

IMPACT OF PERSONAL CULTURAL ORIENTATIONS ON INTERCULTURAL SERVICE ENCOUNTERS

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KEYWORDS: Independence, Interdependence, Risk Aversion, Ambiguity Intolerance,
Interaction Comfort, Intercultural Service Encounter, Perceived Cultural Distance

EXTENDED ABSTRACT

Research Question: How do the differences in customers' personal cultural orientations (i.e., independence, interdependence, risk aversion and ambiguity intolerance) moderate the impact of perceived cultural distance and service outcome (failure vs. success) on their interaction comfort, perceived service quality and satisfaction?

Method & Data: A large-scale study with customers in two countries (Australia and China) using an experimental approach to manipulate perceived cultural distance and service outcome with intercultural service encounter scenarios. Australia and China represent contrasting cultural values and high levels of consumer ethnocentrism with low levels of intercultural competence

(Pecotich and Rosenthal 2001; Wang and Chen 2004) as reflected in the negative perceptions among ethnic minorities about their experiences in intercultural service encounters (Barker and Härtel 2004; Tsang and Qu 2000). In addition, both are becoming culturally more diverse with about one-third (32%) of Australian population above 15 years old being born overseas (ABS 2013) and the number of foreigners living and working in China growing by 35% during 2000-10 (Weiyun 2014). Hence, services companies in China also need to understand how culturally diverse customers evaluate their experience of dealing with local Chinese service employees.

Key Contributions: This paper is one of the first efforts to explore the role of personal cultural orientations in intercultural service encounters and to step towards the development of a general ICSE model. Findings about the moderating impact of personal cultural orientations would also help explain some of the mixed and inconclusive findings about the influence of PCD on various customer outcomes. Finally, in addition to the main effects of variables such as PCD and service outcome, it is critical to examine variables that may moderate their effects on outcome variables such as interaction comfort, perceived service quality and customer satisfaction.

Summary of Findings: All hypotheses are supported except two (H4b and H4c). Specifically, PCD and service failure have a negative impact on interaction comfort but these relationships are also moderated by three personal cultural orientations (i.e., independence, risk aversion and ambiguity intolerance). Moreover, these personal cultural orientations also have a direct effect on interaction comfort. There is also a negative effect of interdependence on interaction comfort (H4a) but there is no support for the moderating effect of interdependence on the influence of perceived cultural distance (H4b) and service outcome (H4c) on interaction comfort.

Note: References are available upon request.