

Culture Convergence of Manufacturing Managers in Mexico, Korea, Hong Kong, and USA

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Received: 15 February 2019, revised: 7 May 2019, accepted: 17 June 2019, published: 17 June 2019

ABSTRACT

This study evaluates cultural values of mid-level managers working in manufacturing firms located in four countries to attempt to detect purposeful movements towards cultural value convergence, if any. Using Hofstede's VSM94 questionnaire, the cultural values of managers and non-managers located in Mexico, Korea, Hong Kong, and the United States of America (USA) were calculated. These values were evaluated using T-tests, ANOVA, and Wilcoxon tests, and were graphed to illustrate the movement and convergence path of the cultural values. A trend toward convergence of cultural values among mid-level managers in four countries was detected. Survey design used mid-level manufacturing managers in four different countries. The study contributes to cross-cultural studies by triangulating results with non-managers and using large and small firms. This study suffers from common limitations encountered when using a questionnaire to gather data, including the sample sizes and respondents' demographics. Despite limitations, results add to this literature stream to assist future researchers in hypothesis development. The results indicate a purposeful shift in cultural values of manufacturing mid-level managers. Findings should encourage multinational firms to set up global Management Control Systems (MCS) for an efficient and effective use of resources. Samples from neglected locations were gathered, detecting convergence, suggesting that effective management may be independent from national culture, and thus be about developing best practices throughout the global organization.

Keywords: International Accounting; Cultural Values; Management Control Systems; Convergence; Hofstede; Culture Convergence.

JEL codes: M1, M14, M16, M48, M53, M54.

1. INTRODUCTION

The business world has become more global over the past few decades, but the breadth of this globalization is still under scrutiny (Rugman & Verbeke, 2004; Verbeke & Asmussen, 2016). Today's global managers face a more dynamic, complex, competitive, and uncertain environment than ever before. Challenges are presented by the cultural, political, economic, and legal aspects of multinational business environments (Thomas, 2008). However, cultural values are still considered uniquely important to global managers for several reasons. First, the political, economic, and legal characteristics of a country are a manifestation of culture (Thomas, 2008). Culture influences the way organizations operate, the goals people set in society, and the contributions people provide to behaviours and policies (Schwartz, 1992). Second, culture is mostly invisible (Thomas, 2008). The influence of culture is difficult to detect, so that managers often overlook it. Although culture may or may not be the most important influence on the practice of management, cultural aspects are often neglected by managers. Finally, the practice of management is largely dependent on interpersonal interactions. A distinct characteristic of global management is that these interactions occur among people with different cultural backgrounds. A global management perspective where management refers to what managers do, rather than what functions they serve, emphasizes the importance of interpersonal interactions across cultures (Thomas, 2008).

According to Taras, Steel & Kirkman (2012), the concept of culture used by most researchers is based on Hofstede's work (1980). Kirkman, Lowe & Gibson (2017) find that the Hofstede's cultural value dimensions continue to thrive in management research. Hofstede developed a commonly accepted terminology to identify and describe cultures. Culture became an important construct in that it indicates, in general, how a person behaves in a certain role or status, in a society, or how a person responds to a situation within that society (Harrison, 1993). The concept of "culture" cannot be expressed in a single, all-encompassing definition.¹ It has been defined as "the total way of life of a people; the social legacy the individual acquires from his (her) group; a way of thinking, feeling, and believing; a storehouse of pooled learning; learned behaviour ... Culture is to a human collectivity what personality is to an individual (Perera & Mathews, 1990, p. 221)."

Hofstede (2015) defines culture as "an evolved capacity for adaptation at group level" (p.548). He argues that management systems in the 21st Century will not be distinctively different from management systems in the 20th Century (Hofstede, 1999; 2001) and expects that the development of management theories will become more adapted to national culture systems in different parts of the world. The unique trait of management and management systems is that they are always about people (Dunk, 2001). Therefore, effective management might be dependent on cultural values (Harrison & McKinnon, 1999; Green, 2012; Leach-López, 2013). Hofstede's (1999) viewpoint is that management problems will remain the same over time, but managerial solutions will differ from country to country.² Because of differences in cultural values, Hofstede believes that organizations aspiring to be global must be cautious when applying the latest management fad (Hofstede, 1999).

Kirkman et al. (2017) contend that "Culture cannot be assumed to be static" (p. 20). In recent years, the theory and research on socioeconomic development have led to an expected *convergence* of cultural values because of modernization driven by overpowering political and economic forces (Carr & Pudelko, 2006; Munusamy, Valdez, Lo, Budde-Sung, Suarez & Doktor, 2009). Convergence of cultural values implies that the commonalities of business ideologies might be driving similarities in thought and value formation (Harpaz, 1990; Schwind & Peterson, 1985; Gentry & Sparks, 2012).

Hofstede (2001) argues that cultural change would be extremely slow and should be measured in terms of generations and centuries, not decades. He also argues that individual culture values which are developed in early childhood would not be changed throughout one's life (Hofstede, Neuijen, Ohayv & Sanders, 1990). The current study investigates whether cultural values of mid-level managers in manufacturing firms might be evolving towards adaptation of a more global cultural value in multinational corporations. Using Hofstede's measurement, the cultural values of samples obtained in four countries are compared to the cultural values reported by Hofstede (2001). If cultural change is extremely slow, as argued by Hofstede (2001), then no movement of the cultural values of the countries sampled would be observed.

In this study, we detect movement of cultural values among mid-level managers in four different countries. A surprising find was the way in which societies handle the problem of accepting hierarchical order and human inequalities (*Power Distance* as labelled by Hofstede, 1980). Power Distance shows signs of convergence, regardless of education and country. In addition, we find that the cultural values in Mexico, the Republic of Korea, and Hong Kong are closer to those of the United States of America (USA).

This paper is organized as follows. Section two explains the selection of the four countries sampled. Section three includes a review of relevant literature. Sections four and five include the research question and the research study design. Data analysis is presented in section six. Research implications of this study's results related to management control systems are presented in section seven. The conclusion and limitations are included in the last section.

