

**FOUR TIGERS AND THE DRAGON:  
VALUES DIFFERENCES, SIMILARITIES, AND CONSENSUS**

**Ho-Beng Chia**  
National University of Singapore

**Carolyn P. Egri**  
Simon Fraser University

**David A. Ralston**  
University of Oklahoma

**Ping-Ping Fu**  
Chinese University of Hong Kong

**Christine M.H. Kuo**  
Yuan-Ze University

**Chay-Hoon Lee**  
Nanyang Technological University

**Yongyuan Li**  
Chinese Academy of Sciences

**Yong-Lin Moon**  
Seoul National University

## **ABSTRACT**

This study examines the influences of Confucianism, economic, and political factors that contribute to the convergence and/or divergence in value priorities of five societies often regarded as “Greater China” - China, Singapore, South Korea, Taiwan, and Hong Kong. We found that managers and professionals in these societies not only accorded higher priority to Confucian related-values, they also shared greater consensus about their importance. Political and social-economic factors affect cultural values orientations. However, economic development level is an insufficient explanation for explaining values convergence without consideration of the societal context in which that development occurred.

## **FOUR TIGERS AND THE DRAGON: VALUES DIFFERENCES, SIMILARITIES, AND CONSENSUS**

For the last 40 years, East Asia has been one of the most economically vibrant and rapidly developing regions in the world. Since the 1960s, the four “Tigers” (Hong Kong, Singapore, South Korea, and Taiwan) and the “Dragon” (China) have demonstrated their success in competing in world markets and have sustained high single to double digit economic growth for several decades (Fogel, 2005; Lee & McNulty, 2003). While economic commentators attribute this economic success to high savings and reinvestment rates as well as an export-oriented economic philosophy (see review by Sarel, 1996), cultural scholars suggest that the common root of East Asia’s thrift, diligence, and the willingness to put social progress ahead of individual wants lies in the region’s common Confucian heritage and values (e.g., Hicks & Redding, 1983; Hofstede & Bond, 1988; Kahn, 1979; Yu & Yang, 1994). This position is consistent with cultural divergence theorists who contend that cultural values systems are relatively stable reflections of the socio-historical heritage of a society (de Mooij, 1998; Inkeles, 1997).

Although modernization theorists agree that enduring cultural traditions contribute to different trajectories in the economic evolution of societies, they also suggest that economic development and affluence themselves bring sweeping and systematic social and cultural changes which in turn affect a society’s values orientation (e.g., Inglehart & Baker, 2001). Cultural convergence theorists argue that as societies industrialize and progress economically, their values begin to converge and become more similar (cf Dunphy, 1987). These alternative perspectives raise the following research questions: (1) Has Confucianism contributed significantly to a convergence of cultural value priorities in modern Chinese

societies? (2) Are there factors other than Confucianism that have systematically influenced the cultural value priorities of modern Chinese societies?

In this paper we examine three sets of influence - Confucian values, economic development, and political governance - that contribute to the convergence and/or divergence in value priorities of the five “Greater China” societies. While these five societies have traditional values rooted in ancient Confucianism (Hofstede & Bond, 1988; Kahn, 1979; Moody, 1996), they have very different socio-economic and political histories. As noted above, commentators have attributed the economic success of these five societies to traditional Confucian values that underlie modern neo-Confucian economic systems (e.g., Rosser & Rosser, 1998). Thus, we examine whether Confucianism does indeed influence cultural value orientations of managers and professionals across Greater China. Specifically, we investigate whether the personal cultural values that are related to Confucianism are accorded higher priority than those not associated with Confucianism, and whether this phenomenon is consistent across these five societies. Further, we explore the extent to which economic similarities and the development of political freedoms influence value priorities.

### **TIGERS AND THE DRAGON**

Between the early 1960s and 1997, the four Tigers rapidly industrialized and maintained sustained high growth rates (Fogel, 2005). Two factors attributed to their economic success were a highly disciplined and productive workforce that received relatively low wages (e.g., Li, 2002), and an export-driven economic development strategy (Moody, 1996; Wikipedia, 2006; World Bank 1993). The result was that these four societies managed to develop from third world to first world, or near first world economies within four decades (Fogel, 2005; World Bank 1993). Although lagging the Tigers in economic development level, China, the Dragon, has also experienced tremendous economic growth as a result of post-1978 economic and social reforms (Tian, 1998; Yao, 2000, 2006). In the remainder of

this section, we provide a summary description of each of the Greater China societies (see Table 1).

Hong Kong, Singapore, and Taiwan are predominantly populated by Chinese immigrants and their descendants primarily from the coastal provinces of Guangdong and Fujian. Both Hong Kong and Taiwan are situated off the coast of China, while Singapore is situated in Southeast Asia at the southern tip of the peninsular of Malaya (approximately 2300 km from the nearest point in China). Hong Kong and Singapore may be considered city-economies (respectively, 1042 square kilometers and 683 square kilometers) that are similar in terms of their populations (respectively, 6.9 million and 4.4 million), economic development levels (respectively, USD 34,200 and USD 27,800 GDP per capita), and economic activities. Both are major trans-shippers of goods (they are ranked the top two globally and handle very similar container tonnage) and are major financial centers. Both started industrialization of their economies in 1960s, and have achieved similar economic growth rates with similar dollar value of exports per capita. Both societies were British colonies for more than 100 years and have similar British-based legal, administrative, and educational systems. Singapore became an independent nation in 1965 while Hong Kong was a British colony until 1997 when it was returned to China as a Special Administrative Region of China under the “one country, two systems” formula (Huque & Yep, 2003).

In contrast, Taiwan is a substantially larger island with a land area of 98,190 square kilometers and a population of 22.89 million. Taiwan started its industrialization program in 1950, approximately 10 years earlier than the other Tigers, and has a high economic development level (USD 25,300 GDP per capita) with exports about 64% that of Hong Kong. International community recognition of Taiwan as a sovereign nation has been a contentious issue due to China’s position that Taiwan is a renegade province of China (Zhao, 2005).

