers. Hofstede derived a total of
five dimensions from a combination of theoretical reasoning and extensive statistical analysis from IBM’s ‘International Employee Opinion Research Program’. A total of 116,000 completed questionnaires were collected by IBM in 64 countries during 1967-69 and 1971-73. His later two research projects were conducted among students in 10 and 23 countries, respectively, for the fifth dimension. Hofstede and Bond’s surveys revealed a distinct variation in national culture between East and West (see Table 2.1 below). Hofstede’s cultural assertion led to much argument and debate from other researchers in the following decades. Further analysis is done in the following sections.

Table 2.1
Ranking of scores on five dimensions for fifty countries and three regions in IBM’s International Employee Attitude Survey

<table>
<thead>
<tr>
<th>Comparison of National Culture among U.S. and a few Asian Countries</th>
<th>PD</th>
<th>UA</th>
<th>I</th>
<th>M</th>
<th>CD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
<td>Medium</td>
<td>Very High</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Very High</td>
<td>Medium</td>
<td>Very Low</td>
<td>Medium</td>
<td>N/A</td>
</tr>
<tr>
<td>India</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>South Korea</td>
<td>Medium</td>
<td>High</td>
<td>Very Low</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Singapore</td>
<td>High</td>
<td>Very Low</td>
<td>Very Low</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Medium</td>
<td>High</td>
<td>Very Low</td>
<td>Medium</td>
<td>Very High</td>
</tr>
<tr>
<td>Thailand</td>
<td>High</td>
<td>High</td>
<td>Very Low</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>United States</td>
<td>Low</td>
<td>Very Low</td>
<td>Very High</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

Notes:
PD - Power Distance
UA - Uncertainty Avoidance
I - Individualism
M - Masculinity
CD - Confucian Dynamism
N/A - no participation.


Bond (1984, 1988), the five dimensions in measuring national culture are as follows:-

2.3.1 Power Distance

*Power-distance* reflects the level of acceptance of the unequal distribution of wealth and power among its members. Poor countries and Asian countries tend to have higher power distance than countries in the West. In these countries, people are much more reliant on senior staff whereas in low power-distance countries bosses and subordinates depend on each other; title, rank, and status are less emphasised in the organisation. Another distinct phenomenon of high power distance, according to Hofstede, (1980, p.46) include the following: ‘Other people are a conceivable threat to one’s power and can rarely be trusted’; ‘Superiors are inaccessible’; ‘Power is a basic fact of society that antedates good or evil. Its legitimacy is irrelevant’; ‘Those in power should try to look as powerful as possible’; ‘Underlying conflict exists between the powerful one and the powerless’; and ‘hierarchy means existential inequality’. High power distance creates fear, nervousness and trust issues from subordinates’ perspectives, hence indirectly blocks creativity and innovation in the workplace. This can be demonstrated by the correlation of high power distance and high uncertainty avoidance in countries like Indonesia, South Korea, Thailand and Taiwan (see Table 2.1).

2.3.2 Uncertainty Avoidance

*Uncertainty avoidance* measures the extent to which people in different
societies handle ambiguous situations and have uncertainty about the future. Countries with strong uncertainty avoidance tend to maintain as many laws, rules and regulations as possible in order to protect conformity and to explore absolute truth. Countries with low uncertainty avoidance have a high tolerance for difference and ambiguity. Countries in the West have comparatively low uncertainty avoidance as opposed to those in the East. They are more relaxed and less structured in their daily work and life. Another distinct phenomenon of high uncertainty avoidance, according to Hofstede, (1980, p.47) include the following: ‘Higher anxiety and stress are experienced’; ‘More showing of emotions is preferred’; ‘Conflict and competition can unleash aggression and should therefore be avoided’; ‘Need for written rules and regulations’; ‘Great concern with security in life’; and ‘an inner urge to work hard’.

Kwok & Tadesse (2006), based on Hofstede’s three key questions of uncertainty avoidance, summarised that employment stability, stress and rule orientation are the three key aggregated components of this index. In fact, high uncertainty avoidance is very much associated with high power distance and collectivism (refer to Table 2.1 above). High uncertainty avoidance countries tend to have a collective management style in order to maintain clarity. People in high uncertainty avoidance countries are more sensitive about the details. Their high degree of anxiety can be reflected in their nervousness, emotionality, and aggressiveness (Kwok & Tadesse, 2006). Due to stress and anxiety, they perceive a continuous threat from others, which leads to a lower level of trust, hence comparatively high power distance scores were found for people in these countries.
2.3.3 Individualism versus Collectivism

*Individualism versus collectivism* refers to the degree of integration between the individual and the group and how the society values the needs of the individual over the collective. In collectivist countries, many indigenous nations exist. Group interests are dominant and include the extended family and the community. Countries with individualist cultures, in general, mainly emphasise individual identity and self-sufficiency, such as individual achievement and autonomy. There is much less concern for group loyalty and group harmony. Another distinct phenomenon of individualism, according to Hofstede (1980, p.48), includes the following: ‘Everybody has a right to their own life and opinion’; ‘Autonomy, variety, pleasure and individual financial security are sought in the system’; ‘Everybody is supposed to take care of himself/herself and his/her immediate family’; ‘Emphasis is on individual initiative and achievement’; and ‘leadership is the ideal’.

This dimension is very similar to the high- and low-context culture assertion of Hall (1960, 1976). Triandis (2004) further explained that collectivists are much more easily affected by the external environment, whereas individualists view themselves as stable entities. Based on previous research studies, collectivism is a characteristic of Chinese culture (James, 1996; Li & Karakowsky, 2002). Collectivistic countries have a higher level of social anxiety (Heinrichs et al., 2006). Triandis (2004) also asserted that collectivistic countries generally have a strict culture. Violating explicit norms will lead to severe sanctions, hence, collectivism is always associated with high power distance and high uncertainty avoidance, which highlights the culture in the East (see Table 2.1 above).
2.3.4 Masculinity versus Femininity

*Masculinity versus femininity* differentiates the extent to which individuals in a society are concerned with success, assertiveness and performance. Some cultures emphasise gender as a basis for playing a role in the society (Hofstede, 1991). Hofstede recently clarified this dimension in a recent interview with Powell (2006, p. 13): ‘the dimension is not about being female or male, but about behaving in a masculine or feminine way’. Some valuable insights include: some countries are more assertive and greatly emphasise the importance of leadership and success, and different cultures deal with conflict differently. Another distinct phenomenon of masculinity, according to Hofstede (1980, p.48), includes the following: ‘Performance is what counts’; ‘Ambition provides the drive’; ‘Big and fast are beautiful’; ‘Independence is the ideal’; ‘Money and things are important’; and ‘One admires the successful achiever’. Significant variation in culture for this dimension is found between Northern European countries, such as Denmark, Sweden, Norway and the United States.

Cultural variation in terms of assertiveness, achievement and success are comparatively less obvious between the East and the West. People in the East are also quite concerned with cultural attributes. The Chinese way of declaring victory and celebrating success is a good example of performing masculinity. On the other hand, other cultural attributes such as ‘big and fast’ and ‘independence’ are rarely found in the East, as these attributes contradict the long-term orientation of the East, as mentioned below.
2.3.5 Long-term orientation

Long-term orientation is highly related to Confucian Dynamism. This dimension is identified by the Chinese Value survey (Chinese Culture Connection, 1987). Sondergaard (2001, cited in Fang, 2003) found that Hofstede only uses the term ‘long-term orientation’ in order to avoid confusion. According to Hofstede (1991), long-term orientation refers to a dynamic, positive and future-oriented culture linked with four ‘positive’ Confucian values: persistence/perseverance; ordering relationships by status and observing this order; a strong sense of saving money; and a strong sense of shame. On the other hand, short-term orientation represents a negative, static, traditional and past-oriented culture associated with four ‘negative’ Confucian values: protecting one’s face; personal stability; appreciating traditional value; and reciprocating greetings, favours and gifts. Long-term orientation is very much associated with high power distance and collectivism, which reflect the national culture in the East (refer to Table 2.1 above).

2.3.6 Other models of national culture

Yau (1988)

In marketing research, Yau (1988) asserted five cultural value orientations that are Chinese specific: Man-to-nature orientation; Man-to-himself orientation; Relational orientation; Time orientation, and Personal-activity orientation. Yau further explained the scope of orientation in a very detailed way. As these dimensions are very much Asian and Chinese cultural-values specific (Fok & Chong,
1996), his contribution is limited to phenomena in the East and is marketing specific.

**Schwartz (1994)**

Schwartz (1994) developed ten broad types of values, which further extends and challenges that of Hofstede. His survey covered 60,000 individuals in 63 countries (Dahl, 2004). Ten types of value are: security; achievement; conformity; benevolence; hedonism; power; self-direction; stimulation; tradition and universalism. Universalism has two dimensional structures: openness to change vs. conservatism and self-transcendence vs. self-enhancement. Schwartz’s finding was very much an analysis of value and culture at the individual level (Dahl, 2004; Byrne & Bradley, 2006), while his dimension system was very much correlated to that of Hofstede (Hofstede, 2001). ‘Power’ is part of Hofstede’s power distance index. ‘Achievement’ and ‘Hedonism’ are part of Hofstede’s masculinity index. ‘Conformity’, ‘tradition’ and ‘security’ are part of Hofstede’s long-term orientation index. ‘Self-direction’ and ‘benevolence’ are part of Hofstede’s individualism vs. collectivism index. ‘Universalism’ is part of Hofstede’s uncertainty avoidance index. On the whole, the definition of culture is not well defined in his study and the similarity of his research to that of Hofstede also limits the value of his contribution.

**Trompenaars (1994)**

Trompenaars (1994) asserted his seven dimensions in national culture, which had an international business focus. This research contribution was limited to business-related areas but not to other non-business topics such as sociology or anthropology. Their questionnaire was a more behavioural-oriented one. Out of
their seven dimensions, many are similar or close to that of Hofstede’s five dimensions, and can be summarised as follows:-

i. Individualism vs. Communitarianism – this is no different from Hofstede’s Individualism/Collectivism dimension;

ii. Neutral vs. Emotional/Affective – this dimension intends to distinguish an individual’s behaviour in terms of objectivity or emotion. This partly reflects Hofstede’s uncertainty avoidance dimension and also a mixture of one’s personality;

iii. Specific vs. Diffuse – specific encourages frank, open and straightforward discussion, whereas diffuse focuses on relationship building. This partly reflects Hofstede’s power distance and masculinity dimensions and also partly reflects Hall’s high/low context communication or relationship concept;

iv. Achievement vs. Ascription – achievement relies heavily on performance history, whereas ascription relies heavily on other personal information such as age, sex, education and title. This also reflects both Hofstede’s power distance and masculinity dimensions;

v. Sequential vs. Synchronic – this is related to one’s attitude towards time, synchronic only considers present and plans for the future, whereas sequential considers the past, present and future as sequential events. This is close to the mono/poly-chronic assertion made by Hall (1976);

vi. Universalism vs. Particularism – universalists can always interpret and apply adequately whereas particularists consider social relationships in addition to rules, which is a combination of Hofstede’s uncertainty avoidance and individualism vs. collectivism dimension; and
vii. Attitudes towards the environment – this explains whether an individual’s action is primarily a consideration of their own or of the environment, it is very much the same as the human nature relationship assertion made by Kluckhohn and Strodbeck (1961), and it also partly reflects Hofstede’s individualism assertion.

**House et al. (2004) - GLOBE project**

In leadership research, the GLOBE Team developed nine dimensions of culture: uncertainty avoidance, power distance, institutional collectivism, assertiveness, family or organisational collectivism, gender egalitarianism, performance orientation, human orientation and future orientation (Littrell, 2002; Nikandrou et al., 2003; House et al., 2004; Hofstede, 2006). These dimensions were very much refined and extended from Hofstede's five cultural dimensions (House et al., 2004). The theme of the GLOBE project is also narrowly focused on leadership and organisational practices (Wilson, 2005), hence their contribution was very specific and their overall research methodology was not compatible with Hofstede’s national culture study (Hofstede, 2006).

Below is a summary of the nine dimensions:-

Performance Orientation is the degree of encouragement and rewards granted to group members of an organisation or society for their performance improvement and excellence. This dimension is similar to the long-term orientation dimension of Hofstede & Bond (1988).

Future Orientation is the extent to which individuals in societies or
organisations are willing to spend in future-oriented behaviours such as delaying satisfaction and happiness, and investing and planning for the future. This dimension originates from Kluckhohn & Strodtbeck’s (1961) assertion and is also similar to the long-term orientation dimension of Hofstede & Bond (1988).

Assertiveness is the extent to which individuals in societies or organisations are tough, assertive, competitive, confrontational, and aggressive in handling social relationships. This assertion is the opposite of being affectionate and modest. This dimension is very similar to Hofstede's (1980) Masculinity dimension.

Institutional Collectivism reflects the level of promotion and reward for the collective action and collective distribution of resources that the society or organisation normally practices.

Family/Organisational Collectivism is the extent to which a person expresses loyalty, faith, cohesiveness and pride in their organisations or families. These two collectivism assertions, both institutional and family/organisational, are no different from Hofstede’s (1980) individualism versus collectivism dimension.

Gender Egalitarianism is the degree of role difference between males and females that an organisation or a society is willing to minimise. The combination of gender egalitarianism and assertiveness is very similar to Hofstede's (1980) Masculinity dimension.

Humane Orientation is whether and how individuals in organisations or
societies are motivated and rewarded for being friendly, fair, altruistic, caring, generous and kind to other people. This dimension is also similar to Hofstede & Bond’s (1988) Kind Heartedness.

Power Distance and Uncertainty Avoidance come from Hofstede's (1980) four dimensions in national culture.

2.3.7 Is the national culture dimension an appropriate unit of measurement in values transfers?

Baskerville (2003) criticised the notion that nations are not the best way of measuring cultures. Hofstede (2003) defended his position by saying that nations are normally the only appropriate units available for comparison. In fact, people are used to expressing culture at a country level or higher, such as ‘French culture’, ‘Latin culture’, ‘Japanese culture’ or ‘European culture’. Nationality is also an easy way to identify a group of people.

At the level below country, Casson & Lundan (1999) suggested that further cultural studies should be done at the local level in order to explore the cultural diversity of a place. Baskerville (2003) also recommended that a further sub-cultural study of ethnic groups within each nation was needed. With this, Hofstede (2003) admitted that culture can be measured at different levels other than national. In fact, ethnic group culture is not an uncommon topic in research. The ethnic group research done by Azevedo, Von Glinow & Karen (2001) in southern Florida in the United States revealed that business graduate students of both
Hispanics and Anglo background had a strong consensus regarding the individualism dimension of Hofstede. Cultural studies can co-exist at both the national level and within the national level.

2.4 Cultural diversity

There is no clear definition of cultural diversity in the literature. Miller (1998) defined diversity as the formation of different groups with certain attributes. In general, cultural diversity can be defined broadly from a geographical location perspective or a workplace perspective (Hofstede, 1989). Typical examples are national culture and corporate culture. Hofstede (1989), in his business culture research, also found cultural diversity within a business unit, where diversity can be in historical, departmental, divisional, functional and hierarchical form. Lian and Oneal (1997) measured the cultural diversity of a country in terms of their linguistic, religious and ethnic composition. Cox (1994, p.6) defined cultural diversity as ‘the representation, in one social system, of people with distinctly different group affiliations of cultural significance’. McMillan-Capehart (2003), in his cultural diversity research, adopted the term racioethnicity to indicate that diversity is ethnically and racially based. On the whole, the term ‘social groups’ is recognised as a common way to identify cultural diversity (Gefen, Rose, Warkentin & Pavlou, 2005). For the purpose of this study, Cox’s (1994) definition and Gefen et al.’s (2005) social groups assertion are adopted in analysing occupational group, ethnic group and cross-border commuter group culture.

Research in relation to cultural diversity can be carried out at different levels.
At the national level, Lian & Oneal (1997) found no relationship between a country’s economic development and the degree of its cultural diversity. At the international business level, Hofstede (1989) suggested the collection of cultural information for the structuring of an organisation. Lloyd & Trompenaars (1993) also stated the importance of understanding cultural diversity in business. At the organisational level, Cox & Blake (1991) addressed the importance of managing diversity in the workplace so as to enhance the competitive advantage of an organisation. Cultural diversity, in general, is viewed as positive in enhancing group or organisational performance (McMillan-Capehart, 2003).

2.4.1 Cultural diversity in Hong Kong

Due to the differences in political and historical processes between mainland Chinese and Hong Kong, their cultures also differ. Hong Kong people and Mainlanders claim that Hong Kong is a ‘cultural desert’, to a certain extent, which also reflects the cultural diversity of Hong Kong (Lo, 2005). The so-called ‘Hong Kong ethos’ has transformed Hong Kong’s people into a mixture of modern cultural attributes and traditional Chinese culture promoted by both the very nature of the society itself and its changes since the World War II (Lau & Kuan, 1989; Roberts, 1992). A further description given by Fu et al. (2004) stated that Hong Kong Chinese only look similar to Mainland Chinese when they are compared with people from the West; Hong Kong Chinese view themselves as having lived on borrowed time and in a borrowed place before 1997. This perception causes Hong Kong Chinese to have a very short-term and quick-profit focus. Lok & Crawford (2004) and Lo (2005) also stated that the culture of Hong Kong’s people is very much
influenced by Western societies. Similar assertion have been made by Bond & King (1985) and Ralston et al. (1993) that Hong Kong is influenced by both the Western environment and Eastern culture. The study by Ralston et al. (1993) also indicated that the values of Hong Kong managers lie between PRC managers and U.S. managers. The above findings and perceptions also support the findings concerning the variation of societal culture between managers in Hong Kong and mainland China, as given below in the GLOBE project.

On the whole, the distinctive form of cultural diversity in Hong Kong represents Hong Kong as a place with a true mix of culture from both the East and the West.

2.4.2 Other findings regarding cultural diversity in Hong Kong

The most recent information shows that there are approximately 270,000 small and medium enterprises (SMEs) in Hong Kong, which represent 98% of private companies and also represent 50% of the total private company workforce in Hong Kong (Trade and Industry Department, 2006). The core value of the entrepreneurial spirit in Hong Kong supported by a large number of SMEs explains the low uncertainty avoidance level (Li & Karakowsky, 2002).

