

Negative practice–value correlations in the GLOBE data: Unexpected findings, questionnaire limitations and research directions.

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Abstract:

The study of culture and cultural values continues to be hotly debated among cross-cultural researchers worldwide. Starting with the seminal work of Kluckhohn and Strodtbeck, and Hofstede, and continuing with more recent efforts, researchers have continued to develop and empirically examine cultural value frameworks in an attempt to understand how cultural differences affect work-related behaviors and attitudes. The purpose of this commentary is to briefly describe the interesting – and counterintuitive – findings from the Global Leadership and Organizational Behavior Effectiveness (GLOBE) project, summarize the different interpretations of these findings offered by Maseland and van Hoorn, and by Brewer and Venaik, provide a critique of their arguments, and finally offer a list of possible alternative interpretations and explanations for the conflicting findings in the GLOBE study.

Keywords: GLOBE | Hofstede | cross-cultural research/measurement issues | cultural values | cultural value frameworks | work attitudes | business management | international business

Article:

The study of culture and cultural values continues to be hotly debated among cross-cultural researchers worldwide. Starting with the seminal work of Kluckhohn and Strodtbeck (1961) and Hofstede (1980), researchers have continued to develop and empirically examine cultural value

frameworks in an attempt to understand how cultural differences affect work-related behaviors and attitudes. One of the most recent attempts to create a comprehensive framework to understand cultural values and their effects has been the Global Leadership and Organizational Behavior Effectiveness (GLOBE) study (House, Hanges, Javidan, Dorfman, & Gupta, 2004). Recently, Maseland and van Hoorn (2009), in their research note published in this journal and revisited in this issue (Maseland & van Hoorn, 2010), and Brewer and Venaik (2010) offered competing explanations for some of the more intriguing findings in the GLOBE study. The purpose of this commentary is to briefly describe the interesting – and counterintuitive – findings from the GLOBE project, summarize the different interpretations of these findings offered by Maseland and van Hoorn (2010) and Brewer and Venaik (2010), and consider possible alternative interpretations and explanations for the conflicting findings in the GLOBE study.

The GLOBE Study

Among the many attempts to measure the cultures of the world (e.g., Hofstede, 1980; Schwartz, 1992; Smith, Dugan, & Trompenaars, 1996), the GLOBE study (House et al., 2004) is one of the most recent, ambitious, and comprehensive efforts. Methodologically, the GLOBE study is very similar to other cultural comparison studies, in that all of them measure culture using a series of self-report survey questions with Likert-type response scales. Nevertheless, the GLOBE study is unique in one important way, in that it measures cultural values and cultural practices separately, and thus provides two different sets of cultural indices.

It has been long recognized that culture is a multilayered construct, often represented by an “onion” metaphor, with cultural values at the core, and practices, traditions, artifacts, and the like representing the outer layers (e.g., Hofstede, 2001). It has also been traditionally assumed that cultural values drive other forms of cultural expression, including practices, and thus these different facets of culture should be consistent with one another. Furthermore, a consistent relationship between behaviors and values is also often found at the individual level of analysis (Verplanken & Holland, 2002), and in the absence of evidence to the contrary, an analogous relationship is expected at the national level. With separate measures of cultural values and practices, the GLOBE study provided a unique opportunity to empirically confirm the theorized positive relationship between different facets of culture. Unexpectedly, however, the results of the GLOBE study did not support the anticipated value–practice consistency hypothesis but, rather, produced significant negative correlations between values and practices for seven out of the nine cultural dimensions included in the framework. As a result, the authors of the study were puzzled, and found it difficult to explain this counterintuitive finding.

The Maseland and van Hoorn Response

A possible explanation for the unexpected negative correlations between values and practices reported in the GLOBE study was offered by Maseland and van Hoorn (2009; hereafter, Maseland–van Hoorn). Maseland–van Hoorn suggest that the failure of the GLOBE study to confirm the positive relationship between values and practices is due to the limitations of self-report questionnaires. Specifically, they propose that, rather than measuring cultural values, the GLOBE questionnaire measures marginal preferences. Generalizing the law of diminishing marginal utility from economics to culture research, Maseland–van Hoorn argue that the relationship between practices and marginal preferences would be negative, just as it is between quantity and marginal utility (i.e., every additional unit of a good yields less additional utility). Further, Maseland–van Hoorn argue that the problem is not unique to the GLOBE questionnaire, as other self-report value surveys are also likely to measure marginal preferences, rather than values. Emphasizing this point, they argue that “we need to look at alternatives to the stated preferences approach, such as revealed preferences and experienced preferences” (Maseland & van Hoorn, 2010: this issue).