South Korea is on the peninsula that joins China in the northeastern corner of China, and it is separated from Japan by the Korean Straits. Although South Korea has a land area (98,190 square kilometers) that is about 94 times the size of Hong Kong and a population (48.42 million) that is seven times that of Hong Kong, it has a similar level of GDP per capita level (USD 22,894) and level of exports to Hong Kong (CIA World Factbook, 2005). While South Korea has been linked to China since the 4<sup>th</sup> Century, it has always been an independent kingdom under Chinese suzerainty for most of the past millennium (CIA World Factbook, 2005). Although South Korea has an ethnically homogeneous population (except for 20,000 Chinese), Chinese influence on Korea has been strong in terms of strong economic trade linkages and a historically common cultural heritage (e.g., writing systems, architecture, religion, and cultural arts) (PBS online <http://www.pbs.org/hiddenkorea/history.htm>). Further, the Chosŏn Dynasty (1392-1910) was founded on explicitly Neo-Confucian principles (Deuchler, 1993).

The People's Republic of China, the Dragon, is the most populous country in the world. China has an estimated population of 1.3 billion on a land mass of 9.3 million square kilometers. Approximately 92% of the population is Han Chinese. China is still a developing country with a low GDP per capita of (USD 5600 GDP per capita) and approximately 49% of the population engaged in agriculture (CIA World Factbook, 2005). While China's economic development level is much lower than that of the four Tigers (range from USD 19,200 to USD 34,200 GDP per capita), China's rate of economic growth since the 1970s has been tremendous with GDP quadrupling since 1978 (GeographyIQ.com). This has largely been the result of the economic and social reforms instituted by Deng Xiaoping who forged economic ties with other countries, encouraged foreign investment, and gradually introduced market forces into a predominantly planned economy (Tian, 1998; Yao, 2000, 2006).

## HYPOTHESIS DEVELOPMENT

This paper investigates the influence of Confucian values, economic development and political governance on the values orientations of managers and professionals in the five Greater China societies. In this section, we review the relevant literature and develop hypotheses regarding each set of influences.

### **The Influence of Confucianism**

Confucianism has been identified as a strong and common source of cultural influence in the Greater China societies (Chiu, & Kosinski, 1995; Hofstede & Bond, 1988).

Confucianism teaches:

(1) Stability of social relationships is based on mutual and complementary obligations embedded within hierarchical relationship (e.g., ruler - subjects, father - son, older - younger friends, husband - wife). The junior party has an obligation of respect and deference while the senior party has an obligation of protection and benevolence.

(2) Harmony is precious. Harmony is found in preserving the dignity, social prestige, and self-respect of others (often referred to as “giving face”).

(3) Behave towards others in the same way that we wish others to behave towards us. In other words, the duty of care towards others should be held to the same standard as that we would apply to ourselves. However, this duty of care does not extend towards enemies.

(4) It is virtuous to be diligent, thrifty, patient and persevering. It is a taboo to indulge in conspicuous consumption and to lose one’s temper. Moderation is the essence of everything that we do.

Hofstede and Bond (2001) contend that cultural values are a form of social programming acquired very early in life. Furthermore, they argue that Confucian influence is deeply seated within core cultural traits, thus making them enduring and unlikely to change. For this viewpoint to be supported, two conditions need to be satisfied. First, Confucian-

related values must be held to be more important than other types of values. Second, there must be consensus within the sample of respondents that Confucian-related values are indeed important.

### **Mapping Confucianism to Personal Values**

Ethical and pragmatic rules and practices tend to be context rich and specific, and each society has its own set of context specific rules and practices. If we are to understand and compare these across cultures we need a common framework for mapping them. One approach is to focus on the underlying values or beliefs associated with these sets of rules. For this purpose, Schwartz's (1994) theory of basic human values can be most useful. Schwartz's circumplex model of cultural values has been validated with 97 samples across 44 societies (Schwartz, 1994, 1997; Schwartz & Bilsky, 1990). Schwartz's model identified ten motivationally distinct values, which may be located along two orthogonal bipolar dimensions resulting in four "higher order" values (Schwartz, 1994; Schwartz & Boenke, 2004). One values dimension is comprised of self-transcendence (universalism and benevolence) on one end and self-enhancement (achievement, hedonism, and power) on the other end of a continuum. The other values dimension is comprised of openness to change (self-direction and stimulation) on one end and conservation (conformity, tradition, and security) on the other end of a continuum.

In respect to the self-transcendence/self-enhancement values dimension, self-transcendence values relates to benevolence and universalism. Benevolence is the preservation and enhancement of the interest and well-being of those with whom we have close contact. Relating to this value are the beliefs in honesty, helpfulness, forgiveness, loyalty, and responsibility to those whom we are in contact. Universalism relates to the understanding, appreciation, tolerance and the enhancement of the state of well-being for all

people and for nature. This value encompasses the beliefs in broadmindedness, wisdom, social justice, equality, peace, beauty, unity with nature, and environmental protection.

On the other end of this values dimension is self-enhancement which includes power, achievement, and hedonism. Power relates to the desire for social status and prestige, and the control and dominance of people and resources. Achievement refers to the desire for personal success through the demonstration of personal competence. Relating to these two values are beliefs in the desirability of being ambitious, influential and successful, and the pursuit of social power, authority, and wealth. Hedonism relates to the belief in attaining pleasure and sensual gratification for oneself and that one should seek to enjoy one's life to the fullest.

In respect to the conservation/openness to change values dimension, conservation includes both conformity and tradition values. Conformity relates to restrained actions, inclinations, and impulses that are likely to upset or harm others, as well as avoidance of upsetting social norms and expectations. Behaviors associated with conformity are self-discipline, obedience, politeness, honoring elders, and control of emotions. Tradition relates to respect and acceptance of and commitment to ideas and customs that are transmitted through religion and cultural. Behaviors associated with the tradition value include respecting traditional practices, and being moderate when assimilating new cultural ideas.