Lai and Lam (1982, cited in Huo & Randall, 1991) found Hong Kong managers have high Power distance, extremely high uncertainty avoidance, high individualism and extremely low masculinity. Their survey covered 45 managers from trading, manufacturing and government sectors, which is very extensive coverage in terms of industrial categories.
Redding (1984 cited in Wong & Chung, 2003) stated that Hong Kong culture appeared to emphasise power distance, formality and acceptance of authority. Similar findings also confirmed key elements such as respect for structure, hierarchy, order or authority (Li & Karakowsky, 2002). These results supported Hofstede’s long-term orientation dimension. Overall, the above results are compatible with Hofstede’s and GLOBE’s findings.

Yongsun, Vance & Stage (1996), in their human resources practices study, suggested that Hong Kong managers have lower uncertainty avoidance and higher masculinity compared with Taiwanese and Singaporean managers. Their survey covered 79 Hong Kong managers but did not replicate exactly Hofstede’s study.

Wong & Chung (2003), in their research of Hong Kong Chinese food service managers in hotels, found a high score in collectivism and low score in Confucian dynamism. This is not compatible with the findings of both Hofstede and the GLOBE project.

2.4.3 Variation of research findings

The variation in the results in Lai and Lam (1982, cited in Hou & Randall, 1991) and Wong & Chung (2003) can be explained as the difference in the scope of industrial coverage. Lai and Lam had very extensive industrial coverage, while Wong and Chung only focused on Hong Kong food service managers in hotels. Neither sample was matched with that of Hofstede. The variation could be
attributed to sample and timing differences.

The variation in results between Cheung & Chow (1999) and the findings from Hofstede (1980), Hofstede & Bond (1988) and the GLOBE project can be explained as the difference in scale and number of respondents in the survey. Cheung & Chow’s (1999) survey was limited to 11 organisations, which is comparatively small in number, and therefore there could be a statistical error in the research. Only the study by Lowe (1996) is a correct replication of Hofstede’s IBM survey in both Hong Kong and the United Kingdom (Hofstede, 2001, p.66).

The following sections explain cultural diversity in regards to occupational groups, ethnic groups and cultural change.

2.5 Occupational Culture

Occupational culture assumes that different positions in a workplace have significant difference in terms of culture, especially between managers and non-managers. Cultural barriers among different work groups hinder organisational development (Hansen, 1995). Schein (1996) asserted that three different occupational cultures exist in an organisation, namely: i) the ‘operators’; ii) the ‘engineers’; and iii) the ‘executives’. Operators are frontline knowledge experts such as general staff and technicians. Engineers are those who manage a specific function, which includes managers and senior management. Executives are those Chief Executive Officers that oversee their own company’s performance. The ‘operators and engineers’ assertion of occupational culture was well supported by
von Meier (1999) in his technological innovation research. Within the occupational group of top management or executives, they view themselves as a group of elite individuals, due to different positions and responsibilities (Trice & Beyers, 1993; Hansen & Kahnweiler, 1997). They also have similar educational, economical and social contexts (Hansen & Kahnweiler, 1997), and naturally separate themselves from low-level managers and general staff (Kanter, 1977). In terms of different positions in the workplace, Trice & Beyers (1993) also asserted that occupational or professional sub-cultures exist.

Hofstede (1994) stated that national culture affects managers and subordinates. Between managers and non-managers, Hofstede (2001, p.125) stated that managers “perceived less fear to disagree” in question B46 of his study (equivalent to question no. 19 of this study), hence he adjusted managers’ scores for the Power Distance index in order to be comparable with that of non-managers. First, his study is only related to a sample in an organisation, i.e. IBM, and corporate culture in IBM may cause distortion in his national culture studies at a country level. Second, his assertion about occupational groups’ influence on national culture is not well studied in a sample with wide industrial coverage. The sample of Lai and Lam (1982, cited in Hou & Randall, 1991) had wide industrial coverage but was limited to managerial staff. Other studies are also limited to managerial staff, such as that of Cheung & Chow (1999), Fu et al. (2004). Third, as the sample of this study is different from that of Hofstede in IBM, the validity of his assertion regarding question no. 19 is yet to be investigated.

In the area of occupational culture, there is literature that addresses
organisational studies; however, there are no studies measuring cultural values among different occupational groups. Understanding perceptions of different cultural values among different occupational groups provides valuable information to both management and human resources practitioners in enhancing teamwork, staff retention, human resources planning, organisational learning and development.

2.6 Ethnic Culture

Cross-cultural studies focus on a national or country level simply because it is easy to identify; however, it may not be the most appropriate unit by which to measure culture. There are also inappropriate assumptions that populations within nations or regions are culturally homogeneous (Adler, 1984 cited in Lenartowicz, Johnson & White, 2003). Hofstede (1983b, 1991) indirectly admitted that cultural diversity or sub-cultures exist between groups within regions or nations. Lowe (1996) asserted that cultural analysis at a national level is only a macro one, as it forms a platform for further sub-cultural research. Cavusgil & Das (1997) stated that it is feasible to interpret intra-culturally heterogeneity at a detailed level. Haug (2001) also stated that the role of scientific research and surveys is to explore cultural diversity in relation to the economic and social development of a place. On the whole, all statements implied the existence of ethnic group culture.

2.6.1 Ethnic group – definition and classification

Ethnic group culture can be defined as various kinds of culture within a culture (Kwok & Uncles, 2005). Ethnic groups are also represented by the unique
community culture within a country (Lee, Fairhurst & Dillard, 2002). In general, most of the research reveals that ethnic groups are determined by their own country of origin. The U.S. is a good example of the classification of ethnic groups, examples of which are: Mexican American and non-Hispanic (Varela et al., 2004); Latinos and Caucasian Americans (Contreras, Fernandez, Malcarne, Ingram & Vaccarino, 2004); Hispano and Chicano (Bright, 1998); Hispanic and Anglo (Ogden, 2005); and Chinese American (Peng & Knowles, 2003). ‘Ethnic Chinese’ is always used to express overseas Chinese who form their own community in countries such as New Zealand (Kim, 2004) and Canada (Chung & Fischer, 2001).

Ethnic groups can also be classified by religion; one of the representative examples of this is Muslim minorities in Europe (Richardson, 2003). In China, ethnic minorities are defined at a country level, as those such as Tibetans and Mongols as compared with the majority—Han Chinese (Mackerras, 2005).

Language is another reliable way of classifying ethnic groups (Haug, 2001; Ng, Candlin & Chiu, 2004). Hofstede (2001, p.21) also asserted that “language is the most clearly recognizable part of culture and the part that has lent itself most readily to systematic study and theory building.” Language affects how people think (Hofstede, 2001), and Hofstede also emphasised the importance of knowing a foreign language before making a statement about foreign cultures (Powell, 2006). Lian and Oneal (1997), in their study of cultural diversity, stated that ethnicity, language and religion are the three most important components in measuring cultural diversity; among all, linguistic characteristics have the most weight. However, there are different ways to define language use and language skills; one can use their first
language learnt during childhood, i.e. mother tongue, while language used in the workplace or the family is another one, and some people may learn a second and third language. Dublish (2001) used the host language and the native Korean language to test Korean Americans’ preferences for advertising; research revealed that there was no significant difference from the consumer’s perspective. Grin & Sfreddo (1998) successfully demonstrated how Switzerland handles linguistic diversity within the country; German, French, Italian and Romanche are the four main speaking regions in the country. To validate the sample, Tamilia (1980), in his French- and English-speaking Canadian research, pointed out that socio-linguistic identity is used to define ethnic groups.

On the whole, the definition and characteristics of ‘ethnic group’ are still very mixed, especially within the statistical field (Haug, 2001). The above statements imply that the geographic criterion and linguistic diversity are the two most crucial factors in identifying ethnic sub-cultures.

2.6.2 Ethnic Culture in Hong Kong

Ng & Ingram (1989) stated that Hong Kong is a place with a mixture of cultures from different regions of China. The majority of the Hong Kong population are immigrants from the mainland following World War II, including those from Shanghai and Northern China. They brought their capital, technical skills or business knowledge to Hong Kong. They are also farmers, merchants and boat people; all are ethnic Han Chinese. Han Chinese account for 1.2 billion or 92% of today’s Chinese population (Lafleur, 2003; Davis, 2005), and even among the Han
Chinese, tremendous cultural variation was found (Lafleur, 2003). These sub-ethnic or within-culture groups are differentiated by both language and sociocultural variations (Norman, 1995; Davis, 2005). A different ethnic mix was found in Sai Kung, including Hakka, Hokkien, Cantonese, and Chaochow (Omohundro, 1982). Recent findings by Lo (2005) stated that minority Chinese dialects include Fukien (Fujian or Hokkien), Chiu Chau (Chaochow), Hoklo, Hakka, Sze Yap, Shanghaiese and Mandarin. Hokkien and Hoklo are both classified as the broad southern Min dialect category (Davis, 2005). However, Lo (2005) also asserted that these “home dialects” have rapidly decreased in Hong Kong during the past few decades.

Among these dominant sub-culture groups of Han Chinese, Cantonese are the largest sub-culture group in Hong Kong (Seligman, 1999). Seligman (1999) also stated that Confucian and high collectivism are two major cultural characteristics of this ethnic group; their distinctive culture is reflected in: i) the way they celebrate traditional festivals, birthdays and weddings, ii) the way to make good impression at dinner, iii) the importance of choosing the right gift for a friend, and iv) the way to congratulate parents on the birth of a child (Ng & Ingram, 1983). Apart from Cantonese, the Hakka population throughout the world is over 40 million (Davis, 2005) and also forms an important part of the ethnic Chinese population in Hong Kong. Davis (2005, p. 241) summarised the ‘Hakka spirit’ as ‘hard-work, self-reliance, independence, frugality, gender equality and a pioneering spirit with a strong concept of roots’. The assertion regarding perseverance and hardworking is well supported in Asiawind.com (2006). Another important sub-culture group in Hong Kong is Chaochowese, the population of which is estimated to be over one
million in Hong Kong (Chiu Chow Chamber of Commerce, 2006). There are estimated to be forty-nine million Hokkien-speaking people in the world; their place of origin is located in China’s Fujian province surrounding the Min River (Hokkien Harvest, 2006). From a geographical perspective, Northern Chinese always view themselves as loyal, trustworthy, honest and hardworking, whereas southern Chinese view themselves as sophisticated, smart and educated (Lafleur, 2003). Apart from ethnic Chinese, non-ethnic Chinese minorities in Hong Kong are from India, Pakistan and Nepal, due to the colonial period.

Ralston et al. (1993) and Baskerville (2003) recommended the use of ethnic groups or different population groups within a nation for further cultural study. Triandis (2004) also suggested that possible cultural diversity of linguistic groups should be explored. So far, there is only one study in 1991 by Huo and Randall, using Hofstede’s value survey, to compare sub-cultural differences among Chinese in Beijing, Wuhan, Hong Kong and Taiwan. Kelley, MacNab & Worthley (2006), in their recent study, also investigated the possible cultural diversity of linguistic groups; however, their study only focused on a national-level comparison of Hong Kong citizens, Taiwanese and Americans in the banking industry. There are no intercultural studies of those linguistic groups with different dialect backgrounds mentioned above in Hong Kong.

2.7 Culture Change

Values, which are the key element of culture, are transferred from parents to their children (Dahl, 2004). Cultural change, in terms of different relative country
rankings for each dimension, takes at least fifty to a hundred years, or extremely significant external forces (Hofstede, 2001). Hofstede (2001, pp.34-36) also asserted that outside influences and ecological factors are totally separate from the roots of values that a society holds. Factors such as technological advancements, multinational trade, economic growth and demographic change may even increase cultural diversity at a national level. Technological advancement or innovation such as the use of Internet will lead to similar developments in different societies, but the core values of each society remain unchanged. Relative rankings of countries remain stable. A similar assertion was made by Lenartowicz & Roth (2004) that when social or economic shock have a collective impact on an individual’s life experience, cultural values may change due to that impetus.

Triandis (2004) supported Hofstede’s assertion that cultural change would be very slow, perhaps taking several generations. Within the individualism-collectivism dimension, Triandis (2004) further explained the illusion of culture change within a society. He asserts that 0 to 35 % of individualists and collectivist want to escape from their own culture; these collectivists are idiocentric and individualists are allocentric, and act like those in the opposite culture. On the other hand, Child (1981) asserted that both cultural convergence and cultural divergence are found in a different group of studies. However, Hofstede (2001) contended that the cultural convergence hypothesis has not been well-validated over time. Fan (2000), in his Chinese culture research, also demonstrated that Chinese culture has a long history and is comparatively stable over time. Ward et al. (2002) found that culture is actually more diverse within Asia after the Asian financial crisis in 1997.
2.7.1 Possible changes in cultural diversity over time

Culture change over time may occur in Hong Kong, a place with cultural diversity, due to the following important events over the past decades:

i. Continuous economic revolution in China since the early 1980s, increased economic interaction between Hong Kong and mainland China due to rapid economic growth of China in the past two decades;

ii. Hong Kong was handed over from the United Kingdom to China in 1997, an important political event in the past two centuries;

iii. The painful six-year experience of economic downturn (1997 – 2003), many Hong Kong people experienced wealth reduction and irregular income sources due to: i) collapse of property market; and/or ii) salary and employee benefits cut in employment; and/or iii) unemployment;

iv. Severe Acute Respiratory Syndrome (SARS) outbreak in first half of 2003 - a total of 299 people died because of SARS;

v. Change of Chief Executive in Hong Kong Special Administrative Region in mid 2005, which may have positive psychological impact on Hong Kong people.

Hofstede’s study was very much non-industrial and non-business specific, as, since his survey in the 1970s, there have been studies about Hong Kong managers’ values in Ralston et al. (1993) and Ward, Pearson & Entrekin (2002). However, these studies adopted different dimensions. Only Lowe’s IBM survey in 1993 provided a longitudinal comparison of culture between Hong Kong and the United
However, the IBM sample was only from a multi-national corporation within a specific industry (Hunt, 1981). A representative sample can enhance the validity and reliability of cultural study at all levels, and only Lai and Lam (1982, cited in Hou & Randall, 1991) had this kind of representative sample. However, their sample only had 45 managers and was done over 20 years ago. Since then, there have been no cross-cultural studies in Hong Kong that:

i. replicate Hofstede’s previous study for longitudinal analysis purposes;
ii. have a representative sample with a wide scope of industrial coverage; and
iii. the sample size is justified for the study.

The results of this research will provide valuable insights regarding values that different groups of the Hong Kong working population in the commercial and industrial sectors hold in today’s society in Hong Kong, as well as compared with those over the last few decades. Possible changes in cultural diversity may also be explored in this study.

2.7.2 Cultural diversity between Hong Kong and China

At a national level, Hong Kong, with its unique geographical location in Asia and over 150 years of colonial history, has successfully transformed into a metropolitan place with a strong cross-cultural context. The unique cultures of Hong Kong’s people have played a dominant role in the economic growth in both Hong Kong and China since the economic revolution orchestrated by Deng Xiaoping in the early 1980s. Today, Hong Kong is the largest investor in China in terms of
investment amount. Investment by Hong Kong in mainland China increased from US$1.8 billion in 1990 to US$17.9 billion in 2005, which is almost a tenfold increase within one and a half decades. It also accounts for almost 30% of the total foreign investment amount in China (Ministry of Commerce of the People’s Republic of China, 2006).

**Comparison of index scores between Hong Kong and China**

For political and historical reasons, China was not included in Hofstede’s IBM survey during the 1970s. To facilitate the comparison of index scores between Hong Kong and China, secondary data of Lai and Lam (1982, cited in Huo & Randall) was adopted. Lai and Lam surveyed 44 managers and 47 managers in Beijing and Wuhan respectively; all were in the metallurgical industry.

As shown in Table 2.2 below, Hong Kong’s scores can be summarised as: High in power distance; Very low in uncertainty avoidance; Low in individualism; Medium in Masculinity; and very high in long-term orientation (Hofstede, 1980; Hofstede & Bond, 1988). Hofstede (1991) adds China to the survey of his fifth national dimension—‘Confucian dynamism’ or ‘long-term orientation’. China ranks the highest and Hong Kong ranks second in ‘long-term orientation’.
Table 2.2
Index Scores and Ranks for Hong Kong and China

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Hong Kong Index</th>
<th>Rank</th>
<th>China Index</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDI</td>
<td>68</td>
<td>27-29 (high)</td>
<td>33/77 *</td>
<td>66 (very low)/17-18 (high)</td>
</tr>
<tr>
<td>UAI</td>
<td>29</td>
<td>70-71 (very Low)</td>
<td>120/100 *</td>
<td>1 (very high)/4 (very high)</td>
</tr>
<tr>
<td>IDV</td>
<td>25</td>
<td>53-54 (low)</td>
<td>13/40 *</td>
<td>70 (very low)/37 (medium)</td>
</tr>
<tr>
<td>MAS</td>
<td>57</td>
<td>25-27 (medium)</td>
<td>-38/20 *</td>
<td>75 (very low)/70 (very low)</td>
</tr>
<tr>
<td>LTO</td>
<td>96</td>
<td>2 (very high)</td>
<td>118</td>
<td>1 (very high)</td>
</tr>
</tbody>
</table>

* China Index for Beijing and Wuhan respectively
□ Beijing and Wuhan respective ranking are estimated only

Power distance index (PDI) – Wuhan was close in index score to Hong Kong (77 vs. 68), while both were high in power distance, and the geographical location similarity between Wuhan in China and Hong Kong in Asia may account for the result. Wuhan was the centre of the transportation network in China where most residents were immigrants, hence they better represent the traditional high power distance of people in China (Huo & Randall, 1991). In Beijing, being the capital city in China, managers’ values were still highly influenced by the socialistic doctrines in the early 1980s, hence explaining the exceptionally low power distance scores (PDI = 33). Hofstede (2001) also asserted that the extent of inequality in a country could be directly proportionated to the degree of power distance.

Uncertainty avoidance index (VAI) – Hong Kong managers were much lower in uncertainty avoidance (UAI = 29) than managers in Beijing and Wuhan (120 and 100). The extremely low uncertainty avoidance of Hong Kong managers was a symbol of the Western influence and the high international exposure of Hong Kong
people to the international world (Lok & Crawford, 2004). The high uncertainty avoidance of managers in Beijing and Wuhan may be attributed to the failure of several economic reforms from the 1950s to the 1970s (Fu et al., 2004), which created a high degree of anxiety and fear towards an unknown future.

