

Generation Cohorts and Personal Values: A Comparison of China and the U.S.

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The authors wish to thank Yu Kai-cheng, Dalian University of Technology and Robert H. Terpstra, University of Macau, for their assistance in this research project.

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Abstract

This study investigated the generation cohort values orientations of 774 Chinese and 784 U.S. managers and professionals. The three Chinese generations (Consolidation, Cultural Revolution, Social Reform) since the establishment of Communist China were significantly more open to change and self-enhancing but less conservative and self-transcendent than the Republican Era generation. The values orientations of U.S. generations (Generation X, Baby Boom, Silent Generation) followed an age-related pattern with the exception of self-transcendence values. The least similar values orientations were between Chinese and U.S. generations that had grown up during Communist China's closed door policy. The more entrepreneurial values orientations of the most recent Chinese generations appear to be compatible with organizational changes currently underway in China's state-owned sector.

Keywords: cross-cultural values, international management, demographic differences, China, U.S.

“Culture is an evolving set of shared beliefs, values, attitudes and logical processes which provide cognitive maps for people within a given societal group to perceive, think, reason, act, react and interact. This definition implies that culture is not static; rather, it evolves over time” (Tung 1996, p. 491). In other words, cultural change is an ongoing evolutionary process that involves changes in the priorities of values at both individual and societal levels. While cross-cultural values differences in national cultures have been studied extensively (Inglehart 1997, Schwartz 1997, Triandis 1995), there has been little cross-cultural research on the values orientations of national subcultures (Smith and Schwartz 1997).

Generation is one type of national subculture that reflects the values priorities emphasized during a country’s particular historical period. Generation subculture theory proposes that significant macro-level social, political, and economic events that occurred during a birth cohort’s impressionable pre-adult years result in a generational identity comprised of a distinctive set of values, beliefs, expectations, and behaviors that remain relatively stable throughout a generation’s lifetime (Inglehart 1997, Strauss and Howe 1991). Generation subcultures are important for understanding the evolutionary process of culture change. In that generation cohorts reflect the values emphasized during a particular historical period, they encapsulate the nature of culture change that has taken place in a country. In respect to future culture change, a generation’s values orientation becomes more pervasive in a national culture as it becomes the majority in societal positions of power and influence (Inglehart 1997).

While there has been extensive research on U.S. generation cohorts (Strauss and Howe 1991, Thau and Heflin 1997), very little research has been conducted on the existence or characteristics of generation cohorts in China (Pan et al., 1994; Ralston et al., 1999). The few cross-cultural studies on generational values change have used common age groups or median year of birth as proxies for generation rather than the sociohistorical events that more accurately define a country’s generation cohorts (Inglehart 1997, Pan, Chaffee, Chu and Ju 1994).

This paper reports on a cross-cultural investigation of the values orientations of generation cohorts in China and the U.S. Our primary focus is on the nature of culture change in China and the implications of Chinese generation cohort differences (and similarities) in values orientations for corporate transformation in China. The U.S. was selected as the comparison country for two reasons. First, the significantly different cultural, socioeconomic and political histories of China

and the U.S. (Pan et al 1994) means that these cross-cultural comparisons provide a strong test of the relative influence of national culture and generation subculture. Second, the U.S. has been identified as a dominant influence in predictions that modernization and industrialization processes are creating a common global business culture (Barnet and Cavanaugh 1994). As such, the U.S. serves as a benchmark for modernization in China.

The identification of generations' values orientations is especially relevant for Chinese organizations that are in the midst of transformational change. Knowledge regarding significant generational values differences can help organizations predict the degree of receptivity (and resistance) of their workforce to planned corporate changes. Managerial flexibility in responding to generational differences in values and motivational goals can also enhance the development of effective work relationships and organizational effectiveness (Jurkiewicz and Brown 1998, Kupperschmidt 2000).

In sum, this study sought answers to the following three research questions. Given the major changes in the recent social and economic history of China, how have personal values changed over the generations? What are the changes in the corresponding periods in the U.S.? Have personal values converged or diverged between these two countries as a result of modernization or corporate transformations in China in recent years?

Literature Review and Hypotheses

As proposed by Meglino and Ravlin (1998, p. 354), "values specify an individual's personal beliefs about how he or she 'should' or 'ought' to behave" in their social environments. In this study, we used Schwartz's (1994, 1997) values model that has been extensively used in cross-cultural studies of individual values (Smith and Schwartz 1997). Incorporating values identified in a diversity of cultures, the Schwartz values model and the reliability of its measurement have been cross-culturally validated with 97 samples in 44 countries including China and the U.S. (Schwartz 1994, 1997).

