

RE-THINKING CULTURE'S CONSEQUENCES ON RELATIONSHIP CREATION
AND NETWORK FORMATION IN ASIAN MARKETS

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ABSTRACT

The increasing importance of Asian markets for future global economy and international business has been emphasized by business leaders and management gurus (Drucker & Nakauchi 1997). China, in particular, has become “the workshop of the world” (Roberts & Kyngé 2003) and “the engine behind global trade growth” (Pfanner 2004). The pervasive influence of culture on Asia management systems and business behaviours warrant more dedicated academic attention (Chen 1995).

So far, most studies on the impact of culture on the development of relationships and formation of networks in Asian country markets have been based on the etic (culture-general) approach which depends on evaluating markets by applying a set of underlying cultural dimensions as represented by Hofstede's (1980, 1991, 2001) theory. For the most part these dimensions are ‘western’ concepts and research instruments which rest on the notion that different cultures are separated by politically defined and artificially created national boundaries. These studies are likely to be unsuitable for Asian markets where regional and ethnic boundaries are more likely to be different to political boundaries and where a number of culturally different regions and ethnic groups are to be found within the same political boundary.

Furthermore, the reliance on ‘western’ based cultural dimensions ignores the existence of indigenous cultural traits that are unique to Asian markets. For example, whereas Hofstede (1980, 1991, 2001) bipolarizes national cultures in terms of ‘either/or’ dimensions such as femininity vs. masculinity, the Asian worldview and life style is intrinsically ‘both/and’ and

paradoxical which is represented in the image of Yin Yang (Chen, 2001, 2002, Fang, 1999, 2003).

In addition, the widely used cultural dimensions that have so far prevailed in the academic literature were derived either in the Cold War era or before the advent of the unprecedented globalization and Internet revolution. The changing nature of national culture given the free flow of information, capital, technology, and human resources, has been fundamentally missed in the current etic paradigm. It is timely to study the emergent global culture and its interactions with the core national culture (Bird & Stevens 2003).

Because of these arguments, this paper proposes that an emic approach of assessing cultural drivers specific to Asian markets be used and then these markets will be clustered on the basis of cultural commonalities. The purpose of this paper is to develop an alternative approach to researching the impact of culture on relationship creation and network formation in Asian markets. We argue that the proposed approach is likely to provide a more comprehensive means of assessing culture's consequence on predicting relationship creation and network formation in Asian markets.

INTRODUCTION

The past two decades have witnessed the irrevocable trend of firms and their business networks going international. Business-to-business markets are becoming increasingly international and global. Business in Asia tends to be more influenced by relationships than does the conduct of business in most 'western' countries. These relationships lead to the creation of networks and today in the international domain, it is not so much an Asian firm competing with another firm but rather the network in which the Asian firm is involved,

competing with the network in which the competitor is involved. There has been an increase over the last decade in research into the role of relationships and networks in business activities in Asian countries (Ambler et al, 1999).

The reasons why networks tend to be more important in business activities in Asia are due to one or more of the following: greater political instability in many Asian countries; lower levels of economic development (Olsen and Granzen,1990); the incidence of ethnicity; lack of rule of law, and in some cases the nature of the political system and its evolution. The formation of networks of relationships has been a way of overcoming commercial uncertainties created by the above factors.

“The business of international business is culture” (Hofstede, 1994). Culture is an important variable in relationship creation and network formation. It is likely to influence the formation of focal relationships as well as the relative importance of subsidiary relations that constitute the map of the network of relationships involved. Culture also impacts on each aspect of the basic network model in the international arena - the actors, the activities, the transformation of resources, as well as the atmosphere in which this takes place and the interactions involved. The actors are a product of the culture from which they originate, the activities undertaken are both influenced by and in turn influence the culture of the locale in which they are undertaken and the way in which resources are transformed can also be influenced by cultural considerations.