¹ The definition of culture can be unclear. For example, Anthropologists Kroeber & Kluckhohn (1952) identified more than 160 different definitions of the term *culture*.

² According to Hofstede (1984), "The nature of management skills is such that they are culturally specific: a management technique or philosophy that is appropriate in one national culture is not necessarily appropriate in another (p.81)."

2. SAMPLED COUNTRIES

This study uses Hofstede's cultural questionnaire to measure the cultural values of managers and non-managers located in four global locations: Mexico, Republic of Korea (hereafter, Korea), Hong Kong, and the USA. Including USA in this study is based on this country's great economic power. Mexico, Korea, and Hong Kong have close relationships with USA. Additionally, current geopolitical events have highlighted the economic ties between USA and Mexico, Korea, and China, and the trading challenges that exist between USA and the other three countries.

The impetus for this study was the geographic nearness of Mexico to USA. The relations between these two countries are broad and go beyond diplomatic and official relations. They include extensive commercial, cultural, and educational ties. These two countries have a 1.4 billion-dollar trade and have hundreds of thousands of legal border-crossings each day. About a million USA citizens live in Mexico. USA tourists to Mexico numbered over 20 million in 2013, making Mexico the top traveling destination for USA travellers. Mexican tourism to the USA was over 14 million in 2013, spending an estimated \$10.5 billion (United States Department of State, 2016a). Additionally, the NAFTA agreement allowed USA multinational firms to have manufacturing firms in Mexico. This relationship will very likely strengthen with the new USMCA³ agreement. With all this movement and transference, might Mexico's cultural values have changed? This question matters because Hofstede's cultural values are widely used for theory development including management control systems research.

USA multinationals are also located in Korea and Hong Kong. These two locations are not geographically close to USA but, like Mexico, they are economically close to USA. Thus, Korea and Hong Kong were also included in this study to determine whether economic ties are creating dynamic cultural values in the four countries studied.

USA and Korea have a close trading relationship. In 2015, the trade between these two countries totalled \$50 billion, making Korea USA's seventh largest trading partner. In 2015, USA was Korea's second largest trading partner, second largest export market, and third largest source of imports (United States Department of State, 2016b). USA has experienced a trade deficit with Korea since 1998. The total deficit for 2017 was \$22.9 million and \$27.6 million in 2016.⁴

Hong Kong's trade deficit increased by HKD 14.4 billion from December 2016 to HKD 59.9 billion in December of 2017, with an HKD 53.1 trade deficit with the United States. The increase was due to higher purchases of electrical machinery, petroleum, and petroleum products.⁵ USA remains one of the largest sources of foreign direct investment in Hong Kong. There are about 1,400 USA firms and 85,000 American residents in Hong Kong (United States Department of State, 2016c).

3. LITERATURE REVIEW

3.1 Hofstede's cultural values

Hofstede (1980) identified, and labelled, four dimensions of culture: large versus small power distance, individualism versus collectivism, masculinity versus femininity⁶, and strong versus weak uncertainty avoidance. Hofstede & Bond (1988) added a fifth cultural value: long-term orientation.⁷

According to Minkov & Hofstede (2011), Power Distance (PDI) is defined as "social inequality, including the relationship with authority (p.12)." Societies classified as large PDI are characterized by the acceptance of inequality; people tend to accept a hierarchical order in which everybody has a place, which needs no further justification (Perera & Mathews, 1990). Higher PDI scores imply that subordinate consultation may not be as important as in a small PDI society because there is a tendency for its members to accept paternalistic management (Perera & Mathews, 1990; Stammerjohan, Leach-López & Stammerjohan, 2015).

³ [United States-Mexico-Canada trade agreement.](#)

⁴ <https://www.census.gov/foreign-trade/balance/c5800.html>

⁵ <https://tradingeconomics.com/hong-kong/balance-of-trade>

⁶ Some readers might find the terms "masculine" and "feminine" offensive. Hofstede used these labels and they should not be viewed as stereotypes, but merely as what they are, labels. The purpose of this paper is to encourage future researchers to measure cultural values of participants and not to introduce and substitute labels that have been widely used.

⁷ This last cultural dimension is also called Confucian dynamism, which is perhaps a misleading label (Devine, O'Clock & Rooney, 2000).

Individualism (IND) versus collectivism is based on the relationship between one individual and other individuals in society. In a high individualistic society, or culture, people focus on themselves as individuals rather than on the group, or groups, to which they may belong. Under this perspective, an individual is seen as having an identity in and of him or herself, which is separable from, and is not dependent upon, a group affiliation (Hofstede, 1980). Under a collectivistic society, it is the group, and not the individual, that is seen as the basic unit of survival (Hui, 1984). By comparing Chinese participants and Anglo participants, Salter & Schulz (2005) find that collectivism plays a significant role in the willingness to share information.

Masculinity (MAS), at one end, represents a societal preference for showing off, for achievement, and assertiveness, for making money or enjoying material success. At the other end, femininity represents a preference for putting relationships with people before money, helping others, and caring for the weaker. This dimension draws attention to the existence within society of competitiveness as opposed to cohesion, equity as opposed to equality, and achievement motivation as opposed to relationship motivation.

Uncertainty avoidance (UAI) relates to the degree to which members of a society feel uncomfortable with uncertainty and ambiguity. A strong UAI society is one in which there is low tolerance for ambiguity and uncertainty and an aversion towards risk taking (Hofstede, 1980). A strong UAI society believes that decisions should be left to experts. There is an obvious mutual distrust among citizens and authorities. Members of a strong UAI society consider themselves incompetent and authorities consider them incompetent (Hofstede, 1999).