The Schwartz Values Survey identifies ten universal values that are organized into a system of four types of higher-order values: openness-to-change (self-direction, stimulation), conservation (conformity, security, tradition), self-enhancement (achievement, hedonism, power), and self-transcendence (benevolence, universalism). Openness-to-change values relate to the importance of personal autonomy and independence, variety, excitement and challenge. Conservation values

relate to the importance of self-control, safety and stability in societal and personal relationships, and respecting cultural traditions. Self-enhancement values relate to achieving personal success through demonstrated competence, attaining social status and prestige, and control over others. Self-transcendence values relate to protecting and enhancing the well-being of those with whom one has close contact, as well as the welfare of all people and nature.

Generation cohorts are societal subcultures whose values orientations reflect the significant cultural, political and economic developments that occurred during a generation's pre-adult years (Strauss and Howe 1991, Thau and Heflin 1997). In contrast, life stage theory proposes a universal developmental sequence throughout the human life cycle (childhood, adolescence, early adulthood, middle adulthood, and old age). As people age, they become more collectivistic, conservative, and self-transcendent, and become less individualistic, open to change, and self-enhancing (Erikson 1997, Smith and Schwartz 1997, Stevens-Long 1990).

Inglehart's (1997) theory of intergenerational values change is based on two hypotheses: the socialization hypothesis and the scarcity hypothesis. The socialization hypothesis proposes that adults' basic values reflect the socioeconomic conditions of one's childhood and adolescence. Longitudinal research has shown that this values orientation remains relatively stable throughout one's lifetime (Inglehart 1997, Lubinski, Schmidt and Benbow 1996, Meglino and Ravlin 1998, Sears 1981). Although societal conditions can change the relative importance that a generation attributes to various personal values, these are only temporary shifts with generations' values orientations returning to previous levels once stability is regained (Inglehart 1997).

Inglehart's scarcity hypothesis proposes that the greatest subjective value is placed on those socioeconomic environmental aspects that are in short supply during a generation's youth. Thus, generations growing up during periods of socioeconomic and physical insecurity (e.g., social upheaval, war, economic distress) learn modernist survival values (e.g., economic determinism, rationality, materialism, conformity, and respect for authority). Alternatively, generations growing up during periods of socioeconomic security learn postmodernist values (e.g., egalitarianism, individualism, interpersonal trust, tolerance of diversity, self-transcendence).

In terms of Schwartz's values typology, societal insecurity would result in a generational emphasis on conservation and self-enhancement values, whereas societal security would result in a generational emphasis on openness-to-change and self-transcendence values. Further,

socioeconomic development and democratization have been found to be positively related to the importance of openness-to-change and self-transcendence values and negatively related to the importance of conservation and self-enhancement values (Schwartz and Ros 1995, Schwartz and Sagie 2000).

Generations and Personal Values in China

The history of China since the end of the Qing dynasty in 1911 has been one of radical social, political, and economic changes (Ladany 1988, Vohra 2000). The Republican Era (1911-49) was a period of extreme poverty, natural disaster, war, and political instability culminating in the 1945-49 Civil War that ended with Mao Zedong's Chinese Communist Party in power (Vohra 2000). During this period, Confucianism which emphasizes the virtues of benevolence, propriety, respect for social hierarchy, and commitment to collective interests was at the root of "Chineseness" (Xing 1995). Western ideas also co-mingled with Confucian ideology due to the presence of North American and European missionaries and trade relations (Xing 1995).

During the Consolidation Era (1950-1965), the Chinese Communist Party sought to replace Confucianism with Maoist and Marxist-Leninist ideology (Ladany 1988) to establish a new communal order that placed the State and the Communist Party above traditional individual and family concerns. Western presence in China was relegated to a negligible level as ties with the USSR grew. Political consolidation brought greater economic and political stability even though centralized industrialization and agrarian reform efforts were not effective (Yao 2000). Factional conflict increased during the latter part of the Consolidation Era (1961-1965) due to the rising influence of the more moderate leadership of Deng Xiaoping (Vohra 2000).

The Great Cultural Revolution (1966-1976) saw the Chinese Communist Party intensify its attacks on Confucianism and Western influence in their quest for ideological purity (Bailey 2001, Vohra 2000). The Cultural Revolution escalated the discrediting of traditional education, and ideological moderation was actively suppressed so as to try to create a classless society that valued equality, conformity, and self-sacrifice for collective interests (Ladany 1988). The early Cultural Revolution was a period of extreme poverty resulting from the civil disorder created by radical political and social experiments (Yao 2000). Reinstatement of moderate Deng Xiaoping as vice premier in 1972 restored a measure of societal and economic order (Bailey 2001), and Mao Zedong's death in 1976 signaled the end of China's Cultural Revolution.