ISSUES IN RELATIONSHIP CREATION AND NETWORK FORMATION IN ASIA

In order to effectively assess the impact of culture on relationship creation and network formation in Asia, it is necessary to consider the extent to which existing cross-cultural

studies reflect Asian values, whether the unit of measurement should be the country or the ethnic group, and the cultural context in which the network is embedded.

Western Values, Asian Values and Cross-Cultural Studies

One of the problems when considering the influence of culture on relationships and networks in Asia is that of 'western' vs Asian concepts. Whereas in the 'west' issues tend towards classification on a bipolar 'either' 'or' basis, this is not the case in most Asian countries. Although juxtaposing one culture against another may fit with 'western' notions of clarity and parsimony, it does not reflect 'real-life' especially in today's cross-cultural environment nor reflect the Asian approach to tolerance of ambiguity and inconsistency. In Asia it is possible to have both the positive and the negative existing 'side by side' and context determines what is appropriate. National culture embraces paradoxical orientations in values, beliefs, attitudes and behaviour. It is both stable and changing and in Asia, reflects a "both" "and" perspective rather than an "either" "or" perspective. This is manifested in several ways.

Whereas in the 'west', as far as time is concerned, situations can be categorised as 'past', 'present' or 'future', this is not always the case in Asia. In Japan for example, there is the concept of Makimono time (Hayashi, 1988), where the past flows continuously towards the present and the present is firmly linked to the future. In essence, the past and the future exist simultaneously in the present.

The issue of context is also illustrated with Asian languages which tend to be less specific than 'western' languages. Apart from the often cited 'yes' means 'I hear what you are saying' and 'no' means 'I need to think about it', some Asian languages such as Mandarin and Japanese, take the ideographic rather than the Arabic form. These word pictures when linked

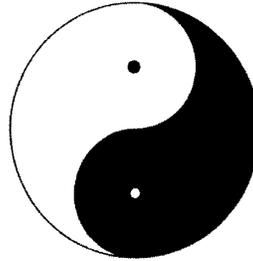
together, result in a lesser degree of specificity than the linking of Arabic letters. These ideographic languages are both more context specific and concerned with harmony and good vibes as many 'westerners' have discovered when having their names denoted on business cards in ideographs. The above lead to what westerners may consider to be paradoxes in meaning.

These apparent inconsistencies are compounded by the nature of cross cultural research. To date, most research in the areas of both culture and networks has been based on studies in developed countries rather than developing countries. Such studies compare Asian values, attitudes and concepts with western developed criteria. At the level of culture, this research is not without its shortcomings as it applies 'western' developed cultural dimensions in evaluating the nature of the impact of culture on relationship creation and network formation in Asian environments. Abosag et al (2002) make the point that different cultures value relationships differently and as a consequence, the establishment, development and maintenance of relationships will vary across cultures. They argue that European perspectives on relationships mostly focus on the co-operative aspects of the exchange, the North American perspective focuses on power and conflict, and the Asian perspective (as reflected in the Chinese approach), focuses on connections through relationships.

One reflection of the Asian approach is in the 'Yin Yang' principle of dualism. Yin represents the female elements such as the moon, night, water, weakness, darkness, mystery, softness, passivity etc whereas Yang represents male elements such as the sun, day, fire, strength, brightness, clearness, hardness, activity etc. In Figure 1, there is a point of black in the white and a point of white in the black because when the white has reached its peak, it gives birth to the black and vice versa. Yin and Yang are not opposing forces but rather a reflection of the

paired nature of everything in the universe (Zhang, 2002). This image implies that there is neither absolute black nor absolute white and that opposites contain within them the seeds of the other (Chen 2002).

Figure 1 – The “both/and” mindset: Yin Yang



National vs Ethnic Boundaries

Another source of inconsistency is the tendency in the literature to make comparisons between countries as far as culture is concerned. This is true of the studies of Hofstede (1991) and Trompenaars (1997) who research national culture at the nation state level. However, globalisation and the borderless economy are making nation states increasingly irrelevant.