On the other end of this values dimension, openness to change includes self-direction and stimulation values. Self-direction is related to autonomy and independent thought and action, and belief in creativity, freedom, curiosity, choosing and pursuing one's goals. Stimulation relates to the pursuit of excitement, novelty, variety, and challenge in life, as well as the desirability of being daring.

Relating Confucius' teachings to Schwartz's value dimensions, we see that Confucianism is most consistent with self-transcendence (in particular, the benevolence value) and conservation (in particular, conformity and tradition values) (Ralston, Holt,

Terpstra, Yu, 1997). If Confucianism exerts a strong influence on a society's cultural values system, then we would expect that the Confucian-related values of self-transcendence and conservation would be viewed as relatively more important than other values, namely openness to change and self-enhancement values. Further, we would expect that there would be a higher level of value consensus (i.e., values convergence) among respondents for Confucian-related values (self-transcendence and conservation) than for other values (openness to change and self-enhancement). Thus, we hypothesize that:

H1: In Greater China societies, self-transcendence and conservation values are viewed as relatively more important than openness to change and self-enhancement values.

H2: In Greater China societies, there is a higher degree of values consensus for self-transcendence and conservation values than for openness to change and self-enhancement values.

### **The Influence of Economic Development**

While cultural values, especially those at the core of a society, are difficult to change, they are nonetheless subject to influence and evolution over time. Modernization theorists argue that as societies industrialize, similar social, economic, and political institutions emerge and that these institutions socialize individuals to behave in certain ways (e.g., Eisenstadt, 1975; Inkeles, 1975; Levy, 1966). The demands of industrial institutions serve to reduce the priorities of values that interfere with psychological adaptation while raising those that aid psychological adaptation to new economic conditions (Schwartz & Segie, 2000; Yang, 1988). For instance, factory work requires individuals to value conformity, hierarchical authority, self-discipline, effectiveness, and efficiency while tolerating repetitive work. Thus, we would expect some commonalities in the personal values orientations of societies with similar levels of economic development and types of economic activities.

For the five societies in this study, we note that China's economic development lags behind those of the Tigers (Hong Kong, Singapore, South Korea, and Taiwan). China started its economic development 10 to 20 years after that of the Tigers, and it has a significantly lower GDP per capita (USD 5600) compared to those of the Tigers (range of USD 19200 to USD 34200). China's level of industrialization is also significantly lower with a workforce that is 49% employed in the agricultural sector compared to an 8% agricultural workforce for South Korea and Taiwan to less than 0.1% for Hong Kong and Singapore (CIA World Factbook, 2005). Thus, while China is in the early stages of industrialization, the Tiger societies are moving from an industrial economy towards a service economy (56% to 87% services). Modernization theory would suggest that value priorities of the Tigers would converge and be more similar, while those of China would be significantly different from those of the Tigers. Hence, we propose that:

H3: For Greater China societies (China, Hong Kong, Singapore, South Korea, and Taiwan), there are more societal dyad values differences for China than for the other societies.

As previously identified, Hong Kong and Singapore are the most similar of the five societies in this study in terms of economic development and industrialization, geographic context, and socio-political institutions (i.e., former British colonies). In fact, the two are so similar that the popular press has often cast these two economies as rivaling siblings (e.g., Reyes, 1998; Reuters, 2002; Seah, 2004). Hence, modernization theory would suggest that the values priorities of Hong Kong and Singapore would be very similar, more so than between any other two economies in this study. Thus we hypothesize that:

H4: There are fewer societal dyad values differences between Hong Kong and Singapore than between any other two societies in Greater China.

## **The Influence of Political Governance**

Besides cultural and economic factors, personal values orientations may be influenced by the nature and rate of change within a society. We note that the four Tigers have experienced rapid but similar economic development and growth during recent decades. While economic change should have a similar effect on values priorities, in some societies there is an added factor of political governance. In particular, we propose that societal level of democratization will be associated with a higher emphasis on the self-direction value, a component of the openness change values dimension.

To develop our hypothesis, we use the Polity IV composite measure of the level of democracy across countries (Marshall & Jaggers, 2003). On this measure, countries are rated as being strongly autocratic (-10) to strongly democratic (+10). Communist China is rated as being very autocratic (-7), and Hong Kong is included within the China rating. However, we note that although Hong Kong has an elected legislature, post-1997 governments have enacted constraints on democratic rights and civil rights (Lau, 2002). Singapore has had multiparty elections since 1959 but is rated as autocratic (-2) due to the establishment of a one-party governance system by the People's Action Party. Both South Korea (+8) and Taiwan (+9) are rated as being strongly democratic due to the presence of multi-party democratic governments since 1987. Thus, we would expect participants in strongly democratic societies (South Korea and Taiwan) would place higher importance on openness to change values (a value consistent with political freedom) than would participants in autocratic (Singapore) and strongly autocratic (Hong Kong and China) societies. Hence, we propose the following:

- H5: Openness to change value is attributed higher importance in democratic Greater China societies (South Korea and Taiwan) than in autocratic Greater China societies (Singapore, Hong Kong, and China).

## METHOD

### Sample and Procedure

In 2002-2003, we conducted a questionnaire survey to a cross-section of 1422 managers and professionals in China ( $n = 438$ ), Hong Kong ( $n = 154$ ), Singapore ( $n = 147$ ), South Korea ( $n = 283$ ), and Taiwan ( $n = 400$ ). Except for Singapore where English is the primary working language, survey participants completed the survey in their native language. Standard translation-back-translation procedures were used with one individual translating the questionnaire from English to the other language, and a second individual back-translating the questionnaire into English. Translation differences were resolved between the two translators resolved any translation differences, and when necessary, a third party was employed to assist. The demographics of the sample from each society are in Table 2.

