Employees' National Culture and Service Quality: An Integrative Review

H. Müge Yayla-Küllü
Lally School of Management, Rensselaer Polytechnic Institute, Troy, New York 12180, yaylah@rpi.edu

Praowpan Tansitpong
Mahidol University International College, Nakhonpathom 73170, Thailand, praowpan.tan@mahidol.ac.th

Adelina Gnanlet
Department of Management, Mihaylo College of Business and Economics, California State University,
Fullerton, California 92834, agnanlet@fullerton.edu

Christopher M. McDermott, Jeffrey F. Durgee
Lally School of Management, Rensselaer Polytechnic Institute, Troy, New York 12180
{mcderc@rpi.edu, durgej@rpi.edu}

Because of the interactive role employees play in service operations, their behaviors often affect the customer's experience directly. Employee behaviors, in turn, are often a function of the culture in which they are born and raised. To that end, it is critical to develop a national culture theory for service firms that need to operate in an increasingly global business environment and to study the extent of the impact of employees' national culture on a service firm's quality outcomes. Our review of the literature aims to increase the understanding of such links. We trace the impact of major cultural characteristics (adopted from the work of Geert Hofstede and the GLOBE project) on three dimensions of service operations: physical surroundings and products, employee behavioral aspects, and service supply chain operations. We also study the extent to which these relationships change in different segments of the same market. We develop a research framework, offer testable propositions for additional research, and identify future research directions to advance the field on these matters.

1. Introduction

In most service operations, the actual delivery and execution of the service take place in the presence of a customer for the service product to be fully realized (Fitzsimmons and Fitzsimmons 2011, p. 18). Hence, in most service firms, the behavior of the service employee has direct implications on the customer's experience. In this paper, we direct our attention to the service employee's behavior, how it is shaped by a nation's culture, and what ways it may have implications on the service quality outcomes of a firm.

Every person grows up learning his or her own culture's norms, beliefs, and values. These values and norms differ from one culture to another. Some cultures consider competition as a motivator for success in life; others promote a friendly and harmonious lifestyle. These norms underlie how people think and determine their actions in their everyday life, including their workplace decisions. There are two fundamental sides to employee behavior that might have implications on the quality outcomes of the service firm. First, employees interact with their peers, management, and those they manage in the work environment. Although this is true for all firms, it is the second aspect that is particularly distinctive for service firms: employees interact with the customers during the actual delivery of the service. Since both of these aspects have direct influence on the design of the service (at the headquarters, starting with the business strategy) and delivery of the service (in the field), it is important to understand those elements that impact employees' behavior toward each other and the customer. To that end, it is critical to develop service theory with employees' cultural orientations in mind and study the extent of the impact of providers' culture on a service firm's quality outcomes. Differences in national culture exist, and it stands to reason that these differences may systematically impact organizational outcomes. As Geert Hofstede succinctly put it, "Cultural patterns at work reflect cultural patterns in the wider society. Trying to study 'management culture' without insight into societal culture is a trivial pursuit" (Hofstede 2001, p. 240).

There are many anecdotes that show the impact of a nation's culture on employees' behavior and its implication on the way services are designed and delivered. For example, "the airplane 'loss rate' per million departures between 1988 and 1998 was 0.3 for United Airlines, and similar for most U.S. carriers, but it was 4.8 for Korean Air. The primary reason attributed to the high loss rate was that subordinates to the Captain would not contradict the Captain at Korean Air, even though they believed the Captain's actions were dangerous" (Metters et al. 2010,

p. 179). The Korean Air employees' cultural norms strongly discouraged the challenging of authority, even in the face of eminent danger. How would such a boss–employee relationship affect the service quality outcomes of the firm?

In other parts of the world, such as in the United States, "children learn to think in terms of 'I' " and "privacy is normal" (Hofstede 2001, p. 236). The famous Nike slogan "Just do it!" is a symbol of the U.S. culture of autonomy and independence. But it is unclear how a culture that encourages such individuality or assertive attitudes translates into an employee's engagement with a customer during the delivery of a service. Would an individualist employee keep the best interests of the customers (who are usually strangers) at heart?

Moreover, many service firms, including hotels, theme parks, call centers, management firms, and information technology consulting firms have worldwide operations and/or branches. Numerous anecdotes show how work is affected by culture-specific differences in these operations abroad. For example, "Home Depot . . . had failed experiments placing telephone call centers in India, withdrawing all Indian operations [in 2006]. . . . Home Depot's business is based on the 'Do It Yourself' concept. . . . An appropriate concept in India . . . is 'hire someone to do it for you' " (Metters et al. 2010, p. 177). When a service firm starts new operations abroad, it should not expect the same level and understanding of the service from the employees of its new location. Firms (in particular, service firms) should remember that cultures are different, and employees' behaviors are conditioned by the culture they grow up in. That is, "as economic borders come down, cultural barriers will most likely go up and present new challenges and opportunities in business" (House et al. 2004, p. 1).