Deng Xiaoping's modern policies ushered in the Social Reform Era (1978 to present) that has encouraged individual achievement, materialism, economic efficiency, and entrepreneurship (Tian 1998). An "Open Door" policy led to Western capitalistic ideologies having more influence in Chinese business and education (Vohra 2000). China's emerging "network capitalism" represents a unique blend of Western market capitalism and collectivist values (Boisot and Child 1996) with rapid industrialization and modernization resulting in unprecedented economic growth and prosperity (Tian 1998, Yao 2000). Although social reforms have brought Confucius back into official favor, Chinese youth who have grown up during the Social Reform Era have been described as individualistic, materialistic, hedonistic, and entrepreneurial (Rosen 1990).

Hypotheses. We hypothesize that the economically prosperous Social Reform generation should place higher importance on openness-to-change values than earlier Chinese generations. Although pre-industrial Republican Era had the lowest level of economic development, the Republican generation should have a similar view of openness-to-change values as the Consolidation and Cultural Revolution generations which experienced Chinese Communism's suppression of intellectual freedom and the imposition of centralized economic and social governance.

H1a. *The Social Reform generation attributes higher importance to openness-to-change values than the Republican, Consolidation, and Cultural Revolution generations.*

The economic and political instability of the Republican Era should result in this generation placing the highest importance on conservation values. While the Consolidation and Cultural Revolution generations experienced socioeconomic and political insecurity (Goodhart and Xu 1996, Yao 2000) as well as enforced conformity to Communist ideology, the Cultural Revolution generation has been found to be relatively more conservative than the Consolidation generation (Birnbaum-More et al 1995). And finally, the relative stability of the Social Reform Era should result in this generation attributing the least importance to conservation.

H1b. *The Republican generation attributes higher importance to conservation values than the Cultural Revolution generation, followed by the Consolidation generation and lastly, the Social Reform generation.*

Modernist values system's emphasis on materialism and achievement motivation (Inglehart 1997) suggests that the Social Reform generation would attribute the highest importance to self-enhancement values. Next highest would be the Republican generation which was exposed to

capitalistic ideology through trade relations with the West. Although the Consolidation generation learned industrialization's materialistic goals, Chinese Communism emphasized centralized power and control and self-sacrifice for communal interests. During the early part of the Cultural Revolution, these principles were given even higher prominence and industrial development was paralyzed.

H1c. The Social Reform generation attributes higher importance to self-enhancement values than the Republican generation, followed by the Consolidation generation and lastly, the Cultural Revolution generation.

The influence of Confucian ideology should result in the Republican generation placing high importance on self-transcendence values. While Chinese Communist ideology and worker communes emphasized the importance of transcending personal interests for the good of the state, the "closed doors" of the two Communist eras suggest a less universalistic cultural focus. Thus, the Consolidation and Cultural Revolution generations should place moderate importance on self-transcendence values. Although the Social Reform generation has more postmaterialists than previous Chinese generations (Inglehart 1997) and Confucianism is again in favor, modern capitalistic ideology may have de-emphasized the importance of family and kinship ties. Thus, the Social Reform generation should attribute moderate importance to self-transcendence values.

H1d. The Republican generation attributes higher importance to self-transcendence values than the Consolidation, Cultural Revolution, and Social Reform generations.

Generations and Personal Values in the U.S.

In their review of American social history, Strauss and Howe (1991) identified three U.S. generations born between 1925 and 1979 that are represented in our sample: the Silent generation (born 1925-1945); the Baby Boom generation (born 1946-1964); and Generation X (born 1965-1979). The Silent generation grew up during the Great Depression of the 1930s and World War II. This generation has exhibited a high concern for security and a desire to avoid the risks and disasters witnessed during their early years. Silent generation members are viewed as hard-working, dependable, and supportive of conservative values that emphasize the importance of loyalty, duty, conformity, and security (Strauss and Howe 1991, Thau and Heflin 1997).

The Baby Boom generation grew up during the period of unprecedented prosperity and affluence that followed WWII. This large politically and socially liberal generation was active in radical social changes including the emergence of the civil rights movement, the Vietnam War,

the women's movement, as well as rapid technological change (Strauss and Howe 1991). Baby Boomers have been described as very individualistic, competitive free agents with high interest in self-fulfillment through personal growth (Parker and Chusmir 1990). They have demonstrated a strong work ethic and high job involvement, which has led to economic security and career success, although often at the expense of their personal lives (Kupperschmidt 2000).

Generation Xers experienced periods of economic prosperity and distress (early 1980s recession and downsizings) and family disruption (high divorce rate for parents) during their formative years (Kupperschmidt 2000). They learned to be highly individualistic, financially self-reliant, and entrepreneurial risk takers in an economy where workplace loyalty and commitment were not consistently reciprocated with job security (de Meuse, Bergmann and Lester 2001, Tulgan 1995). Generation Xers place less importance on job security and status, but more on personal freedom and challenging work, which allows for a balanced work-personal life style (Kupperschmidt 2000). While supportive of social liberalism and environmentalism, they hold more conservative political and family values than Baby Boomers (Craig and Bennett 1997).