### Measures

*Personal Values.* Personal values were measured using the 45 items of the Schwartz's value survey (SVS) that are designated for cross-cultural comparisons. This SVS structure conceives values as desirable, trans-situational goals of varying importance that guide an individual's actions (Schwartz, 1994, 2000). Participants were asked to rate each value item on a 9-point scale, with anchors ranging from -1 = "opposed to my values" to 7 = "of supreme importance". The self-transcendence sub-scale consisted of 13 items relating to universalism and benevolence. The self-enhancement sub-scale consisted of 10 items relating to power, achievement, and hedonism. The conservation sub-scale consisted of 14 items relating to tradition, conformity, and security. The openness to change sub-scale consisted of 8 items relating to stimulation and self-direction. The ranges of scale reliabilities (Cronbach alpha) for the five societies were: self-transcendence ( $\alpha = .74$  to  $.86$ ), self-enhancement ( $\alpha = .69$  to  $.87$ ), conservation ( $\alpha = .76$  to  $.85$ ), and openness to change ( $\alpha = .67$  to  $.80$ ). To address cross-cultural differences in scale response style, within-subject standardized scores

were used in the analyses (Leung & Bond, 1989). As Schwartz's value survey (SVS) is circumplex in nature, confirmatory factor analysis is not appropriate and therefore omitted (see Steenkamp, Hofstede, & Wedel, 1999).

*Demographic Characteristics.* Participant age, gender, organization position level (1 = non-supervisory, 2 = first level manager, 3 = middle manager, and 4 = upper level manager), company size (1 = less than 100 employees, 2 = 100 to 1000 employees, 3 = more than 1000 employees), and industry (1 = resource-based, 2 = manufacturing, 3 = services, 4 = public services, 5 = other) data were obtained in the survey questionnaire. In respect to sample differences, we found that the South Korea sample was older and the China sample was younger than other samples ( $F = 17.50, p < .001$ ). There was a higher proportion of female respondents in the Hong Kong and Singapore samples than in the Taiwan, China, and South Korea samples, respectively ( $F = 16.82, p < .001$ ). In respect to position level, the Hong Kong and Singapore samples were more senior than the China and South Korea samples, and the Hong Kong sample was more senior than the Taiwan sample which in turn, was more senior than the S. Korea sample ( $F = 6.17, p < .001$ ). For company size, the Hong Kong sample of managers worked in the smallest organizations and the South Korea sample worked in relatively larger organizations than did the Taiwan and China samples ( $F = 16.40, p < .001$ ). And finally, there were significant industry differences such that there was a higher proportion of Hong Kong managers working services industries whereas there was a higher proportion of China and Taiwan managers working in manufacturing industries ( $\chi^2 = 116.86, p < .001$ ). Given these sample differences, we included these demographic characteristics as covariates in statistical analyses for hypothesis testing.

## **Analyses**

Our statistical analysis strategy was to limit Type I error by conducting a multivariate analysis of covariance (MANCOVA) as an omnibus test. In the MANCOVA, the

independent variable was society (China, Hong Kong, Singapore, South Korea, Taiwan), and the independent variables were the four cultural values (self-transcendence, self-enhancement, conservation, and openness to change). The covariates in the MANCOVA were participant age, gender, position level, company size, and industry. Post hoc group comparisons (using the Bonferroni test) were conducted to test Hypotheses 1, 3, 4, and 5 regarding societal differences in values priorities.

To test Hypothesis 2 regarding societal differences in the degree of values consensus, we used the standard deviation of the importance of a particular value as an indicator of consensus (e.g., Schwartz & Segie, 2000; Veenhoven, 1995). A one-way ANOVA was conducted to test for differences in mean standard deviation scores for the four cultural values dimensions.

## RESULTS

Table 3 presents the descriptive statistics (standardized means and standard deviations) for four cultural values, and Table 4 presents the MANCOVA results. The MANCOVA showed that society was a significant variable (Wilk's Lambda = .90,  $F_{(16, 4437)} = 10.25, p < .001$ , partial  $\eta^2 = .03$ ). The MANCOVA showed significant societal differences for self-transcendence ( $F_{(4, 1422)} = 7.65, p < .001$ ), self-enhancement ( $F_{(4, 1422)} = 10.95, p < .001$ ), conservation ( $F_{(4, 1422)} = 13.15, p < .001$ ), and openness to change ( $F_{(4, 1422)} = 15.29, p < .001$ ). In addition, participant age (Wilk's Lambda = .88,  $F_{(4, 1422)} = 49.34, p < .001$ , partial  $\eta^2 = .12$ ), gender (Wilk's Lambda = .99,  $F_{(4, 1422)} = 5.11, p < .001$ , partial  $\eta^2 = .01$ ), and position in the company (Wilk's Lambda = .97,  $F_{(4, 1422)} = 9.85, p < .001$ , partial  $\eta^2 = .03$ ) were significant covariates.

Moderately strong support was found for Hypothesis 1 which proposed that the Confucian-related values of self-transcendence and conservation would be viewed as relatively more important than openness to change and self-enhancement values. As shown in

Table 3, the post hoc group comparison tests showed that self-transcendence values were not only the highest priority but was also significantly higher than all other values in each of the five societies. Conservation values were viewed as the second most important values dimension by respondents in China, Hong Kong, and Singapore. While conservation was also the second ranked values dimension for Taiwan, there was no significant difference between conservation and openness to change values. And for South Korea, self-enhancement was ranked higher than conservation. Thus, Hypothesis 1 is supported in respect to the relative importance of self-transcendence values across all five Greater China societies whereas Hypothesis 1 is supported in respect to the relative importance of conservation values for three of the five societies.

Hypothesis 2 proposed that in Greater China societies, there would be a higher degree of values consensus for self-transcendence and conservation values than for openness to change and self-enhancement values. Value consensus is defined as the agreement among members of a society concerning the priority of a particular value (see Horowitz, 1962; Partridge, 1971; Schwartz & Segie, 2000). The more agreement among individuals in a society with regards to the importance of a value, the less variation (i.e., smaller standard deviation) there is in within-group ratings. The ANOVA results showed that for the total sample, consensus varied significantly across values ( $F_{(3, 16)} = 67.39, p < .001, \eta^2 = .93$ ). Post hoc analysis with Bonferroni adjustments showed that the Confucian-related values of self-transcendence (mean  $SD = .28$ ) and conservation (mean  $SD = .28$ ) had significantly smaller standard deviations than self-enhancement (mean  $SD = .41$ ) and openness to change (mean  $SD = .39$ ) values. Furthermore, there was no significant difference in mean standard deviations between the two Confucian-related values of self-transcendence and conservation, or between openness to change and self-enhancement values. In sum, Hypothesis 2 was supported.