Lowe and Fletcher (2003) argue that ethnic boundaries are more reflective of cultural similarity than political boundaries as political boundaries, most of which were established as a result of 19th and 20th century imperialism, do not match cultural boundaries. This can be seen in the case on the Kurds, the Armenians or the overseas Chinese. The identification of national boundaries continues to be arbitrary with new boundaries occurring recently and frequently as with the break up of the Soviet Union and the creation of East Timor. Even within countries, there can be a number of cultures and also cultural differences between city and country. This has resulted in many countries becoming multicultural marketplaces (eg Australia); tri-cultural marketplaces (eg Malaysia) or bi-cultural marketplaces (eg Canada).

This points up the need to measure the ethnicity of the target audience within the overseas country. A scale of ethnicity such as that developed by Chan and Rossiter (1998) might be used. This measured ethnicity in terms of the individual and the parents as far as country of birth; language (i) usually spoken and (ii) spoken in the home; linguistic competence (i) speaking (ii) reading; and perceived ethnic identity.

The information revolution, the greater ease of communications and globalisation have also undermined the relevance of political boundaries as delineators of cultural difference. As a consequence, the executive from one country operating in another is likely to display cultural traits in business behaviour that are an amalgam of the culture from which he/she has come and the culture in which he/she is operating.

Embeddedness

A further factor impacting on the network in Asian markets is the cultural context in which the network is embedded. In the international business context, business transactions are embedded in networks of relationships that cross national boundaries. These relationships in turn are embedded in different national business environments (i.e. in each country in which the firm is involved) and in the global business environment (i.e. that of the World Trade Order, regional trade groupings and bilateral agreements). Each of these national or international business environments includes social networks, technological networks, regional networks, infrastructural networks, institutional networks and market networks (Tornroos, 1997), all of which are influenced by culture. Zukin and DiMaggio(1990) classified embeddedness into four forms – structural, cognitive, political and cultural. The last three of these reflect a social constructivist approach which account for the role played by trust and personal ties.

Influencing the operation of the wider networks in which the international business transaction are embedded is culture. This is particularly important in Asia where cultural sensitivity is an essential ingredient for successful business. This requires an understanding of the culture that prevails in the business environment from which one's international business partner operates and this is likely to differ from that of the environment from which one operates. The challenge is how to assess the difference between the cultural aspects of the environment in which the international business partner is embedded compared to that of the environment in which you are embedded.

CULTURE AND NETWORKS

A review of the IMP literature shows that, though insufficiently discussed, culture plays an important role in relationship formation and network creation and adaptation in the international domain (Fang, 2001). The IMP Group study showed that the ability of a firm to break down cultural barriers and create close relationships with commercial clients was a major success factor in industrial marketing (Ford, 1984). This was found to apply in international marketing and Toornroos (1991) argues that cultural distance plays an important role in establishing a positive relationship between exporter and importer. Theories of internationalisation suggest that culturally distant exporters need to allocate more effort to relationship building activities so as to compensate for the distance factor.

In essence, it is not culture but rather cultural sensitivity that influences relationship creation and network formation. This sensitivity entails awareness, cultural understanding, and reduction of cultural bias. Cultural sensitivity can be defined as a firm's learning and adaptation to its exchange partner's national business practices according to LaBahn and

Harich (1997). Such sensitivity involves recognising cultural ethnocentrism, understanding the other parties culture and developing an awareness of cultural differences. Ahmed et al (1999) also propose that cultural sensitivity acts as a moderating variable between the ingredients of their theory of relational exchange (communication, trust, shared norms and reputation) and commitment to the relationship. Nguyen (2002) found that cultural sensitivity on the part of developing country exporters improved the information exchange between them and their developed country importers and in the process enhanced mutual understanding.