Another important and related research question is whether the extent of the impact of cultural values and norms differs across different *customer segments*. In a market where the customer base is heterogeneous in terms of its willingness to pay for quality, many firms offer vertically differentiated products for different segments. For example, in the cruise line industry, the types of products range from king suites to inside staterooms with different pricing and service options. In such a differentiated multiproduct market, we raise the following questions: Does the impact of "equality among people" remain the same when employees are serving both low-end and high-end customer segments? Do employees in cultures that view all customers as equals interact differently in the service environment than do employees from cultures where there is an established and accepted cultural hierarchy? In a culture where high inequality is a part of daily life, are all customers treated as royalty or only those in the high-end segment?

Surveys in operations management literature identify cross-cultural research as an important topic. In their extensive review, Prasad and Babbar (2000) identify cultural influences on services as a specific area that still needs to be examined. Roth and Menor (2003) note that "[t]here is an even greater need for understanding and monitoring the customer encounter experience as services expand regionally and globally" (p. 158); they specifically list cross-cultural issues as a fruitful research direction. Moreover, "in a survey of Fortune 500 firms . . . 85% of executives stated that they do not think they have an adequate number of global leaders and more than 65% believe that their existing leaders need additional skills and knowledge before they can meet or exceed the challenge of global leadership" (House et al. 2004, p. 5). Metters and Marucheck (2007) also observe that "the urgency for rigorous study to guide service managers in improving the design, competitiveness, efficiency, and effectiveness of service delivery, both at the firm and industry levels, has never been greater" (p. 196). This paper is dedicated to reviewing this literature and pointing to future research directions, as there are not many papers studying employees' national culture within the context of services.

Although there exist previous studies in literature that discuss national culture and operations management, they either focus on manufacturing (e.g., Whybark 1997, Ichniowski and Shaw 1999, Pagell et al. 2005, Kull and Wacker 2010) or are small in scale (e.g., Voss et al. 2004, Metters 2008, Alam 2011). Moreover, none of these studies discusses service quality outcomes or behavioral changes in different market segments. Following the directions provided in surveys and gaps in the literature, we aim to develop the theory and discuss the implications of national culture on service quality outcomes with an operations point of view, and we consider how that may change in different market segments.

Cultural variation makes the world an interesting place, yet specific cultural norms and characteristics may be empirically tied to improved performance for service firms in some important ways. Similarly, some cultural norms may be associated with negative performance in some dimensions or areas. The implication is not that cultural differences should be minimized. Rather, organizations armed with the awareness of links between their employees' cultural tendencies and service performance can better manage these employees to achieve their service goals. We discuss such relationships between cultural norms and the elements of service design choices to enable firms to emphasize their national culture's superior attributes and compensate for the weak ones so as to maximize success in their services design and delivery systems.

In his seminal work, Hofstede (1980, 2001) (see also Hofstede Centre 2014) identifies "culture" as a collective program that distinguishes members of one group from others. He studies different national backgrounds within the same organizational culture and how it relates to employees' organizational behavior. Following Hofstede's footsteps, House et al. (2004) improve and extend this original list under a collaborative program, the GLOBE (Global Leadership and Organizational Behavior Effectiveness) project. In our study, we use all these characteristics to develop a theory about whether successful services provision is related to the level of one or more of these cultural characteristics.

We identify the implications of employees' way of thinking (acquired through upbringing in a particular culture) in service design and delivery situations. Yet service delivery has many elements. To understand the impact of culture on service performance, we must first identify and articulate the elements that make up a service. Hence, we use Roth and Menor's (2003) service delivery systems architecture to identify the types of service design choices. According to this model, a firm makes service design decisions in three categories: (1) structural choices such as the firm's physical surroundings and tangible products, (2) infrastructural choices such as employees and behavioral practices, and (3) integration choices such as service supply chains and coordination.

We build our theory and propose testable hypotheses to establish the relationships between employees' cultural norms and the elements of service design choices in order to enable firms to emphasize their culture's superior attributes and compensate for the weak ones so as to maximize success in their services design and delivery systems.

2. Gaps in the Literature

In this section, we review the literature and discuss how further investigation of the relationship between employees' national culture and service operations quality would impact the current body of knowledge. We provide a baseline research direction that will be detailed in the next section. We also suggest directions for data testing studies that would use and test our proposed framework. The result should be "to validate and add confidence to previous findings, or else invalidate them and force researchers to develop more valid or more complete theories" (Meredith 1993, p. 3). Although we put forth the first step to building a comprehensive theory around employees' national culture and service operations, a lot more needs to be done to advance the field and circle the scientific loop.

2.1. National Culture and Service Quality

There is a rich literature discussing the impact of culture on customers' service quality perceptions in the marketing field (e.g., Winsted 1997, Donthu and Yoo 1998, Mattila 1999, Furrer et al. 2000). This mature literature discusses how a provider should offer services taking customers' cultural orientations in mind. When providers offer services in a foreign culture, they may need to alter their way of work to be successful in this new marketplace. However, there are two sides of the coin when it comes to a service interaction: in most services (as opposed to manufacturing), the customer interacts face-to-face with the provider. Although a customer's cultural orientation is important in this interaction, the provider's cultural orientation also affects the service quality outcomes. However, none of the literature in the marketing field discusses the employees' cultures. Providers' cultural orientations and how this may impact quality outcomes is by and large overlooked in this literature. Studies that are primarily interested in how the employees' mind-set (through being raised in a culture) affects the way they act in the workplace are needed. Hence, the first direction for future exploration is an operations point of view toward the impact of employees' national cultures on the service quality performance of firms.