**Individualism index (IDV)** – Hong Kong managers and mainland Chinese managers were quite close in terms of ranking. Scores were 25, 13 and 40 respectively for Hong Kong, Beijing and Wuhan managers. The degree of individualism ranges from very low to medium. Beijing managers were very collectivistic due to the low inequality of communistic doctrines (Huo & Randall, 1991). In general, the comparatively collectivist value of both Hong Kong and mainland Chinese managers reflected the traditional cultural values of the East (Hofstede, 2001; Fu et al., 2004).

**Masculinity index (MAS)** – mainland Chinese managers had lower masculinity than Hong Kong managers (-38/20 in Beijing/Wuhan vs. 57 in Hong Kong). The higher masculinity of Hong Kong managers was probably the result of the Western influence during the colonial period (Ralston et al., 1993). The low masculinity of mainland Chinese managers may be due to the planned economy in China prior to the 1980s. Achievement and assertiveness were not priorities of most managers in China under Mao’s leadership style (Ho, 1978).

**Long-term orientation index (LTO)** – China is the highest in both ranking and scores and Hong Kong ranked the second, while both have future- and long-term-oriented culture. This dimension represents Confucianism or Chinese
values. The highest ranking of China was well supported by Ng & Ingram (1989); Seligman (1999); Buoye, Denton, Dickson, Naughton & Whyte (2002). As Hong Kong managers are all ethnic Chinese, they also hold similar Confucian values to those of managers in mainland China.

**Other comparisons of managerial values**

In a comparison of managerial values in the People’s Republic of China (PRC) and Hong Kong, Birnbaum-More et al. (1995, cited in Cheung & Chow, 1999) found that individualism is higher in the PRC than in Hong Kong. However, Earley (1994 cited in Cheung & Chow, 1999) found no significant differences in individualism between the two regions, and these findings basically match the results shown in Table 2.2 above. Cheung & Chow (1999), in their research of managerial values in PRC, Hong Kong and Taiwan, showed that there is similarity in uncertainty avoidance and collectivism and much higher power distance in PRC than in Hong Kong.

**GLOBE project (2004)**

As part of the GLOBE project, the societal culture of Hong Kong managers versus mainland Chinese managers was reported (Fu et al., 2004). Table 2.3 showed that there are six significant differences in societal culture dimensions, including two collectivism dimensions. Future orientation is slightly different between Hong Kong and the mainland.
Table 2.3

GLOBE dimensions – comparative ratings between Hong Kong and China

<table>
<thead>
<tr>
<th>GLOBE Dimensions</th>
<th>Comparative Ratings</th>
<th>Hong Kong</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Orientation</td>
<td>Same (high)</td>
<td>Same (high)</td>
<td></td>
</tr>
<tr>
<td>Future Orientation</td>
<td>Slightly higher</td>
<td>Slightly lower</td>
<td></td>
</tr>
<tr>
<td>Assertiveness</td>
<td>Very high</td>
<td>Very low</td>
<td></td>
</tr>
<tr>
<td>Institutional Collectivism</td>
<td>Lower</td>
<td>Higher</td>
<td></td>
</tr>
<tr>
<td>Family/Organisational Collectivism</td>
<td>Lower</td>
<td>Higher</td>
<td></td>
</tr>
<tr>
<td>Gender Egalitarianism</td>
<td>Lower</td>
<td>Higher</td>
<td></td>
</tr>
<tr>
<td>Humane Orientation</td>
<td>Lower</td>
<td>Higher</td>
<td></td>
</tr>
<tr>
<td>Power Distance</td>
<td>Same (high)</td>
<td>Same (high)</td>
<td></td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>Lower</td>
<td>Higher</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Fu et al. (2004) p. 35-36.

After applying the societal culture dimensions of the GLOBE project to Hofstede’s five dimensions in national culture, Hong Kong managers and mainland Chinese managers had the same Power Distance and Long-term Orientation but significantly different Masculinity, Individualism and Uncertainty Avoidance. Hong Kong managers have higher masculinity, higher individualism and lower uncertainty avoidance than mainland Chinese managers (Fu et al., 2004); all these are the result of the Western influence on Hong Kong people (Lok & Crawford, 2004). On the whole, cultural diversity exists between Hong Kong Chinese and mainland Chinese.

2.7.3 Population shift between Hong Kong and China

The economic influence of Hong Kong on mainland China, especially in Guangdong province, is substantial. The volume of the Hong Kong working
population required to interact with people in mainland China is steadily increasing. The geographical proximity of Hong Kong to many locations in Guangdong province makes it possible for Hong Kong people to commute daily or weekly from their permanent homes in Hong Kong, making them a commuting population rather than expatriates (Selmer & Shiu, 1999). This specific group of the Hong Kong commuting population is different from those expatriates working in other parts of China.

According to a survey conducted from January to March, 2005 by Census and Statistics Department, Hong Kong (2005), over 201,200 Hong Kong residents commute regularly to work in Guangdong Province. As both Hong Kong and China are unique places in Asia with different historical, political and cultural backgrounds, the activities of the Hong Kong working population in China are one of the important topics for further business studies. The literature reveals that cultural differences exist among Hong Kong Chinese, mainland Chinese, Taiwan Chinese and Overseas Chinese (Fan, 2000). Fu et al. (2004), in their Chinese managers study among mainland Chinese, Taiwan Chinese and Hong Kong Chinese, also revealed that cultural distance exists for Chinese expatriates working in China. However, both mainland and Hong Kong managers are involved in the same cultural inheritance (Child, 1994; Kirkbride & Westwood, 1993; Warner, 1995, cited in Selmer, Ling, Shiu & de Leon, 2003); this common cultural heritage between Hong Kong and mainland Chinese implies that the cultural gap is not that large, indicating that cultural change should not be difficult.

Understanding the expectations of local Chinese employees can help to
facilitate the cultural changes of the Hong Kong commuting population in China; significant partial changes in national culture can occur in a relatively short period of time (Bond & King, 1985; Huo & Randoll, 1991; McGrath, Macmillan, Yang & Tsai, 1992; Ralston et al., 1993; Trompenaars, 1994). Empirical research in Hong Kong also indicates that a change in local Chinese culture has partially occurred (Li & Karakowsky, 2002). On the contrary, Selmer et al. (2003), in their exploratory study, showed that the cultural adjustment for Hong Kong managers working in Beijing and Shanghai is difficult. Selmer (2002) also stated that expatriate work adjustment in China is not a common theme in the literature. Hong Kong managers generally refuse to adapt their managerial style to local expectations (Selmer, 2002). As a result this contradicts employee expectations. In fact, Wozniak (2003) referred to a survey released in October, 2003 by human resources consultant firm Hewitt Associates, also stating that 66% of executives hired from outside China either quit or are replaced within one and a half years on the job. Hong Kong managers are often barely accepted in mainland companies because of political, cultural and language variation, implying the existence of cultural diversity between China and Hong Kong.

Despite much literature comparing cultural values between Hong Kong Chinese and mainland Chinese, there is no intercultural research investigating the possible change in the cultural diversity of the Hong Kong working population that commutes regularly to southern China. The findings can provide us with in-depth knowledge regarding whether their experiences in China lead to certain levels of change in their cultural values. This is an area of great interest in workforce planning, training and career development.
2.8 Chapter Summary

Cultural studies has existed since Hofstede published his IBM global-scale research results in 1980. Following this, several key terms such as values, culture and national culture, have been clarified over recent decades.

Hofstede’s ‘culture onion’ concept clearly explained the relationship among values, culture and behaviour (Hofstede, 2001). Values or assumptions are fundamental to culture. Values are hidden deep in people’s minds, and can either be held by individuals or by collectives; values common to a group become culture (Hofstede, 2001). Hofstede (2001) further defined culture as the ‘collective mental programming’ of people in a specific environment. A more comprehensive definition of culture has recently been established by the GLOBE team. The definition takes into account the longitudinal effect that culture, being shared values of collective members, can be transmitted across generations. An individual’s behaviour reflects their own culture and personality. Culture at a national level emphasises values learnt in early childhood (Hofstede, 2001). Clarification of these key terms is critical for the review of a cultural shift.

Hofstede’s five cultural dimensions were adopted for this study, and each dimension has been explained in detail. Other key models of measuring culture have also been identified, including Yau (1988), Schwartz (1994), Trompenaars (1994) and the GLOBE project in the 21st century. GLOBE dimensions were later compared with Hofstede’s dimensions in measuring culture. Hofstede’s dimensions
were also assessed for the suitability of cultural value transfer.

An in-depth literature review of cultural dimensions form the basis of measuring cultural values, enabling further elaboration on cultural diversity and cultural shift. Cultural diversity and cultural shift are the focus of this study. The term ‘social groups’ was used to identify cultural diversity for this study. ‘Social groups’ can be in the form of occupational groups, ethnic or linguistic groups and cross-border commuter groups. For the purpose of longitudinal analysis, cultural diversity is also defined as a distinctive group with a mixed culture from both the East and the West. There is much literature indicating that Hong Kong is a place with a mixed culture (Li & Karakowsky, 2002; Wong & Chung, 2003; Lai and Lam, 1982 cited in Huo & Randall, 1991; Redding, 1984 cited in Wong & Chung, 2003; Fu et al., 2004; Lok & Crawford, 2004; Lau & Kuan, 1989; Ralston et al., 1993).

Cultural diversity in the form of occupational groups exists in the workplace (Schein, 1996; Hansen, 1995; Trice & Beyers, 1993). This key literature provides a solid foundation for exploring possible cultural difference among key occupational groups. Hofstede (2001) also asserted that cultural differences exist between managers and non-managers.

Cultural diversity in the form of ethnic groups can be further classified by language, religion and ethnicity (Lian & Oneal, 1997). There is much literature indicating that geographic criteria and linguistic diversity are key elements in identifying ethnic subcultures. The key ethnic mix in Hong Kong, including Hakka, Hokkien, Cantonese, and Chaochow, was identified (Omohundro, 1982).
In spite of technological advancements, global economic development and demographic change, relative country ranking in terms of national culture remains stable (Fan, 2000; Hofstede, 2001; Triandis, 2004). Change in the cultural mix within a nation is possible after social or economic shock (Lenartowicz & Roth, 2004). There have been several important events in the past few decades that may lead to such change in Hong Kong. Population shift between Hong Kong and China is one of the key areas of this study, differences in cultural values between Hong Kong Chinese and mainland Chinese were identified (Lai and Lam, 1982, cited in Huo & Randall, 1991; Cheung & Chow, 1999; Fu et al., 2004), and partial changes in cultural mix may occur (Bond & King, 1985; Huo & Randoll, 1991; McGrath et al., 1992; Ralston et al., 1993; Trompenaars, 1994).

The above literature review forms the basis of the conceptual framework, research gaps, questions and hypotheses in this study, which will be explained in the following chapter.
CHAPTER 3
CONCEPTUAL FRAMEWORK, RESEARCH GAPS, QUESTIONS AND HYPOTHESES

3.1 Conceptual Framework

The literature findings in chapter two provide valuable information contributing to the conceptual framework of this study. Findings in national culture and the way in which culture was defined by Geert Hofstede (1980) indicated long-term implications for various business and non-business disciplines. As cross-cultural studies have such a profound influence in various research areas, there are several other researchers, such as Schwartz (1994), Trompenaars (1994) and later the GLOBE team in 2004, that have established their own cultural dimensions and empirical research that extended and challenged that of Hofstede. There have also been a number of critiques and some defence in past decades in relation to Hofstede’s IBM study. At the same time, the frequency of citation of Hofstede’s study and the volume of correlational studies have been steadily increasing throughout the past few decades. This interesting and contradictory phenomenon set the broad framework of this study.

Based on literature review, there are two main gaps that can be further explored: i) cultural diversity and ii) culture change. Both are micro-levels of cultural study within a nation.

Within the area of cultural diversity, there is no clear agreement on a set of cultural dimensions by which differences could be examined and compared. On the
other hand, it is clear that cultural diversity exists in the workplace and from different geographical perspectives (Hofstede, 1989). Cultural diversity in the workplace is highly related to organisational studies (Schein, 1996) and is identified in terms of occupational cultures. Within occupational cultures, the two common ways of classification are by profession (Trice & Beyers, 1993) and by organisational structure (Schein, 1996; Hofstede, 2001). For the latter, occupational groups are commonly identified and classified among executives, managers and general staff. Another aspect of cultural diversity is the geographical perspective, which can be further explored at a country or nation level; there is much literature to support this approach. At a country level, ethnic groups can be identified from ethnicity, language or religious perspectives (Lian & Oneal, 1997). Linguistic group is one of the feasible ways to measure group culture when ethnicity and religion are somewhat infeasible to measure in the region. On the whole, both occupational group culture in the workplace and ethnic group culture from a geographical perspective form part of the conceptual framework of this study.

Regarding cultural change, rich literature reveals that cultural change within a specific geographical area could occur, especially after serious social, political or economic shock. Longitudinal analysis is the most appropriate way to measure the potential cultural change or stability of a specific geographical location over time (Hussey & Hussey, 1997). In order to provide a meaningful longitudinal analysis, replicating Hofstede’s study is the only feasible way to measure the changing cultural values of a place. Another means of cultural change may be population shift (Trompenaars, 1994), which can take place due to expatriates working overseas.
In general, both cultural change over time and cultural change due to population shift form another part of the conceptual framework of this study.

After reviewing the literature, Hong Kong is confirmed as a place that has a mixture of both Chinese values and a Western influence (Bond & King, 1985; Ralston et al., 1993; Lok & Crawford, 2004), hence Hong Kong is identified as an appropriate and interesting location for measuring both cultural diversity and cultural change at a micro-level, which also forms part of the study’s conceptual framework.

Figure 3.1
Conceptual Framework Diagram – cultural diversity study of the Hong Kong working population
Based on the above discussion and literature review, a conceptual framework diagram (Figure 3.1) is constructed to determine the gaps in the four research questions.

### 3.2 Research Gaps and Questions

The research questions for this study are:

i. Will there be any change in the national culture characteristics in Hong Kong business managers as compared with those from twenty to thirty years ago?

Based on the literature, there is a need to examine the cultural stability of a place over time. Fan (2000), Hofstede (2001) and Triandis (2004) made similar assertions that if the culture of a place is relatively stable, cultural change may take at fifty to a hundred years. On the other hand, Child (1981), Hofstede (2001), Lenartowicz & Roth (2004) and Ward, Pearson & Entrekin (2002) all asserted that cultural change may also occur after significant events. With reference to the situation in Hong Kong, studies of Ralston et al. (1993), Priem, Love and Shaffer (2000) and Ward et al. (2002) concerning managerial values in Hong Kong all adopted dimensions different from those of Hofstede. The sample of the GLOBE project only represented managers in food processing, financial services and telecommunication industries and also adopted different dimensions (Wilson, 2005) based on societal culture ‘as-is’ and organisational culture as it ‘should be’, which fell into ecological fallacy (Hofstede, 2006). Both Hofstede (1980) and Lowe (1996) adopted the same IBM sample but their samples were not representative of
Hong Kong managers in various sectors; Hofstede’s IBM study only sampled seven occupational groups within a single company (Hofstede, 2006). The literature revealed that only Lai and Lam (1982, cited in Hou & Randall, 1991) used a representative sample that covered Hong Kong managers from a broad scope of commercial and industrial categories. Following that, there is no similar representative sample in Hong Kong that enables longitudinal studies of cultural values. A research gap is therefore identified for research question no. 1 mentioned above.

ii. Will there be any differences in the various cultural dimensions among the occupational groups of the Hong Kong working population in the commercial and industrial sectors?

Based on the literature, Schein (1996), Trice & Beyers (1993), Hansen & Kahnweiler (1997) and Hofstede (2001) asserted that occupational cultures exist in the workplace. In general, occupational cultures in relation to company structure can be broadly classified as executives, managers and general staff (Hofstede, 2001). Hofstede (2001), in his IBM study, asserted that cultural diversity exists in power distance dimensions between managers and non-managers; however, there are no further studies to examine the existence of such cultural diversity in Hong Kong. A research gap is therefore identified for research question no. 2 mentioned above.

iii. Will there be any differences in the various cultural dimensions among the ethnic sub-culture groups of the Hong Kong working population in the commercial and industrial sectors, including Hakka, Hokkien, Cantonese,
Based on the literature, Hofstede (1983b, 1991), Lowe (1996), Cavusgil & Das (1997) and Baskerville (2003) all made the similar assertion that ethnic sub-cultures can be further explored within regions or nations. Ethnic groups can be distinguished by ethnicity (Lian & Oneal, 1997), religion (Richardson, 2003) or language (Grin & Sfreddo, 1998). Hong Kong, being a city dominated by ethnic Chinese and having a mix of various religions, is appropriate to examine cultural differences among different linguistic groups. As there has been no similar research done in the past, a research gap is identified for research question no. 3 mentioned above.

iv. Will there be any differences in the various cultural dimensions between the Hong Kong working population in the commercial and industrial sectors that are commuting regularly to Guangdong Province as compared with those working in Hong Kong?

Based on the literature, Hofstede (2001) and Lenartowicz & Roth (2004) made similar assertions that a population shift may lead to cultural change in a place. Child (1994), Kirkbride & Westwood (1993), Warner (1995, cited in Selmer et al., 2003) also asserted that cultural adjustment for Hong Kong managers could occur in a relatively short period of time due to the shared cultural inheritance with the mainland Chinese. Selmer et al. (2003) found difficulties for Hong Kong expatriates working in Beijing and Shanghai in adjusting to the culture. Selmer & Shiu (1999) also distinguished between cross-border commuters and expatriates as
two different work groups; there are no past studies regarding the possible cultural change of Hong Kong cross-border commuters working in Guangdong Province, hence a research gap is identified for research question no. 4 mentioned above.

3.3 Research Hypotheses

Based on the above research questions, 19 hypotheses have been established. These hypotheses are formulated based on Hofstede’s five dimensions in national culture. (see Table 3.1 below). For research questions 1 and 4, we assume that China’s influence, based on the GLOBE report, will lead to cultural change (Fu et al., 2004). For research questions 2 and 3, as these are very much exploratory, no specific assumption is made for those hypotheses.