Maseland–van Hoorn's explanation is simple, elegant, and provocative. If their proposition is true, it means that the most popular and widely used tool for the empirical measurement of culture, the self-report questionnaire, has a major flaw: that is, it is incapable of capturing fundamental cultural values – the cornerstone of cross-cultural management research – but instead assesses marginal preferences. Effectively, Maseland–van Hoorn's proposition provides a basis for questioning the validity and utility of most previous research on cultural values, particularly those studies that operationalized cultural values through self-report questionnaires.

The Brewer and Venaik Study

In response to Maseland–van Hoorn's note, Brewer and Venaik (2010; hereafter, Brewer–Venaik) agree that self-response questionnaires may not adequately capture cultural values. However, they argue that the diminishing marginal preference hypothesis may not be the explanation for the value–practice negative correlations observed in the GLOBE study as it has several flaws. First, they question whether or not the law of diminishing marginal utility, which was originally developed for explaining materialistic relationships, is equally applicable in the context of values, behaviors, and practices. Second, the essence of the diminishing marginal utility argument lies in its focus on the effect of a change in the amount of a good or practice on the perceived utility of the good or practice. Brewer–Venaik argue that the GLOBE questionnaire cannot measure marginal preferences, because, with very few exceptions, its questions do not contain words such as “more”, “less”, or any synonyms that imply change.

Analysis of the Debate

A thorough analysis of Brewer–Venaik's arguments challenging Maseland–van Hoorn's explanation of the value–practice negative correlations reported in the GLOBE study raises

several interesting questions. First, Brewer–Venaik question the notion of marginal utility, because it is part of the rational paradigm used by economists. At first glance this seems to be an appropriate start, since critiques of the rationality assumption are widespread, motivating the formation of behavioral economics to address mainstream economics’ shortcomings (Camerer, Loewenstein, & Rabin, 2004). However, marginal utility – that is, the principle of diminishing returns – has extensive empirical support far beyond economics, and it is used across a variety of motivational theories (Steel & König, 2006). For example, it reflects the everyday experience of satiation, and it is an integral part of prospect theory (Kahneman & Tversky, 1979).

Second, as for Brewer–Venaik's point that the GLOBE questionnaire cannot measure marginal preferences because only a very few items contain the words “more”, “less”, or other words that indicate change, it appears that these words (or, at least, their meaning) are implied in all of the GLOBE value items. For example, consider the first three questions in the survey:

1. In this society, people should be encouraged to be aggressive vs non-assertive.
2. In this society, people should be encouraged to be dominant vs non-dominant.
3. In this society, people should be encouraged to be tough vs tender.

The continua for each answer imply a more/less choice, and it is likely that respondents interpreted them in this manner. In fact, if we plugged “more/less” into the questions, their meaning would probably not change. For example, consider the first three questions in the survey again:

1. In this society, people should be encouraged to be more aggressive vs less assertive.
2. In this society, people should be encouraged to be more dominant vs less dominant.
3. In this society, people should be encouraged to be more tough vs more tender (less tough).

Maseland–van Hoorn's position is a refinement of Javidan, House, Dorfman, Hanges, and de Luque's (2006) deprivation hypothesis. Just as countries that have more of a practice become more satiated, countries that have less of a practice may feel more deprived. As Javidan et al. (2006) note: “societies that are reported to be relatively highly performance oriented want to be even more performance oriented, but the increment is not nearly as much as for those societies that are reported to be less performance oriented: the latter desire a much higher level of achievement” (p. 902).

Does this line of reasoning mean that Maseland–van Hoorn are right? Not necessarily. Brewer–Venaik point out some limitations in Maseland–van Hoorn's proposition, but there are others.