People have culturally determined styles and ways of doing business acquired primarily through their national culture and their business activities. It is accepted that it is easier to communicate with partners who share the same view of the world (Toornroos et al, 1993). This is consistent with reception theory which postulates that people use general patterns or codes that make it easier for them to interpret each other's behaviour (Langhoff, 1997). This is more important in the international domain because of the physical distance and cultural gap between relationship partners (Madsen, 1994). These factors involve the expenditure of more time and resources to create a beneficial relationship. Because cultural sensitivity allows people to understand the communication and behaviour of others, it plays an important role in relationship creation and maintenance.

Styles and Ambler (1996) found evidence of a positive linkage between the variables that predict strong relationships and export performance. Ahmed et al (1999), examine both relational exchange theory and network theory. In respect of the former, they argue that research has shown that key factors contributing to long term relationships are communication, shared norms, co-operation and reputation – in each of these culture plays a role. In respect of network theory, they point out that with the interaction approach, business relationships evolve as a result of interaction between the parties involved and these business

relationships constitute the framework within which subsequent interactions occur. Over time these interactions become routine resulting in clear roles and conduct norms for each party (Evangelista 1996). Ahmed et al (1999) go on to argue that culture is a moderating variable between the antecedent variables of a relationship and the degree of commitment to that relationship. Commitment to a relationship in turn, involves trust which is the glue that binds networks of relationships together.

MEASURING CULTURAL DIFFERENCES IN ASIA

In relationship creation and network formation involving Asian countries, it is not only a willingness to be culturally sensitive that is necessary but also the ability to recognise and accommodate cultural differences. This relates in turn as to how differences between cultures should be measured. The different approaches that have evolved to classifying countries according to underlying cultural dimensions can be classified as either etic (culture general) or emic (culture specific) approaches. The former is concerned with identifying universal factors that underlie cultural differences and tends to be quantitative and is based on large scale surveys. The latter tends to be qualitative, based on series of case studies and holds that “attitudes and behaviours are expressed in a unique way in each culture” (Chan and Rossiter, 2003, p.1586).

The Etic Approach

Etic studies of culture such as those of Hall (1973), Hofstede (1991) and Trompenaars and Hampden Turner (1997) into the underlying dimensions of culture, capture average patterns of beliefs and values. The problem is that averages mean little to the individual in a specific situation. Furthermore they are largely static whereas in reality culture is continuously evolving. These etic studies also suggest that relationships and networks are more important

in developing than developed country markets. The work of Hofstede (1991) and Trompenaars and Hampden-Turner (1997) can be used to allegedly illustrate major cultural differences between emerging and developed markets. A comparison of the 14 least developed countries with the 14 most developed countries on the basis of Hofstede and Trompenaars dimensions (Fletcher and Melwar, 2001) showed:

- as emerging markets exhibit a much greater degree of power distance, relationships formed are more likely to be influenced by hierarchy;
- as they display a much greater degree of collectivism, co-operation rather than competition will characterise networks,
- as they are more particularist rather than universalist, relationships are more likely to be formed for specific purposes and as a consequence, the networks are likely to be more flexible
- emerging markets are specific as opposed to diffuse context will play a greater role in relationship formation.

The etic approach is based on the notion that underlying cultural differences between nations are a set of variables that can be applied uniformly and which cover all dimensions of difference between one culture and another. This approach seeks dimensions of cultural variability. Studies of this kind by Hall (1973), Hofstede (1991) and Trompenaars and Hampden-Turner (1997) were all undertaken before the recent revolution in cross border communication, the accelerated movement of peoples between countries, the rising level of globalisation and the information revolution led by the Internet. Are their resulting dimensions as relevant in the new millennium as when they were originally developed?

Furthermore these approaches were derived from large scale surveys based on ‘western’ cultural dimensions and measured according to ‘western’ interpretation of measurement descriptors (ie very high; high; somewhat high; neither high nor low; somewhat low; low; very low). It is likely that the resulting measures do not cater for the cultural reluctance of people in many cultures to provide information, to give accurate answers as opposed to what they think you would like to hear, or express definite opinions. In such circumstances, can the resulting scores truly reflect the extent of difference on these variables between respondents in one culture compared to another?