Hypothesis 3 proposed that there are more societal dyad values differences for China than for the other Greater China societies. In this regard, the total number of possible dyad differences for each country is 16 (i.e., four values x four countries). The post hoc group comparisons (see Table 4) revealed that China had the same number of values societal-dyad differences (11) as did Taiwan and Hong Kong. Singapore had 10 societal-dyad values differences whereas South Korea had the highest number (13) of values differences with the other societies. Hence, Hypothesis 3 was not supported.

Hypothesis 4 proposed that because Hong Kong and Singapore's similarities in history, legal and economic structures, and economic development, there would be fewer societal dyad values differences between Hong Kong and Singapore than between any other two Greater China societies. The post hoc group comparisons (see Table 4) showed that Hong Kong and Singapore were only different in respect to one of the four values (self-transcendence). The next most similar societies were China and Hong Kong (different self-enhancement and conservation values), China and Taiwan (different self-transcendence and openness to change values), and South Korea and Taiwan (different self-enhancement and conservation values). Singapore had three values differences with China, South Korea and Taiwan - Singapore differed in values with China on self-transcendence, conservation, and self-enhancement values, and she differed from both South Korea and Taiwan on self-enhancement, conservation, and openness to change values. Finally, the most dissimilar societies (no common values levels) were China and South Korea, Hong Kong and South Korea, and Hong Kong and Taiwan. In sum, Hypothesis 4 was supported.

Consistent with Hypothesis 5 regarding the influence of democratization on values orientations, Taiwan and South Korea participants attributed significantly higher importance to openness to change values than did participants in Singapore, China, and Hong Kong (see Table 4). Hence, Hypothesis 5 was fully supported.

## DISCUSSION AND CONCLUSIONS

This study of Greater China societies provides substantial support for cultural divergence theorists' proposal that traditions and culture have enduring and significant effects on societies (e.g., de Mooij, 1998; Inkeles, 1997). Specifically, we found among these five societies (China, Hong Kong, Singapore, South Korea, and Taiwan) that self-transcendence – a Confucian-related value – was viewed as relatively more important than other cultural values. We also found that conservation – another Confucian-related value – was ranked higher than self-enhancement and openness to change in three of the five societies (i.e., China, Hong Kong, and Singapore). Further, we found a higher level of values consensus for Confucian-related values (self-transcendence and conservation) than for values unrelated to Confucian ideology (self-enhancement and openness to change). Our findings suggest that even though these East Asian societies have undergone dramatic and rapid economic changes, there is significantly more consensus among societal members that Confucian-related values are more important than non-related values.

Modernization theorists suggest that economic development produces socio-economic structures that results in the convergence in values among societies (e.g., Inglehart & Baker, 2001). Our finding that Hong Kong and Singapore had the most similar values orientations lends support to this prediction; given that of the five societies in this study, these two were the most similar in terms of socio-economic development. However, we also found that China, the least economically developed society, also had several similar value priorities with its more economically developed Tigers. As noted previously, the similarities of Hong Kong and Singapore go beyond economic development – both are city economies, are major transshipment centers, have very similar economic activities, and have legal systems and civil administration that are derived from their British colonial periods. This suggests that while adaptation to socio-economic structures may affect cultural values orientations, economic

development level is an insufficient explanation for explaining values convergence without consideration of the context in which that development occurred.

Modernization theory would also predict that economies that are more economically developed and open to outside influence would place higher importance on openness to change and self-enhancement values than on conservation and self-transcendence. However, we found evidence to the contrary. Hong Kong and Singapore rank among the world's most open economies and have very high economic development levels (respectively, ranked 9<sup>th</sup> and 29<sup>th</sup> in the world in terms of GDP per capita). And yet, both Hong Kong and Singapore respondents viewed self-transcendence as the most important value and conservation as the second most important value with self-enhancement and openness to change being ranked the lowest. Further, we found that Hong Kong and Singapore respondents viewed conservation as significantly more important whilst self-enhancement as significantly less important than their counterparts in less economically developed societies. We also found that Hong Kong and Singapore were similar to China in the significantly lower importance accorded to openness to change, compared to South Korea and Taiwan. One possible explanation is that the economies of these two small societies are among the world's smallest and most open. Furthermore, they are almost totally reliant on external trade for economic survival and growth. These societies are greatly affected by economic changes that occur among their trading partners. For instance, as the cost structure of Singapore's economy changes relative to other economies, less cost effective industries leave its border. Consequently, Economic Development Board of Singapore constantly seeks new and more technologically advanced manufacturing to replace existing ones. At the individual level, members of society have to constantly worry about employment and about remaining employable. More recently, with the emergence of good quality and relatively cost effective manufacturing capabilities of China, Hong Kong's manufacturers have relocated to China in large numbers subjecting

members of that society to traumatic economic changes (see Ralston, Pounder, Lo, Wong, Egri & Stauffer (in press), on the substantial changes that is occurring in Hong Kong).

We therefore suggest that members of these two societies are subjected to so much external social and economic uncertainty that they seek an oasis of stability in the form of conforming to tradition (a conservation value). As a counter-reaction, they may be seeking less change and are more aware that too much change coupled with high levels of self-enhancement priorities may result in a divided society that may not be able to cope with the high levels of uncertainty and change. Thus, our findings concerning Hong Kong and Singapore suggests that in high economic development countries undergoing rapid and unpredictable socioeconomic changes, members of society may seek stability through traditional values.