Moreover, it is widely accepted that customer perceptions vary across cultures (Winsted 1997, Donthu and Yoo 1998, Mattila 1999, Furrer et al. 2000, Tsikriktsis 2003, Laroche et al. 2004, Morales and Ladhari 2011). Although customer perceptions have important implications, it is a distinct construct from "how work is done." The use of cross-cultural customer surveys[1] as a basis for *comparative* service evaluation has been shown to be gravely inappropriate (Winsted 1997, Laroche et al. 2004, Voss et al. 2004, Reynolds and Smith 2010, Morales and Ladhari 2011). Winsted (1997) points out that "*good service* is indicated by different behaviors in different countries. Because of this, it is difficult to find a generalizable set of measures that will apply across cultures and also provide the level of specificity that will make it managerially useful" (p. 354, emphasis added). Laroche et al. (2004) show that, regardless of expectations, Japanese customers are more conservative in their

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[1] Note that in the services marketing literature, customer satisfaction is measured as the gap between a customer's expectations and the actual service experience (Parasuraman et al. 1988).

evaluations of superior service but are less critical (or more forgiving) of inferior service. Voss et al. (2004) study how customer behavior is different in different cultures when it comes to evaluating the service. This difference surfaces even between the United Kingdom and the United States—two countries with long historical ties and cultural similarities. Reynolds and Smith (2010) further discuss the inherent limitations of cross-cultural measurement. These discussions point to another important research direction: the literature lacks a study that uses an objective services design and delivery evaluation from a provider's point of view to understand the impact of culture on the actual service delivery performance. Objective measurements of service quality (free from respondent bias) need to be developed for meaningful conclusions in a cross-cultural study.

It is also well known that quality as a construct involves many dimensions, and marketing literature focuses mainly on the customer perceptions side of it (Garvin 1984, 1987). Although we accept the importance of such an orientation, it is impossible to achieve consequential results about how work is done in a cross-cultural context merely through a customer's qualitative assessments. In that regard, there is a critical need in the literature to adopt the operations point of view, where quality is measured according to a set of established service standards as opposed to customers' judgments.

2.2. National Culture and Operations Management

Investigations of the cultural effects on how work is done mainly focus on manufacturing operations—in particular, supply chain practices, purchasing, total quality management, and just-in-time implementations (e.g., Whybark 1997, Ichniowski and Shaw 1999, Pagell et al. 2005, Kull and Wacker 2010).[2] We note that culture has more implications for service operations than for manufacturing because of higher levels of human contact. Moreover, existing results largely depend on regional discussions or comparisons of a small number of countries (e.g., Voss et al. 2004, Metters 2008). This in turn affects the generalizability of the results when it comes to the assessment of cultural variances and their impact on service operations around the globe. Hence, one very important research direction is to compile globe-spanning data sets and increase variations in cultural characteristics for statistically significant conclusions. Given the cultural diversity in operations in today's world, especially in industries such as airlines, hotels, and software development, this is a promising venue for research.

There are a limited number of studies that look at the implications of cultural issues on services. Pullman et al. (2001) study how the operations strategy changes for multicultural services and address the problem of tailoring a service to different cultural groups in the same location. In a case study, Metters (2008) discusses how culture altered the operational choices in an offshore, back-office service operation in Barbados and the Dominican Republic. Hahn and Bunyaratavej (2010) study the impact of cultural attributes on the success of offshoring projects. However, service quality is not a part of any of these studies. Hence, another worthwhile future research direction would be to operationalize service delivery success using "service quality," which has not been done before.

In terms of sociological and organizational definitions and conceptual frameworks, Hofstede's and the GLOBE project's cultural characteristics are very well-studied and accepted characteristics in the literature. However, when it comes to using the numerical measurements presented by Hofstede and the GLOBE project, there is debate about their usefulness. The data presented in these studies are only averages found in a nation, where nations are used as substitutes for cultures. However, many nations have heterogeneous cultural groups. For example, employees brought up in the southern part of a country (e.g., in the United States) might have characteristics different from an employee brought up in the northern part of that same country. A given employee may be more or less individualistic than the "average" value presented in the Hofstede and GLOBE project data sets. Although it is appropriate to follow the constructs developed in these studies for developing conceptual frameworks, it is questionable as to whether the data sets should be used in a data testing study. More granular-level cultural measurements would be a very valuable contribution, especially in operations management studies that focus on "how work is done."

Furthermore, in a study with many firms, organizational culture effects must be accounted for before national culture effects are investigated. Whereas Hofstede's study uses data from the same company (IBM), which helps to control for such organizational effects, any study that uses multiple companies should be carefully designed. Strong organizational cultures may dominate the effects of the national culture and should be accounted for in order to achieve meaningful results.

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[2] See Prasad and Babbar (2000) and Metters et al. (2010) for a detailed review of cultural implications for operations management.

2.3. National Culture and Market Segmentation

Firms often offer multiple differentiated services for different customer segments. Examples include airlines with business and economy classes, rental car services with luxury and compact cars, postal services with expedited and regular deliveries, and hotels with suites and standard accommodations. Although product differentiation has been widely discussed in both the marketing and operations literatures (e.g., Mussa and Rosen 1978; Moorthy 1984; Desai 2001; Netessine and Taylor 2007; Yayla-Küllü et al. 2011, 2013), none of these works discusses the implications of culture across differentiated services.