<table>
<thead>
<tr>
<th>Research Question No.</th>
<th>Hypothesis No.</th>
<th>Description of hypothesis setting</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>H1_a</td>
<td>There is no significant difference in power distance in Hong Kong managers as compared to two decades ago.</td>
</tr>
<tr>
<td>1</td>
<td>H1_b</td>
<td>There is no significant difference in individualism in Hong Kong managers as compared to two decades ago.</td>
</tr>
<tr>
<td>1</td>
<td>H1_c</td>
<td>There is no significant difference in uncertainty avoidance in Hong Kong managers as compared to two decades ago.</td>
</tr>
<tr>
<td>1</td>
<td>H1_d</td>
<td>There is no significant difference in masculinity in Hong Kong managers as compared to two decades ago.</td>
</tr>
<tr>
<td>2</td>
<td>H2_a</td>
<td>There is no significant difference in power distance among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
</tr>
<tr>
<td>2</td>
<td>H2_b</td>
<td>There is no significant difference in uncertainty avoidance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>2</td>
<td>H2c</td>
<td>There is no significant difference in individualism among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
</tr>
<tr>
<td>2</td>
<td>H2d</td>
<td>There is no significant difference in masculinity among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
</tr>
<tr>
<td>2</td>
<td>H2e</td>
<td>There is no significant difference in long-term orientation among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
</tr>
<tr>
<td>3</td>
<td>H3a</td>
<td>There is no significant difference in power distance among ethnic groups in Hong Kong.</td>
</tr>
<tr>
<td>3</td>
<td>H3b</td>
<td>There is no significant difference in uncertainty avoidance among ethnic groups in Hong Kong.</td>
</tr>
<tr>
<td>3</td>
<td>H3c</td>
<td>There is no significant difference in individualism among ethnic groups in Hong Kong.</td>
</tr>
<tr>
<td>3</td>
<td>H3d</td>
<td>There is no significant difference in masculinity among ethnic groups in Hong Kong.</td>
</tr>
<tr>
<td>3</td>
<td>H3e</td>
<td>There is no significant difference in long-term orientation among ethnic groups in Hong Kong.</td>
</tr>
<tr>
<td>4</td>
<td>H4a</td>
<td>The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in power distance as compared with those working in Hong Kong.</td>
</tr>
<tr>
<td>4</td>
<td>H4b</td>
<td>The Hong Kong working population in commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in uncertainty avoidance as compared with those working in Hong Kong.</td>
</tr>
<tr>
<td>4</td>
<td>H4c</td>
<td>The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in individualism as compared with those working in Hong Kong.</td>
</tr>
</tbody>
</table>
The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in masculinity as compared with those working in Hong Kong.

The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in long-term orientation as compared with those working in Hong Kong.

3.4 Chapter Summary

The entire historical development of cultural studies provides a broad conceptual framework for this study. Literature findings revealed that cultural diversity and cultural change within a region, nation or a place are two areas that require urgent research attention. Hong Kong is justified by the literature as an appropriate location for such an exploratory study. Cultural diversity can be measured in the form of ethnic/linguistic groups or occupational groups. Cultural change can be measured in the form of longitudinal study and population shift. Research gaps for all four broad areas are identified and justified in the literature review, hence four research questions are established. For longitudinal analysis of cultural change, replicating Hofstede’s study is done to identify the differences. As a result, 19 hypotheses are established with reference to the situation in Hong Kong.
CHAPTER 4
METHODOLOGY

4.1 Introduction

In this chapter, the research paradigm is first explained, and details of the research design and instrument are then provided. Finally, the methodology for data collection and analyses are presented in full.

4.2 Research Paradigm

In order to select an appropriate research paradigm for this study (Creswell, 1994), Table 4.1 below shows the features of two broad paradigms: positivistic and phenomenological.

<table>
<thead>
<tr>
<th>Positivistic paradigm</th>
<th>Phenomenological paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ deductive approach</td>
<td>✓ inductive approach</td>
</tr>
<tr>
<td>✓ tends to produce quantitative data by using large size samples</td>
<td>✓ tends to produce qualitative data by using small samples</td>
</tr>
<tr>
<td>✓ usually relates to hypothesis testing</td>
<td>✓ usually concerned with generating theories</td>
</tr>
<tr>
<td>✓ data are very precise and specific</td>
<td>✓ rich and subjective data</td>
</tr>
<tr>
<td>✓ artificial location</td>
<td>✓ natural location</td>
</tr>
<tr>
<td>✓ generalise the result from a sample to population</td>
<td>✓ generalise the result from one setting to another</td>
</tr>
<tr>
<td>✓ high reliability but comparatively low validity</td>
<td>✓ low reliability but comparatively high validity</td>
</tr>
</tbody>
</table>

4.3 Research Design

In order to meet the research objectives stated in chapter 2 under limited resources and time constraints, it is the intention of this doctoral study only to adopt the positivist approach. Creswell (1994) asserted the use of only one methodology despite of the evolution of the complimentary methodologies approach. Sale, Lohfeld & Brazil (2002) also contended that the triangulation of two different paradigms is infeasible.

A positivistic approach is an inductive research approach to prove a pattern of behaviour whereas an interpretivistic approach seeks to explain the rationale behind these patterns (Baker, 2001). A positivistic approach explores the objective causes and facts, whereas a phenomenological approach focuses on the subjective meaning of human activity (Hussey & Hussey, 1997). If the specific positivistic research can be replicable and comparable in an objective way, the result is reliable (Creswell, 1994). Positivists assert that reality is objective (Popper, 1959 cited in Tinsley, 2005). A positivistic paradigm, in general, provides a good generalisation effect, which indicates the high reliability of the result from the sample to the population (Hussey & Hussey, 1997). This approach is widely adopted in cross-cultural studies by Hofstede (1980), Lai and Lam (1982, cited in Hou & Randall, 1991), Schwartz (1994), Trompenaars (1994), Lowe (1996), House et al. (2004).
4.4 Research Instrument

In order to test the hypotheses that are related to the research questions, a quantitative method is adopted (Hussey & Hussey, 1997). In order to measure the sample population, a descriptive survey in the form of closed-ended questionnaire is selected as the research instrument (Baker, 2002a). The descriptive survey aims to identify and count the frequency of the sample population (Hussey & Hussey, 1997). This survey research seeks to determine the differences in various cultural dimensions and the degree of culture change among different groups of the Hong Kong working population.

Survey is a means of "gathering information about the characteristics, actions, or opinions of a large group of people, referred to as a population" (Tanur, 1982 cited in Pinsonneault & Kraemer, 1993). Survey research is used to enhance scientific knowledge, it is best suited for a study of phenomena with a natural setting (Pinsonneault & Kraemer, 1993). Survey in cultural studies is the most common, efficient and effective tool to collection primary data that cannot be available elsewhere (Sleezer & Swanson, 1992; Baker, 2001). It is a systematic way to collect information so as to predict or understand specific behaviour of the population (Tull & Albaum, 1973 cited in Baker, 2001). It also conforms to the specific requirement of a scientific research. The completed questionnaire from respondents can be coded and data can be further used for analytical purposes. On the other hand, open-ended questions are far more difficult to analyse (Sleezer & Swanson, 1992).
To ensure equivalent comparisons, Tinsley (2005) contended that researchers should only use those indicators that can apply to all cultures. She further asserted that measuring possible cultural diversity with the same indicators is easy and meaningful. In other words, cross-cultural researchers should focus in generalisability instead of internal validity. On the other hand, since the purpose of this study is not to validate a new cultural dimension, a previously established instrument (Hofstede’s Value Survey Model 1994) with demonstrated validity and reliability was adopted for this study (Sondergaard, 1994). Hofstede’s cultural dimensions could provide us with the change that we seek in our hypotheses testing. In order to ascertain the additional demographic, organisational and commuting habits of Hong Kong managers, three new questions (i.e. Question No. 32 to 34) were added to the original Hofstede value survey (see Appendix 1). Questions were all closed-ended and were translated from English to Chinese and then verified independently by the Hong Kong Management Association (HKMA). Likert five-point scales (5 = strongly agree to 1 = strongly disagree) were used in the questionnaire to collect the responses.

### 4.5 Sampling Method

Hussey & Hussey (1997, p.55) defined sample and population respectively as “a subset of a population and should represent the main interest of the study” and “any precisely defined set of people or collection of items which is under consideration”. Sampling is also about the means to select individuals or legal entities from a defined population with a view to enhance the generalisation effect of the phenomena of interest (Pinsonneault & Kraemer, 1993). The defined population, sampling frame
and sampling unit are all critical to both the reliability and validity of the research (Baker, 2002a). Within cross-cultural research, there are common sampling and measurement errors. Cavusgil & Das (1997) pointed out the following: i) errors of selection; ii) frame error; iii) non-response error; iv) error of measurement; and v) sampling error. Special attention is given to data collection to avoid the above issues.

4.5.1 Defined population

This research delimits Hong Kong as the specific geographical area. As the population of this culture study is huge, a full census is impossible. An appropriate sample may provide a more accurate result (Baker, 2002a). Haug (2001) asserted that population censuses are the most common, regular and extensive data source. The latest statistical information (February - April, 2006) shows that the total labour force in Hong Kong is 3,607,400, with an employed population of 3,426,800 (Census and Statistics Department, 2006). Out of this employed population, 155,019 are civil servants (Civil Service Bureau, 2006). Thus, the remaining employed population (in the commercial and industrial sectors) is 3,271,781. This is the total population for research questions no. 2 and 3. For research question 3, specific population data on language groups are rare (Haug, 2001), hence no official population data on specific linguistic groups in Hong Kong are available. Executive staff (senior managers) covers middle management or above in the business sector. That is, those who are above the supervisory level in the Hong Kong private commercial sector. According to the Census and Statistics
Department (2006), the total number of these is 312,700 (as at quarter 3 of 2005). This is the population for research question no.1.

For research question 4: “Will there be any cultural variation between the Hong Kong working population in the commercial and industrial sectors that commute regularly to Guangdong Province as compared with those working in Hong Kong?” A survey conducted by Hong Kong Census and Statistics Department from January to March 2005 shows that 201,200 Hong Kong residents regularly commute to work in Guangdong Province (Census and Statistics Department, 2005). This is the population size for research question no. 4.

4.5.2 Sampling frame and sampling unit

The sample has to be representative of the population (Lenartowicz & Roth, 2004). As this research focuses on the working population in the commercial and industrial sectors, the sampling frame has to be narrowly focused within this scope. As such, member companies of the Hong Kong Trade Development Council (HKTDC) best represent the sampling frame. Sampling units are those business executives working in the non-government sector. Within this sample, the contact person of companies listed in the Hong Kong Trade Development Council (HKTDC) online database are, in general, all the senior executives of Hong Kong companies in the non-government sector. These senior executives have good knowledge and understanding of cultural changes in the Hong Kong working population. Hence, a
sample of this population would be appropriate for this study. The online database of HKTDC can be freely accessed by the public.

4.5.3 Sample size

As this research covers the Hong Kong working population in the non-government sector, in order to avoid errors of selection or bias, the sample size is non-industry specific and non-specific business topic related. To avoid sample bias and error, combined stratified sampling and random sampling techniques are used to select the required sample (Pinsonneault & Kraemer, 1993; Hussey & Hussey, 1997). “Stratification is simply the process of splitting the population into strata according to factors that are correlated with the factor under study. Having set up strata, a simple random sample is drawn from within each stratum” (Mayer, 1965 cited in Baker, 2002a). In this study, the stratified groups were defined by the HKTDC. There are 42 categories and a total of 173,470 member companies are found. Random samples were drawn from each group/category in the HKTDC listing (see Appendix 2). Due to the normally low response rate (15%) in international mail surveys, and Hong Kong is no exception (Harzing, 1997), a stratified random sample of 2,000 companies/executives from the HKTDC listing was approached.

4.6 Data Collection

Pilot testing can ensure participants’ understanding of each question (Sleezer & Swanson, 1992). The content of the questionnaire can be improved based on the
feedback from the pilot study. A pilot study (n=30) was conducted in early December, 2005 to test the validity and reliability of the questionnaire. Based on the feedback of the pilot study, there was no need for any modification and the main study was carried out in December, 2005. That is, the mail survey was sent out to the two thousand selected samples.

Mail surveys are common in cross-cultural data collection (Cavusgil & Das, 1997). A questionnaire was sent out along with a Freepost return envelope by post to the executive of each company. A covering letter (see Appendix 3) was attached stating clearly the purpose of and instructions to complete the survey. The questionnaire was translated from English (see Appendix 4) to traditional Chinese language and then verified by an independent staff member in the Hong Kong Management Association. A reminder letter was forwarded to all selected executives to encourage a higher response rate.

The returned questionnaire is anonymous. No individual can be identified. Respondents can voluntarily decide whether they want to complete and return the questionnaire or not. Consent is implied through the return of the completed questionnaire.

4.7 Data Analysis Technique

The first stage of data analysis was coding and editing. Data were entered in a SPSS worksheet by the researcher. For cross-cultural studies, techniques such as Chi-square test, t-test, ANOVA and MANOVA are commonly used (Sin, Cheung &
Lee, 1999). As this research is based on Hofstede’s cultural dimensions, his VSM 94 questionnaire was adopted in this study. The steps of analysis followed those described in the VSM 94 manual. The specific formulas for VSM 94 are included in Appendix 5. Pinsonneault & Kraemer (1993) stated that simple descriptive statistics are appropriate for this exploratory type of survey research. Descriptive statistics can derive mode, median, mean and dispersion of data. The norm is to use the mean score in the descriptive statistical technique (Pinsonneault & Kraemer 1993). However, sociologists prefer using frequencies instead of means to report group characteristics (Zavalloni, 1980 cited in Lenartowicz & Roth, 2004) in order to avoid aggregation bias. Hence, frequency distribution was adopted in reporting the results for research questions no. 2 to 4.

In relation to research question no. 1 (determine the cultural change in Hong Kong managers compared to two decades ago), comparison of the value score between two groups was used. Since Hofstede’s sample was largely different from the present sample in this study, a more suitable sample from Lai and Lam (1982 cited in Huo & Randoll, 1991) was used for comparison to determine the culture change of Hong Kong managers.

For research question no. 2 (determine the cultural change among different occupational groups in the commercial and industrial sectors), research question no. 3 (determine the cultural change among ethnic groups) and research question no. 4 (determine the cultural difference of the Hong Kong working population that commutes regularly between Hong Kong and Guangdong province and the
non-commuting population in Hong Kong), descriptive statistics are used as supplementary information for value score analysis.

Since this study adopted Hofstede’s VSM94 questionnaire, Hofstede’s value score analysis is the only analytical technique used for this study. The value score analysis technique is a combination of mean scores result and the adoption of Hofstede’s index formulas for calculating the index score of five dimensions, enabling the longitudinal analysis for research question no. 1. Although using ANOVA or t-test to determine significant differences between two or more groups is rather common, these statistical techniques are practically infeasible while using the VSM94 questionnaire. Lowe (1996, p.113), in his IBM study between Hong Kong and the UK, stated that ‘further statistical tests on this data is considered inadvisable since the scores represent indices, not means, arrived at by using approximation formulae, which control the occupation effect. We are restricted to examining the relative scores and interpreting their meaning without further statistical analysis’. Merkin (2006) also adopted similar procedure on Hofstede’s VSM94 questionnaire in his recent study.

4.8 Limitations in Research Methodology

Although this research is non-industrial specific, due to the time constraint and lack of funding, it is limited to a small sample size, so the generalisability of the result is still in question. Executives in the government sector are excluded from this study, which is also a weakness of this study. Furthermore, the low response rate in Hong Kong may affect the reliability of the study.
Social science researchers generally strike a balance and adopt both induction and deduction processes in their research (Tinsley, 2005). Due to time constraints, a qualitative approach to complement this quantitative survey was not possible. That is, interviews to further explore cultural understanding and changes in Hong Kong people, especially those sub-culture groups, could be most useful.

Although all care has been taken to eliminate language problems, there is still a risk that respondents may misunderstand the meaning of culture. For example, the influence of organisational culture, societal culture or religious values may be integrated into their responses. Finally, the classification of ethnic or sub-culture groups could be inaccurate because language or location may not be the best means of classification. Further research in this area is recommended.

4.9 Chapter Conclusion

This chapter provided a detailed explanation of the research method and process used in this study. Research paradigm, research design, research instrument, sampling, data collection and method of analysis were explained in detail. All these form the basis of the research findings and analysis in the next chapter.
CHAPTER 5
DATA ANALYSIS

Data collection commenced from late December, 2005 till early March, 2006. A reminder was sent at the end of January, 2006, right before the Chinese New Year holiday. A stratified and random sample of 2,000 potential respondents was selected from the Hong Kong Trade Development Council (HKTDC) online database. A total of 42 different industrial categories in the HKTDC database and the number of potential respondents selected in each category are shown in Appendix 2.

As a result, a total of 205 returns were obtained. This represented a response rate of 10.25%. This response rate is reasonable in Hong Kong as no telephone follow-up was planned for this study. Out of the total 205 respondents, 9 of them did not mention their nationality and 3 mentioned they were not Hong Kong permanent residents. As a result, 193 completed questionnaires were used for the analysis. There were also a few with missing values in individual questions and a few with more than one answer for one question. In the former case, a unique number ‘99’ was used to represent the missing value. In the latter case, we picked the one closest to the mean.

The VSM 94 questionnaire included five old questions from the VSM 82 questionnaire, hence a comparison table for easy reference is shown in Appendix 6. A dimensions and questions matrix is shown in Appendix 7 and a questions listing grouped under different dimensions is shown in Appendix 1. The SPSS version 13.0 statistical package was used to run descriptive statistical information in order to
supplement the value score analysis.

The following sections cover the results of the findings and data analysis. The first section explains the frequency of each demographic question. The second section reports the findings and results of the longitudinal analysis. The third section reports the findings of occupational group culture. The fourth section reports the findings of linguistic group culture. The fifth section reports the findings of cultural difference between the cross-border commuters and the non cross-border working population in Hong Kong. The final part provides a summary of the findings.