Lastly, long-term orientation (LTO) refers to a society fostering virtues oriented towards future rewards, particularly perseverance and thrift, observation of status, and saving "face." Short-term orientation (STO) stands for a society focused on the past and the present, instead of on the future, with a preference for immediate rewards (Hofstede & Bond, 1988). This cultural value may capture differences in value preferences between Western and Eastern cultures, with Western cultures usually exhibiting STO and Eastern cultures exhibiting LTO (Devine et al., 2000). Specifically, Wang & Hunton (2011) find that participants from USA, who indicated a relatively short-term time orientation, are more effective when they participate in a short-term planning horizon than a long-term planning horizon.

3.2 Convergence-Divergence theory

Convergence-divergence is based on the Institutional theory. According to Westney (1997), the Institutional theory focuses on the ways that organizations in shared environments come to adopt structures that are viewed as appropriate and that are reinforced in interactions with other organizations. Fundamentally, Institutional theory suggests that organizational structures are influenced by two factors. The first consists of environmental agents shaping the organizations. The second is the firm's internal process that interprets certain external validated structures as appropriate. Regardless of the source of the institutional pressures, the effects are twofold: first, institutionalized activities are resistant to change (divergence) and second, organizations in such institutionalized environments are pressured to become similar (convergence).

Proponents of the divergence approach argue that national culture, not economic ideology develops cultural values (Ricks, Toyne & Martinez, 1990). Thus, even though a country adopts capitalism, the cultural values of those in the workforce will remain unchanged (Lincoln, Olson & Hanada, 1978). According to DiMaggio (1983) and Berger & Heath (2008), cultural divergence occurs because individuals want to be different from members of other social cultural groups. People want to be viewed as unique and different from others who might initially appear very similar (Tajfel, 1982). Overall, the divergence approach suggests that individuals retain their own diversity, which includes culturally determined values, regardless of economic ideology (Evans, 1970; Cole, 1973).

Proponents of the convergence perspective suggest that common economic orientation drives modernization (Eisenhardt, 1973) and eventually leads to a common society where differences in cultural values cease to exist (Kerr, Dunlop, Harbison & Myers, 1960). In other words, given enough time, the cultural values in different countries will reach a point where no significant differences in values, attitudes, beliefs, and behaviours might exist (Weed, 1979). This theory of convergence social evolution starts with the presumption that the industrialization process is desirable because it allows for the elimination of poverty, the search for a better life, the choice of occupation, etc. (Webber, 1969). The key argument of the convergence perspective is that convergence places more emphasis on the common requirements of management, than on the importance of cultural differences (Rowley & Benson, 2002).

Convergence theory claims that because of technological advancement, global communication, travel and tourism, collaboration between organizations and nations, increasing immigration and cross-national and ethnic

marriages, societies are becoming more homogenized and, as a result, the world's cultures are converging to commonality (De Mooij, 2004). Consumers increasingly demand and consume similar products throughout the world; they eat the same food, wear the same brands of clothing, and watch the same TV programs (De Mooij, 2004). As consumers become more similar and share similar attitudes and behaviours, a cultural convergence takes place. Globalization can significantly accelerate cultural homogenization and convergence toward a common set of cultural traits and practices. According to McLeod (2004), the process of cultural convergence is strengthening by the rise of internet use and information technology which help disseminate Western values around the world.

However, there are several reasons for the possibility of convergence to be low. According to Salamon (1997), there are limiters on convergence that would include different stages of industrial and economic development, distinctive political-economic frameworks, different levels of organizational flexibility, different choices at society and organization levels on the nature, content, and process of employment relationship, divergence between stated institutional frameworks, variation in operations of technology, and alternative solutions to common problems.

4. RESEARCH QUESTION

It is assumed that culture is unchangeable (Ricks et al., 1990). Hofstede stressed that cultural change would be extremely slow. He predicted that national culture scores would not change substantially "until at least 2100" (Hofstede, 2001, p. 36). Hofstede viewed theories of cultural change as "naïve" (Hofstede, 2001, p. 34).

Thanks to electronic communications, the size of the business world is shrinking (Norris & Inglehart, 2009). Communications occur instantaneously across continents and time zones. It is conceivable that all this 'nearness' might influence the cultural values of all those involved in the global value chain. A sense of cultural convergence has been alluded to by recent researchers (Vanhala, Kaarelson & Alas, 2006; Carr & Pudelko, 2006; Inglehart & Baker, 2000; Munusamy et al., 2009). Inglehart (2008) also detects a cultural convergence during the 36-year period of his study.

Given the widespread use of Hofstede's cultural values,⁸ it appears that these cultural values are still useful in hypotheses and theory development. Our research question asks whether Hofstede's claim of static cultural values will be observed. Based on the Institutional theory, and the geographic and economic proximity of the four countries sampled, a priori, some movement in the cultural values of our samples is expected. Given the strong economic leadership of USA's multinationals, a convergence of cultural values towards USA's would be logical. But it is also possible that USA's cultural values might be moving towards some common mid-point.

5. RESEARCH DESIGN

5.1 Data collection

Hofstede's VSM 94 questionnaire was used to measure cultural values of samples in four countries. The questionnaire was applied to samples in Mexico, Korea, Hong Kong, and USA. The VSM 94 is designed for measuring culture-determined differences between samples of respondents from different countries or regions. It consists of 20 content questions and 6 demographic questions. The 20 content questions address the five different dimensions of national culture with four questions each. The cultural values obtained range from zero to 100. Using the same version of the VSM and having a range of zero to 100 aids in the cultural values comparison.

Hofstede's VSM 94 is copyrighted by Geert Hofstede and freely available for research purposes (Hofstede, 2001). A copy of the questionnaire written in English and Spanish are available along with the manual needed to calculate the cultural values. The questionnaires used in Hong Kong and Korea were translated from English by two independent translators and compared for possible differences.

The VSM 94 was administered to eight distinct groups. One group from the United States, three separate groups from Mexico, three groups from Korea, and one group from Hong Kong. Within each country there was at least one respondent group composed of mid-level managers working in manufacturing firms in each country. USA's and Hong Kong's respondents were all managers working in manufacturing. There were two groups of managers in Mexico and two groups of managers in Korea. One group of respondents in Mexico were 'people

⁸ The popularity of Hofstede's cultural values does not seem to have abated. For example, in the Journal of International Business Studies alone, Rapp, Bernardi & Bosco (2011) identified 118 articles that used Hofstede's uncertainty avoidance value for various purposes, such as validation of research results.

on the street' selected using a convenience random request. One group of respondents in Korea was composed of undergraduate university students.