According to the Hofstede variable of individualism vs collectivism, Australia is an individualist country and Japan a collectivist country. As Jackson (2002) points out, Australia also has a humanistic orientation leading to a concern for the worker and the quality of the working environment. The Australian concept of mateship is more collectivist than individualist. With Japan, as Ruth Benedict (1967) showed in “ The Chrysanthemum and the Sword”, individualism and collectivism coexist. Triandis (1995:xiii, 2. states “Tendencies towards individualism and collectivism exist within every individual and in every society...people are typically both individualists and collectivists”.

The implied assumption in these studies that all cultural variance can be explained by these dimensions, ignores the possibility that there might be dimensions that are unique to a particular culture or group of cultures. Hofstede in his subsequent research admitted this possibility when he and Bond examined the Chinese Value Survey and arrived at a 5th dimension of particular relevance to Asia – Confucian Dynamism, subsequently referred to as long term vs short term orientation.¹

¹ Fang (2003) provides a critique of the philosophical and methodological foundations of this fifth dimension.

The Emic Approach

From the foregoing critique of the etic approach, it is apparent that there is a need to measure cultural drivers from within the context of the culture itself. Unlike the etic approach which seeks dimensions of cultural variability, the emic approach is culture specific. It endeavours to seek the idiosyncrasies of individual cultures in order to understand how relationships and networks might operate, the appropriate forms of interaction and the most effective negotiating behaviours to employ when dealing with executives from that culture.

Using china as an example, this could be achieved by applying values that are shown to be important within the culture. One such scale reflecting these values is the Chinese Culture Connection, 1987 (CVS). Another more general scale of values is that of Rokeach (1973). Chan and Rossiter (1998), using a combination of the CVS and other scales such as that of Yau (1994), developed an alternative scale based on:

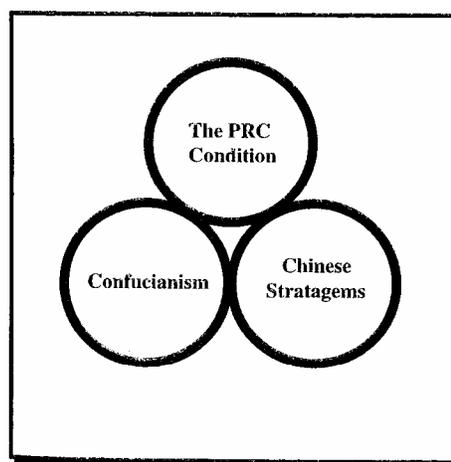
- Man to nature orientation (harmony with nature; karma)
- Human nature orientation (abasement; situation orientation)
- Relational orientation (respect for authority; interdependence; following rituals and obligations; reciprocity; having a sense of shame; reputation; group orientation)
- Time orientation (past time orientation; continuity of relationships)
- Activity orientation (moderation; harmony with others).

Fang (1999) argues that an emic approach is necessary to discover the indigenous cultural values that underlie people's behaviour in that culture. As an example, Fang modelled the business culture of China on the basis of three forces – the PRC condition, Confucianism and Chinese stratagems. Although developed to describe Chinese culture, this framework seems to be useful to any culture to uncover its idiosyncrasies.

To discover the first of these forces – condition, it is necessary to examine the prevailing political ideology; the extent of economic planning and government involvement; the existing legal framework and its application; the state of technology in the market and the attitude towards innovation; the nature, equity and average level of income distribution; magnitude of resource endowment including infrastructure and capital; exposure to international influences; and the rapidity of change in the society. These factors are a reflection of the underlying culture.

The second of these forces can be described as religious and/or philosophical underpinning and social mores. In his discussion of Confucianism, Fang (1999) highlights several factors and these can apply to other cultural groups. These are morality and trust; the role and obligations on self in interpersonal relationships; the strength of family orientation; respect for age and hierarchy; requirement to avoid conflict and create harmony; and dignifying rather than diminishing the other party (face).