5.1 Frequency – Demographic Questions

The following mean Table 5.1 showed the demographic distribution of those respondents with a valid reply:-

Table 5.1
Mean summary of demographic questions

<table>
<thead>
<tr>
<th>Statistics</th>
<th>gender</th>
<th>age</th>
<th>years of formal school education</th>
<th>job category</th>
<th>nationality</th>
<th>nationality at birth</th>
<th>place of origin</th>
<th>commute to work in Guangdong province</th>
<th>size of the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>183</td>
<td>188</td>
<td>188</td>
<td>185</td>
<td>193</td>
<td>184</td>
<td>191</td>
<td>192</td>
<td>193</td>
</tr>
<tr>
<td>Missing</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>8</td>
<td>0</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>1.55</td>
<td>5.54</td>
<td>5.56</td>
<td>5.62</td>
<td>1.00</td>
<td>1.19</td>
<td>3.13</td>
<td>1.73</td>
<td>1.09</td>
</tr>
<tr>
<td>Sum</td>
<td>283</td>
<td>1042</td>
<td>1046</td>
<td>1039</td>
<td>193</td>
<td>219</td>
<td>597</td>
<td>333</td>
<td>210</td>
</tr>
</tbody>
</table>

There was a total of six demographic questions (gender, age, education level, job category, nationality and place of birth), and as there were missing values in a few demographic questions, valid replies for each question vary from 183 to 193. For nationality, the mean equals to 1, and the whole sample represented the results of
Hong Kong permanent residents.

Table 5.2
Frequency distribution - Gender

<table>
<thead>
<tr>
<th>gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male Valid</td>
<td>83</td>
<td>43.0</td>
<td>45.4</td>
<td>45.4</td>
</tr>
<tr>
<td>Female Valid</td>
<td>100</td>
<td>51.8</td>
<td>54.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total Valid</td>
<td>183</td>
<td>94.8</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>10</td>
<td>5.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>193</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The number of male and female respondents was very close (Table 5.2); there were 83 male respondents and 100 female respondents, which comprised 45% and 55% of total valid respondents, respectively. This percentage of men and women was very close to that of Chinese Culture Connection (1987). As such, gender difference was not an issue that may affect the results of this study.

Table 5.3
Frequency distribution - Age

<table>
<thead>
<tr>
<th>age</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid 20-24</td>
<td>4</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td>25-29</td>
<td>13</td>
<td>6.7</td>
<td>6.9</td>
<td>9.0</td>
</tr>
<tr>
<td>30-34</td>
<td>27</td>
<td>14.0</td>
<td>14.4</td>
<td>23.4</td>
</tr>
<tr>
<td>35-39</td>
<td>35</td>
<td>18.1</td>
<td>18.6</td>
<td>42.0</td>
</tr>
<tr>
<td>40-49</td>
<td>62</td>
<td>32.1</td>
<td>33.0</td>
<td>75.0</td>
</tr>
<tr>
<td>50-59</td>
<td>36</td>
<td>18.7</td>
<td>19.1</td>
<td>94.1</td>
</tr>
<tr>
<td>60 or over</td>
<td>11</td>
<td>5.7</td>
<td>5.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>188</td>
<td>97.4</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>5</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>193</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As target respondents of this study were mainly managers or above, it is normal
to find that over 90% are aged 30 or above and 58% are aged 40 or above (see Table 5.3). This percentage was higher than Lai & Lam (1982, cited in Huo & Randall, 1991) where 40% was aged 40 or above. The mean was 5.54 for this group of the sample, which is equivalent to an average of 45 years of age, and closely represents the high age of current Hong Kong managers.

Table 5.4
Frequency distribution – Years of formal school education

<table>
<thead>
<tr>
<th>years of formal school education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid 10 years or less</td>
<td>12</td>
<td>6.2</td>
<td>6.4</td>
<td>6.4</td>
</tr>
<tr>
<td>11 years</td>
<td>29</td>
<td>15.0</td>
<td>15.4</td>
<td>21.8</td>
</tr>
<tr>
<td>12 years</td>
<td>14</td>
<td>7.3</td>
<td>7.4</td>
<td>29.3</td>
</tr>
<tr>
<td>13 years</td>
<td>15</td>
<td>7.8</td>
<td>8.0</td>
<td>37.2</td>
</tr>
<tr>
<td>14 years</td>
<td>9</td>
<td>4.7</td>
<td>4.8</td>
<td>42.0</td>
</tr>
<tr>
<td>15 years</td>
<td>25</td>
<td>13.0</td>
<td>13.3</td>
<td>55.3</td>
</tr>
<tr>
<td>16 years</td>
<td>28</td>
<td>14.5</td>
<td>14.9</td>
<td>70.2</td>
</tr>
<tr>
<td>17 years</td>
<td>21</td>
<td>10.9</td>
<td>11.2</td>
<td>81.4</td>
</tr>
<tr>
<td>18 years or over</td>
<td>35</td>
<td>18.1</td>
<td>18.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>188</td>
<td>97.4</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing missing</td>
<td>5</td>
<td>2.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>193</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Respondents in this study were highly educated: 58% and 45% completed at least 15 years and 16 years of formal education respectively; the mean score was 5.56, which represents approximately 14.5 years of formal school education. This was close to Lai and Lam (1982, cited in Huo & Randall, 1991), where their sample had an average of 15 years of formal education. Nevertheless, Bosland (1985, cited in Hofstede, 2001) contended that adjustment is required for the influence of educational levels on group index scores, hence this study will follow that to adjust the educational influence on the four dimensions scores.
Table 5.5
Frequency distribution – job category

<table>
<thead>
<tr>
<th>job category</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid No paid job (includes full-time students)</td>
<td>2</td>
<td>1.0</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Generally trained office worker or secretary</td>
<td>31</td>
<td>16.1</td>
<td>16.8</td>
<td>17.8</td>
</tr>
<tr>
<td>Vocationally trained craftsperson, technician, informatician</td>
<td>9</td>
<td>4.7</td>
<td>4.9</td>
<td>22.7</td>
</tr>
<tr>
<td>Academically trained professional or equivalent (but not a manager)</td>
<td>16</td>
<td>8.3</td>
<td>8.6</td>
<td>31.4</td>
</tr>
<tr>
<td>Manager of one or more subordinates (non-manager)</td>
<td>61</td>
<td>31.6</td>
<td>33.0</td>
<td>64.3</td>
</tr>
<tr>
<td>Manager of one or more managers</td>
<td>66</td>
<td>34.2</td>
<td>35.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>185</td>
<td>95.9</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing missing</td>
<td>8</td>
<td>4.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>193</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

One of the focuses in cultural studies is the occupational group effect. As seen in Table 5.5 above, a total of 127 respondents or 76% of total respondents were managerial staff, i.e. the sum of ‘manager of non-managers’ and ‘manager of managers’. Forty respondents, or 24% of the total, can be classified as non-managers; these were mainly ‘generally trained office worker or secretary’ and ‘vocationally trained craftsperson, technician or informatician’. To avoid confusion and for the purpose of this study, ‘no paid job’ and ‘academically trained professional’ were not used for research question no. 2. A high percentage of managerial staff in this study may be a good fit for research question no. 1. However, the high percentage variance between managers and non-managers may also create occupational group culture in research question no. 2. This is a limitation in the analysis when reviewing the results for question no. 2.
Table 5.6
Frequency distribution – Nationality at birth

<table>
<thead>
<tr>
<th>nationality at birth</th>
<th>Valid Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong S.A.R.</td>
<td>149</td>
<td>77.2</td>
<td>81.0</td>
<td>81.0</td>
</tr>
<tr>
<td>People's Republic of China (Mainland Chinese)</td>
<td>35</td>
<td>18.1</td>
<td>19.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>184</td>
<td>95.3</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>9</td>
<td>4.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Out of the total valid respondents, 81% were born in Hong Kong (see Table 5.6). The result shows that the dominant national culture is that of Hong Kong residents. Hofstede (2001) stated that national culture is values, beliefs and assumptions learnt in early childhood before the age of ten; therefore, the high percentage of locally born Hong Kong Chinese enhances the reliability of this study. Haug (2001) also stated that place of birth is one of the important elements in determining sub-culture groups.

Table 5.7
Frequency distribution – Place of origin

<table>
<thead>
<tr>
<th>Place of origin</th>
<th>Valid Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hakka</td>
<td>12</td>
<td>6.2</td>
<td>6.2</td>
<td>6.2</td>
</tr>
<tr>
<td>Hokkien</td>
<td>11</td>
<td>5.7</td>
<td>5.8</td>
<td>12.0</td>
</tr>
<tr>
<td>Cantonese</td>
<td>123</td>
<td>66.3</td>
<td>67.0</td>
<td>79.1</td>
</tr>
<tr>
<td>Chaochow</td>
<td>24</td>
<td>12.4</td>
<td>12.6</td>
<td>91.5</td>
</tr>
<tr>
<td>Shanghaiese and those in nearby area</td>
<td>13</td>
<td>6.7</td>
<td>6.8</td>
<td>90.4</td>
</tr>
<tr>
<td>Northern part of China</td>
<td>3</td>
<td>1.6</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>191</td>
<td>99.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>2</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>193</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Place of origin was covered in research question no. 3. It represented the dialect of different groups (ethnic grouping), which is critical in determining sub-culture
groups within a nation (Haug, 2001). As shown in Table 5.7, out of the total 191 valid replies, 128 respondents or 67% were Cantonese; as Hong Kong is located at the southern part of China, it is not surprising to have a huge number of Cantonese in this study. For the remaining respondents, 24 or 12.6% were Chaochowese, which was the second largest group of respondents in this sample. Hakkaese, Hokkiense and Shanghaiese each accounted for around 6% of total valid respondents. Sample size for Northern Chinese was too small, as there were only three respondents in this group. Small numbers of respondents in a few ethnic groups is a limitation in the analysis when reviewing the results for question no. 3.

Table 5.8
Frequency distribution – Commute to work in Guangdong province

<table>
<thead>
<tr>
<th>commute to work in Guangdong province</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>51</td>
<td>26.4</td>
<td>26.6</td>
<td>26.6</td>
</tr>
<tr>
<td>No</td>
<td>141</td>
<td>73.1</td>
<td>73.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>192</td>
<td>99.5</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td>.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>193</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As shown in Table 5.8, 51 respondents or 26.6% of Hong Kong managers were required to regularly commute and to work in Guangdong province. In terms of percentage, the sample was higher than the percentage of the working population required working in Guangdong province. According to the Hong Kong Census and Statistics Department (2005), less than 6% of the total working population was required to work regularly in Guangdong Province. The difference between the 2005 census and the current study in 2006 is highly significant. This finding suggests that major cultural shift or acceptance that commuting to Guangdong
province to work is becoming a norm.

Table 5.9  
Frequency distribution – Size of the company

<table>
<thead>
<tr>
<th>size of the company</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Small and Medium</td>
<td>176</td>
<td>91.2</td>
<td>91.2</td>
<td>91.2</td>
</tr>
<tr>
<td>Enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Enterprises</td>
<td>17</td>
<td>8.8</td>
<td>8.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>193</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

As regards to the size of the firm, 91% of total valid respondents were working in small and medium enterprises (see Table 5.9); this percentage is similar to the statistical information that 98% of the total establishments in Hong Kong are SMEs (Trade and Industry Department, 2006). This sample was very representative of the population (Lenartowicz & Roth, 2004).

On the whole, the demographic data showed what is generally expected among Hong Kong managers. The concern about the percentage difference between manager and non-manager mix in our sample has been highlighted above.

5.2 Longitudinal analysis of previous VSM survey results

Table 5.10 showed the comparison of four dimensions value scores in Hong Kong from four different studies. For comparison purposes, VSM 82 formulas were used. The index scores were based on VSM 82 formulas (see Appendix 8) that covered only managers or above in 42 commercial and industrial categories. Managers from the public sector are excluded from this study. Hofstede (1980) and
Lowe (1996) used IBM samples whereas this study had very extensive commercial and industrial coverage.

Table 5.10
Longitudinal comparison of value index scores

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of research</td>
<td>1968-73</td>
<td>1982</td>
<td>1993</td>
<td>2006</td>
</tr>
<tr>
<td>Hong Kong (n=88)</td>
<td>(n=45)</td>
<td>(n=139)</td>
<td>(n=123)</td>
<td></td>
</tr>
<tr>
<td>PDI</td>
<td>68</td>
<td>57</td>
<td>56</td>
<td>60</td>
</tr>
<tr>
<td>IDV</td>
<td>25</td>
<td>54</td>
<td>33</td>
<td>52</td>
</tr>
<tr>
<td>UAI</td>
<td>29</td>
<td>124</td>
<td>44</td>
<td>100</td>
</tr>
<tr>
<td>MAS</td>
<td>57</td>
<td>-17</td>
<td>55</td>
<td>45</td>
</tr>
</tbody>
</table>

*Adjusted for educational level per Bosland (1985)

As expected, the result in this study showed no clear replication of Hofstede and Lowe. The dimensions of uncertainty avoidance and individualism were clearly incompatible with the result of the current study. Only power distance and masculinity dimensions were similar. Wong & Chung (2003) in their research of Hong Kong Chinese food service managers in hotels also found a replicability issue regarding individualism. Harrison, McKinnon, Panchapakesan & Leung (1994) in four countries found no similarities in uncertainty avoidance. Smith, Dugan & Trompenaars (1996) were also unable to confirm masculinity and uncertainty avoidance. A similar replicability problem occurred in the research of Chanchani

5.2.1 Lai and Lam (1982) vs. Current Study

The sample used in these two studies are very similar except that Lai and Lam (1982, cited in Huo & Randall, 1991) included managers in trading, manufacturing and government sectors. In this study, managers were mainly from the trading and manufacturing sectors, and the government sector was excluded from this study.

The absolute value scores of this study are extremely close to the results of Lai and Lam’s study. The results of these two studies were compared as follows:

**Power Distance (PDI)** – a score of 60 in this study is close to the score of 57 obtained in Lai and Lam’s study. The value score for this dimension remains very stable in different types of samples and also throughout the past three decades, including the studies of Hofstede (1980) and Lowe (1996) shown in Table 5.10. The results revealed that high power distance findings for Hong Kong in Hofstede and others’ studies have not changed significantly in the past decades. Although Hong Kong managers have been exposed to Western education and training, the management practices in relation to power distance with subordinates have changed little. The results did not support the assumption of Cheung & Chow (1999) and Fu et al. (2004) that China’s high power distance culture could influence Hong Kong managers’ behaviour. Thus, H1a “There is no significant difference in power distance in Hong Kong managers as compared to two decades ago” is accepted.
Individualism vs. Collectivism (IDV) – a score of 52 in this study was very close to the score of 54 in Lai and Lam’s study. High individualism is a distinctive aspect of culture in the West. The higher level of individualism as compared to Hofstede’s finding of two decades ago is an expected outcome. The result of high individualism in Hong Kong may signify Hong Kong managers’ exposure to international business and they have displayed the characteristics of individualism in their managerial practices. The result of this study also matched the findings of Fu et al. (2004). Hence, H1b “There is no significant difference in individualism in Hong Kong managers as compared to two decades ago” is accepted.

Uncertainty avoidance (UAI) – a score of 100 in this study versus the score of 124 in Lai and Lam’s study showed that Hong Kong managers have a lower level of uncertainty avoidance than two decades ago. That is, Hong Kong managers are taking higher risks as compared to two decades ago. The result of this study is consistent with Yongsun et al.’s (1996) and Merkin’s (2006) findings but does not support Fu et al.’s (2004) results. This change of uncertainty avoidance behaviour may be due to the rapid increase in global competition in recent years. It is expected that Hong Kong managers have to take a more aggressive approach to retain their competitive advantage. Hence, higher risk tolerance behaviour is needed. Thus, H1c “There is no significant difference in uncertainty avoidance in Hong Kong managers as compared to two decades ago” is rejected.

Masculinity vs. Femininity (MAS) – a score of 45 in this study versus -17 in Lai and Lam’s study two decades ago is somewhat strange. This may be due to incorrect
responses from participants. It may also be due to the impact of the economic downturn between 1997-2003, where managers of middle age are more concerned about job security, hence have more ambition at work. Nevertheless, the result was somewhat consistent with Yongsun et al.’s (1996) findings. On the other hand, if this result is compared to Hofstede (a score of 57), it appears that there is a slightly lower level of masculinity as compared to three decades ago. The result may indicate that Hong Kong managers may value “quality of life and work” more than three decades ago, which could be a result of ongoing improvement of living standards. The shift in “ambition at work” to a better “quality of life and work” may contribute to a lower score in masculinity in this study. On the whole, H1d “There is no significant difference in masculinity in Hong Kong managers as compared to two decades ago” is rejected.

5.2.2 Summary

In summary, the results of this study can be compared with: i) Hofstede and Lowe’s IBM studies between 1968-1973 and in 1993 respectively, and ii) Lai and Lam’s study in 1982. As Hofstede’s study was the first empirical cross-cultural research in the world and Lai and Lam’s study was the only one with a similar sample, they are equally important for analytical purposes.

As compared with Hofstede and Lowe’s respective IBM studies over three decades and one decade ago, today’s Hong Kong managers have:-

i. Similar high power distance;
ii. Higher individualism;

iii. Much higher uncertainty avoidance; and

iv. Slightly lower masculinity.

As compared with Lai and Lam’s study over two decades ago, today’s Hong Kong managers have:-

i. Similar high power distance;

ii. Similar high individualism;

iii. Slightly lower uncertainty avoidance; and

iv. Much higher masculinity.

On the whole, the power distance of Hong Kong managers has remained at a high level and stable throughout the past three decades. Changes in the cultural values of Hong Kong managers were found in the other three dimensions, which supported the assertion that serious political, social and economic impact may lead to the cultural change of a place (Hofstede, 2001; Lenartowicz & Roth, 2004).

5.3 Comparison among different occupational groups

5.3.1 Frequency

Occupational effect is one of the demographic areas that require special attention. Hofstede (2001, p.125) states that managers “perceived less fear to disagree” in question 19 of this study, hence, he adjusted managers’ scores for
occupational effect in order to be comparable with those of non-managers. However, the mean scores of question 19 in this study showed a different result (see Table 5.11).

