

Exploring the Role of Functions of Attitude toward Perceived Cultural Distance in Intercultural Service Encounters (ICSE)

Abstract

As immigration and international tourism is increasing exponentially, it is important to study factors affecting intercultural service encounters (ICSE). This research extends ICSE framework by developing a conceptual model using the functional theory of attitude and service-dominant logic. We propose functions serve by attitude toward perceived cultural distance (i.e. value-expressive, social-adjustive, ego-defensive, knowledge, and utilitarian) affects interaction comfort and inter-role congruence. We also raise argument about predictors of one's willingness to co-create in ICSE as well as the role of intercultural competence. Findings from a qualitative study support the proposed linkages. These findings help managers understand how customers' and employees' attitudes in ICSE is shaped and how they can manage it in order to improve the service outcomes.

Keywords: Functions of attitude, perceived cultural distance, intercultural service encounters.

Track: This paper is intended for the Services Marketing track.

1. Introduction

Immigration and international tourism is growing exponentially and over one billion people live or travel outside their home countries yearly (Sharma, Tam, and Kim, 2012). This leads to the communication between customers and employees from different cultural backgrounds called ICSE (Sharma, Tam, and Wu, 2018). “Cultural and ethnic diversity offers new challenges and opportunities for services marketers because the culturally diverse customers and employees have significantly different expectations, perceptions and evaluations about service quality and its various dimensions” (Sharma et al., 2018, p. 521). Hence, it is important to identify factors influencing ICSE and explore the ways to optimise its outcomes.

Previous research explored the impact of various factors on ICSE such as intercultural sensitivity (Sizoo, 2006) and consumer ethnocentrism (Javalgi & Martin, 2007). Sharma, Tam, and Kim (2009) developed the ICSE framework from both employee and customer perspective through seven constructs namely perceived cultural distance (PCD), interaction comfort (IC), inter-role congruence (IRC), intercultural competence (ICC), adequate and perceived service levels, and satisfaction. Yet, studies in ICSE fail to investigate the psychological mechanism underpinning individuals’ attitudes and behaviours and there are some mixed results found in this scope. For instance, there is no consensus in the literature regarding the influence of cultural distance (CD) on customer perceptions and behaviour. While some found it to be positive (e.g. Warden, Liu, Huang, and Lee, 2003), others realised a negative effect (e.g. Hopkins, Hopkins, and Hoffman, 2005). Hence, further research is required to understand the fundamental factors shaping individuals’ perception of CD.

According to Service-dominant (S-D) logic, to create value in services context, firms and customers need to provide input and engage in the co-creation process (Vargo & Lusch, 2004). Co-creation helps individuals have a feeling of achievement, personalised service experience (Heidenreich & Handrich, 2015), and satisfaction (Xu, Liu, and Lyu, 2018). As culture affects individuals’ attitudes, expectation, and interactions with others (Zhang, Beatty, and Walsh, 2008), in ICSE that customers and employees are culturally different, co-creation is essential for a satisfactory service experience. Despite the importance of co-creation in ICSE, very few studies have looked at it. We address the abovementioned research gaps by extending ICSE framework using functional theory of attitude (Katz, 1960) and S-D logic. Through a conceptual framework, the current study proposes functions served by attitudes toward PCD (i.e. value-expressive, social-adjustive, ego-defensive, knowledge, and utilitarian) influences

IC and IRC which can predict one's willingness to co-create. We also explore the influence of ICC on the proposed relationships.

2. Conceptual Framework

2.1. Perceived cultural distance

“Cultural distance is defined as the extent to which two cultures are different (or distant) from each other in terms of a cultural dimension” (Sharma et al., 2009, P. 229). PCD is individuals' perception about the overall differences between cultures (Sharma et al., 2009). Previous studies found cultural distance between the home and host cultures leads to adjustment difficulties and conflict (Lin & Guan, 2003) leading to customers' and employees' preference to interact with a culturally-similar other (Sharma et al., 2009).

2.2. Interaction comfort

Comfort is one's feeling of calmness, peace, security, and serenity while interacting with a service provider (Spake, Beatty, Brockman, and Crutchfield, 2003). In ICSE, customers having awareness about other cultures find interaction with the service provider more comfortable (Sharma et al., 2009).