Our findings revealed that the two societies (South Korea and Taiwan) that have undergone rapid political democratization in addition to rapid economic development rated openness to change as significantly more important than all other societies. While our data cannot verify the causality of this relationship, this higher emphasis on openness to change may be attributed to democratic tradition's emphasis on the importance of independent thought and action, and the need to adapt to the challenges associated with rapid democratization. Another plausible explanation is that these societies may have been more open to change and thus have been more willing to democratize. A case in point is that in modern South Korea and Taiwan, democratic governance is arguably the critical societal difference that sets them apart from their communist counterparts in North Korea and China.

From a methodological perspective, one contribution of this study was demonstrating the usefulness of examining not only the mean levels of values priorities but also the extent to which members of a society agree on these value priorities. Schwartz and Segie (2000) and others have argued that in any society, values consensus contributes to social stability.

Commitment to shared values creates social identity, reduces conflicts, and creates a common social framework to achieve common goals (see for instance, Cohen, 1968; Kahl, 1968; Partridge, 1971; Shils, 1975). In this regard, we found that in Greater China societies, it is Confucian-related values (i.e., self-transcendence and conservation) that appear to be the stable core that provides social stability in the midst of rapid economic and political change.

### **Managerial Implications**

Despite rapid economic development and the trappings of modernization, we found that Confucian-related values are still held in high standing in the five societies that we studied. As such, managerial actions consistent with the values of conservatism and self-transcendence are more likely to gain acceptance. For instance, purely individual-based incentives may be viewed as inconsistent with self-transcendence values and thus, individual incentives coupled with group incentives may make such compensation systems more acceptable (e.g., Warner, 2001). There are also opportunities to capitalize on the value of self-transcendence which has a high priority in these societies. For instance, knowledge and expertise sharing can be framed as acts of self-transcendence and counter to self-enhancement. Programs such as peer coaching and mentoring are more consistent with the enactment of self-transcendence and are more likely to be well received. Work designs that are team-based as opposed to individually-based (Huselid, 1995) are also more consistent with self-transcendence values orientations. One common theme is that managerial programs that focus on group-based techniques should be more effective in neo-Confucian societies.

In societies such as Singapore and Hong Kong where economic uncertainty is prevalent and conservation values are viewed as highly important, individuals may be seeking more stability in their work environments. Thus, managerial systems and programs that increase the semblance of stability may add substantial value to employees and thus aid in the recruitment and retention of talent. For instance, longer term programs such as career

development and training and development programs that enhance skill flexibility may benefit both the individual and the enterprise. Sharing longer term strategic directions and information may increase the perception of predictability and therefore may be particularly welcomed and valued by employees in these societies.

In Taiwan and South Korea, democratization of the workplace may provide value to employees as such practices are consistent with the relatively higher importance attributed to openness to change than by employees in the other societies. Greater workplace participation may provide valuable psychic rewards that aid recruitment and retention of talent.

### **Future Research**

This study provides tentative evidence that cultural traditions can endure during periods of rapid and substantial economic development. However, more research is needed to determine whether our findings are applicable to other non-Chinese cultures. It is entirely possible that certain contextual conditions make values associated with Confucianism more resilient to change. For instance, Confucian-related values may facilitate economic development, and thus contradictions do not arise and value changes are not required for economic progress. On the contrary, the functional nature of Confucian-related values may actually reinforce its importance. In different cultural contexts where traditional values conflict with economic development, values change may take the form of depreciating values that hinder development while appreciating those that favor development. Future researchers may look at how the functionality of traditional values affects the appreciation or depreciation of value priorities.

Our findings suggest that global measures of socio-economic development such as per capita income may not be a good proxy for the existence of similarities between socio-economic structures that affect value priorities. Instead, a context-rich and multi-dimensional approach may be more useful. Future research is needed to identify which social and

economic institutions change values orientations during as economies industrialize and as they later develop into post-industrialized economies. Future research is also needed to identify which types of values aid or hinder each stage of economic development.

While our data suggest that there is a relationship between value priorities and political democratization, the causal direction is unclear. Longitudinal studies are required to understand the causal mechanism at work. Researchers may wish to explore the nature of reinforcement cycles that accelerates or decelerates democratization.

In conclusion, this study has shown that societies are complex social organisms, and consequently a multi-theory perspective may be more helpful in the explaining and predicting value retention and changes overtime. We found tentative evidence that culture, economic, political, and other social institutions affect value retention and change. Contrary to modernist theory, we found some tentative evidence that traditional values that provide stability in a rapidly changing and uncertain economic environment may be held as highly important. The findings suggest that theories and research using context-contingency approaches might be useful.

## REFERENCES

- AsianInfo.org. Korea's history. <http://www.asiainfo.org/asiainfo/korea/history.htm>,  
Assessed July 3, 2005.
- CIA World Factbook. 2005. <http://www.cia.gov/cia/publications/factbook/index.html>,  
Assessed July 3, 2005.
- Chiu, R.K., & Kosinski, F.A. 1995. Chinese cultural collectivism and work-related stress:  
Implications for employment counselors. *Journal-of-Employment-Counseling*, 32: 98-  
110.
- Cohen, P.S. 1968. *Modern social theory*. London: Heinemann.
- de Mooij, M. 1998. *Global marketing and advertising: Understanding global paradoxes*.  
Thousand Oaks, CA: Sage.
- Deuchler, M. 1993. *The Confucian transformation of Korea: A study of society and ideology*.  
Cambridge, MA: Harvard University Press.
- Dunphy, D. 1987. 'Convergence/divergence: A temporal review of the Japanese enterprise  
and its management'. *Academy of Management Review*, 12: 445-459.
- Eisenstadt, S. N. 1973. *Tradition, change and modernity*. New York: John Wiley.
- Fogel, R.W. 2005. Reconsidering expectations of economic growth after World War II from  
the perspective of 2004. *IMF Staff Papers*, Vol. 52 Special Issues, Washington, DC:  
International Monetary Fund.
- GeographyIQ.com. China - economy.  
[http://www.geographyiq.com/countries/ch/China\\_economy.htm](http://www.geographyiq.com/countries/ch/China_economy.htm), Assessed July 3, 2005.
- Hicks, G.L. & Redding, S.G. 1983: The story of the East Asian "economic miracle," parts I  
and II, *Euro-Asia Business Review*, 2: (3 & 4).
- Hofstede, G. & Bond, M.H. 1988 *The Confucius connection: From cultural roots to economic  
growth*. *Organizational Dynamics*, 16: 5-21.