Maseland–van Hoorn suggested using the revealed preference methodology rather than conventional self-response surveys to operationalize values. This approach is commonly advocated by mainstream economists, as they tend to believe that cardinal utility cannot be measured directly (cf. Lewin, 1996; Strotz, 1953). Revealed preference is potentially a strong methodology if one adopts the neoclassical economic assumption of rationality, as observed behavior always reflects values. Unfortunately, we are quasi-rational at best, meaning that observed behavior only generally reflects values. In other words, just as in self-report measures, there will be extraneous sources of error obscuring the true score. Furthermore, there are inherent difficulties in generalizing responses from specific situations and definite times, which the revealed preferences methodology taps, to constructs that are global (i.e., representing multiple situations) and stable (i.e., representing the enduring response), of which one is the cultural construct of value. This is the essence of the state vs trait debate that is covered extensively in most personality texts (e.g., Funder, 1997). Though self-report questionnaire items have their limitations, so does observed behavior. Those pursuing the revealed preference methodology will probably have considerable difficulty finding any single situation that is substantively predictive (Epstein & O'Brien, 1985), making this approach at least as problematic as self-report questionnaires.

Regarding Maseland–van Hoorn's marginal utility hypothesis, it appears more viable and indeed offers a credible explanation for the negative relationship between values and practices. However, marginal utility alone cannot rule out competing explanations. As Brewer–Venaik suggest, the explanation for this counterintuitive finding is probably very complex, and is rooted in the interplay among a variety of factors. Further, complicating matters, the combination of responsible factors may be different for each of the cultural dimensions. As we review next, there are indeed many possible alternative explanations, and consequently marginal utility is probably only one of several factors, and perhaps not the most significant one, that lead to inconsistencies in responses to values vis-à-vis practices survey items. Consequently, our purpose here is not to support the superiority of any one possible alternative explanation, including Maseland–van Hoorn's proposition, but to highlight that the issue has still yet to be resolved, and to provide a preliminary road map for future researchers to explore these interesting and provocative possibilities.

ALTERNATIVE EXPLANATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Buyer's Remorse

The extremes of any cultural dimension continuum are associated with different arrays of practices, each having its own costs and benefits. For example, there is a tradeoff between security and freedom, with high uncertainty avoidance cultures emphasizing the former over the

latter. Similarly, feminine societies, with their greater concern for others, would enact more social spending that can help the less fortunate, but at the cost of redistribution of wealth. On the other hand, masculine societies, with their emphasis on competition, would adopt more capitalist notions that can yield impressive rewards for successful entrepreneurial initiatives, but offer little support for those who fail to succeed in a competitive environment. While cultural values may push societies towards one set of practices or another, these values do not necessarily ensure that people are happy with the tradeoff they ultimately incur. They can regret and look longingly at the options they forewent. In consumer behavior this is commonly referred to as “buyer's remorse”, or an incidence of post-purchase cognitive dissonance (Peter & Donnelly, 2004).

What happens during post-purchase dissonance is a sense of disappointment, that what one expected or was promised is not being realized. In response to this, people can try to reduce their dissonance by ignoring or distorting any information that indicates they did not make the best choice. Alternatively (and this would explain the negative correlations between values and practices) they could also feel remorse, and wish they could change their choice. The degree of post-purchase dissonance depends on a variety of variables, but especially on whether the costs and benefits are expressed in the details or in the broad picture. From a distance we tend to evaluate options broadly or abstractly, whereas from up close we tend to emphasize specific or more concrete issues (Trope & Liberman, 2003). If medical systems, for example, provide most of their benefits in terms of abstract health but incur most of their costs in concrete terms, such as long wait times and high costs, one might get a “grass is greener” phenomenon. We would all want what others have, but we do not, and we take for granted what we do have but others lack.

The Degree of Value Internalization

Another theoretical possibility might be incomplete internalization of norms by individuals: that is, practices may not reflect values if values are not sufficiently internalized (Fischer, 2009). Cohen (2001) reviews evidence that inconsistency between behavioral norms and values may be caused by dramatic cultural shifts. This hypothesis challenges the traditional assumption that values are the cause and practices are the effect, and suggests that the causality may be reversed, or there may be a feedback loop. This notion is supported by recent research that showed that the relationship between values and practices can be a two-way street, and that values can be a consequence of practices rather than a cause (Inglehart & Welzel, 2005; Steel & Taras, 2010). Fischer (2009) put forth this exact hypothesis to explain the negative correlation between values and behaviors when he stated: “Inconsistency between perceived norms and individual values and beliefs was associated with dramatic cultural shifts within a few years” (p. 37). This is consistent with the modernization hypothesis, which suggests that the adoption of modern (e.g., Western, capitalist) governance practices and production methods will bring about values of Western societies (Inglehart & Welzel, 2005). For example, numerous accounts suggest that the economic development and increasing income level in China and India bring about an increase in