Hypotheses. We hypothesize that the characterization of Generation X and Baby Boom generations as independent free agents who actively seek work and personal challenges suggests that they would attribute higher importance to openness-to-change values than the Silent generation that is much less concerned with personal autonomy or change for its own sake.

H2a. The Generation X and Baby Boom generations attribute higher importance to openness-to-change values than the Silent generation.

The importance of conservation values is expected to be highest for the Silent generation and lowest for the Baby Boom generation. Although both generations experienced the political insecurity of prolonged wars, the Silent generation experienced the greatest economic insecurity while the Baby Boom generation experienced the greatest economic security. Conformity to societal norms and upholding traditional values are strongly associated with the Silent generation, while the opposite is true of Baby Boomers. Regarding conformity, Generation Xers, the individualistic nonconformists who also support traditional family values, are between the Silent and Baby Boom generations.

H2b. The Silent generation attributes higher importance to conservation values than the Generation X generation, followed by the Baby Boom generation.

Baby Boomers' strong focus on career success and self-gratification suggests that self-

enhancement values are highly important. While traditional career success has been identified as a strong motivator for the Silent Generation, hedonistic impulses have not been. Generation Xers value individual career achievement, but less on the basis of attaining power over others. Thus, Baby Boomers should place higher importance on self-enhancement values than either the Silent or Generation X generations.

H2c. The Baby Boom generation attributes higher importance to self-enhancement values than the Silent or Generation X generations.

In respect to self-transcendence values, the Silent generation's strong sense of self-sacrifice, duty and responsibility for family and organizational members suggests very high importance to benevolence values. Baby Boomers and Generation Xers's high self-reliance and independence suggest low importance to benevolence. In Western societies, political activism has been found to be positively related to universalism which is concerned with understanding, tolerance and the welfare of all people and nature (Smith and Schwartz 1997). Baby Boomers' social, political, and environmental activism suggests high importance for universalism. Generation Xers' social activism (especially environmentalism) suggests that universalism is more important than for the Silent generation which has not been associated with societal activism. In sum, the Silent generation's very high valuation of benevolence and Baby Boomers' very high valuation of universalism suggests that both generations would attribute higher importance to self-transcendence values than Generation Xers.

H2d. The Silent and Baby Boom generations attribute higher importance to self-transcendence values than the Generation X generation.

Cross-Cultural Differences in Generation Cohort Values

In general, Chinese have been found to attribute higher importance to conservation and collectivism values, whereas U.S. participants attribute higher importance to openness-to-change, self-enhancement, and individualism values (McGrath et al. 1992, Ralston, et al. 1997, Smith et al. 1996). However, national level comparisons of means do not adequately address cross-cultural differences in intra-cultural values variation that have important implications for international research and management (Au 1999, Schwartz and Sagie 2000).

To paraphrase our third research question, which Chinese and U.S. generations have the most in common? Are within-culture generation values differences greater than cross-cultural generation values differences? The culture-dominant explanation suggests that values differences

between China and the U.S. are greater than values differences between generations within each country. However, societal modernization and global industrialization may be leading to an international convergence of personal values (Barnet and Cavanaugh 1994, Yang 1988). Alternatively, a crossvergence of values orientations may be occurring due to the different influences of the global environment and national culture (Ralston et al. 1997) with socioeconomic conditions affecting individualistic values more than collectivistic values (McGrath et al. 1992).

In developing a hypothesis regarding cross-cultural generational similarities, one important factor is the degree of cultural interaction between China and the U.S. Early generations in these two cultures have had very limited interaction, especially during the closed door policy years. Conversely, the Social Reform and Generation X generations have had substantially more mutual exposure due to China re-opening the doors and the impact of modern communication technologies (e.g., internet) and industrialization. Thus, our hypothesis regarding cross-cultural generational similarities in values orientations is as follows.

H3. *The most recent generation cohorts in China and the U.S. (Social Reform and Generation X) have more similar values orientations than their predecessor generation cohorts (Cultural Revolution, Consolidation, and Baby Boom; Republican and Silent Generation).*

Method

Sample and Procedure

Participants were 774 Chinese and 1004 U.S. managers and professionals surveyed in 1995. Chinese participants were enrolled in management development programs conducted in the seven regions of China (16% Beijing, 12% Lanzhou, 14% Dalian, 10% Shanghai, 16% Wuhan, 14% Guangzhou, and 18% Chengdu). Chinese participants were employed in state-owned enterprises in a variety of industries (8% manufacturing, 24% services, 9% financial, and 60% other). Anonymity and confidentiality assurances to participants necessitated that age data be collected in 5-year categories to minimize the perception that exact ages could identify individuals (89% response rate). U.S. participants were obtained by mailing a survey to a national random sample of U.S. managers and professionals identified through a Dun & Bradstreet database (28% response rate). U.S. participants were employed in a variety of regions (43% Mid-Atlantic, 6% Mid-West, 12% New England, 5% South, and 33% West) and industries

(16% manufacturing, 20% services, 17% public nonprofit, 13% financial, and 35% other).