Table 5.11
Means analysis of Question 19

<table>
<thead>
<tr>
<th>job category</th>
<th>Mean</th>
<th>N</th>
<th>Sum</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No paid job (includes full-time students)</td>
<td>3.00</td>
<td>2</td>
<td>6</td>
<td>.000</td>
</tr>
<tr>
<td>Generally trained office worker or secretary</td>
<td>2.71</td>
<td>31</td>
<td>84</td>
<td>.973</td>
</tr>
<tr>
<td>Vocationally trained craftsperson, technician, informatician</td>
<td>3.25</td>
<td>8</td>
<td>26</td>
<td>.463</td>
</tr>
<tr>
<td>Academically trained professional or equivalent (but not a manager)</td>
<td>2.94</td>
<td>16</td>
<td>47</td>
<td>.929</td>
</tr>
<tr>
<td>Manager of one or more subordinates (non-managers)</td>
<td>3.03</td>
<td>59</td>
<td>179</td>
<td>.870</td>
</tr>
<tr>
<td>Manager of one or more managers</td>
<td>2.95</td>
<td>64</td>
<td>189</td>
<td>.805</td>
</tr>
<tr>
<td>Total</td>
<td>2.95</td>
<td>180</td>
<td>531</td>
<td>.854</td>
</tr>
</tbody>
</table>

Group means of managers were 3.03 and 2.95 respectively, whereas the group mean for non-managers (generally trained office worker or secretary) is 2.71. Although managers perceived a higher degree of fear to disagree than non-managers, the difference is not significant. The result indicates that no adjustment is required for occupational effect in this study. The following section reviews the value score difference and means differences for each dimension in terms of occupational difference.
5.3.2 Value Scores Analysis – VSM 94

Table 5.12 showed a summary of value scores for different job categories. VSM 94 formulas (see Appendix 5) were used to calculate the index of five dimensions. A revised 1999 formula is used to calculate the fifth dimension - long-term orientation. This overall result represents the culture of today’s Hong Kong working population regarding: i) the commercial and industrial sectors; and ii) both managers and non-managers.

Table 5.12
Value scores with different job categories

<table>
<thead>
<tr>
<th>Dimensions/Job categories</th>
<th>PDI</th>
<th>UAI</th>
<th>IDV</th>
<th>MAS</th>
<th>LTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>No paid job (n=7)</td>
<td>2</td>
<td>37</td>
<td>111</td>
<td>73</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>(5)</td>
<td>(43)</td>
<td>(105)</td>
<td>(75)</td>
<td></td>
</tr>
<tr>
<td>General trained staff (n=31)</td>
<td>22</td>
<td>85</td>
<td>63</td>
<td>2</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>(35)</td>
<td>(86)</td>
<td>(59)</td>
<td>(-2)</td>
<td></td>
</tr>
<tr>
<td>Vocationally trained staff (n=9)</td>
<td>13</td>
<td>57</td>
<td>73</td>
<td>53</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>(34)</td>
<td>(54)</td>
<td>(74)</td>
<td>(44)</td>
<td></td>
</tr>
<tr>
<td>Academically trained professional (n=16)</td>
<td>52</td>
<td>39</td>
<td>66</td>
<td>21</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>(46)</td>
<td>(50)</td>
<td>(50)</td>
<td>(29)</td>
<td></td>
</tr>
<tr>
<td>Manager of non-managers (n=61)</td>
<td>47</td>
<td>77</td>
<td>67</td>
<td>19</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>(51)</td>
<td>(81)</td>
<td>(59)</td>
<td>(19)</td>
<td></td>
</tr>
<tr>
<td>Manager of manager(s) (n=66)</td>
<td>45</td>
<td>42</td>
<td>90</td>
<td>19</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>(38)</td>
<td>(54)</td>
<td>(73)</td>
<td>(28)</td>
<td></td>
</tr>
<tr>
<td>Total (n=185)</td>
<td>40</td>
<td>61</td>
<td>75</td>
<td>18</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>(42)</td>
<td>(68)</td>
<td>(64)</td>
<td>(21)</td>
<td></td>
</tr>
</tbody>
</table>

Scores in first row are adjusted with educational level per Bosland (1985) and scores in brackets in second row are raw scores.

For different occupational groups, Hofstede (2001) contended that the minimum
number of respondents for each group is 20; thus any sample less than 20 will have a high risk of sample bias. Hence, the result of occupational group influence should only be compared among the following groups:-

i. Generally trained office worker or secretary (n=31);
ii. Manager of one or more subordinates (non-managers) (n=61);
iii. Manager of one or more managers (n=66).

As managers and non-managers are two key groups of the study, our analysis only focuses on the comparison between these two broad groups, i.e. managers and non-managers, and (ii) and (iii) are treated as one manager group. Again, the adjusted scores per Bosland (1985) are used for analytical purposes, except long-term orientation. Bosland’s master thesis was developed prior to the evolution of the fifth dimension, hence, no adjusted scores for this dimension are available.

The results in Table 5.12 showing the adjusted score difference in the five dimensions between group (i) and group (ii)/(iii) are summarised as follows:-

**Power Distance (PDI)** – value score index for general staff was 22 (n=31), the value score indexes for the two manager groups were 47 (n=61) and 45 (n=66) respectively. The results show that there is significant difference in PDI between managers and general staff, as managers have higher power distance than general staff. Hence, H2a “There is no significant difference in power distance among occupational groups within the Hong Kong working population in the commercial and industrial sectors” is rejected.
Uncertainty Avoidance (UAI) – the value score index for general staff was 85 (n=31), the value score indexes for the non–manager and manager groups were 77 (n=61) and 42 (n=66) respectively. Uncertainty avoidance is higher in the non-manager group than the manager group. However, the general staff group has the highest score in UAI as compared to the two manager groups and the difference can be regarded as significant. General staff are more sensitive and conservative in the workplace and they seek clarity of roles, responsibilities, rules and regulations. Managers are more willing to take risks. Hence, H2b “There is no significant difference in uncertainty avoidance among occupational groups within the Hong Kong working population in the commercial and industrial sectors” is rejected.

Individualism vs. Collectivism (IDV) – the value score index for general staff was 63 (n=31), while the value score indexes for non-manager and manager groups were 67 (n=61) and 90 (n=66) respectively. Individualism is generally high in both managers and non-manager groups. Managers are comparatively higher in individualism than non-managers. In a small- and medium-size enterprise (SME) scenario, this generally reflects the bureaucratic working style of managers in the workplace and the general staff are more comfortable in a team environment. Managers of one or more manager are extremely high in individualism, which reflects a certain level of entrepreneurship of senior executives who are also the owner of the company, and their leadership style is more autocratic in the SME scenario. Thus, H2c “There is no significant difference in individualism among occupational groups within the Hong Kong working population in the commercial and industrial sectors” is rejected.
Masculinity vs. Femininity (MAS) – the value score index for general staff was 2 (n=31), while value score indexes for non-manager and manager groups were 19 (n=61) and 19 (n=66) respectively. Managers are comparatively higher in masculinity than non-managers. It is understandable that managers are more assertive and are more concerned about achievement and success. General staff are more concerned about working conditions and living style. Hence, H2d “There is no significant difference in masculinity among occupational groups within the Hong Kong working population in commercial and industrial sectors” is rejected.

Long-term orientation vs. short-term orientation (LTO) – the value score index for general staff (n=31) was 49, while the value score indexes for non-manager and manager groups were 48 (n=61) and 45 (n=66) respectively. These value score indexes were very similar and there is no significant difference between these groups. Hence, H2e “There is no significant difference in long-term orientation among occupational groups within the Hong Kong working population in the commercial and industrial sectors” is accepted.

5.3.3 Summary

Based on these research findings, occupational group culture between managers and non-managers exists in the first four dimensions. Managers are:-

i. Higher in power distance than non-managers;

ii. Lower in uncertainty avoidance than non-managers;
iii. Higher in individualism than non-managers;
iv. Higher in masculinity than non-managers;
v. Similar in long-term orientation to non-managers.

The results were not consistent with the findings of Hofstede (2001).

5.4 Comparison among different ethnic/linguistic groups

5.4.1 Frequency

Table 5.13
Frequency – Place of origin (by occupation categories)

<table>
<thead>
<tr>
<th>Job category</th>
<th>No post job</th>
<th>Generally trained office workers or sales</th>
<th>Vocationalally trained technician, engineer, technical</th>
<th>Academically trained professional or executive (but not a manager)</th>
<th>Managers of one or more subordinates (non-managers)</th>
<th>Managers of one or more managers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Count</td>
<td>Count</td>
<td>Count</td>
<td>Count</td>
<td>Count</td>
</tr>
<tr>
<td>Hakka</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Hakka</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Cantonese</td>
<td>22</td>
<td>5</td>
<td>7</td>
<td>40</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Hakka</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>9</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Shanghais and those in nearby areas</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Northern part of China</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>16</td>
<td>16</td>
<td>60</td>
<td>66</td>
<td>66</td>
</tr>
</tbody>
</table>

Table 5.13 showed that the number of respondents for Cantonese and Chaochowese are above 20. For different linguistic groups, Hofstede (2001) contended that the minimum number of respondents required for each group is 20, as any sample less than 20 will have a high risk of sample bias. Hence, the results of linguistic groups should only be compared between Cantonese and Chaochowese. The results of other linguistic groups can only be used as a reference.
The frequency of these two linguistic groups was evenly spread among the three key occupational categories, i.e. managers, non-managers, professional workers and general office staff.

Table 5.14
Frequency – Place of origin (by Years of education)

<table>
<thead>
<tr>
<th>Years of formal education</th>
<th>Cantonese</th>
<th>English</th>
<th>Cantonese</th>
<th>English</th>
<th>Cantonese</th>
<th>English</th>
<th>Cantonese</th>
<th>English</th>
<th>Cantonese</th>
<th>English</th>
<th>Cantonese</th>
<th>English</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 years</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>8 years</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>10 years</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>12 years</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>14 years</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>16 years</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>18 years</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>20 years</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

In Table 5.14, both Cantonese and Chaochowese showed a relatively high educational level, as both had over 15 years of education. The other three minority groups, Hakka, Hokkien and Shanghaiese, had similar results.

5.4.2 Value Scores Analysis – VSM 94

Below table 5.15 showed the summary of value scores for different linguistic groups:-
Table 5.15
Value scores for different linguistic groups

<table>
<thead>
<tr>
<th>Dimensions/ Linguistic groups</th>
<th>PDI</th>
<th>UAI</th>
<th>IDV</th>
<th>MAS</th>
<th>LTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hakka (n=12)</td>
<td>54 (52)</td>
<td>36 (45)</td>
<td>90 (77)</td>
<td>-14 (-9)</td>
<td>56</td>
</tr>
<tr>
<td>Hokkien (n=11)</td>
<td>46 (34)</td>
<td>63 (77)</td>
<td>77 (57)</td>
<td>64 (76)</td>
<td>56</td>
</tr>
<tr>
<td>Cantonese (n=128)</td>
<td>38 (43)</td>
<td>63 (68)</td>
<td>74 (65)</td>
<td>21 (22)</td>
<td>48</td>
</tr>
<tr>
<td>Chaochow (n=24)</td>
<td>27 (31)</td>
<td>65 (71)</td>
<td>66 (56)</td>
<td>2 (4)</td>
<td>44</td>
</tr>
<tr>
<td>Shanghaiese (n=13)</td>
<td>45 (44)</td>
<td>83 (92)</td>
<td>79 (66)</td>
<td>72 (77)</td>
<td>35</td>
</tr>
<tr>
<td>Northern Chinese (n=3)</td>
<td>80 (77)</td>
<td>69 (80)</td>
<td>73 (58)</td>
<td>6 (13)</td>
<td>40</td>
</tr>
<tr>
<td>Total (n=191)</td>
<td>39 (42)</td>
<td>63 (69)</td>
<td>74 (64)</td>
<td>22 (24)</td>
<td>47</td>
</tr>
</tbody>
</table>

Scores in first row are adjusted with educational level per Bosland (1985) and scores in brackets in second row are raw scores

**Power Distance (PDI)** – the value score index for Cantonese was 38 (n=128) and the value score index for Chaochowese was 27 (n=24). It appears that the Cantonese have a preference for higher power distance than Chaochowese. Hence, H3a “There is no significant difference in power distance among ethnic groups in Hong Kong” is rejected. Further study of the result showed that Cantonese and Chaochowese are comparatively lower in power distance than other linguistic groups.

**Uncertainty Avoidance (UAI)** – the value score index for Cantonese was 63 (n=128), and the value score index for Chaochowese was 65 (n=24). Both scores
are extremely similar and the difference is not obvious. Hence, H3b “There is no significant difference in uncertainty avoidance among ethnic groups in Hong Kong” is accepted.

**Individualism vs. Collectivism (IDV)** – among all linguistic groups, the highest individualism index was Hakka (a score of 90 and n=12), which is well supported by the self-reliance and independence assertion of Davis (2005). On the other hand, both Cantonese and Chaochowese were comparatively low in individualism among these linguistic groups, and this result is well supported by the findings regarding Cantonese culture in Ng & Ingram (1983) and Seligman S.D. (1999). The value score index for Cantonese was 74 (n=128), and the value score index for Chaochowese was 66 (n=24). It appears that the Cantonese have a preference for higher individualism than the Chaochowese. Hence, H3c “There is no significant difference in individualism among ethnic groups in Hong Kong.” is rejected.

**Masculinity vs. Femininity (MAS)** – among all linguistic groups, the lowest masculinity index was Hakka (a score of -14 and n=12), which is well supported by the gender equality assertion of Davis (2005). The highest masculinity index was Shanghaiese (a score of 72 and n=13), which is well supported by the assertion of Wang & Wong (1997, p.259) that ‘Shanghaiese in Hong Kong gave up the hope of returning home, thus more self-reliant and more determined to succeed’. The value score index for Cantonese was 21 (n=128), and the value score index for Chaochowese was 2 (n=24). The results show that Cantonese are more concerned with achievement and success than the Chaochowese. Hence, H3d “There is no significant difference in masculinity among ethnic groups in Hong Kong” is rejected.
**Long-term orientation vs. short-term orientation (LTO)** – the highest index was 56 from both Hakka \((n=12)\) and Hokkien \((n=11)\), a result that is well supported by Davis (2005), confirming that Hakka people are well known by their hardworking and perseverance. The value score index for Cantonese was 48 \((n=128)\), and the value score index for Chaochowese was 44 \((n=24)\). Both scores are extremely close and the difference is not obvious. Hence, H3e “There is no significant difference in long-term orientation among ethnic groups in Hong Kong” is accepted.

5.4.3 Summary

Based on this research analysis, linguistic group culture exists in Hong Kong between the two largest sample groups, i.e. Cantonese and Chaochowese, as follows:-

i. Cantonese have higher power distance than the Chaochowese;

ii. Both Cantonese and Chaochowese are similar in uncertainty avoidance;

iii. Cantonese have higher individualism than Chaochowese;

iv. Cantonese have higher masculinity than Chaochowese;

v. Both Cantonese and Chaochowese are similar in long-term orientation.

5.5 Cross-border commuters and non Cross-border commuters

The number of Hong Kong people commuting to work in China has increased
steadily since China’s economic reform in the early 1980s; the below findings report
the possible cultural change of cross-border commuters versus non-commuters who
only work in Hong Kong.

5.5.1 Frequency

Table 5.16
Frequencies – Commute to Guangdong Province (by Gender)

<table>
<thead>
<tr>
<th>gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>commute to work in Guangdong province</td>
<td>32</td>
<td>13</td>
</tr>
<tr>
<td>commute to work in Guangdong province</td>
<td>51</td>
<td>87</td>
</tr>
<tr>
<td>Total</td>
<td>83</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 5.16 showed a disparity in the gender of commuters and non-commuters. More men than women respondents travel to Guangdong Province, whereas more women than men respondents work in Hong Kong.

Table 5.17
Frequency – Commute to Guangdong Province (by occupational categories)

<table>
<thead>
<tr>
<th>job category</th>
<th>No paid job (includes full-time students)</th>
<th>Generally trained office worker or secretary</th>
<th>Vocationally trained craftsperson, technician, informatician</th>
<th>Academically trained professional or equivalent (but not a m)</th>
<th>Manager of one or more subordinates (non-managers)</th>
<th>Manager of one or more managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>commute to work in Guangdong province</td>
<td>Commute to work in Guangdong province</td>
<td>Commute to work in Guangdong province</td>
<td>Commute to work in Guangdong province</td>
<td>Commute to work in Guangdong province</td>
<td>Commute to work in Guangdong province</td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>Count</td>
<td>Count</td>
<td>Count</td>
<td>Count</td>
<td>Count</td>
<td>Count</td>
</tr>
<tr>
<td>Yes</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>12</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>25</td>
<td>5</td>
<td>13</td>
<td>49</td>
<td>43</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
<td>31</td>
<td>9</td>
<td>16</td>
<td>61</td>
<td>66</td>
</tr>
</tbody>
</table>
Table 5.17 showed that managers commute more frequently than non-managers and other professional workers; managerial groups accounted for 73% of the total cross-border commuters in this sample. Out of the managerial groups, managers of one or more manager accounted for 48% of total cross-border commuters, which represented a high percentage of senior executives in this sample.

Table 5.18
Frequency – Commute to Guangdong Province (by years of education)

<table>
<thead>
<tr>
<th>Years of formal school education</th>
<th>Commute to work in Guangdong province</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
</tr>
<tr>
<td>10 years or less</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
</tr>
</tbody>
</table>

Overall, table 5.18 showed that commuters working in Guangdong province tended to have a higher formal school education (the average was above 15 years).

5.5.2 Value Scores Analysis – VSM 94

Table 5.19 showed the summary of value scores for both cross-border commuters and non cross-border commuters:

Table 5.19
Value scores for cross-border commuters and non cross-border commuters

<table>
<thead>
<tr>
<th>Dimensions/Commuters</th>
<th>PDI</th>
<th>UAI</th>
<th>IDV</th>
<th>MAS</th>
<th>LTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes (n=51)</td>
<td>36 (37)</td>
<td>44 (51)</td>
<td>77 (66)</td>
<td>30 (33)</td>
<td>53</td>
</tr>
<tr>
<td>No (n=141)</td>
<td>42 (44)</td>
<td>69 (75)</td>
<td>73 (63)</td>
<td>18 (20)</td>
<td>45</td>
</tr>
<tr>
<td>Total (n=192)</td>
<td>40 (42)</td>
<td>63 (69)</td>
<td>74 (64)</td>
<td>22 (24)</td>
<td>47</td>
</tr>
</tbody>
</table>

Scores without brackets are adjusted with educational level per Bosland (1985) and scores with brackets are raw scores
Power Distance (PDI) – both commuters and non-commuters showed extremely close value score indexes (a score of 36 vs. 42) and this result was in line with the GLOBE project reported in Fu et al. (2004). Hong Kong managers and mainland Chinese managers have similar high power distance (Fu et al., 2004). Selmer et al. (2003) also found that Hong Kong managers working in China adopted a high power distance working style. Thus, the impact of China was insignificant to cross-border commuters in terms of power distance. Hence, H4a “The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in power distance as compared with those working in Hong Kong” is accepted.