The human resource (HR) departments of 27 manufacturing firms located in south eastern USA were contacted to get permission to apply the questionnaire in their respective firms. The various USA firms were provided an e-mailed copy of the questionnaire with instructions to electronically distribute the questionnaire to the manufacturing managers. The responses were returned directly to the authors as an email attachment.

The first Mexican sample was of Mexican managers working for manufacturing firms located on the USA-Mexico border that have a USA firm as a parent corporation (Mexico-border sample). A list of the maquiladoras located in Nuevo Laredo was obtained from Mexico's Department of Commerce. Maquiladoras are factories that import materials or parts into Mexico to make goods for re-export. The list included 39 active companies. The human resource departments of the listed maquiladoras were contacted. Copies of the questionnaire translated into Spanish were hand delivered to various firms that agreed to cooperate. The companies who received questionnaires were visited again after a few days to collect whatever questionnaires had been completed.

The second sample from Mexico varies from the sample described in the paragraph above by the geographic location only. This second Mexican sample was obtained in Puebla, a metropolitan city located about 250 miles south of Mexico City (Mexico-interior sample). The list of maquiladoras located in Puebla included 49 active listings.

The third sample from Mexico was obtained in Mexico City and Puebla. This sample consisted of individuals met randomly throughout both cities (Mexico-street sample). The researchers chose areas where people congregate such as shopping areas, downtown, airports, subway stations, large family gatherings, restaurants, etc. The three samples obtained in Mexico were combined into one grand sample for the country (Mexico-all sample).

The first Korean sample obtained consisted of Korean managers working for manufacturing firms located throughout Korea that have a USA firm as a parent corporation (Korean managers-USA firms sample). A list of 80 companies was found at the Annual Corporation Reports published by the Korean Economic Newspaper. The questionnaires were sent to the manager of each firm through the mail. The managers returned the responses through the mail.

The second Korean sample consisted of Korean managers working for firms located throughout Korea owned by Korean companies or jointly with Japanese companies (Korean managers-non-USA sample). These managers who agreed to answer the questionnaire were acquaintances of one of the researchers.

The third Korean sample consisted of Korean university students located in Korea. All students were taking Accounting Principle class and were fluent in both spoken and written English. The three samples obtained in Korea were combined into one grand sample for the country (Korea-all sample).

The Hong Kong sample was gathered at a single car parts manufacturing firm. The questionnaires were hand delivered and hand collected. This manufacturing firm is a joint venture with a USA car manufacturing firm.

5.2 Cultural values

The cultural values of all respondents from each country were calculated, as well as the cultural values of the six samples described in the prior section. The combined cultural values of the three Mexican samples (Mexico-all sample), and the combined cultural values of the three Korean samples (Korea-all sample) were calculated.

The VSM 94 includes a demographic question asking respondents about the type of work they do. The choices are: (1) no paid job (including students), (2) unskilled or semi-skilled manual worker, (3) office worker or secretary, (4) vocationally trained craftsperson, technician, informatician, nurse, artist or equivalent, (5) academically trained professional or equivalent (but not manager of people), (6) manager of one or more subordinates (non-managers), and (7) manager of one or more managers. Using the answers to this question, the managers in the Mexico-street sample (choices 6 and 7) were isolated (Mexican managers-street sample) and their cultural values were calculated. It can be argued that the respondents who classified themselves as (5) academically trained professional are the managers of the future. Based on this logic, a subset of respondents choosing answers (5) (6) and (7) was isolated (Mexican managers/college-street sample) and their cultural values were calculated. The third subset of the Mexico-street sample included all respondents who selected answers (1) through (5), so this subset did not include managers (Mexico-street no managers sample).

To evaluate whether cultural values of samples drawn from a single country may vary from sample to sample, five sub-samples from the three Mexican samples were formed. The five sub-samples were as follows: (1) Mexican managers-USA firms; (2) Mexican managers-street; (3) Mexican managers/college-street; (4) Mexico-street no managers; and (5) Mexican managers-all. Sub-sample 1 consisted of the Mexico-border and the Mexico-interior samples (Mexican managers-USA firms). This sub-sample allowed for analysis of cultural values of Mexican managers with business ties to the United States. The managers from the Mexico-street sample were added to sub-sample 1 to obtain cultural values for all managers in the study (Mexican managers-all).

Hofstede (1980) suggests that gender, age, and education could influence cultural values. Subgroups in these three categories were isolated from the total sample for each country to evaluate the importance of these three variables and to serve as an aid for future researchers. For the USA sample, cultural values were calculated for the following three groups: males, respondents aged 40 to 59 years old, and respondents with attended college. For the Mexican sample (Mexico-all), cultural values were calculated for the following eight groups: males and females; respondents aged 25 to 34 years old, 35 to 39 years old, and 40 to 59 years old; and respondents who attended high school, respondents who attended college, and respondents who had postgraduate studies. The selection of these groups was based on the number of respondents in each group. The VSM 94 Manual indicates that the minimum number to include in a sample of respondents is 20. When the number of respondents is less than 20, the influence of single individuals becomes too strong.

6. DATA ANALYSIS

6.1 Demographic data

Table 1 presents demographic data for the total combined sample for each country. The samples are dominated by males. The Mexican sample has an unexpected representation of females at 37%. Of the four countries, the USA respondents are oldest, on average. The predominant age range for the USA is between 40 and 59 years old. Most of the Korean sample report an age of 24 years or less due to a large number of Korean students in the sample (78 out 155). The respondents from Mexico and Hong Kong tend to be younger, but there is reasonable spread in the age categories. Overall, the lowest educational level was reported by the Mexican respondents.