Chinese and U.S. participants were significantly different in terms of demographic characteristics. Chinese participants were significantly younger ($t = -15.67, p < .001$), had a higher proportion of males ($t = -7.49, p < .001$) and were less likely to be married ($t = 23.30, p < .001$) than U.S. participants. Chinese participants also held lower level positions ($t = -11.89, p < .001$) and were employed in larger organizations ($t = -2.45, p < .05$) than U.S. participants. Given these sample differences and their potential impact on values orientations (Meglino and Ravlin 1998), these factors were controlled for as covariates in data analyses.

Variables and Measures

Personal values. The Schwartz Value Survey (SVS) was used to measure personal values orientations (Schwartz 1994). The SVS consists of 56 items that respondents rated using a 9-point Likert-type scale. Schwartz's original translated—back-translated Chinese language version of the SVS questionnaire was administered to Chinese participants. Only the 45 SVS items that Schwartz (1994) found had cross-culturally equivalent meanings were retained to measure ten universal personal values. Participants' higher order values type scores (openness-to-change, conservation, self-enhancement, self-transcendence) were calculated by averaging scores for relevant personal values. These values scores were then converted to within-subjects standard scores to eliminate cross-cultural differences in scale use (Smith and Schwartz 1997).

Reliabilities for the value scales were calculated separately for each culture-by-generation group. They ranged from .68 to .73 for the Chinese generations and .77 to .80 for the U.S. generations.

Generation Cohorts. Preliminary within-country ANOVA post hoc group comparisons of participants' values scores were conducted to determine appropriate generation cohort cut-offs. The Chinese and U.S. samples were first segmented into generation cohorts based on birth years. Then, participants with birth years in the last 5 years of a historical period were allocated to “cusp” generation cohort groups and other participants were allocated to “core” generation cohort groups (Kupperschmidt 2000). For the Chinese sample, group comparisons showed no significant values differences between the Republican (born 1930-45) and Republican/Consolidation (born 1946-50) cohort groups. The Consolidation/Cultural Revolution (born 1961-65) and early Cultural Revolution (born 1966-70) cohorts had similar values orientations. Participants born in the early and latter parts of the Cultural Revolution had

significant values differences (openness-to-change and self-transcendence) which suggests a new Chinese generation that spent the majority of its youth in the Social Reform period. In sum, four distinct generation cohorts were represented in the Chinese sample: Republican (born 1930-50); Consolidation (born 1951-60); Cultural Revolution (born 1961-70); and Social Reform (born 1971-75).

For the U.S. sample, the Silent/Baby Boom cusp generation had similar openness-to-change and self-enhancement values scores to the Baby Boom cohort, but had similar conservation values to the Silent generation cohort. Baby Boom/Generation X participants had similar openness-to-change and conservation values scores to the Baby Boom cohort, but had similar self-enhancement values scores to the Generation X cohort. Given the transitional status of these two generation “cusp” groups, Silent/Baby Boom (born 1941-45) and Baby Boom/Generation X (born 1960-64) participants were excluded from further analyses. As a result, the revised sample for hypothesis testing was 1,558 participants (774 for China, 784 for U.S.). Descriptive statistics on the personal value scales for the Chinese and U.S. cohorts are provided in Table 1.

Table 1 about here

Covariates. Gender, marital status, position level, and company size were covariates in the analyses. Given the high correlation between participant age and generation cohort (China $r = .97$; U.S. $r = .91$, both at $p < .001$ level), age was only used to define generation cohorts.

Analyses. MANCOVAs and post hoc group comparisons—using the least significant differences test—were conducted to test Hypotheses 1 and 2 concerning within-country generation cohort differences in personal values orientations. In these analyses, the independent variables were the generation cohort groups. ANOVAs and post hoc group comparisons were conducted to test Hypothesis 3 regarding cross-cultural generation cohort similarities in values.

Results

Chinese Generation Cohorts

Significant Chinese generation cohort differences were found for all four values (see Table 2). Post hoc group comparisons are summarized in Table 3. Consistent with Hypothesis 1a, Social Reform generation participants attributed significantly higher importance to openness-to-change values than other Chinese generations. Contrary to Hypothesis 1a, Cultural Revolution

participants had higher openness-to-change values scores than Consolidation participants who in turn had higher openness-to-change values scores than Republican participants. These results provide partial support for H1a. Minimal support was found for Hypothesis 1b. While Republican participants had the highest conservation values scores, supporting H1b, Consolidation participants were next highest, and there was no significant difference between Cultural Revolution and Social Reform participants.