Uncertainty Avoidance (UAI) – The value score index of commuters is 44, which is significantly lower than non-commuters’ score of 69. Commuters are lower in uncertainty avoidance than non-commuters. Cross-border commuters are willing to take greater risks than non-commuters. As 48% respondents were senior executives, including entrepreneurs, this result is not surprising. Hence, H4b “The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in uncertainty avoidance as compared with those working in Hong Kong” is rejected. This result is further supported by the GLOBE project in Fu et al. (2004), which showed that Hong Kong managers have a higher level of tolerance for uncertainty than mainland Chinese managers.

Individualism vs. Collectivism (IDV) – both commuters and non-commuters
showed extremely similar high indexes (respective scores of 77 vs. 73). Hence, H4c “The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in individualism as compared with those working in Hong Kong” is accepted. The result shows that China’s impact does not influence change in the high individualism of commuters. This result is supported by Selmer et al. (2003), implying that most Hong Kong expatriate managers working in China do not participate in social functions with local staff. This result is also supported by the GLOBE project in Fu et al. (2004), which showed that Hong Kong managers have a lower level of collectivism than mainland Chinese managers.

**Masculinity vs. Femininity (MAS)** – Commuters have higher masculinity than non-commuters (respective scores of 30 vs. 18). Hence, H4d “The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in masculinity as compared with those working in Hong Kong” is rejected. The result of this study is supported by the GLOBE project in Fu et al. (2004), which showed that Hong Kong managers have a higher work commitment, assertiveness and achievement than mainland Chinese managers. This result is further supported by Selmer et al. (2003) that Hong Kong expatriate managers working in China continue to adopt Hong Kong work practices despite frustration, which reflected the high assertiveness of Hong Kong cross-border commuters working in China.

**Long-term orientation vs. Short-term orientation (LTO)** – commuters showed a slightly higher long-term orientation than non-commuters (respective scores of 53 vs.
45). Hence, H4e “The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in long-term orientation as compared with those working in Hong Kong” is rejected. In Hofstede (2001, p. 356), China ranked first in this dimension and Hong Kong ranked second. The result of cultural change in this dimension proved that China’s influence exists regarding cross-border commuters.

5.5.3 Summary

Based on these findings, Hong Kong cross-border commuters are similar in high power distance and high individualism to those working in Hong Kong. However, they have lower uncertainty avoidance, higher masculinity and higher long-term orientation. These significant findings prove the existence of cultural change due to China’s influence. With reference to the GLOBE project reported in Fu et al. (2004), the lower uncertainty avoidance and higher masculinity of Hong Kong cross-border commuters contradicts the influence of China’s impact regarding leadership and managerial styles. In terms of the working environment in China, they are more likely to maintain Hong Kong work practices and are unwilling to adjust to the local environment (Selmer et al., 2003). The higher long-term orientation of cross-border commuters was the result of the positive influence of China according to the result of Hofstede’s IBM study.

On the whole, findings showed that cultural change, both in terms of convergence and divergence, occurs regarding cross-border commuters working in Guangdong province.
5.6 Chapter Conclusion

The findings of this study are summarized in Table 5.20 below.

Table 5.20
Result of Hypothesis Testing

<table>
<thead>
<tr>
<th>Research Question No.</th>
<th>Hypothesis No.</th>
<th>Description of hypothesis setting</th>
<th>Hypothesis Accepted or Rejected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>H1&lt;sub&gt;a&lt;/sub&gt;</td>
<td>There is no significant difference in power distance in Hong Kong managers as compared to two decades ago.</td>
<td>Accepted</td>
</tr>
<tr>
<td>1</td>
<td>H1&lt;sub&gt;b&lt;/sub&gt;</td>
<td>There is no significant difference in individualism in Hong Kong managers as compared to two decades ago.</td>
<td>Accepted</td>
</tr>
<tr>
<td>1</td>
<td>H1&lt;sub&gt;c&lt;/sub&gt;</td>
<td>There is no significant difference in uncertainty avoidance in Hong Kong managers as compared to two decades ago.</td>
<td>Rejected</td>
</tr>
<tr>
<td>1</td>
<td>H1&lt;sub&gt;d&lt;/sub&gt;</td>
<td>There is no significant difference in masculinity in Hong Kong managers as compared to two decades ago.</td>
<td>Rejected</td>
</tr>
<tr>
<td>2</td>
<td>H2&lt;sub&gt;a&lt;/sub&gt;</td>
<td>There is no significant difference in power distance among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
<td>Rejected</td>
</tr>
<tr>
<td>2</td>
<td>H2&lt;sub&gt;b&lt;/sub&gt;</td>
<td>There is no significant difference in uncertainty avoidance among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
<td>Rejected</td>
</tr>
<tr>
<td>2</td>
<td>H2&lt;sub&gt;c&lt;/sub&gt;</td>
<td>There is no significant difference in individualism among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>There is no significant difference in masculinity among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
<td>Rejected</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>2</td>
<td>H2d</td>
<td>There is no significant difference in long-term orientation among occupational groups within the Hong Kong working population in the commercial and industrial sectors.</td>
<td>Accepted</td>
</tr>
<tr>
<td>2</td>
<td>H2e</td>
<td>There is no significant difference in masculinity among ethnic groups in Hong Kong.</td>
<td>Rejected</td>
</tr>
<tr>
<td>3</td>
<td>H3a</td>
<td>There is no significant difference in power distance among ethnic groups in Hong Kong.</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>H3b</td>
<td>There is no significant difference in uncertainty avoidance among ethnic groups in Hong Kong.</td>
<td>Accepted</td>
</tr>
<tr>
<td>3</td>
<td>H3c</td>
<td>There is no significant difference in individualism among ethnic groups in Hong Kong.</td>
<td>Rejected</td>
</tr>
<tr>
<td>3</td>
<td>H3d</td>
<td>There is no significant difference in masculinity among ethnic groups in Hong Kong.</td>
<td>Rejected</td>
</tr>
<tr>
<td>3</td>
<td>H3e</td>
<td>There is no significant difference in long-term orientation among ethnic groups in Hong Kong.</td>
<td>Accepted</td>
</tr>
<tr>
<td>4</td>
<td>H4a</td>
<td>The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in power distance as compared with those working in Hong Kong.</td>
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</tr>
<tr>
<td>4</td>
<td>H4b</td>
<td>The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in uncertainty avoidance as compared with those working in Hong Kong.</td>
<td>Rejected</td>
</tr>
<tr>
<td>4</td>
<td>H4c</td>
<td>The Hong Kong working population in the commercial and industrial sectors that</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
commutes to work in Guangdong province have no significant difference in individualism as compared with those working in Hong Kong.

<table>
<thead>
<tr>
<th>4</th>
<th>H4d</th>
<th>The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in masculinity as compared with those working in Hong Kong.</th>
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</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>H4e</td>
<td>The Hong Kong working population in the commercial and industrial sectors that commutes to work in Guangdong province have no significant difference in long-term orientation as compared with those working in Hong Kong.</td>
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</tr>
</tbody>
</table>
CHAPTER 6
SUMMARY AND CONCLUSION

6.1 Introduction

In recent decades, there has been a lack of focus regarding changes in cultural values among the Hong Kong working population. The results of Lai and Lam (1982, cited in Huo & Randall, 1991) showed clear diversity of Hong Kong managers’ culture. This research was prompted by the lack of literature related to the shift in cultural values in the Hong Kong working population. Due to the crises and rapid changes that Hong Kong has undergone in recent decades, namely the Asian Financial crisis, the fall of property prices, the return of Hong Kong to China in 1997, the outbreak of Severe Acute Respiratory Syndrome (SARS) in early 2003 and the rapid growth of the Chinese economy in recent years, there is an urgent need to reflect and examine the key cultural changes in the working population.

The results reported in this study highlight certain key changes, such as a much higher level of masculinity among Hong Kong managers in the private sector and lower uncertainty avoidance of Hong Kong cross-border commuters. These are significant findings that could have major implications for human resource planning, training, career development, rewards systems, leadership and economic integration with China. The results also highlight the need to monitor closely the key factors that may drive the change of cultural values in the next decade in Hong Kong. With the rapid economic growth of the Chinese economy and the dependence of the Hong Kong economy on China, the integration of the knowledge economy and cultural
agility could be Hong Kong’s biggest asset.

The literature review highlighted the following research gaps:

i. Since Hofstede’s study in 1980 and Lai and Lam’s study in 1982, there has been a lack of studies addressing the cultural shift of the Hong Kong working population;

ii. There was a lack of understanding of the influence of occupational groups towards value or cultural change;

iii. The influence of cultural diversity among different ethnic and linguistic groups in Hong Kong was not well understood;

iv. The shift in cultural values between those who regularly commute to Guangdong Province and those who only work in Hong Kong was not examined.

Hence, specific research questions were formulated in the above four areas:

i. Will there be any cultural change among Hong Kong business managers as compared with those two to three decades ago?

ii. Will there be any cultural difference among occupational groups of the Hong Kong working population in the commercial and industrial sectors?

iii. Will there be any cultural variation among ethnic sub-culture groups of the Hong Kong working population in the commercial and industrial sectors, including Hakka, Hokkien, Cantonese, Chaochowese, Shanghaiese and Northern Chinese?
iv. Will there be any cultural variation between the Hong Kong working population in the commercial and industrial sectors that are commuting regularly to Guangdong Province as compared with those working in Hong Kong?

It is the intention of this study to focus on the working population in the private sector in Hong Kong, i.e. the commercial and industrial sectors. This study excluded government employees because the main economic activities were driven primarily by the private sector in Hong Kong and any cultural integration or cultural change should begin with the private sector. A questionnaire survey based on Hofstede’s (1980) cultural dimensions was used in this study. The online directory of the Hong Kong Trade Development Council (HKTDC) was selected as a sampling frame. Two thousand potential respondents within the HKTDC online database were selected on a pro-rata basis from 42 industrial categories (see Appendix 2). The data collection period commenced in late December, 2005 and ended in early March, 2006; 205 respondents returned their questionnaires by post, which represents a 10.25% response rate. Data cleaning and analysis were performed using both SPSS software and Hofstede’s value score index.

The research findings showed the following, based on a value score analysis:

i. The sample in this study showed that Hong Kong managers over the past two to three decades have:

   ○ a similar level of high power distance as compared with Hofstede’s (1980), Lai and Lam’s (1982) and Lowe’s (1996) studies;
o a higher level of uncertainty avoidance and individualism as compared with Hofstede’s (1980) and Lowe’s (1996) IBM studies;
o a much higher level of masculinity as compared with Lai and Lam’s (1982) study.

ii. All dimensions, except long-term orientation, showed significant score differences between the two key occupational groups, i.e. managers and non-managers;

iii. Scores between the two largest ethnic groups, i.e. Cantonese and Chaochowese, were very similar in uncertainty avoidance and long-term orientation. The Cantonese had a higher power distance, individualism and masculinity dimension than the Chaochowese;

iv. Commuters in the private sector who travel regularly to Guangdong province had lower uncertainty avoidance, higher masculinity and slightly higher long-term orientation than those who work in Hong Kong.

6.2 Discussion of Research Findings

Sections below summarize the discussion of research findings for four research questions:-

6.2.1 Hong Kong managers in the private sector

The stability of the high power distance index over the past few decades is well supported by the assertion of Hofstede (2001) and Triandis (2004) that cultural change would be very slow. The findings of Hofstede (1980) showed that high power distance is a typical national cultural phenomenon in the East. Fan (2000)
also asserted that Chinese culture such as high power distance is comparatively stable over time due to its long history. The results of this longitudinal analysis further supported Fan’s assertion.

The higher level of uncertainty avoidance and individualism as compared with Hofstede’s (1980) and Lowe’s (1996) IBM studies can be explained by the adoption of different samples in different studies (McSweeney, 2002a, 2002b; Myers & Tan, 2002; Baskerville, 2003; Hofstede, 2003).

A much higher level of masculinity as compared with Lai and Lam’s (1982) study could be the result of the Western influence. High masculinity is a typical national cultural phenomenon in the West (Hofstede, 1980), and the culture of Hong Kong is very much influenced by Western societies (Lok & Crawford, 2004; Lo, 2005); continuous international exposure in recent decades has led to the higher masculinity of today’s Hong Kong managers.

6.2.2 Occupational groups

The similarity in long-term orientation indexes of managers and non-managers further proves the validity and reliability of this Chinese culture (Hofstede and Bond, 1988). For the remaining four cultural dimensions, the significant score differences between managers and non-managers proves the assertions regarding occupational group culture made by Trice and Beyers (1993), Schein (1996), Hansen and Kahnweiler (1997) and Hofstede (2001).
6.2.3 Linguistic group culture - Cantonese and Chaochowese

The Cantonese have higher power distance, higher individualism and higher masculinity than the Chaochowese. The result of this significant finding was extremely exploratory, due to the fact that such cultural differences are yet to be investigated in future studies.

6.2.4 Cross-border commuters working in China

Commuters have lower uncertainty avoidance, higher masculinity and slightly higher long-term orientation. The results were consistent with the existing phenomena that Hong Kong managers in China are: i) more willing to take risks in running the business; ii) more concerned with success and achievement. The results explained the critical success factors of Hong Kong entrepreneurs’ successful experience in China and also supported the assertion of Selmer et al. (2003) that cultural adjustment of Hong Kong expatriates working in China is difficult.

6.3 Contributions of this study

There has been quite a lot of cross-cultural research in recent decades; however, there is a lack of information regarding changes in the cultural mix in the Hong Kong private sector. With the rapid economic growth in China and several important events affecting Hong Kong in the past few decades, the reporting of key cultural change in the Hong Kong private sector is critical for future economic
growth in Hong Kong, as well as continued economic integration with China. Contributions of these research findings are highlighted in the following three major areas:

6.3.1 Economic Integration between Hong Kong and China

The research findings of both Newman et al. (1996) and Gomez & Werner (2004) stated that financial performance can be improved when management practices are congruent with the national culture of the host country. However, the results of this study showed that the adjustment of Hong Kong cross-border managers to the culture of China is impossible, and these findings were consistent with the research result of Selmer et al. (2003) that the cultural adjustment of Hong Kong expatriates working in Shanghai or Beijing is difficult. On the other hand, the investment amount from Hong Kong to China and the number of Hong Kong people working in China have been increasing steadily in recent decades. This represents the importance of Hong Kong in contributing to the economic growth of China. This contradictory phenomenon leads to a second question as to whether cultural adjustment is really necessary.

Changes in the cultural values of the Hong Kong working population signify their flexibility regarding globalisation. This could be the core value and biggest asset of Hong Kong people, as economic integration between Hong Kong and China provides a valuable opportunity for Hong Kong people to demonstrate their core values while working in China. This study contended that successful knowledge and experience transfer with mainland Chinese managers in terms of leadership style
and management practices is far more important than the cultural adjustment of Hong Kong people working in China. This assertion is well supported by Myloni, Harzing & Mirza (2004) that foreign firms are an important vehicle for knowledge transfer between countries.

6.3.2 Leadership style

Dorfman & Howell (1988 and Puffer, 1993, both cited in Newman & Nollen, 1996) stated that leadership styles differ according to national culture. A few recent studies also showed a significant relationship between national culture and leadership style (Li, Fu, Chow & Peng, 2002; Littrell, 2002; Fu et al., 2004; House et al., 2004; Byrne & Bradley, 2006). Yousef (1998) reported in his research findings that national culture strongly influences individuals’ leadership style. In the GLOBE study, within the six leadership dimensions, Narcissistic leadership, Participative leadership, Humane leadership and Autonomous leadership all vary according to culture (Littrell, 2002). All these findings proved the influence of culture in relation to leadership and leadership style.

This study provided rich and valuable information about changes in the cultural mix of the Hong Kong working population in the private sector. The findings can be used as basic information for further research of Hong Kong executives’ leadership styles in relation to their new cultural mix. There is a particular need to understand:

i. Whether and how Hong Kong managers’ higher level of masculinity as
compared with Lai and Lam’s (1982) study shapes their leadership style;

ii. Will there be any significant difference in leadership style between Cantonese and Chaochowese managers?

iii. In view of the cultural difference of commuters working in China, will there be any difference in their leadership style as compared with those only working in Hong Kong?

6.3.3 Human Resources Management

There is rich literature emerging in recent decades indicating the influence of national culture on human resources management practices (Verburg, Drenth, Koopman, Van Muijen & Wang, 1999; Ferner, Quintanilla & Varul, 2001; Budhwar & Sparrow, 2002; Rowley & Benson, 2002; Leung & Kwong, 2003). Specific national culture-related HRM topics include compensation practices (Schuler & Rogovsky, 1998), performance management (Mendonca & Kanungo, 1996; Shih, Chiang & Kim, 2005), human resources planning (Kessapidou & Varsakelis, 2003) and rewards systems (Chiang, 2005).

The findings of Kessapidou & Varsakelis (2003) showed that the shorter national culture distance is between a foreign firm's home country and the host country, the higher the chance an expatriate managing director is employed. Due to the comparatively small national culture gap between mainland Chinese and Hong Kong people, Kessapidou & Varsakelis’s (2003) findings may explain why the number of Hong Kong people working in China has been steadily increasing in the past few decades.
The results of this study suggest further implications for HRM practices in Hong Kong and China. The higher masculinity of Hong Kong managers enhances the attractiveness of Hong Kong as a place for foreign investment as well as the door to China. The stronger entrepreneurial spirit of Hong Kong cross-border commuters also represents the volume of successful business and management talents. The higher long-term orientation of cross-border commuters and changes in the cultural mix of the Hong Kong working population in the private sector represent the flexibility of this pool of talent. Cultural differences between the Cantonese and Chaochowese also provided additional reference for human resource planning in the region. Based on the preliminary findings of this study, further research of HRM practices in relation to changes in the cultural mix of a region is feasible.