Moreover, none of the national culture studies (with a focus on customer culture) discusses the differences between multiple offerings of the same firm. Some studies clearly identify the customer segment they investigate. For example, Mattila (1999) studies only luxury hotel services, and Pullman et al. (2001) focus on the fast-food market. However, there is no study that looks at how services may be delivered differently (with a focus on employee culture) in high- and low-end segments of the same market.

Given the nonexistent literature, many research questions await answers in this domain: Are some segments of a market more susceptible to cultural characteristics than others? Do different cultural norms bridge the gap between some type of differentiated services better than others? Are some cultural characteristics better attuned to serve one type of market over another?

3. Cultural Characteristics and Service Operations Quality

In this section, we review the literature specifically on national culture and service quality, develop the theory, and synthesize our findings in the form of a conceptual framework and research propositions with a focus on employees' culture.

3.1. Background and Scope

According to Hofstede's (1980) classification, cultural groups are originally identified by four characteristics: power distance, uncertainty avoidance, individualism, and masculinity.[3] Hofstede's characteristics are the most well-utilized, widely cited, and organizationally relevant national culture characteristics across disciplines (e.g., Nakata and Sivakumar 1996, Steenkamp 2001, Pagell et al. 2005, Hahn and Bunyaratavej 2010). Hence, we will use these characteristics as a basis for our theory. We also note that Taras et al. (2010) meta-analyze the relationship between Hofstede's (1980) original four cultural characteristics and a variety of organizationally relevant outcomes using data from 598 studies representing more than 200,000 individuals. They find that the cultural characteristics were most strongly related to emotions, followed by attitudes, then behaviors, and finally job performance. Moreover, the cultural characteristics were more strongly related to outcomes for managers and working professionals rather than students; this also applied to more educated respondents. Therefore, we propose that there exists a strong impact of national culture on employees' behavior and managers' decision making during the design and delivery of services that leads to different quality outcomes at the firm level.

Additionally, we include cultural characteristics of the GLOBE project (House et al. 2004) in the present study. It extends Hofstede's characteristics into nine different characteristics and provides a more up-to-date set of constructs and data. It is a worldwide, multiphase, and multimethod effort that began in 1993 with the intention to identify national and organizational culture and its effect on leadership styles in 62 societies. House et al. (2004) develop, validate, and quantify 735 items into nine characteristics, which include Hofstede's original definitions of power distance and uncertainty avoidance. GLOBE researchers also identify two types of collectivism; split the original characteristic "masculinity" into assertiveness and gender egalitarianism; and study future, performance, and humane orientations of cultures. Vecchi and Brennan (2011) note that "[w]hile existing research mainly adopts Hofstede's characteristics of national culture, Global Leadership and Organizational Behavior Effectiveness (GLOBE) captures more comprehensively and less ambiguously the elements of national culture" (p. 528). It is one of the most recent cultural data sets available and has been used in a number of operations management, cross-cultural investigations (Kull and Wacker 2010, Naor et al. 2010, Vecchi and Brennan 2011). However, we note that literature utilizing the GLOBE project's characteristics is fairly limited.

For assessing quality, we follow the service operations literature to identify the service provider's perspective. As we are mainly interested in the employees' (including managers and headquarters personnel) mind-set, we need to have a framework that takes all kinds of operational decisions into account and have a provider's point

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[3] Two characteristics have been added to the original four: "long-term orientation" was added in 1991 and "indulgence" was added in 2010 (Hofstede Centre 2014). However, because of the lack of data on these newer characteristics, we follow the literature (e.g., Hahn and Bunyaratavej 2010) and only include the original four in our study.

of view. Whereas the SERVQUAL framework has value in identifying customers' perceptions of the service, it falls short when it comes to understanding the "antecedents of delivering successful experiences" (Roth and Menor 2003, p. 157). All decisions involved in the design and the delivery of the service are made by the employees of the firm, and a road map showing the classification of these decisions is necessary. Remember that our priority is to understand how employees' behaviors have implications on the service encounter. Hence, we utilize the framework presented in Roth and Menor (2003), which has a focus on the employee's side of the problem. Their service delivery systems architecture "bridges the content of services strategy as defined by the portfolio of strategic design choices and the tactics associated with execution and the customers' perceived value of their service encounters" (Roth and Menor 2003, p. 150).

There are many decisions made by the employees of a service firm. According to Roth and Menor (2003), these decisions can be categorized in terms of structure (e.g., physical surroundings and service products), infrastructure (e.g., people, policies, practices), and integration (e.g., coordination and service supply chain), which are then followed by the execution of these choices within a service delivery system. In our paper, we link the national culture of employees to their success in the execution of these decisions, and we identify which particular decisions are most affected by their national culture.