individualistic and more materialistic values (e.g., Ralston, Egri, Stewart, Terpstra, & Kaicheng, 1999; Shah, 2007). If the changes in business and political practices are occurring rapidly, for example as a result of a mandated top-down restructuring, the changes in values may be lagging, causing a discrepancy between practices and values.

Vocal Minority

As Steel and Taras (2010) show, there is still a considerable amount of cultural heterogeneity within any country. Most countries have people representing both ends of any cultural dimension, and such a mixture may skew the results of cross-cultural comparisons. Consider a mixed society that is, on balance, more collectivistic than individualistic, yet contains a sizeable number of people with individualist values. The split may be along ethnic or, more likely, political lines. This subculture of individualists could easily cause negative correlations between values and practices. The disenfranchised minority members are likely to be more radicalized, particularly when their losses loom larger than the majority's gains (Kahneman & Tversky, 1979; Steel & König, 2006). When asked what their society is and what it should be, the marginalized and radicalized minority are likely to choose extremes in ratings, for example characterizing moderate socialist policies as being extremely collectivist, and believing that the solution to their country's woes is to become extremely individualistic. Because the minority members are more vocal in their answers (i.e., choosing endpoints), their responses will dominate any average that includes them. Naturally, the same bias is possible, except in reverse, in countries where individualism dominates and collectivists are marginalized and actively express their disagreement with the majority. To determine the effect of minority extreme scores on study results, future research might consider cultural heterogeneity as a moderator. Cultures that are more heterogeneous and with high levels of practices will probably have a discontented minority group. These countries should show a greater gap between the values and practices scores.

Anchoring and Priming

Even though the GLOBE study team seems to agree with the proposition that values cause practices, their survey starts with the practice (As Is) items followed by the value (Should Be) items. This sequencing can affect answers through context effects, such as anchoring or priming mechanisms (Biemer, Groves, & Lyberg, 2004; Lavrakas, 2008). The As Is items coming first might force the respondents to focus on existing practices, which sets an anchor in the respondents' minds and primes them to evaluate the Should Be items that follow in relation to this anchor. Thus the responses to Should Be items may not represent fundamental values, but rather beliefs in relation to the anchor or prime set by the preceding As Is questions. The comparisons with the anchor, as opposed to the expected reports of fundamental values, could contribute to negative correlations between values and practices. Thus manipulating the sequence of As Is and Should Be items could help account for the anchoring and priming effects in future research.

Referent Shift

In his debate with Javidan et al. (2006), Hofstede (2006) pointed out that the GLOBE study differs from other questionnaires of its kind in that it asks respondents to evaluate country-level constructs. Hofstede argues that because the GLOBE study items start with “In this society ...”, they shift the focus from the individual to the country, which might limit the respondent's ability to provide an accurate assessment of the phenomenon. While many other scholars suggest that referent shift can limit the accuracy of assessment (for more details see Chen, Mathieu, & Bliese, 2004; Klein & Kozlowski, 2000), the exact extent of the problem is unknown. Nor is it known whether reference shift affects perceptions of values differently than it does perceptions of practices. If the differences are severe, the unexpected negative correlations found in the GLOBE study might have been caused by the referent shift. Simultaneous use of both items that inquire about individual and national-level phenomena could help account for the effect of referent shift in future research.