- Horowitz, I.L. 1962. Consensus, conflict, and cooperation: A sociology inventory. *Social Forces*, 41: 177-188.
- Huselid, M.A. 1995. The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38: 635-672.
- Huque, A.S. & Yep, R. 2003. Globalization and reunification: Administrative reforms and the China - Hong Kong convergence challenge. *Public Administration Review*, 63: 141-152.
- Inglehart, R. & Baker, W.E. 2001. Modernization's challenge to traditional values: who's afraid of Ronald McDonald? *Futurist*, 35: 16-21.
- Inkeles, A. 1997. *National character: A psycho-social perspective*. New Brunswick: Transaction Publishers.
- Kahl, J.A. 1968. *The measurement of modernism: A study of values in Brazil and Mexico*. Austin: University of Texas.
- Kahn, H. 1979. *World economic development: 1979 and beyond*. Boulder, CO: Westview.
- Lau, S.K (Ed.) 2002. *The first Tung Chee-Hwa administration: The first five years of the Hong Kong Administrative Region*. Hong Kong: The Chinese University Press.
- Lee, H.C., & McNulty, M.P. 2003. East Asian's dynamic development model and the Republic of Korea's experiences. Policy Research Working Paper 2987. Washington D.C.: The World Bank.
- Leung, K., & Bond, M.H. 1989. On the empirical identification of dimensions for cross-cultural comparison. *Journal of Cross-Cultural Psychology*, 20: 133-151.
- Levy, M. J., Jr. 1996. *Modernization and the structure of societies*. Princeton, NJ: Princeton University Press.
- Li, K.W. 2002. *Capitalist Development and Economism in East Asia: The Rise of Hong Kong, Singapore, Taiwan, and South Korea*. New York: Routledge.

- Marshall, M.G., & Jagers, I. 2003. Polity IV Country Reports 2003. College Park, MD: Center for International Development and Conflict Management, University of Maryland. <http://www.cidm.umd.edu/inscr/polity>, Assessed Oct 10, 2005.
- Moody, P.J. 1996. Asian values. *Journal of International Affairs*, 50: 166-192.
- Partridge, P.H. 1971. *Consent and consensus*. NY: Praeger.
- PBS Online. Hidden Korea – history. <http://www.pbs.org/hiddenkorea/history.htm>, Assessed July 3, 2005.
- Ralston, D.A., Holt, D.A., Terpstra, R.H., & Yu, K.C. 1997. The impact on national culture and economic ideology on managerial work values: A study of the United States, Russia, Japan and China. *Journal of International Business Studies*, 28: 177-208.
- Ralston, D.A., Pounder, J., Lo, C.W.H., Wong, Y.Y., Egri, C.P. & Stauffer, J. In press. Stability and Change in Managerial Work Values: A longitudinal study of China, Hong Kong and the U.S.A. *Management and Organization Review*.
- Reyes, A. 1998, Nov 13. Sibling rivalry: Hong Kong versus the Lion City. *AsiaWeek*.
- Reuters. 2002, Oct 29. Hong Kong and Singapore take different views of integration. <http://www.singapore-window.org/sw02/021029re.htm>, Assessed Oct 8, 2005.
- Rosser Jr., J.B. & Rosser, M.V. 1998. Islamic and Neo-Confucian perspectives on the new traditional economy. *Eastern Economic Journal*, 24: 217-227.
- Sarel, M. (1996) *Growth in East Asia: What we can and what we cannot infer*. Washington D.C.: International Monetary Fund.
- Schwartz, S.H. 1994. Are there universals in the content and structure of values? *Journal of Social Issues*, 50: 19–45.
- Schwartz, S.H. 1997. Values and culture. In D. Munro, S. Carr, J. F. Schumaker, (Eds.), *Motivation and Culture*. 69–84. New York: Routledge.
- Schwartz, S.H., & Bilsky, W. 1990. Toward a theory of the universal content and structure of

- values: Extensions and cross-cultural replications. *Journal of Personality and Social Psychology*, 58: 878-891.
- Schwartz, S.H., & Boehnke, K. 2004. Evaluating the structure of human values with confirmatory factor analysis. *Journal-of-Research-in-Personality*, 38: 230-255.
- Schwartz, S.H., & Segie, G. 2000. Value consensus and importance: A cross-national study. *Journal of Cross Cultural Psychology*, 31: 465-497.
- Seah, C.N. 2004, Dec 12. Hong Kong vs. Singapore: Who is winning? *The Sunday Star*.
- Shils, E. 1975. *Center and periphery: Essays in microsociology*. Chicago: University of Chicago.
- Steenkamp, J.-B. E. M., Hofstede, F. T., & Wedel, M. 1999. A cross-national investigation into the individual and national cultural antecedents of consumer innovativeness. *Journal of Marketing*, 63: 55 -69.
- Tian, X. 1998. *Dynamics of Development in an Opening Economy: China Since 1978*. Nova Science Publishers, Commack, NY.
- Veenhoven, R. 1995. The cross-national pattern of happiness: Test of predictions implied in three theories of happiness. *Social Indicators Research*, 34: 33-68.
- Warner, M. 2001. The Future of China's Human Resources Strategies in its Asia-Pacific Context: A Critical Perspective. In J.B. Kidd, X. Li and F.J. Richter (Eds.), *Advances in Human Resource Management in Asia*. 154-168. New York: Palgrave.
- World Bank. 1993. *The East Asian miracle*. Washington, DC: World Bank.
- Wikipedia 2006. East Asian Tigers. Wikipedia, The Free Encyclopedia.  
[http://en.wikipedia.org/w/index.php?title=East\\_Asian\\_Tigers&oldid=39214124](http://en.wikipedia.org/w/index.php?title=East_Asian_Tigers&oldid=39214124),  
 Assessed February 11, 2006.
- Yang, K.S. 1988. Will societal modernization eventually eliminate cross-cultural psychological differences? In M. H. Bond (Ed.), *The Cross-Cultural Challenge To Social*