For each cultural characteristic, we develop a theory based on both marketing and operations management literatures. Marketing literature provides theory from a customer's point of view. The majority of these studies (e.g., Donthu and Yoo 1998, Furrer et al. 2000, Laroche et al. 2004) use SERVQUAL customer surveys (Parasuraman et al. 1988). They find that customers from different cultures expect different things from their providers. This may imply that the expectations of customers may be directly translated into operational choices. For example, customers of a particular culture have been found by the marketing field to expect high-quality meals. Then, the service providers that come from the same culture will be more likely to design and deliver higher-quality food service.

However, this implication might not hold in some service delivery situations, such as the infrastructure category dealing with people, policies, and practices, where behavioral psychology plays a more important role. For example, whereas an individualistic customer might demand extra attention from the service provider, an individualistic employee might not care to provide any attention at all.

In this section, we review and discuss the implication of each cultural characteristic on the structural, infrastructural, and service supply chain operational choices made by the employees of the firm. We summarize our discussion of national culture and service operations in segmented markets in the form of testable research propositions. A framework model for the relationship between employees' national culture and service operations quality and the tabular presentation of the research propositions is provided in Figure 1 and Table 1, respectively.

Figure 1. Framework Model for Employees' National Culture and Service Operations Quality
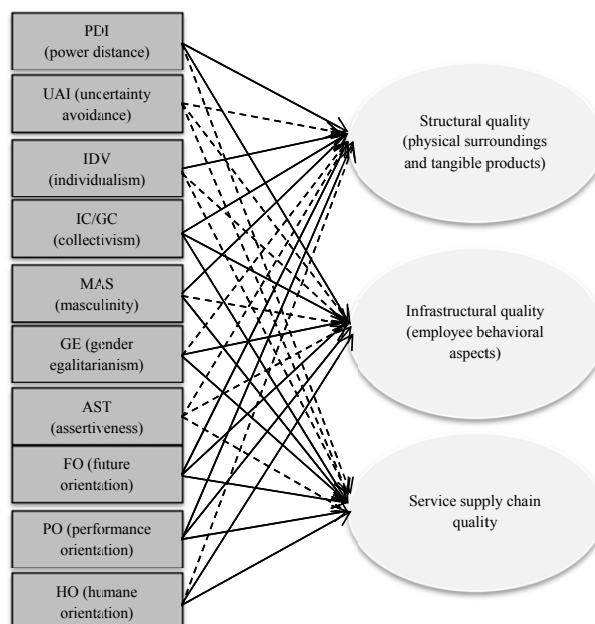
Note. Solid arrows represent a positive relationship, and dashed arrows represent a negative relationship.

Table 1. Summary of Research Proposals

	Structure	Infrastructure	SSC	Differentiation
1. Power distance	+	+	−	Y
2. Uncertainty avoidance	−	−	−	Y
3. Individualism	+	−	−	Y
4. Institutional and group collectivism	+	+	+	Y
5. Masculinity	+	−	+	Y
6. Gender egalitarianism	−	+	+	Y
7. Assertiveness	−	−	−	Y
8. Future orientation	+	+	+	N
9. Performance orientation	+	+	+	Y
10. Humane orientation	−	+	+	Y

Notes. Plus signs represent a positive relationship, and minus signs represent a negative relationship. "Y" represents the existence of a relationship, and "N" represents the absence of a relationship.

3.2. Power Distance

The power distance index (PDI) is a measure of

the degree to which the less powerful members of a society accept and expect that power is distributed unequally. . . . People in societies exhibiting a large degree of power distance accept a hierarchical order in which everybody has a place and which needs no further justification. In societies with low power distance, people strive to equalize the distribution of power and demand justification for inequalities of power. (Hofstede Centre 2014)

Power distance is characterized as

the degree to which members of an organization or society expect and agree that power should be stratified and concentrated at higher levels of an organization or government. (House et al. 2004, p. 12)

The PDI plays a role in regulating interpersonal relationships in a given society. Tangibles and structural choices play an important role in the society as symbols of respect. A distance between the powerful and others is expected, and tangibles help to maintain this distance. Donthu and Yoo (1998) identify high-quality tangibles as a means to ensure the distance between the powerful and the weak in a service delivery situation. Mattila (1999) also argue that in cultures with high power distance, customers expect extremely good service and attach great importance to tangibles. When customers expect good-quality tangibles, service firms would have no reason not to provide them. Moreover, a hierarchical mind-set also affects the workplace attire in some services. For example, army/navy and police departments have symbols and insignias that clearly identify the ranks of each employee. Cultures with such a hierarchical mind-set will place particular emphasis on their structures to showcase their ranks. Hence, we posit that high PDI cultures will make more successful structural decisions.

Research Proposal 1(a). Firms with high PDI employees are more successful in the design and execution of structural elements.

In the operations management literature, there are varying discussions on how power distance influences operational outcomes. In an exploratory study, Pagell et al. (2005) find that as PDI increases, outsourcing increases and the level of exports decreases. Hahn and Bunyaratavej (2010) focus on the impact of power distance on the firm-customer relationship in offshore activities; they point out that "the real-time ability to understand 'the customer is always right' and the ability to continuously treat customers both with respect and appropriate deference to their desires may be especially important" (p. 188). They hypothesize that the number of offshore services should increase with the PDI of that country. Since we are interested in the employee–customer relationship in a service delivery situation, the "customer is always right" motto is also relevant in our context. Mattila (1999) also argue that in cultures with high power distance, customers expect good service in responsiveness, reliability, and empathy. Service providers from high power distance cultures assume high PDI characteristics in a service delivery situation (e.g., in the residential and commercial cleaning industry) by considering customers as "powerful" members of the society who pay for the service. We posit that managers who are brought up in a high PDI culture will design products and processes so that all customers will feel like a very important person. And if a service employee is brought up learning "inequality" as a normal fact of life, acting with high respect around customers will not be unusual. We posit that high PDI cultures will make more successful infrastructural decisions, as they would like to better serve (powerful) customers.