Maslow's Hierarchy of Needs

In a recent publication, Venaik and Brewer (2010) turn to Maslow's (1943) hierarchy of needs to provide another explanation of negative value–practice correlations. Maslow's hierarchy of needs theory ranks needs from basic, such as physiological, to higher-level ones, such as self-esteem and self-actualization. Maslow argues that until lower-level needs are satisfied, people will have difficulty attending to those higher in the hierarchy (e.g., “You can’t discuss politics on an empty stomach”). Once lower-level needs are satisfied, however, they disappear from our concerns, and needs higher on the hierarchy start dominating our conscious life, and consequently start determining our thoughts and behaviors. In societies where basic needs are unmet, people are likely to score higher on values that relate to basic needs. Alternatively, in societies where basic needs are satisfied, values related to them are probably given less notice, and instead people attend to, and rank as more important, values related to higher-level needs. Though Maslow's hierarchy of needs may be a plausible explanation for the negative value–practice relationship among many dimensions, Brewer–Venaik see it as being particularly relevant in the uncertainly avoidance context. Notably, this explanation does share a key element with that of the marginal utility hypothesis: satiation.

Data Analysis Methods

It is questionable whether or not simple correlation analysis is sufficient to determine the nature of the relationship between values and practices. We can see at least several scenarios in which the two constructs can be positively related, yet the correlations between the variables that represent them are actually negative. For example, consider a situation in which all countries in a sample have both strong value X and strong practice X. That would be reflected by high practices and values scores on a measure of X. Suppose the scores are measured on a 10-point scale and distributed as shown in Table 1 (Case 1). Alternatively, consider another case when all

countries in the sample do not value X and do not practice X. The scores on measures of X could be distributed as shown in Case 2. Obviously, both Cases 1 and 2 indicate a strong positive relationship between values and practices, and yet correlations in the data sets we provide would be perfectly negative ($r=-1.00$). Finally, consider a situation where some countries in the sample value X and practice X, whereas others value X but do not practice it. The scores could be distributed as shown in Table 1 (Case 3). Even though the data obviously suggest no relationship between values and practices, the data set misrepresents the true relationship by yielding a perfectly positive correlation ($r=1.00$).

Table 1. Hypothetical cases when correlations provide misleading results

Case 1			Case 2			Case 3		
Country	Practices	Values	Country	Practices	Values	Country	Practices	Values
1	9	8	1	1	2	1	1	7
2	9	8	2	1	2	2	1	7
3	9	8	3	1	2	3	1	7
4	9	8	4	1	2	4	1	7
5	9	8	5	1	2	5	1	7
6	8	9	6	2	1	6	9	8
7	8	9	7	2	1	7	9	8
8	8	9	8	2	1	8	9	8
9	8	9	9	2	1	9	9	8
10	8	9	10	2	1	10	9	8

As can be seen, in the three hypothetical cases described, correlation coefficients provide misleading conclusions about the relationship between values and practices. Problems of this kind are likely when one or more variables in the data set are truncated or censored. Could that be the case with the GLOBE study? As Brewer–Venaik point out, some values measured by the GLOBE study questionnaire are “positive” while others are “negative”. For example, all countries in the GLOBE study sample scored high on humane orientation, and all countries scored low on power distance. While that does not prove that the GLOBE's value–practices correlations are misleading, it certainly could suggest that correlations alone may not be sufficient, and calls for a more sophisticated analysis in the future.

Response Set Bias

The threat to validity stemming from cross-cultural differences in response sets and acquiescent and extreme response biases have been discussed in depth (for reviews see Harzing, 2006; Hui & Triandis, 1989; Smith, 2004). Cross-cultural differences in response styles are especially pronounced in items that ask for evaluative and prescriptive responses. The GLOBE's Should Be items ask respondents to critically evaluate existing practices and prescribe a course of action for improving the situation. It is likely that cultural background affects the comfort level of respondents in answering items of this kind, and thus respondents from some countries may lean toward middle responses, while other respondents may tend toward more extreme answers. One can easily imagine how differences in the respondents' comfort level with acknowledging the problem and giving a direction through responses to the Should Be items can contaminate data and result in negative correlations between values and practices. These findings, however, would not be indicative of the true relationship between values and practices, but rather reflect the differences in response styles. A number of methods for correcting for response style bias have been offered (e.g., Cheung & Rensvold, 2000; van de Vijver & Leung, 1997), and future research may want to reexamine the GLOBE study data to see whether accounting for the response set would change the conclusions, in particular with regard to the value–practices relationship.