FIGURE 1: A FRAMEWORK OF CHINESE BUSINESS CULTURE (Fang 1997, p.67)



The third of these forces, (categorised by Fang as ‘Chinese stratagems’) can apply to other cultures as all cultural groups have culturally influenced negotiation tactics and approaches to

strategic thinking. In some societies these may be based on winning by subtlety rather than confrontation, in others on winning via cooperation and in others by winning via direct confrontation. In all cases these strategic approaches influence relationship formation and network creation. Whilst the ten Chinese negotiating tactics listed by Seligman (1990)² may not apply in all cultural groupings, there could well be other tactics instead. In manuals on negotiation, mostly based on research carried out in ‘western’ countries, negotiation strategies are either based on game theory (focus on maximising the outcome for the individual party via manipulation resulting in a ‘win-lose’ or ‘zero-sum’ game) or on social exchange theory (relationships between the parties are co-operative and the aim is to maximise benefits for all those involved on a ‘win-win’ basis). Fang (1999) argues that in China, both strategies (win-win vs. win-loses) are employed jointly, whereas in the ‘west’ the use of one strategy usually precludes the use of the other.

THE CONCEPT OF PARADOX

This paper argues that the time has come to challenge the convenient assumptions underlying etic studies of culture and seek an alternative approach that more adequately explains the role of culture on relationship creation and network formation in the new millennium and in so doing takes into account contemporary forces in the international business environment which were not in evidence when the etic approaches referred to above, were developed. The focus will be on Asia. The increasing importance of Asian markets for future global economy and international business has been emphasized by business leaders and management gurus

² Controlling the location and schedule; exploiting vulnerabilities; guilt tripping; instilling shame; playing off competitors; using intermediaries; feigning anger; revisiting old issues; invoking the law; and raising and lowering expectations

(Drucker & Nakauchi 1997). China, in particular, has become “the workshop of the world” (Roberts & Kynge 2003) and “the engine behind global trade growth” (Pfanner 2004). The pervasive influence of culture on Asia management systems and business behaviours warrant more dedicated academic attention.

Young and Wilkinson (1997) view relationships and networks as involving balance amongst beliefs, attitudes and behaviours in the same way as individuals seek to balance the cognitions and responses making up their personality. This can lead to apparently contradictory forms of between one occasion and another within an established network of relationships. As at the individual level, this same inconsistency in behaviour can apply at the group level. Chan and Rossiter (2003) argue that such inconsistencies can arise because:

- There is both a private self and a public self and which is displayed will depend on the situation and the time in the Asian culture. Arnett (2002) claims this is compounded in the case of the young by a bi-cultural identity due to increasing globalisation via media and travel.
- Values are not equal but rather hierarchical in many Asian environments and what may appear to be an inconsistency in expression of values may well be a modification of espoused views in the interests of maintaining social harmony
- The reasons for holding particular values can be deontological (it is of itself right or wrong) or teleological (it may lead to a good outcome or to a bad outcome).

Applying an emic approach to Asian environments points up that long term-short term orientation may not be the only Asian dimension of culture that earlier etic approaches to

cultural classification overlooked. Another possible variable is ‘embracing paradox’. Although sometimes included with uncertainty avoidance, embracing paradox is different from it in that it reflects the common situation in many Asian cultures where a strong tendency towards one extreme of a bipolar dimension (such as individualism) does not preclude its opposite (of collectivism).