No support was found for Hypothesis 1c. Instead of Social Reform, Cultural Revolution participants had the highest self-enhancement values score while Republican participants had the lowest self-enhancement score. Hypothesis 1d was largely supported. As hypothesized, Republican participants had the highest self-transcendence values score and there was no significant difference between Social Reform and Cultural Revolution participants. Inconsistent with Hypothesis 1d, Consolidation participants scored the lowest.

Tables 2 and 3 about here

U.S. Generation Cohorts

Significant U.S. generation cohort differences for openness-to-change, conservation, and self-enhancement values were found, while no differences across cohorts were found for self-transcendence (see Tables 2 and 3). Consistent with Hypothesis 2a, Generation X and Baby Boom participants attributed significantly higher importance to openness-to-change values than Silent participants. Contrary to Hypothesis 2a, Generation X participants attributed significantly higher (rather than similar) importance to openness-to-change values than Baby Boom participants did. Partial support was found for Hypothesis 2b. As hypothesized, Silent generation participants attributed significantly higher importance to conservation values than other U.S. cohorts. However, Baby Boom participants had significantly higher, rather than lower, conservation values scores than Generation X participants.

Hypothesis 2c was partially supported. Baby Boom participants attributed higher importance to self-enhancement values than Silent generation participants, which supports H2c. However, Generation X participants attributed higher, rather than lower, importance to self-enhancement values than Baby Boom participants. Minimal support was found for Hypothesis 2d. Although there was no significant difference between Silent and Baby Boom participants

supporting H2d, Generation Xers attributed similarly high importance to self-transcendence.

Comparisons between China and the U.S.

The ANOVAs between China and U.S. generation cohorts were all significant at the $p < .001$ level (openness-to-change: $F = 17.32$; conservation: $F = 12.17$; self-enhancement: $F = 11.15$; self-transcendence: $F = 16.58$). Table 3 presents the results of the post hoc cohort group comparisons. No support was found for Hypothesis 3 which proposed that the most recent Chinese and U.S. generation cohorts would have more similar values orientations than earlier generation cohorts. Social Reform and Generation X participants were similar in respect to two values: high openness-to-change and low conservation. Baby Boom participants had only one value similarity with Cultural Revolution (intermediate openness-to-change) and Consolidation (intermediate conservation) participants. Republican and Silent participants were similar in respect to all four values (low openness-to-change and self-enhancement; high conservation and self-transcendence). In sum, the recent generation cohorts in the two countries share less rather than more similarity in personal values than the earliest generation cohorts.

Discussion

Returning to our three research questions, we begin with the Chinese findings. The three Chinese generations since the establishment of Communist China were found to be significantly more open to change and self-enhancing but less conservative and self-transcendent than Republican Era Chinese. Although there was a general age-related pattern in Chinese generations' values orientations, the Cultural Revolution generation was more self-enhancing than the Social Reform generation. This finding suggests a generation effect (rather than an age effect) in that the youngest generation was not the most self-enhancing. Examination of the individual values that comprise self-enhancement revealed that the Cultural Revolution generation attributed the highest importance to the power value of all Chinese generations. One explanation for this generation effect is that the extreme societal instability of the Great Cultural Revolution engendered modernist survival values such as the pursuit of personal power and status (Inglehart, 1997). What is particularly interesting about this finding is that personal status differentials were eschewed by Chinese Communist doctrine during this period.

With one exception, an age-related pattern in the values orientations of U.S. generations was found with more recent generation cohorts being more open to change and self-enhancing but less

conservative than earlier generations. The absence of significant U.S. generation differences in the importance of self-transcendence values supports Inglehart's (1997) proposal that there is a high proportion of self-transcendent postmaterialists—regardless of age—in industrialized countries.

The importance of studying generation subcultures as antecedents of intra-cultural variation (Au 1999) was clearly demonstrated by the cross-cultural comparisons of similarly-aged generation cohorts. The very similar values orientations of the Republican and Silent generations were consistent with life stage theory predictions (Stevens-Long 1990). In contrast, the dissimilar values orientations of the Consolidation and Baby Boom generations could be attributed to the radically different socioeconomic environments and low cultural interaction during these generations' formative years. Contrary to predictions of a universal convergence of values (Barnet and Cavanaugh 1994), the values differences between the most recent Chinese and U.S. generation cohorts suggests a cultural crossvergence in values orientations between Chinese and U.S. managers and professionals (Ralston et al. 1997).