- Psychology. 67-85. London: Sage.
- Yao, S. 2000. Economic development and poverty reduction in China over 20 years of reforms, *Economic Development and Cultural Change*, 48: 447-474.
- Yao, S. 2006. On economic growth, FDI and exports in China. *Applied Economics*, 38: 339-351.
- Yu, A.B. & Yang, K.S. 1994. The nature of achievement motivation in collectivist societies. H.C. Triandis & U. Kim (Eds.) *Individualism and collectivism: Theory, method, and applications*. 239-266. Thousand Oaks, CA: Sage.
- Zhao, Q.S. 2005. Beijing's dilemma with Taiwan: War or peace? *Pacific Review*, 18: 217-242.

**Table 1****Socioeconomic and Political Characteristics of the Five Societies**

	China	Hong Kong	Singapore	South Korea	Taiwan
Land area (km <sup>2</sup> )	9,326,410	1,042	683	98,190	32,260
<i>Demographic characteristics</i>					
• Population (thousands, Est. 2005)	1,306,314	6,899	4,426	48,423	22,894
• Population density (per km <sup>2</sup> )	139	6,254	6,389	493	705
• Ethnic Chinese population	92%	95%	77%	< .001%	98%
<i>Economic characteristics</i>					
• Start of industrialization	1970s	1960s	1960s	1960s	1950s
• Exports (USD 2004)	\$453 billion	\$268 billion	\$174 billion	\$251 billion	\$171 billion
• GDP per capita (USD 2004)	\$5600	\$34,200	\$27,800	\$19,200	\$25,300
• GDP Growth (% , 2004)	9.1	7.9	8.1	4.6	6.0
• Investment (% of GDP, 2004)	46	22	27	29	18
• Economic Activities (%):					
Agriculture	15	-	-	3	2
Industry	53	13	33	40	30
Services	32	87	67	56	68
• Labor force occupation (%):					
Agriculture	49	-	-	8	8
Industry	22	10	24	19	35
Services	29	89	60	73	57
<i>Government</i>					
• Government type	Communist State	Limited Democracy	Parliamentary Republic	Republic	Democratic
• Legal System	Civil code and custom	English common law	English common law	Civil code, English common law, custom	Civil code

Sources: Wikipedia. CIA World Factbook

**Table 2****Description of Sample**

Variables <sup>a</sup>	China (n = 438)	Hong Kong (n = 154)	Singapore (n = 147)	S. Korea (n = 283)	Taiwan (n = 400)	Group differences
Age	33.1 (8.0)	33.7 (8.6)	34.1 (9.3)	39.5 (9.2)	36.1 (13.2)	F = 17.50***
Gender (% male)	70%	33%	52%	81%	62%	F = 16.82***
Position level	2.0 (0.9)	1.8 (1.0)	2.3 (1.0)	2.0 (1.0)	2.2 (1.1)	F = 6.17***
Company size	2.2 (0.8)	1.8 (0.9)	2.3 (0.8)	2.4 (0.8)	2.2 (0.8)	F = 16.40***
Industry						$\chi^2 = 116.86$ ***
- manufacturing	12%	33%	13%	20%	32%	
- resource-based	0%	0%	1%	6%	0%	
- services	64%	21%	27%	23%	31%	
- public sector	24%	30%	36%	38%	24%	
- other	0%	16%	24%	13%	14%	

<sup>a</sup> Position level coded as follows: 1 = non-supervisory, 2 = first level manager, 3 = middle manager, and 4 = upper level manager);

Company size coded as: 1 = less than 100 employees, 2 = 100 to 1000 employees, 3 = more than 1000 employees

\*  $p < .05$

\*\*  $p < .01$

\*\*\*  $p < .001$

**Table 3****Values Orientations: Standardized Means, Standard Deviations, and Values Rankings<sup>a</sup>**

	Self-transcendence		Conservation		Self-enhancement		Openness to Change		Values Ranking
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>	
China	.17	.27	-.06	.27	-.11	.36	-.20	.37	Self-transcendence > conservation > self-enhancement > openness to change
Hong Kong	.16	.28	.01	.27	-.20	.43	-.25	.40	Self-transcendence > conservation > (self-enhancement = openness to change)
Singapore	.11	.29	.04	.28	-.24	.42	-.19	.39	Self-transcendence > conservation > (openness to change = self-enhancement)
South Korea	.08	.30	-.14	.26	.00	.42	-.08	.39	Self-transcendence > self-enhancement > (openness to change = conservation)
Taiwan	.08	.27	-.03	.31	-.13	.41	-.04	.38	Self-transcendence > (conservation, openness to change) > self-enhancement
All Societies	.12	.28	-.03	.28	-.14	.41	-.15	.39	Self-transcendence > conservation > (self-enhancement = openness to change)

<sup>a</sup> Means are adjusted for covariates

**Table 4****MANCOVA Results: Society Differences in Values Orientations**

	Self-transcendence	Conservation	Self-enhancement	Openness to change
	<i>F</i>	<i>F</i>	<i>F</i>	<i>F</i>
Society	7.65***	13.15***	10.95***	15.29***
Age	48.14***	148.28***	81.44***	71.73***
Gender	.04	.17	.43	6.44*
Position level	12.68***	23.90***	23.58***	2.60
Company size	.00	.31	.12	.65
Industry	6.20*	.06	3.09	2.47
Societal differences	(China, Hong Kong) > (Singapore, South Korea, Taiwan)	(Singapore, Hong Kong) > (Taiwan, China) > South Korea	South Korea > (China, Taiwan) > (Hong Kong, Singapore)	(Taiwan, South Korea) > (Singapore, China, Hong Kong)

\*  $p < .05$ \*\*  $p < .01$ \*\*\*  $p < .001$