Research Proposal 1(b). Firms with high PDI employees are more successful in the design and execution of infrastructural elements.

However, in a business context, there is another aspect of power distance that affects the employee–boss relationships in the workplace. A high level of hierarchy does not result in the best performance outcomes, as depicted in the Korean Air anecdote mentioned in the introduction. Subordinates to the captain would not contradict their boss even in a life-or-death situation. Similarly, Kull and Wacker (2010) focus on the impact of power distance on the employee–boss relationship and point out that in high PDI cultures, employees expect the primary responsibility for good performance to rest with their managers. They hypothesize that the effectiveness of quality management practices will be lower in such a hierarchical situation. Employees from a higher power distance culture may be hesitant to initiate collaboration and coordination "to get things done" with employees in other levels without their manager's approval, thereby hindering the smooth flow of processes in the internal service supply chain. Focusing on the "how work is done" perspective, we propose that companies in a lower PDI culture will do a better job of serving their customers because there will be more autonomy and initiative even at the lowest level of employees. As Metters et al. (2010) point out, in an environment where low barriers to communication are critical, high PDI cultures are detrimental. Service supply chains are one such environment.

Research Proposal 1(c). Firms with high PDI employees are less successful in the design and execution of service supply chain elements.

We are also interested in service design and delivery success at two opposing ends of the market. Donthu and Yoo (1998) hypothesize that in cultures with high power distance, customers will not expect empathy or responsiveness from the service provider. By contrast, Mattila (1999) argue that in cultures with high power distance, customers attach great importance to responsiveness, reliability, and empathy. Furrer et al. (2000) note these contrasting arguments and explain the differences based on the characteristics of different customer segments. Mattila (1999) finds in her study of luxury hotel services that customers are more powerful in this context than is the service provider. Donthu and Yoo (1998) study powerful providers and weak customers. Following these studies, Furrer et al. (2000) provide a theory that explains how roles and expectations change when the context changes. Although they provide a comprehensive discussion of theory and hypotheses, they only test them through a "weak customers" data set. They hypothesize that in a context where customers are powerful, they have high expectations for reliability, responsiveness, empathy, and tangibles. On the other hand, if customers are weak, these expectations are reversed, except for the tangibles. Hence, we expect that a high power distance service provider that serves such a differentiated customer body may behave differently in the two segments. The low-end market segment may be perceived as "weaker" than the provider, and the high-end segment may be perceived as "powerful" during the service encounter. Given the "nonexistent" literature in this area and the conceptual nature of this study, we hypothesize only about the existence of the difference between the levels of service offered in two ends of the market.

Research Proposal 1(d). The difference in the service quality between the high and low ends of the market is greater than expected when employees exhibit high PDI.

3.3. Uncertainty Avoidance

The uncertainty avoidance characteristic

> expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. . . .
> Countries exhibiting strong UAI [uncertainty avoidance index] maintain rigid codes of belief and behavior and are
> intolerant of unorthodox behaviour and ideas. Weak UAI societies maintain a more relaxed attitude in which practice
> counts more than principles. (Hofstede Centre 2014)

It is also defined as

> the extent to which members of an organization or society strive to avoid uncertainty by relying on established social
> norms, rituals, and bureaucratic practices. (House et al. 2004, p. 11)

Societies that score high on uncertainty avoidance inhibit new product development and design, show stronger resistance to change, and document every step of the way in a business activity (House et al. 2004, p. 618). However, such characteristics do not align well with today's highly competitive, design-dominant, fast, and innovative service environments. These characteristics of high UAI cultures make the new product design difficult and time consuming, which may lead to unsuccessful outcomes at the structural category. Hence, we posit that high UAI cultures make less successful structural decisions.

Research Proposal 2(a). Firms with high UAI employees are less successful in the design and execution of structural elements.

For employee behavior-related aspects of services, uncertainty avoidance does not help, either. Service inter-actions vary widely from one another because of human involvement. Uncertainty is an important distinctive characteristic of service transactions (Fitzsimmons and Fitzsimmons 2011). From that point of view, the cultures' take on uncertainty avoidance and how it affects the design and delivery of services becomes one of the most important questions in our study.