2.3. Inter-role congruence

Based on interdependency theory, service outcome is dependent on both customers and service employees' actions and behaviour. Hence, all parties engaging in a social exchange need to be clear about each other's role expectation and agree with that (Solomon, Surprenant, Czepiel, and Gutman, 1985). According to social role theory, inter-role congruence (IRC) is defined as “the degree of agreement between both parties on each other's role in a social interaction” (Sharma et al., 2009, p. 230). Cultural differences between customers and employees in ICSE makes it more important to study IRC.

2.4. Functions of attitude toward PCD

Based on the functional theory of attitude, the main reason for the arousal or modifications of individuals' attitudes is the functions they serve for them (Katz, 1960). Attitudinal functions have been categorised by Smith, Burner, and White (1956) into social-adjustive, externalization, and object appraisal and by Katz (1960) into ego-defensive, knowledge, value-expressive, and utilitarian. In the current study, we developed the conceptual

framework based on the five attitudinal functions (i.e. ego-defensive, utilitarian, social-adjustive, value-expressive, and knowledge).

Value-expressive function: Value-expressive attitude is helpful for consumers to convey their self-image and core values to others (Katz, 1960) and “develop activities, interests, and opinions that depict a particular social identity” (Sharma & Chan, 2017, p.297). People with strong value-expressive attitude perceive cultural distance less favourably as the cultural difference makes it harder for them to keep their national customs and express their values and self-identity. Customers and employees from distant cultural background are less familiar with each other’s values, communication style, etc. which makes them less comfortable in intercultural interaction (Sharma et al., 2012). Hence, we expect individuals with higher value-expressive attitude toward PCD to be less comfortable in intercultural interaction. Moreover, as sharing similar cultural attributes is helpful to understand and agree with each other’s role expectations (Sharma et al., 2009), we expect individuals with value-expressive attitude to disagree with each other’s service roles and expectations as they are interested in keeping their own values and fail to understand cultural differences. Hence,

P1: Value-expressive function of attitude toward PCD negatively affects a) IC and b) IRC.

Social-adjustive function: by holding social-adjustive attitude, people try to receive approval in social situations (Grewal, Mehta, and Kardes, 2004) and build well-organized social interactions and relationships (Smith et al., 1956). In ICSE, individuals with strong social-adjustive attitude perceive cultural distance favourably as this provides them with the opportunity to build relationships with others who are from a different cultural background to them and make a good impression which helps them to improve their intercultural social status. As a result of this, they are expected to be comfortable in their interactions with dissimilar others. Moreover, to receive social status as a person who is successful in intercultural interactions, it is likely that they agree with each other’s service roles and expectations when the other party is from a cultural background different from them. Hence, the following proposition:

P2: Social-adjustive function of attitude toward PCD positively affects a) IC and b) IRC.

Knowledge function: attitudes serve the knowledge function since it is a reference for organising people’s perceptions about ambiguous information and helps individuals to achieve a meaningful and organized view of their surrounding (Katz, 1960). Intercultural interaction between people from different cultures goes hand in hand with some degree of ambiguity and the effective completion of tasks requires building closer relationship (Matveev, 2017).

Attitude toward PCD that serve knowledge function is aroused by one's willingness to understand and gain knowledge about different cultures while decrease the ambiguity posed by CD. This helps people to achieve an organised view about their multicultural environment. As customers having awareness about others' cultures find interaction more comfortable and are more likely to engage in transactions (Sharma et al., 2009), individuals whose attitude toward PCD serve knowledge function are expected to be more comfortable in intercultural interaction. Moreover, as they have more information about other cultures, in ICSE, they would agree with each other's service role and expectations. Hence,

P3: Knowledge function of attitude toward PCD positively affects a) IC and b) IRC.