	Hong Kong		Korea		Mexico		USA	
	Total	%	Total	%	Total	%	Total	%
Respondents:	50	100	155	100	167	100	54	100
Gender:								
Male	25	50	124	80	103	62	46	85
Female	12	24	31	20	61	37	6	11
No response	13	26	0	0	3	2	2	4
Age:								
24 or less	4	8	78	50	20	12	0	0
25-29	12	24	8	5	34	20	5	9
30-34	9	18	8	5	23	14	3	6
35-39	8	16	25	16	25	15	7	13
40-49	8	16	33	21	43	26	14	26
50-59	5	10	3	2	17	10	14	26
60+	0	0	0	0	2	1	3	6
No response	4	8	0	0	3	2	8	15
Education:								
Up to 9th grade	2	4	11	7	12	7	0	0
10th to 12th	0	0	36	23	25	15	3	6
Some college/degreed	40	80	90	58	64	38	34	63
Post graduate	4	8	18	12	59	35	13	24
No response	4	8	0	0	7	4	4	7

countries are changing in what appears to be a tractable trend. This result is consistent with the finding of Inglehart (2008). He finds that cultural differences do not disappear completely, but cultural values of six different countries at almost all times moved in the same direction at a similar speed.

FIGURE 1: CONVERGENCE OF CULTURAL VALUES FOR TOTAL COUNTRY SAMPLES

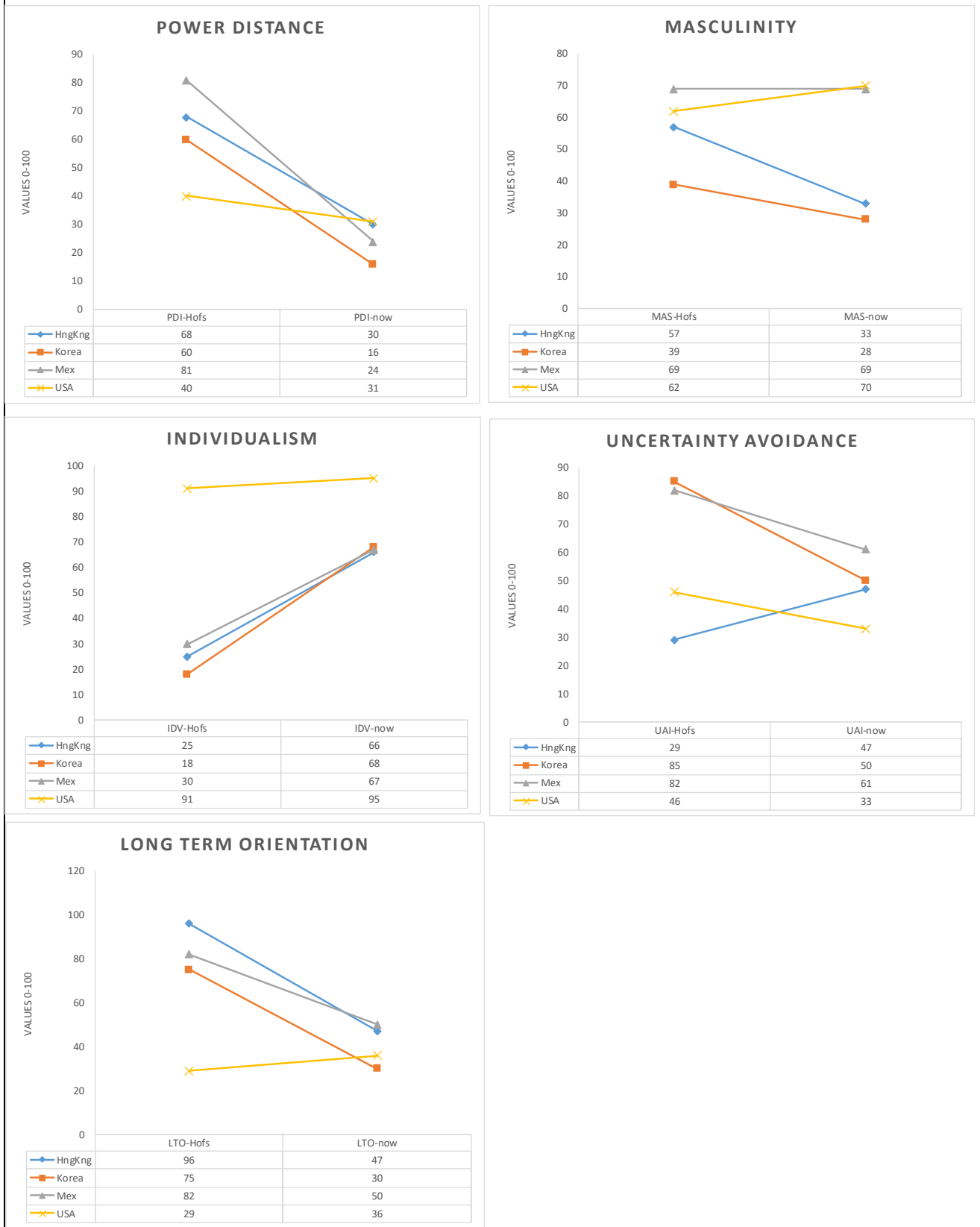
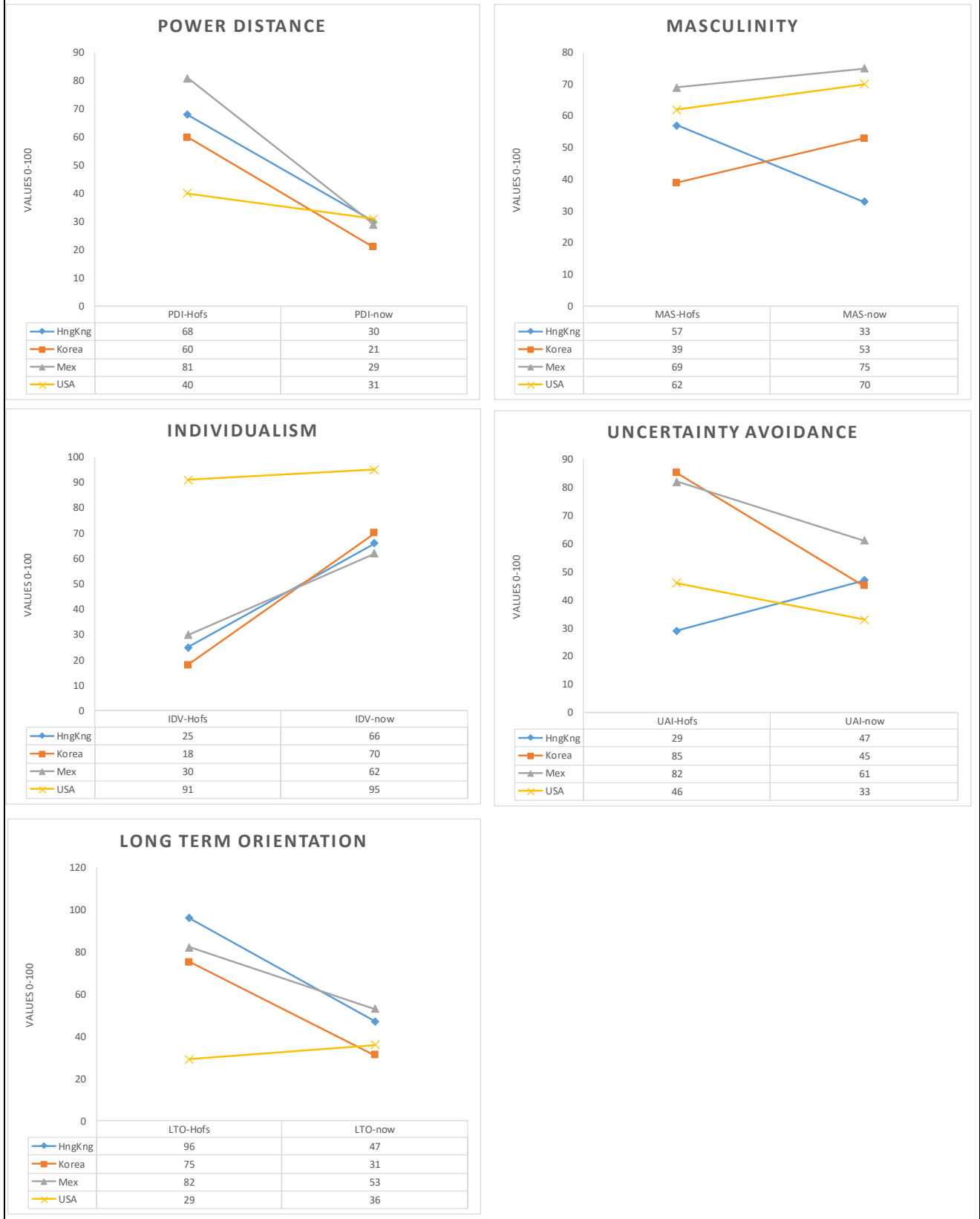


