Marketing Seminar Series

Psychological Variables in International Business Research: What is Their Unique Contribution?

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Abstract:
Business research makes ample use of psychological variables, such as individualism, to explain behaviour. “Culture” – most often identified with countries -- is added to deal with differences between human populations. However, the concept of culture is “fuzzy” and its meaning needs to be specified. The use of countries as a proxy for cultures limits an understanding of differences between populations that are distinguished on the basis of other characteristics, such as socio-demographics. Furthermore, national differences are likely to be small compared to within country differences.

We address two questions. First, do psychological variables add uniquely to intergroup variance after easily accessible external (e.g., economic, societal) variables are accounted for; and if so which kinds of psychological variables look most promising? Second, is “country” the most appropriate level for distinguishing cultural populations, or can more variance be explained in terms of regions within countries and/or in terms of cross-national segments? We examine these questions empirically for three concepts: value dimensions (with low between-country variance), trust (with medium between country variance) and life satisfaction (with high between country variance). Using a large data set from the European Social Survey (ESS) with data from 30 countries we find that intergroup variance is mainly explained by economic characteristics, such as GDP per capita. After correcting for these characteristics, the psychological variables seem to explain far less than often assumed. Implications for international business research are given.

Keywords: values, trust, life satisfaction; international business; intergroup variance; cross-national; European Social Survey

Date: Wednesday, 19th November 2014
Time: 11:00am—12:45pm (Morning tea will be served at 10:45am, BYO coffee/tea)
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