Paradox is defined as “contradictory yet interrelated elements – elements that seem logical in isolation but absurd and irrational when appearing simultaneously” (Lewis, 2000: 760). Paradox is characterized by “the simultaneous presence of contradictory, even mutually exclusive elements” (Cameron and Quinn, 1988: 2). As an example, whilst in Chinese society the absence of a well functioning legal framework stimulates behaviours that are indicative of collectivism such as ‘guanxi’ and network formation, the Chinese with their focus on the family and money oriented behaviour also display individualistic traits. Asian cultures are characterised by a situation accepting orientation (Leung, 1992) and people in them react in a flexible manner. Asian cultures also accept uncertainty and disorder as natural phenomena (Lamposki and Eden, 1996) and cope with situations on an individual or communal basis as circumstances require. This can be attributed to the nature of religious observance and social philosophy and also the ‘yin-yang approach to life.

Underscoring diversity of yin-yang is the nature of life in Asia. Apart from Islamic societies, Asian cultures are not monotheistic and are influenced by a number of religions or gods. Confucianism deals with human relationships; Taoism with life in harmony with nature and Buddhism with people’s immortal world (Fang, 1999) and Hinduism has many gods to choose from. These can be viewed more as philosophies than religions and in some cultures, people follow the philosophies of several.

As earlier discussed, many Asian cultures are characterised by the ‘yin-yang’ principle and simultaneously reflect elements of both the female and the male. This yin-yang approach to life is not reflected in the etic theory of culture. A fundamental philosophical weakness of the current cross-cultural scholarship is the lack of understanding of the yin and yang of culture and social behaviour (Fang, 2003). Fang (1999) illustrates this in applying the ‘yin-yang’ principle to the six values of Confucianism as follows:

- *Moral cultivation* is both positive (life-long learning, commitment, self regulation of behaviour) and negative (rejection of law as rational, relationships related to immediate context rather than to wider society).
- *Reliance on informal relationships* is both positive (allows things to get done) and negative (discourages establishment of strong institutions),
- *Family orientation* is both positive (enabled Chinese culture to endure and the survival of hardships) and negative (creates nepotism, corruption),
- *Value of age and hierarchy* is both positive (handing down wisdom to the next generation) and negative (discourages the young giving their views),
- *Maintenance of harmony* is both positive (assists dispute resolution) and negative (considers individual rights as of low importance),
- *Face* is both positive (a self regulating moral mechanism) and negative (stultifies the demonstration of genuine feelings)

The above suggests that there may exist another dimension of cultural variance that is prevalent in Asian cultures that can impact on the formation of relationships, the creation of networks and the continuance of networks once formed. This has been styled as embracing paradox.

CONCLUSIONS AND FUTURE RESEARCH

Using Asian markets as an example, this paper has shown that the traditional etic approaches to classifying cultural differences may be due for revision. To explore this further, it is proposed to select China as an example of an Asian country, and choose for in depth interview 10 firms involved in international business (IB) with Australia. For each of these firms, a specific transaction would be selected and in respect of this transaction, a network map prepared. The ethnicity of the parties involved in the transaction in China would be established using the Chan and Rossiter (1998) instrument referred to previously and then a study of the underlying cultural variables at work examined by administering the Chan and Rossiter (1998) Chinese value instrument as discussed. This would indicate the effectiveness of employing an emic based approach to exploring cultural differences of ethnic groups. If a study was subsequently undertaken of the values in other Asian markets and specific instruments developed, then a comparison could be made of the cultural variables in each of these markets to see whether there were commonalities. If there were commonalities, a clustering of regional groups in Asia based on ethnicity could be undertaken along the lines adopted by Ronen and Shenkar (1985).

As discussed earlier, the widely used existing cultural dimensions that have so far prevailed in the academic literature were derived either in the Cold War era or before the advent of unprecedented globalization and the Internet revolution. The changing nature of national culture given the free flow of information, capital, technology, and human resources, has been fundamentally missed in the current etic paradigm. Fang's (1999) emic approach illustrates rapid change is an important driving force of today's Chinese culture. In generalized terms,

this changing dimension of national culture deserves to be dealt with more comprehensively in the future. Such an approach may provide a better basis for predicting underlying cultural differences when embarking on relationship creation and network formation with business partners in Asian countries.

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