All U.S. generations attributed higher importance to self-transcendence values than the three most recent Chinese generations. This finding is consistent with previous research that has found a higher level of post-materialism (self-transcendence) in prosperous industrial and postmodern societies (Inglehart 1997). U.S. managers have also been found to have a stronger humanistic goal orientation than Chinese managers in state-owned organizations (Chen 1995). Additional post hoc comparisons for the individual self-transcendence values revealed no significant Chinese or U.S. generation cohort differences for universalism, which would support a cross-cultural convergence effect. Instead, generation cohort differences in self-transcendence were due to differences in benevolence values that relate to interpersonal concern and responsible social behavior. Previous research has shown benevolence to be positively correlated with individual commitment to religion (Smith and Schwartz 1997). Although the U.S. is regarded as having very high religiosity and China as having very low religiosity (Inglehart 1997, Schwartz and Ros 1995), the influence of Confucian ideology differentiates Republican Era Chinese from more recent generations. Whereas all Chinese and U.S. generations supported benevolence, Chinese Communism may have resulted in a de-emphasis of benevolence towards others.

In summary, a primary finding of this study was the importance of generation cohort and life stage in ascertaining the personal values orientations of managers and professionals. Significant

shifts in intergenerational values orientations were found for both China and the U.S. (Inglehart 1997). This finding advances previous cross-cultural studies that have focused on country culture as the primary predictor of values orientations (Smith and Schwartz 1997, Smith et al. 1996). Our findings also draw into question the generalizability of cross-cultural research that is based on limited demographic groups (such as students) to members of other demographic groups. This is particularly important in cross-cultural research between countries with significantly different sociopolitical histories.

Implications for Management

One implication of this study is that the “generation gap” and potential for intergenerational values conflict appears to be at least as great in China as in the U.S. Thus, there is a need in both countries for flexible managerial and human resource practices (e.g., work team formation, career development, compensation systems) to accommodate generational values differences (Jurkiewicz and Brown 1998, Kupperschmidt 2000). The recommendation that independent Generation X employees be given entrepreneurial work assignments is also appropriate for Social Reform generation employees. Compared to U.S. managers, Chinese managers in state-owned enterprises have exhibited a stronger preference for differential performance-based (rather than equalitarian) rewards allocation criteria (Chen 1995), but are similar in emphasizing work performance over workplace relationships (Zhou and Martocchio 2001). This study’s findings clarify that individualistic rewards are more compatible with the values orientations of more recent Chinese generations than earlier generations.

Our sample of Chinese managers and professionals was employed in state-owned enterprises that have been viewed as less entrepreneurial and productive than China’s growing private sector (Goodhart and Xu 1996). Compared to earlier generations, the Social Reform and Cultural Revolution generations have the more entrepreneurial values orientations (McGrath et al. 1992) needed for implementing the competitive market reforms mandated for the state-owned sector (Vohra 2000). Social Reform and Cultural Revolution generations’ relatively low benevolence suggests that they may be less concerned than previous generations with maintaining coworker relationships when making rewards allocation, downsizing, and restructuring decisions. This values orientation is conducive for transforming the organizational cultures of state-owned enterprises to be strongly market-focused (Deshpande and Farley 2000). However, one

consequence may be less cooperative and supportive relationships that facilitate workplace coordination and long term organizational success (Zhou and Martocchio 2001).

Limitations

One limitation of this study is that we focused on only two countries. Further research using participants from other cultures is needed to determine, for example, the universality of life stage differences in values orientations (Stevens-Long 1990) and the effect of different antecedents of inter-cultural values variation (Au 1999). Further research is also needed to confirm our finding regarding the lack of significant country or generation cohort differences in the universalism value component of Schwartz's self-transcendence values dimension. Additionally, these findings are based on cross-sectional data. There is a need for longitudinal research to determine the degree to which major sociopolitical events impact the values formation process as well as the relative influence of generation cohort and life stage on personal values orientations.

Another limitation was that our China sample was employed in state-owned enterprises and was enrolled in management development programs, whereas the U.S. sample was not confined to any type of firm or industry. Even so, our China and U.S. samples were significantly larger and more diverse in terms of industries and geographic location than similar China-U.S. manager studies (Chen 1995, Zhou and Martocchio 2001). Although China today offers more diverse opportunities due to greatly increased demands for professional managers, the state-owned sector currently employs 69% of the Chinese workforce (China Internet Information Center 2002). While the Chinese sample may or may not be representative of the Chinese private sector, it represents a significant proportion of the professional labor force in the Chinese economy.

Conclusion

One of our research questions was whether personal values changed over the generations as a result of major events in the recent social and economic history of China. We found that the values orientations of the Social Reform and Cultural Revolution generations are consistent with Chinese reforms to create a more competitive market-based economy. Our findings also suggest that market-oriented corporate changes are less congruent with the values orientations of older Chinese generations. In that individuals who share similar values systems have similar perceptions and behaviors (Meglino and Ravlin, 1998), one prediction is that there remains substantial intergenerational conflict that may impede the wholesale transformation of Chinese

state-owned enterprises to market-based capitalism. In addition, generational subculture theory suggests that these conflicts will continue until more recent generations become the dominant coalition in Chinese organizations and society.