FIGURE 2: CONVERGENCE OF CULTURAL VALUES FOR MID-LEVEL MANAGERS



6.3 Additional tests

The results shown in Table 3 indicate that, statistically, all cultural values in Mexico, Korea, Hong Kong, and USA seem to be different, except for power distance (PDI). In this section, the cultural values of the sampled

countries are compared with those of the USA because convergence often suggests adopting the ideological values of the USA (Boyacigiller & Adler, 1991). In the last 20 years, many countries, including Mexico, Korea, and Hong Kong have attempted to benchmark the economic and cultural values of USA. There are several reasons why many countries, including the sampled countries might be converging towards similar cultural values as those detected in USA. First, English is widely used and is considered the language of international business. According to Bird & Stevens (2003), English is quickly becoming the most commonly taught second language in emerging countries. One key implication of their findings is that, in the history of the world, we have the largest number of people able to speak and communicate with one another in a common language. Second, USA is now a world leader in fast food industries. For example, it is difficult to go to remote regions of the world and not find evidence of Coca-Cola products (Howes, 1996) and McDonald's restaurants (Ritzer, 2011). Lastly, USA is also a world-class entertainment provider. Compared with earlier decades, many more people living in metropolitan cities, such as Paris, Tokyo, and London and throughout the world have access to CNN headline news, BBC world, or can watch Hollywood blockbusters, or are able to use Google or YouTube (Ritzer, 2011). By accessing these commonalities, it is possible that viewers and users of these sources may gradually assimilate the ideas and images, leading to cultural convergence (Ritzer, 2011). Thus, we expect that if convergence has occurred, the cultural values of the Mexico, Korea, and Hong Kong samples would be alike the cultural values of the USA sample.

TABLE 3: COMPARISONS OF CULTURAL VALUES - ALL SAMPLES

	PDI		IND		MAS		UAI		LTO	
	Sample Size	Value	Sample Size	Value	Sample Size	Value	Sample Size	Value	Sample Size	Value
Hong Kong	50	31	50	81	50	36	50	51	50	47
Korea	155	16	155	68	155	28	155	50	155	30
Mexico	167	23	167	67	167	70	167	64	167	50
USA	54	30	54	95	54	69	54	35	54	36
<i>f-Value</i>	1.90		6.32		6.30		2.83		7.60	
<i>p-value</i>	0.130		0.000 ***		0.000 ***		0.038 **		<0.001 ***	

***/** indicates that it is statistically significant at 0.001 level, 0.05 level, respectively

PDI is Power Distance Index, **IND** is Individualism, **MAS** is Masculinity/ Femininity, **UAI** is Uncertainty Avoidance Index, and **LTO** is Long Term Orientation