Ego-defensive function: based on this function, attitudes are shaped to help an individual defend his/her image, ego, and self-esteem against the internal conflict or external threat and (Katz, 1960). Ego-defensive function of attitude toward PCD is aroused by threats perceived about cultural distance and a repressed feeling of not being understood by people from different cultures. As suggested by previous studies, internal and external threats can be defended through various mechanism such as denial, projection, and repression (Gregory, Munch, and Peterson, 2002). Hence, we propose if individuals attitude toward PCD serve ego-defensive function, they feel threatened by interacting with others from a distant cultural background to them and as a defence mechanism, they would be less comfortable in intercultural interaction. Moreover, in ICSE, by this attitude, customers and employees would be less likely to agree with each other's service roles. This is because in case of service failure, they can enhance their self-esteem by attributing the reason of failure to other factors such as role incongruence and not to themselves.

P4: Ego-defensive function of attitude toward PCD negatively affects a) IC and b) IRC.

Utilitarian function: helps consumers increase the achievements and advantages while decrease the unpleasant aspect from objects in their environment (Katz, 1960) and leads behaviour in a way to acquire the benefits related to the objects while avoiding the undesired ones (Grewal et al., 2004). Serving a utilitarian function, individuals' attitude toward PCD is shaped by thinking of the advantages and disadvantages of CD, how they can maximise their benefit in ICSE, and whether intercultural interaction is a pain for them or a pleasure.

According to similarity-attraction paradigm, similarity simplifies information exchange, increases liking and improves mutual understanding and quality of the interaction outcome (Sharma, 2012). Hence, being interested in reducing challenges posed by CD and increasing the possibility of receiving quality outcome, individuals with utilitarian attitude are expected to be less comfortable in intercultural interactions. Moreover, as extra effort is required to

fathom and agree with the role expectation of people from different cultures (Sharma, 2012), individuals with utilitarian attitude, who want to maximise their benefits through less input and more output, are expected to disagree with each other's service roles and expectation. Hence, **P5:** Utilitarian function of attitude toward PCD negatively affects a) IC and b) IRC.

2.5. Intercultural competence

Gertsen (1990, p. 341) defines ICC as the "ability to function effectively in another culture". ICC is the ability to think and behave in an intercultural appropriate way while interacting with people from other cultures. In ICSE, individuals who are inter-culturally competent are more comfortable and confident about intercultural interactions as well as knowledgeable and accepting about the dissimilar service roles and expectations (Piyush et al., 2009). Hence,

P6: ICC positively affects a) IC and b) IRC.

P7: The negative effect of value-expressive, ego-defensive, and utilitarian function of attitude toward PCD on a) IC and b) IRC is weaker (stronger) for individuals with high (low) ICC and the positive effect of social-adjustvie and knowledge function of attitude toward PCD on a) IC and b) IRC is stronger (weaker) for individuals with high (low) ICC.

2.6. Willingness to co-create:

According to services marketing literature and S-D logic, the seller-buyer interaction is significant in the process of creating services and value together (Aarikka-Stenroos & Jaakkola, 2012). Co-creation explains "the joint creation of value by the company and the customer; allowing the customer to co-construct the service experience to suit her context" (Prahalad & Ramaswamy, 2004, p. 8) and willingness to co-create refers to one's motivation and readiness to engage in the co-creation process (Merz, Czerwinski, and Merz, 2013).

Co-creation requires extensive interaction between customers and employees which can facilitate the value creation process (Aarikka-Stenroos & Jaakkola, 2012). In other words, the interaction between employees and customers is the prerequisite of effective and successful value co-creation. Hence, we argue individuals who are more comfortable in their intercultural interactions, would be more willing to engage in co-creation.

P8: IC positively affects one's willingness to co-create.

Willingness to engage in co-creation is influenced by individual's skills as well as the effort required to put into it. Having the skills and be confident in abilities to perform well is the specification of individuals with high self-efficacy. In ICSEs, ICC is claimed to be a type

of self-efficacy which has a positive relationship with successful intercultural interactions. Individuals with high ICC are resilient in the face of diversity and are knowledgeable, skillful, and motivated to get involved in culturally diverse situations. Hence, we propose in ICSE, individuals who are inter-culturally competent are willing to engage in co-creation.

P9: ICC positively affects one's willingness to co-create.