6.4 Research Limitations and Recommendation for future cultural studies

The research has several limitations. These are as follows:

i. The total number of respondents was 205, mainly from the executive staff. This sample is a small percentage of the total number of executive staff (312,700 in the private commercial sector). The total working population in the commercial and industrial sectors was 3,271,781 (Census and Statistics Department, 2006). Hence, the results may not accurately reflect the real situation. However, one can view these findings as a pilot and further studies with a greater sample can be done to follow up the results revealed in this study.
ii. The sample covered the working population in a wide range of industries, hence, the result cannot be applied to a specific industry, a specific industrial category or different business contexts. Future studies may consider only covering those major industrial categories in Hong Kong such as i) Garment, Textiles & Accessories or ii) Electronics & Electricals (see Appendix 2).

iii. This study only examined the working population in the commercial and industrial sectors (that is, excluding the government sector). Future studies may consider including the public sector or a specific study in the public sector.

iv. The sample size of a few linguistic groups was too small, hence the results for these groups were not reliable. Future studies may consider adopting a different database that can provide a larger sample size for analytical purposes.

v. The preliminary findings regarding the Cantonese and Chaochowese provided valuable information for further study. There is a lack of research to further explain the reasons for cultural differences between these two linguistic groups. Research methodology using triangulation is recommended for further research so as to enhance both the validity and reliability of the study.

vi. As this study is based on the five dimensions instrument used by Hofstede, other areas of cultural or value shifts were not examined. Future studies may consider applying other representative dimensions such as those recently used in the GLOBE projects.
Although the results in this study revealed the shift of values and cultural dimensions in the past two decades in the Hong Kong private sector, the factors causing these changes are generally unknown. There are many points with which researchers can hypothesise the above changes, and future studies can investigate and confirm the factors causing these changes.

### 6.5 Conclusion

In conclusion, the findings of this study had significant implications for various economic, business and management disciplines. The much higher masculinity of Hong Kong managers in the private sector as compared with those from over two decades ago proved that a strong Western influence exists in Hong Kong. Hong Kong managers nowadays are more Westernised than those from over two decades ago. On the other hand, the strong economic growth in China attracts a huge influx of investment as well as human capital from Hong Kong. This specific group of cross-border commuters in the southern part of China show the distinctive attributes of entrepreneurs, as they are more willing to take risks and to tolerate the greater ambiguity in China. They also have a very strong commitment to achieving business and management success in China. The high production costs in Hong Kong blocked them from moving their production base back to Hong Kong. Thus, due to the relatively narrow cultural gap between Hong Kong people and mainland Chinese, successful investment in China is the only alternative. Cultural differences between managers and non-managers proved the existence of an occupational culture.
Cultural difference between the Cantonese and Chaochowese also provided a basis for further ethnic group study in Hong Kong.

In general, the continuous economic growth in China depends on the future development of the knowledge economy of China. On the other hand, successful knowledge transfer from Hong Kong to China very much depends on how well Hong Kong people can sustain their own cultural values. This study provided a positive result that the core cultural values of Hong Kong people will continue to prevail in the foreseeable future.
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Ng, S.Y. and Ingram, S.C. (1989), *Chinese Culture in Hong Kong*, Hong Kong: Asia 2000 Ltd.


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Appendix 1

Questions listing
Dimension 1 – Power Distance (PDI)

| Q. 3 | have a good working relationship with your direct superior |
| Q. 6 | be consulted by your direct superior in his/her decisions |
| Q.15 | type of managers you would prefer to work under |
| Q.16 | type of managers your own superior most closely corresponds |
| Q.19 | frequency of subordinates afraid to express disagreement with their superiors |
| Q.22 | an organization structure in which certain subordinates have two bosses should be avoided at all costs |

Dimension 2 – Individualism (IDV)

| Q.1 | have sufficient time for your personal or family life |
| Q.2 | have good physical working conditions (good ventilation and lighting, adequate work space, etc.) |
| Q.4 | have security of employment |
| Q.8 | have an element of variety and adventure in the job |
| Q.10 | live in an area desirable to you and your family |

Dimension 3 – Masculinity (MAS)

| Q.5 | work with people who cooperate well with one another |
| Q.7 | have an opportunity for advancement to higher level jobs |
| Q.9 | have an opportunity for high earnings |
| Q.20 | most people can be trusted |
| Q.25 | when people have failed in life, it is often their own fault |

Dimension 4 – Uncertainty Avoidance (UAI)

| Q.17 | how long do you think you will continue working for the organization or company you work for now |
| Q.18 | how often do you feel nervous or tense at work |
| Q.21 | one can be a good manager without having precise answers to most questions that subordinates may raise about their work |
| Q.23 | competition between employees usually does more harm than good |
| Q.24 | a company’s or organization’s rules should not be broken – not even when the employee thinks it is in the company’s best interest |
Dimension 5 – Long-term Orientation (LTO)

<table>
<thead>
<tr>
<th>Q.11</th>
<th>personal steadiness and stability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q.12</td>
<td>thrift</td>
</tr>
<tr>
<td>Q.13</td>
<td>persistence (perseverance)</td>
</tr>
<tr>
<td>Q.14</td>
<td>respect for tradition</td>
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</table>

Demographic questions

<table>
<thead>
<tr>
<th>Q.26</th>
<th>gender</th>
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<tr>
<td>Q.27</td>
<td>age</td>
</tr>
<tr>
<td>Q.28</td>
<td>years of education</td>
</tr>
<tr>
<td>Q.29</td>
<td>job categories</td>
</tr>
<tr>
<td>Q.30</td>
<td>nationality</td>
</tr>
<tr>
<td>Q.31</td>
<td>place of birth</td>
</tr>
<tr>
<td>Q.32</td>
<td>place of origin</td>
</tr>
<tr>
<td>Q.33</td>
<td>commute to work in Guangdong Province</td>
</tr>
<tr>
<td>Q.34</td>
<td>size of the company</td>
</tr>
</tbody>
</table>
Appendix 2

Sample Size and Industrial Categories
<table>
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<tr>
<th>Industrial Category</th>
<th>Total in Database</th>
<th>Percent</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
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<td>Agricultural Products, Livestock &amp; Poultry</td>
<td>886</td>
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<td>Ammunition &amp; Weapons</td>
<td>18</td>
<td>0.01%</td>
<td>0</td>
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<td>Baby Products</td>
<td>1,610</td>
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</tr>
<tr>
<td>Chemicals (incl. Plastic Materials)</td>
<td>3,322</td>
<td>1.92%</td>
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<td>Communications &amp; Media Services</td>
<td>3,597</td>
<td>2.07%</td>
<td>41</td>
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<td>Design Services</td>
<td>3,586</td>
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<td>Digital Entertainment</td>
<td>7,502</td>
<td>4.32%</td>
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<td>Education &amp; Training</td>
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<td>Electronics &amp; Electricals</td>
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<td>10.25%</td>
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<td>553</td>
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<td>Event Organization</td>
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<td>Film</td>
<td>1,185</td>
<td>0.68%</td>
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<td>Financial Services</td>
<td>1,284</td>
<td>0.74%</td>
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<td>Food &amp; Beverage</td>
<td>3,127</td>
<td>1.80%</td>
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<td>Footwear</td>
<td>2,015</td>
<td>1.16%</td>
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<td>Garment, Textiles &amp; Accessories</td>
<td>17,002</td>
<td>9.80%</td>
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<td>11,064</td>
<td>6.38%</td>
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<td>Hardware, Building Materials &amp; Facilities</td>
<td>5,880</td>
<td>3.39%</td>
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<td>Health &amp; Medical Care</td>
<td>5,531</td>
<td>3.19%</td>
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<td>Household &amp; Home Decoration Products</td>
<td>12,837</td>
<td>7.40%</td>
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<td>4,902</td>
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<td>Photographic &amp; Optical Equipment</td>
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<td>10</td>
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<td>Professional Services</td>
<td>5,429</td>
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<tr>
<td>Raw Materials</td>
<td>1,961</td>
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<td>Safety &amp; Security</td>
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<td>0.95%</td>
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<tr>
<td>Category</td>
<td>Quantity</td>
<td>Percentage</td>
<td>Quantity</td>
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<tr>
<td>------------------------------------------------------------------------</td>
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<tr>
<td>Sports Goods</td>
<td>3,480</td>
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<td>43</td>
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<td><strong>Total</strong></td>
<td><strong>173,470</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>2,000</strong></td>
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</table>
Appendix 3

Cover Letter
Dear Potential Participant,

I am Tse Chung Chi, a doctoral student in the Newcastle Graduate School of Business at the University of Newcastle, Australia, undertaking Doctor of Business Administration program. As part of my studies, I am conducting a research project titled ‘The change in cultural mix of Hong Kong working population - a 21st Century perspective’. You are invited to take part in this research project which examines the possible cultural diversity of Hong Kong executives and the values they hold in today’s Hong Kong society.

You are invited to participate in this research. If you consent to participate, this will involve:

- Complete an anonymous survey which will take approximately 5-10 minutes of your time.
- Return the survey to the researcher in the enclosed FREEPOST (no stamp is required) envelope. This will be taken as your informed consent to participate.

Name of participants and companies were obtained in a way of stratified and random sampling through the online Hong Kong directory of Hong Kong Trade Development Council at:

You are shown as the contact person in your company profile, information is only used for the purpose of this research, we will not further contact you or disclose any of your company information to anyone. Confidentiality, anonymity and privacy are fully observed.

Participation is entirely voluntary. You can withdraw at any time and there will be no disadvantage if you decide not to complete the survey. All information collected will be confidential. All information gathered from the survey will be stored securely and once the information has been analysed all questionnaires will be destroyed. At no time will any individual be identified in any reports resulting from this study.

If you have any concerns or would like to know the outcome of this project, please
contact my supervisor, Dr. Peter Lok, at the above address.

Thank you for your interest.

Yours faithfully,

*Dennis Tse*

Researcher
Appendix 4

Questionnaire
VALUES SURVEY MODULE QUESTIONNAIRE

Purpose: The aim of this study is to explore the possible cultural diversity of Hong Kong executives and the values they hold in today’s Hong Kong society.

Instructions: Please circle the appropriate response. It will only take you around 5-10 minutes to complete this questionnaire. This questionnaire is anonymous. That is, your name is not required. Please return this questionnaire to Mr. Tse Chung Chi in the FREEPOST envelope provided (stamp is not required).

Please think of an ideal job, disregarding your present job, if you have one. In choosing an ideal job, how important would it be to you to ... (please circle one answer in each line across):

1 = of utmost importance  
2 = very important  
3 = of moderate importance  
4 = of little importance  
5 = of very little or no importance

1. have sufficient time for your personal or family life  1 2 3 4 5

2. have good physical working conditions (good ventilation and lighting, adequate work space, etc.)  1 2 3 4 5

3. have a good working relationship with your direct superior  1 2 3 4 5

4. have security of employment  1 2 3 4 5

5. work with people who cooperate well with one another  1 2 3 4 5
6. be consulted by your direct superior in his/her decisions  
   [1 2 3 4 5]

7. have an opportunity for advancement to higher level jobs  
   [1 2 3 4 5]

8. have an element of variety and adventure in the job  
   [1 2 3 4 5]

9. have an opportunity for high earnings  
   [1 2 3 4 5]

10. live in an area desirable to you and your family  
    [1 2 3 4 5]

In your private life, how important is each of the following to you? (please circle one answer in each line across):

11. Personal steadiness and stability  
    [1 2 3 4 5]

12. Thrift  
    [1 2 3 4 5]

13. Persistence (perseverance)  
    [1 2 3 4 5]

14. Respect for tradition  
    [1 2 3 4 5]

The descriptions below apply to four different types of managers. Please read through these descriptions first.

Manager 1: Usually makes his/her decisions promptly and communicates them to his/her subordinates clearly and firmly. He/she expects them to carry out the decisions loyally and without raising difficulties.

Manager 2: Usually makes his/her decisions promptly, but, before going ahead, tries to explain them fully to his/her subordinates. He/she gives them the reasons for the decisions and answers whatever questions they may have.

Manager 3: Usually consults with his/her subordinates before he/she reaches his/her
decisions. He/she listens to their advice, considers it, and then announces his/her decision. He/she then expects all to work loyally to implement it whether or not it is in accordance with the advice they gave.

Manager 4: Usually calls a meeting of his/her subordinates when there is an important decision to be made. He/she puts the problem before the group and invites discussion. He/she accepts the majority viewpoint as the decision.

15. Now, of the above types of managers, please mark the one which you would prefer to work under (circle one answer only):
   1. Manager 1
   2. Manager 2
   3. Manager 3
   4. Manager 4

16. And, to which one of the above four types of managers would you say your own superior most closely corresponds?
   1. Manager 1
   2. Manager 2
   3. Manager 3
   4. Manager 4
   5. He/she does not correspond closely to any of them

17. How long do you think you will continue working for the organization or company you work for now?
   1. Two years at the most
   2. From two to five years
   3. More than five years (but I will probably leave before I retire)
   4. Until I retire.

18. How often do you feel nervous or tense at work?
   1. never
   2. seldom
   3. sometimes
   4. usually
   5. always
19. How frequently, in your experience, are subordinates afraid to express disagreement with their superiors?
   1. very seldom
   2. seldom
   3. sometimes
   4. frequently
   5. very frequently

To what extent do you agree or disagree with each of the following statements? (please circle one answer in each line across):

   1 = strongly agree
   2 = agree
   3 = undecided
   4 = disagree
   5 = strongly disagree

20. Most people can be trusted

21. One can be a good manager without having precise answers to most questions that subordinates may raise about their work

22. An organization structure in which certain subordinates have two bosses should be avoided at all costs

23. Competition between employees usually does more harm than good

24. A company's or organization's rules should not be broken - not even when the employee thinks it is in the company's
25. When people have failed in life
   it is often their own fault

Some information about yourself (for statistical purposes):

26. Are you:
   1. male          2. female

27. How old are you?
   1. Under 20
   2. 20-24
   3. 25-29
   4. 30-34
   5. 35-39
   6. 40-49
   7. 50-59
   8. 60 or over

28. How many years of formal school education (or their equivalent) did you
    complete (starting with primary school)?
   1. 10 years or less
   2. 11 years
   3. 12 years
   4. 13 years
   5. 14 years
   6. 15 years
   7. 16 years
   8. 17 years
   9. 18 years or over

29. If you have or have had a paid job, what kind of job is it / was it?
   1. No paid job (includes full-time students)
   2. Unskilled or semi-skilled manual worker
   3. Generally trained office worker or secretary
4. Vocationally trained craftsperson, technician, informatician, nurse, artist or equivalent
5. Academically trained professional or equivalent (but not a manager of people)
6. Manager of one or more subordinates (non-managers)
7. Manager of one or more managers

30. What is your nationality?
   1. Permanent Resident of Hong Kong Special Administrative Region
   2. People’s Republic of China (Mainland Chinese)

31. What was your nationality at birth (if different)?
   1. Hong Kong Special Administrative Region
   2. People’s Republic of China (Mainland Chinese)

32. What is your place of origin?
   1. Hakka
   2. Hokkien
   3. Cantonese
   4. Chaochow
   5. Shanghaiese and those in nearby area
   6. Northern part of China
   7. Western part of China

33. Do you currently commute daily or weekly to work in Guangdong Province?
   1. Yes
   2. No

34. What is the size of the company you are currently under employment?
   1. Small and Medium Enterprises**
   2. Large Enterprises

**manufacturing, < 100 employees; non-manufacturing, < 50 employees.

Thank you very much for your cooperation!
Appendix 5

VSM 94 formulas applicable to this study
<table>
<thead>
<tr>
<th>Variable</th>
<th>Formula</th>
<th>Notes</th>
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<td><strong>PDI</strong></td>
<td>$-35m(03) + 35m(06) + 25m(19) - 20m(22) - 20$</td>
<td>in which $m(03)$ is the mean score for question 03, etc.</td>
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<td><strong>IDV</strong></td>
<td>$-50m(01) + 30m(02) + 20m(04) - 25m(08) + 130$</td>
<td>in which $m(01)$ is the mean score for question 01, etc.</td>
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<td><strong>MAS</strong></td>
<td>$+60m(05) - 20m(07) + 20m(20) - 70m(25) + 100$</td>
<td>in which $m(05)$ is the mean score for question 05, etc.</td>
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<td><strong>UAI</strong></td>
<td>$+25m(18) + 20m(21) - 50m(23) - 15m(24) + 120$</td>
<td>in which $m(18)$ is the mean score for question 13, etc.</td>
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<td><strong>LTO</strong></td>
<td>$-20m(12) + 20m(14) + 40$</td>
<td>(revised version 1999) in which $m(11)$ is the mean score for question 11, etc. For the time being, question 11 and 13 were maintained for research purposes.</td>
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Appendix 6

Comparison of different VSM questionnaires
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<th>This study</th>
<th>VSM 94</th>
<th>VSM 82</th>
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Appendix 7

Value Survey Module – Questions/Dimensions Matrix
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<th>Individualism</th>
<th>Masculinity</th>
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<th>Long-term Orientation</th>
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* maintain for research purpose but not for LTO index calculation

** for research question 1 only - only use in old formula of Hofstede’s VSM 82 and only for the sake of longitudinal analysis.
Appendix 8

VSM 82 formulas applicable to this study
<table>
<thead>
<tr>
<th>Formula</th>
<th>Description</th>
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<tbody>
<tr>
<td>PDI</td>
<td>$(%\text{ mgr 1 or 2 in Q.16}) - (%\text{ mgr 3 in Q.15}) + 25\ m(19) - 15$</td>
</tr>
<tr>
<td>IDV</td>
<td>$-43\ m(01) + 76\ m(02) + 30\ m(05) - 27\ m(10) - 29$</td>
</tr>
<tr>
<td>MAS</td>
<td>$30\ m(04) + 60\ m(05) - 39\ m(07) - 66\ m(9) + 76$</td>
</tr>
<tr>
<td>UAI</td>
<td>$60 + 40\ m(18) - 30\ m(24) - (%\text{ answers 1 or 2 in Q.17})$</td>
</tr>
</tbody>
</table>

Note: $m(05)$ occurs both in the IDV and in the MAS formula. For $m(18)$ and $m(19)$, the formulas are based on the reversed numbering of the answers in the questionnaire.