A comparison of the cultural values between the USA, Hong Kong, Korea, and Mexico samples are presented in Table 4. T-tests are used to calculate the statistical differences in cultural values. No statistical significance indicates that the cultural values are not statistically different from those of USA, supporting the cultural convergence. In Table 4-A, no cultural values of the Hong Kong sample are statistically different from those of the USA sample. In Table 4-B, except for masculinity (MAS) and long-term orientation (LTO), the cultural values of the Korean sample are not statistically different from those in the USA.¹⁰

A surprising result of this study is the strong movement of tendencies in Hong Kong and Korea toward the convergence of Power Distance (PDI) and Individualism (IND). Furthermore, the convergence path of these cultural values follows that of the USA. Both Hong Kong and Korea are known to be a strong collectivism society which values a group affiliation rather than an individual (Hofstede, Hofstede & Minkvov, 1991). Our results indicate that Hong Kong and Korea may not be as strong collectivism or high-power distance societies as they used to be.¹¹ Table 4-C indicates that cultural values in Mexico are not statistically different from those in the USA. Only the masculinity (MAS) value is statistically different from that in the USA (p-value = 0.008), but the values are very similar (Mexico is 70, whereas USA is 69).

Overall, the results in Table 4 indicate that most of the cultural values in Mexico, Korea, and Hong Kong are not statistically different from those in the USA. The similarities might be explained by development of

¹⁰ It is not surprising that MAS is statistically different from USA. Koreans have a clear distinction in social and organizational roles played by men and women. For example, a full-time working woman in Korea is responsible for maintaining the household. She works, on average, 4 hours per day to maintain the household, whereas a full-time working man in Korea spends less than 42 minutes to maintain the household (Lee, 2015). The major reason that women spend more hours in maintaining the household than men is that Koreans strongly believe it is always a women's job to maintain the household, whereas a man works fulltime outside the house.

¹¹ Power distance and individualism are closely related to each other. Hofstede et al. (1991) finds that collective countries show large power distance, but individualist countries show small power distance. Specifically, he finds that country's wealth is positively and significantly related to individualism. Insignificant results in PDI and IND may be caused by recent and rapid economic development in Hong Kong and Korea.

technology which drives cultural convergence. According to Munusamy et al., (2009), technology is a significant source of uniformity. As people from cultures are exposed to the common or one 'best way' technology, they too will become more alike. Development of communication can play a significant role in cultural convergence. Norris & Inglehart (2009) find that cosmopolitan communication plays a significant role in convergence.¹² Development of communication methods in Asian countries is rather dramatic. In the first quarter of 2015, the average Meta bit per second (Mbps) global standard was 5.0, whereas the value was 23.6 and 16.7 for Korea and Hong Kong, respectively. That is more than 3 times faster than global standards. Over 67% and more than 90 percent of the population in Korea has a cell phone and high-speed wireless internet, respectively. These high-speed communication developments may have helped Korea and Hong Kong converge with the USA.

Conducting more in-depth analysis, we divided the total sample from all four countries by education into high education (more than high school, $n=354$) and low education (high school or lower, $n=57$) and compared the cultural values. Untabulated results show that the cultural scores of these two groups are not statistically different.¹³

TABLE 4: COMPARISONS OF CULTURAL VALUES										
Table 4-A: Hong Kong versus USA										
	PDI		IND		MAS		UAI		LTO	
	Sample Size	Value	Sample Size	Value	Sample Size	Value	Sample Size	Value	Sample Size	Value
Hong Kong	50	31	50	81	50	36	50	51	50	47
US	54	30	54	95	54	69	54	35	54	36
<i>f-Value</i>	1.16		1.27		1.45		1.1		1.36	
<i>p-value</i>	0.599		0.393		0.188		0.740		0.280	
Table 4-B: Korea versus USA										
	PDI		IND		MAS		UAI		LTO	
	Sample Size	Value	Sample Size	Value	Sample Size	Value	Sample Size	Value	Sample Size	Value
Korea	155	16	155	68	155	28	155	50	155	30
US	54	30	54	95	54	69	54	35	54	36
<i>f-Value</i>	1.13		1.08		1.87		1.35		1.53	
<i>p-value</i>	0.563		0.694		0.009 ***		0.167		0.074 *	
Table 4-C: Mexico versus USA										
	PDI		IND		MAS		UAI		LTO	
	Sample Size	Value	Sample Size	Value	Sample Size	Value	Sample Size	Value	Sample Size	Value
Mexico	167	23	167	67	167	70	167	64	167	50
US	54	30	54	95	54	69	54	35	54	36
<i>f-Value</i>	1.07		1.29		1.9		1.31		1.22	
<i>p-value</i>	0.803		0.224		0.008 ***		0.249		0.353	
***/* indicates that it is statistically significant at 0.001 level, 0.10 level, respectively										
PDI is Power Distance Index, IND is Individualism, MAS is Masculinity/ Femininity, UAI is Uncertainty Avoidance Index, and LTO is Long Term Orientation										

7. IMPLICATIONS OF CULTURE AND MANAGEMENT CONTROL SYSTEMS

Increased research has been directed at understanding the relationship between national culture and the design of management control systems (MCS). According to Harrison & McKinnon (1999), cultural research of MCS has become more prominent because of two reasons. First is the importance of this research to the business community. More and more companies see globalization as an opportunity and a necessity to increase or maintain operations. The question then is whether these companies should transport their domestic MCS overseas, or whether they need to redesign the MCS according to the cultural imperatives of the overseas

¹² According to Norris & Inglehart (2009), cosmopolitan communication can be defined as the way that we learned about, and interact with, people and places beyond the borders of our nation-state (p.3).

¹³ *p-values* for PDI, IND, MAS, UAI, and LTO are 1.000, 0.332, 0.798, 0.125 and 0.565, respectively.

destinations. Second is the increased prominence of this type of research to the academic community (Harrison & McKinnon, 1999; Green, 2012; Chung, Hsu & Tsai, 2010; Dahlggaard, Pettersen & Dahlggaard-Park, 2011). The design of MCS has been a major issue in accounting research for many years. Even though researchers have recognized the importance of culture, most of the MCS research has been conducted within single nations. Harrison & McKinnon (1999) argue that the limited examination of the influence of culture on MCS model design has created under-specified models. Research examining the effect of culture on MCS design is relatively recent since it dates mainly from the 1980s.