How similar will Chinese senior executives be to those in the U.S.? Comparisons of the values orientations of the youngest Chinese and U.S. generations suggest that they will be similar in terms of being highly open to change and less conservative. However, younger Chinese generations were significantly less self-transcendent than younger U.S. generations. Given that self-transcendence is an indicator of postmodern societies (Inglehart 1997), this finding suggests that the transformation of China from a modernist to a postmodernist society may not be achieved in the lifetimes of the current generations in Chinese organizations.

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Table 1. Personal Values of Chinese and U.S. Generation Cohorts: Standardized Means and Standard Deviations

Variables	Birth Years	Age Range	<i>n</i>	Openness-to-change		Conservation		Self-enhancement		Self-transcendence	
				<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			774	-.02	.39	-.08	.28	-.11	.41	.18	.26
Social Reform	1971-75	20-24	183	.14	.37	-.12	.25	-.10	.45	.13	.25
Cultural Revolution	1961-70	25-34	215	.03	.37	-.14	.29	-.01	.42	.13	.27
Consolidation	1951-60	35-44	227	-.07	.37	-.07	.27	-.11	.39	.19	.25
Republican	1930-50	45-65	149	-.22	.37	.04	.26	-.26	.35	.30	.21
U.S.			784	-.01	.43	-.08	.32	-.17	.36	.27	.25
Generation X	1965-75	20-30	110	.11	.39	-.18	.28	-.03	.37	.25	.31
Baby Boom	1946-59	36-49	564	-.00	.43	-.08	.32	-.17	.35	.28	.24
Silent Generation	1925-40	55-69	110	-.16	.44	.06	.32	-.29	.34	.27	.28

Table 2. Chinese and U.S. Personal Values: Results of MANCOVA Analyses

Variables	Openness-to- change	Conservation	Self- enhancement	Self- transcendence
	<i>F</i>	<i>F</i>	<i>F</i>	<i>F</i>
China				
Generation cohort	9.96***	9.95***	8.07***	11.07***
Gender	4.90*	3.71	1.70	.74
Marital status	4.97*	5.12*	.26	.80
Position level	3.51	2.87	6.24*	6.29*
Company size	.62	.69	.14	.00
U.S.				
Generation cohort	10.64***	17.95***	15.69***	.71
Gender	.00	14.42***	3.77	30.11***
Marital status	3.79	2.22	6.27*	2.66
Position level	3.45	13.71***	15.67***	3.88*
Company size	10.09**	4.34*	6.83**	16.19***

* p<.05
 ** p<.01
 *** p<.001

Table 3. Chinese and U.S. Generation Cohort Values Differences: Hypotheses and Results of Post-hoc Group Comparisons

Variables	Hypotheses	Generation Cohort Group Differences
China		
Openness-to-change	1a. Social Reform > (Republican, Consolidation, Cultural Revolution)	1a. Social Reform > Cultural Revolution > Consolidation > Republican
Conservation	1b. Republican > Cultural Revolution > Consolidation > Social Reform	1b. Republican > Consolidation > (Social Reform, Cultural Revolution)
Self-enhancement	1c. Social Reform > Republican > Consolidation > Cultural Revolution	1c. Cultural Revolution > (Social Reform, Consolidation) > Republican
Self-transcendence	1d. Republican > (Consolidation, Cultural Revolution, Social Reform)	1d. Republican > Consolidation > (Cultural Revolution, Social Reform)
U.S.		
Openness-to-change	2a. (Generation X, Baby Boom) > Silent	2a. Generation X > Baby Boom > Silent
Conservation	2b. Silent > Generation X > Baby Boom	2b. Silent > Baby Boom > Generation X
Self-enhancement	2c. Baby Boom > (Silent, Generation X)	2c. Generation X > Baby Boom > Silent
Self-transcendence	2d. (Silent, Baby Boom) > Generation X	2d. Baby Boom = Silent = Generation X
China and U.S. ^a		
Openness-to-change		a. (<i>Social Reform, Generation X</i>) > (Cultural Revolution, Baby Boom) > Consolidation > (Silent, Republican)
Conservation	3. (<i>Social Reform and Gen X</i>) have more values similarities than (Cultural Revolution, Consolidation and Baby Boom) or (Republican and Silent)	b. (Silent, Republican) > (Consolidation, Baby Boom) > (<i>Social Reform, Cultural Revolution, Generation X</i>)
Self-enhancement		c. (Cultural Revolution, Generation X) > (Social Reform, Consolidation) > Baby Boom > (Republican, Silent)
Self-transcendence		d. (Republican, Baby Boom, Silent, Generation X) > Consolidation > (Cultural Revolution, Social Reform)

^a For Hypothesis 3 results, values similarities for paired Chinese and U.S. cohorts are indicated as follows: *italic font for Social Reform and Generation X*; **bold italic font for Cultural Revolution Consolidation and Baby Boom**; **bold font for Republican and Silent**.