High UAI countries avoid risky situations. Moreover, "higher anxiety and stress are experienced" and "aggressive behavior of self and others is accepted" (Hofstede 1980, p. 47). When we translate these characteristics into a service delivery situation, we expect that in a high UAI culture it would be acceptable if an employee showed aggressive behavior during an "unusual" customer interaction. Customer interaction also occurs at the point of sale in services and can result in unexpected requests for changes in behaviors and processes. Cultures with a low tolerance for ambiguity might be less tolerant of such changes "on the fly." Without doubt, an "aggressive" interaction would be an "unsuccessful" service provision. On the other hand, we expect that in low UAI cultures, where the "uncertainty inherent in life is more easily accepted, . . . aggressive behavior is frowned upon . . . [and] deviation is not considered threatening" (Hofstede 1980, p. 47), employees will be able to deliver better-quality service. For example, in the event of a winter storm, many flights are cancelled, and thousands of passengers need to be rerouted within hours. We observe that airline representatives who need to deal with these passengers go through thousands of different requests, as the majority of these passengers are exhausted, upset, angry, and restless. In such an environment full of uncertainty and anger, it is a great trait for an airline representative if he or she is able to stay calm, take initiative, and make fast decisions. Hence, we posit that UAI and the success of infrastructural decisions have a negative relationship.

Research Proposal 2(b). Firms with high UAI employees are less successful in the design and execution of infrastructural elements.

We take the same position on the supply chain dimension as one of the defining characteristics of supply chain effectiveness is their flexibility. Since services are unpredictable in nature, cultures with high uncertainty avoidance experience higher anxiety and stress in coordination issues in service delivery situations, which leads to lower-quality outcomes. As such, we propose the following.

Research Proposal 2(c). Firms with high UAI employees are less successful in the design and execution of service supply chain elements.

There are studies in the literature that show how richer people can be "meaner, stingier, and less trusting" (Weisul 2011). People at the lower end of the market are found to be nicer to others. Hence, we expect high-paying, rich customers to be significantly more demanding and less satisfied in a service delivery situation. We expect them to make more "unusual" requests from the service provider, which increases the "uncertainty" and "anxiety" components of the service in the high-end market segment. We claim that this increase in uncertainty is reflected as amplification of the "impact" of UAI on the service delivery performance. Therefore, we propose that there will be a significant difference in the treatment of customers in the two ends of the market.

Research Proposal 2(d). The magnitude of the effect of UAI cultural characteristic is different in the high and low ends of the market when employees exhibit high UAI.

3.4. Individualism

Regarding the individualism (IDV) characteristics, Hofstede Centre (2014) notes that

> the high side of this dimension, called individualism, can be defined as a preference for a loosely-knit social framework in which individuals are expected to take care of themselves and their immediate families only. Its opposite, collectivism, represents a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty. A society's position on this dimension is reflected in whether people's self-image is defined in terms of "I" or "we."

The marketing literature provides clear insights on the expectations of an individualistic customer (Donthu and Yoo 1998, Furrer et al. 2000). These customers are found to expect higher levels of service quality in terms of both responsiveness and tangibles. Individualists have a strong desire for self-identity and prefer to maintain a distance between themselves and others. Hence, during a service interaction, they see tangibles as a means to maintain this distance in order to portray their individuality. On the service provider's side, since structural decisions are longer term and typically require more planning and expense, employee personality and behavior may have a limited effect, and the organization would move to satisfy customers' needs more objectively. Hence, we align with the marketing literature on this characteristic and posit that high IDV cultures will deliver better-quality structures and tangible products.

Research Proposal 3(a). Firms with high IDV employees are more successful in the design and execution of structural elements.

However, when it comes to the infrastructural choices, high expectations of customers may not be directly translated into high-quality service delivery. Employees' judgment and individual decision making become important here. As highly individualist cultures believe that the individual is the most important unit, and people in these cultures tend to take care of themselves first, we "do not expect that the employees, also individualists, have the customers' best interests at heart" (Furrer et al. 2000, p. 360). With this in mind, we would like to understand whether such an individualistic service employee who learned to care primarily for him- or herself can be successful in taking good care of his or her customers, who are indeed strangers. As most services entail high levels of personalized attention and care in meeting customers' needs, and we aim to identify the implications of the employee mind-set (which is acquired through one's upbringing in a particular culture) in a service delivery situation, IDV becomes another important characteristic in this study.

Unlike structural elements, infrastructural elements tend to be more malleable at the level of the customer interface, and as such, one might expect that the individual pursuit of self-interest by the delivery personnel would undermine the goals of customer satisfaction at the point of sale. As people in individualist cultures do not genuinely care as much about others, we posit that they will also be less successful in delivering genuinely good quality services.

Research Proposal 3(b). Firms with high IDV employees are less successful in the design and execution of infrastructural elements.

On the supply chain side of the problem, Pagell et al. (2005) find a significant negative effect of IDV on the number of suppliers and export decisions. An employee who is self-focused may struggle with regard to coordination efforts, as such efforts often appear to undermine short-term benefits to the employee him- or herself. For example, total quality management efforts are challenged when teamwork is not a cultural characteristic embedded in an employee's mind-set (Kull and Wacker 2010). The hospitality industry is one of these environments. Following the operations literature, we argue that the impact of IDV will be even more pronounced in service supply chains.

Research Proposal 3(c). Firms with high IDV employees are less successful in the design and execution of service supply chain elements.