It is evident that research of MCS in different countries is needed (Yazdifar & Askarany, 2012; Hoque, 2014). From the literature, it is also evident that the academic community is rising to this challenge. Future researchers will have to go a step further when postulating hypotheses and examining their results. It is important that the cultural values of the sampled subjects be measured. Researchers may discover that similarities or differences in cultural values will indeed help them explain research results (Leach-López, Stammerjohan, Lee & Stammerjohan, 2015). The examination of cultural values may indicate the need for MCS redesign or may indicate that multinationals can just transport their current systems from country to country in which they operate.

The topic of Management control systems (MCS) is very important to management accountants.¹⁴ It should also be an important topic for any multinational firm. Globalization has created many challenges when setting up a management control system for a multinational firm. Should a multinational firm set up MCS for each country? Should a multinational firm set up MCS for a group of countries? Or should a multinational firm simply set up MCS for the whole firm regardless of the global locations in which it operates? The first two options are costly and require additional computer resources, HR resources, training, monitoring, etc. If a multinational firm has different MCS throughout the organization, how can it equitably compare managers' performance from division to division, or from country to country? If research shows that cultural values of mid-level managers are very similar regardless of the country in which the manager is located, then the multinational firm can opt to have the same MCS for the various locales worldwide. This would help in planning, control, and performance evaluation. It would also help with promotion and transfers of personnel from country to country. It would not matter that the Mexican manager wants to transfer to the USA, or that the USA manager could be more effective if transferred to Korea. With only one MCS, the multinational firm can deploy its managers to the location where they can be most effective.

8. CONCLUSION AND LIMITATIONS

Today's management must consider global legal, political, economic, and cultural aspects. Each environmental factor is influential to businesses; however, the most difficult to understand and the most often neglected is the influence of culture (Thomas, 2008). This becomes clear when international management is defined by the structure and content of managerial roles as opposed to the function of management. The roles that managers play share certain features across cultures but are best understood in their cultural context. By focusing on these roles, we can understand the importance of interactions between managers and individuals from different cultures. Although politics, economics, and technology can set the standard for international management, it remains a game played through cross-cultural interaction (Thomas, 2008).

Our study provides several contributions. First, in addition to using mid-level managers in a manufacturing setting, our study contributes to cross-cultural studies by using a sample of non-managers to triangulate our results. Thomas (2008) argues that prior literature on cross-cultural studies focus on the organizational context of large firms. Our study uses samples from large and small firms as well as two other non-manager samples in Mexico and Korea. Second, our study uses Mexico, Korea, Hong Kong, and USA to investigate the trend of convergence, if any. Thomas (2008) further argues that most cross-cultural researches focus on a small number of Western European countries, USA, and Japan. There is a knowledge gap about Latin America, Eastern Europe, the Middle East, Africa, and Asia (except for Japan). Our study adds to prior literature by adding samples from neglected locations. Lastly, results of our study do not entirely deny the existence of cultural differences. But our study supports the convergence theory, suggesting that effective management may be largely independent from national culture, and lean naturally towards learning and developing "best" practices throughout the global organization (Carr & Pudelko, 2006), or structuring systems and operations in similar ways if they are to be efficient and effective (Rungtusanatham, Forza, Koka, Salvador & Nie, 2005).

¹⁴ According to Rugman & Verbeke (2004), a relatively small set of multinational enterprises (MNEs) account for most of the world's trade and investment. Specifically, the largest 500 MNEs account for over 90 percent of the world's stock of foreign direct investment and they themselves conduct about half the world's trade (Rugman, 2000).

In this study, we observe a trend toward the convergence of cultural values among mid-level managers in four different countries. A surprising finding was the way in which societies handle the problem of accepting hierarchical order and human inequalities (Power Distance as labelled by Hofstede, 1980). Our results show that the cultural value of Power Distance shows signs of convergence, regardless of education and country. In addition, we find that the cultural values of Mexico, Korea, and Hong Kong are similar to those detected in the USA.

From this perspective, our study empirically supports the findings of Ralston, Holt, Terpstra, & Kai-Cheng (2008). They find that if a multinational is going to become a truly global organization, the diverse individual work values from the various geographic locations of a multinational corporation (MNC) must converge and create a universal corporate culture. The results of our study indicate that global organizations must understand the diverse cultural value systems within their multi-location operations and learn to consolidate these diverse value systems to create their own "universal" corporate culture if they are to create a harmonious organization.

Hofstede (1999) encourages cultural research arguing that organizations aspiring to be global must be cautious when applying the latest management fads and reminds researchers that each culture has its specific set of values. Kirkman et al. (2017) emphasize that "[r]esearchers should not assume that culture equals country," nor assume that culture is static (p. 20). Our results indicate that international business communications and managerial demands are driving cultural values of mid-level managers, and that the cultural values of mid-level managers can be said to be on a convergence course. Our study does not compare Hofstede's data to our sample data, we simply compare his results to our results. In this study we use various sample groups, such as women, men, students, managers, the young and the mature. According to Steel & Taras (2010), culture scores are influenced by age, gender, education and socioeconomic status of the respondent, suggesting that various sample groups may produce more reliable results compared to a single sample group.

This research suffers from the common limitations all studies have when using a questionnaire to gather the data. Additional limitations include small sample sizes and respondents are mostly males. This last limitation can be explained given that the focus of the study is mid-level manufacturing managers. The Hong Kong sample was obtained at a single car parts manufacturing firm and the average age of respondents in this sample are younger than the samples from the other three geographic areas. The age group of the Hong Kong sample is between 25 to 29 years, whereas the age group of the other countries is between 40 to 49. Despite these limitations the results add to this literature stream and should allow future researchers to further increase what is known about cultural values and how they can be used to develop hypotheses.

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