Prior research in ICSE studied the influence of IRC on adequate service level (Sharma et al., 2009; Sharma et al., 2012). However, the influence of IRC on one's willingness to engage in co-creation is relatively a nascent field of study. As co-creation needs the investment of time and effort, people would be less willing to co-create if more effort is required. Customers and employees agreement with each other's service roles and expectation increases their positive encounter (Solomon et al., 1985) and decreases the effort they need to invest in co-creating the service. Hence, we propose:

P10: IRC positively affects one's willingness to co-create.

3. Exploratory Study

Using a qualitative approach, we conducted 6 semi-structured interviews with customers of high-contact services that involve ICSE. We chose Australia as it is a multicultural country and provides a good opportunity for intercultural interactions. Each interview lasted almost 30-40 minutes. All the interviews were recorded, transcribed and analysed. Interviewees' age ranged from 18 to 40, and all of them were from an Asian background (India, China, Indonesia, Bangladesh, and Iran).

4. Finding of the Exploratory Study

The results of the interviews supported the proposed linkages in the conceptual framework. We found interviewees felt comfortable in their intercultural interactions because the service sector in Australia is comprised of people from different cultures and there is a less feeling of CD. Hence, they could easily express themselves and their values (value-express). The output indicates interviewees were willing and comfortable to engage in intercultural interactions as this gives them the opportunity to interact with people from other ethnicities (social-adjustive) and learn about different cultures (knowledge).

As expected, a negative relationship between one's stresses about not being understood by people from other cultures (ego-defensive) and their IC emerged. Some interviewees

preferred a service provider from a similar cultural background to improve the mutual understanding especially in critical services like health (utilitarian). Interviews also support higher IC leads to willingness to co-create and being inter-culturally competent helps them in situations that involve cultural distance.

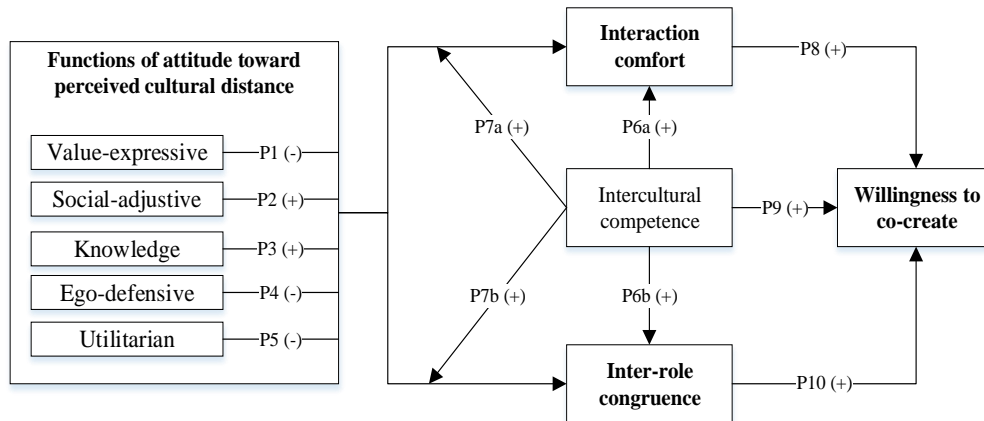


Figure 1: Conceptual framework

5. Conclusion and Managerial Implication

This research has several conceptual contributions. The current research goes beyond simply exploring the role of PCD on various aspects of ICSE. Instead, through the functional theory of attitude, we study the psychological mechanism underpinning PCD. We propose value-expressive, ego-defensive, and utilitarian function of attitude toward PCD negatively affects IC and IRC while social-adjustive and knowledge attitude have a positive influence. This can explain why there are mixed findings in the literature about the effect of CD on consumers' perceptions and behaviours.

Furthermore, through the S-D logic, we explore the effect of IC and IRC on individual's willingness to co-create. To the best of our knowledge, willingness to co-create is relatively a nascent field of study in ICSE which needs more scholarly attention. We also propose that ICC directly affects IC, IRC, and willingness to co-create and moderates the effect of functions of attitude toward PCD on IC and IRC. We report the output of an exploratory study consisting of 6 semi-structured interviews conducted with customers of services in Australia which provides some initial support for most of our propositions.

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