Measurement and Analysis Level

Unfortunately, the GLOBE study reports only national-level means and correlations. There is a good reason for that – after all, their model (e.g., factor structure, psychometric properties) was developed and validated with national-level data. However, this leaves readers to wonder whether or not individual-level data would produce the same value–practice correlations. At the individual level of analysis the relationship between values and practices is well established and consistently positive (e.g., Kashima, Siegal, Tanaka, & Kashima, 1992; Moorman & Blakely, 1995; Verplanken & Holland, 2002). As a validity check, the GLOBE data analyzed at the individual level should indeed show a positive relationship between values and practices. If they do, this may indicate that the relationship between values and practices reverses when crossing from the individual to the national level of analysis, which would be a very interesting but unprecedented finding. Different relationships at different levels of analysis do occur (Chen et al., 2004; Klein & Kozlowski, 2000), and future research may want to address in more depth the issue of level of analysis in the cultural value–practice context.

Potential Moderators

It is also possible that the relationship between values and practices is moderated by individual and/or national-level factors. While the relationship between values and practices overall may be positive, the moderating effect may be so strong that, at some level of the moderator, the relationship could be negative. Unfortunately, the GLOBE study did not include any moderator analyses, which presents a great research opportunity for the future. For example, we hypothesized here that cultural heterogeneity exacerbates the “losses loom larger than gains” phenomenon, in which a minority but culturally disenfranchised portion of the population become radicalized, and disproportionately

influence an observed country's culture. Socio-economic status, education, income levels, age, and other demographic characteristics might be considered as individual-level moderators, and cultural tightness–looseness, freedom, wealth, and other country-level characteristics should be considered as national-level moderators. Furthermore, the degree of value internalization or value traitedness (Taras, Kirkman, & Steel, 2010) may moderate the relationship between values and practices. Such moderator searches could help resolve (or at least clarify) some of these issues.

CONCLUSION

The unexpected negative correlations between cultural values and practices found in the GLOBE study provoke new questions, and call for more research in this area. The debate presented here may not have offered a conclusive solution, but it can provide a foundation for future research. In particular, given the complexity of the problem, it is hard to argue with Brewer–Venaik's suggestion to look at each dimension separately to fully understand the GLOBE study findings. Furthermore, Maseland–van Hoorn usefully frame the debate in terms of differences between fundamental values and other forms of expression, such as marginal preferences.

If Maseland–van Hoorn are right, and the GLOBE study value scales indeed measure marginal preferences rather than fundamental values, what does this mean for future culture research? Maseland and van Hoorn (2010: this issue) note that “much of the observed differences in values surveys scores are not ... cultural in nature, but simply reflect differences in circumstances between groups of people.” This is a provocative statement, and hard to reconcile, given that cultural values correlate quite strongly with national personality scores, which are clearly not circumstantial (McCrae et al., 2005). Still, it indicates that what we think of cultural values may, in part, reflect marginal preferences and consequently is determined by the immediate situation. If so, to what extent are we measuring enduring values vs just the circumstance?

Regardless of their status, marginal preferences could be a useful focus for future research. As Maseland–van Hoorn suggest, marginal preferences probably predict organizational behaviors and attitudes, and thus can help managers devise systems that improve organizational performance by matching marginal preferences and managerial practices. Also, if the GLOBE study and other cultural value surveys are tapping into marginal preferences rather than values, then marginal preferences have already been shown to be important. The GLOBE study, along with hundreds of others (see Taras et al., 2010, for a meta-analytic review), confirmed significant relationships between cultural variables (marginal preferences, as asserted by Maseland–van Hoorn) and dozens of workplace-related outcomes. Perhaps if we explicitly instead of accidentally assess marginal preferences, we can do even better. Future cross-cultural researchers should consider developing better measures of marginal preferences and incorporate them in their analyses. Again, for any of this to come to fruition, we would need a concerted research effort to empirically establish the significance of marginal preferences. It is still just one of many hypotheses.

While it is impossible to make any definite conclusions without additional empirical evidence, this debate itself has proved useful. It has highlighted gaps in our understanding of culture measurement and culture conceptualization, and has identified directions for future research. Interestingly, the unexpected findings of the GLOBE study suggest that if we only look to distant frontiers in search of new interesting questions for future cross-cultural research, we may miss intriguing research opportunities right in our own backyard. Just when we thought we had figured out culture, we come back to the very basics of culture conceptualization and measurement, and face some of the most fundamental questions again. We believe that answering these questions is where a great deal of excitement and promise lies for future cross-cultural research.

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