In Hofstede's study, the individualism component loads positively on valuing individual freedom, opportunity, achievement, advancement, and recognition. Individuals from a highly individualistic culture value personal freedom and status. More economic development is also associated with high IDV (Hofstede 1980). In a cross-country study, Gorodnichenko and Roland (2011) show that these traits are the most important and robustly significant effects of culture on long-run growth. We extend their macroeconomic theory to a micro level and posit that the high-end market segment possesses more individualistic characteristics than does the low-end market segment. Similar observations are also recorded in the social psychology literature. Weisul (2011) reports on studies that show how rich people are more demanding and less helpful, which is characteristic of an individualistic person. We expect that the more demanding the customers get, the more an individualistic employee may become frustrated. This may lead to even worse service quality outcomes at the higher end of the market. Hence, we expect a more evident impact at the high end, especially when individualism is high in a culture.

Research Proposal 3(d). The magnitude of the effect of IDV cultural characteristic is different in the high and low ends of the market when employees exhibit high IDV.

3.5. Institutional Collectivism and In-Group Collectivism

The first type of collectivism the GLOBE project defined, institutional collectivism (IC), is "the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action" (House et al. 2004, p. 12). In-group collectivism (GC), the second type, is "the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families" (p. 12).

The GLOBE project takes a different viewpoint on the individualism construct than Hofstede's. House et al. (2004) focus on two different centers of attention: the individual and the society. They discuss how each agent views the other's actions. Institutional collectivism looks at the problem from an organizational point of view. It measures how a firm would foster the teamwork and collaboration within the ranks of the firm. In-group collectivism looks at the problem from an individual's point of view. It is the measure of how much one person

values working together in a group as a united whole. For these employees, firm success is a reason to feel proud. Whereas Hofstede's individualism is a more top-down sociological measure, the GLOBE program takes a multilevel approach to measure this construct (House et al. 2004).

Using these measures, Kull and Wacker (2010) hypothesize that highly collectivist cultures would have higher-quality management effectiveness in manufacturing systems. The emphasis on teamwork and the relational (long-term) over transactional (short-term) orientation of collectivist cultures would help them succeed in the workplace. Similarly, Naor et al. (2010) study the relationship between GLOBE variables and manufacturing performance. They hypothesize that the firms adopting cooperative relationships and cross-functional teams perform better than others.

We posit that organizational support on teamwork and individual value on loyalty and cohesiveness would generate success in all aspects of a service firm as well. For structural choices, if the barriers between marketing and operations departments were nonexistent, they would be able to design and deliver better service products to their customers. Similarly, an employee who takes pride in organizational success would forget his or her own worries and help customers for a successful service provision as a representative of the firm. In addition, as noted above, supply chains are often as effective as their communication and coordination. Hence, we propose that in all aspects of service quality, highly (institutional and in-group) collectivistic cultures perform better than others.

Research Proposal 4(a). Firms with high IC and GC employees are more successful in the design and execution of structural elements.

Research Proposal 4(b). Firms with high IC and GC employees are more successful in the design and execution of infrastructural elements.

Research Proposal 4(c). Firms with high IC and GC employees are more successful in the design and execution of service supply chain elements.

The two definitions of collectivism by House et al. (2004) emphasize the interdependence of employees with the organization. In a culture that scores high on collectivism, "group goals take precedence over individual goals" (House et al. 2004, p. 454), duties and obligations are important determinants of social behavior" (p. 454), and "organizations take responsibility for employee welfare" (p. 459). Hence, we do not expect employees to have a specific attitude difference when it comes to work. We expect such employees to keep the best interests of the firm at heart and even make personal sacrifices to fulfill organizational obligations, which should be to deliver *good-quality service at every market segment*. However, when employees come from a culture where collectivism is low, more individualistic characteristics start to play a role. Following the arguments we discussed in the previous subsection, we propose a segmentation research question to predict a difference in the impact when collectivism is low in a culture.

Research Proposal 4(d). The magnitude of the effect of the IC (GC) cultural characteristic is different in the high and low ends of the market when employees exhibit low IC (GC).

3.6. Masculinity

Hofstede Centre (2014) labels the two opposing sides of this characteristic as masculinity (MAS) and defines the masculinity side of this characteristic as "a preference in society for achievement, heroism, assertiveness and material reward for success. . . . Society at large is more competitive." Note that an alternative label suggested for this characteristic in the literature is "achievement-nurturance scale," which avoids sexist implications (Freitag and Stokes 2009, p. 62). The characteristic refers to the degree to which a culture values achievement and assertiveness ("masculinity") or nurturing and social support ("femininity"). It is also determined that in high masculinity cultures, gender roles are more distinct. In high MAS cultures, males are more associated with assertiveness whereas females are associated with empathy, in addition to everyone being competitive.

Following the gender role distinctiveness characteristic, tangibles are expected to be important for customers to distinguish gender roles in masculine cultures (Furrer et al. 2000). Hence, we propose that highly masculine cultures will provide better-quality tangible structures, which tends to maintain the gender role distinction in the society.

Research Proposal 5(a). Firms with high MAS employees are more successful in the design and execution of structural elements.

For the infrastructure dimension, we focus on the nurturance characteristic of cultures. Hofstede (1980) lists empathy as a defining characteristic of feminine cultures: "One sympathizes with the unfortunate, people and environment are important, etc." (p. 49). Employees who have grown up in cultures with low masculinity learn to care for others early on. Those who come from such cultures should be at an advantage in a service delivery situation because they will provide more genuine attention that comes from the heart. For example, when a child needs attention during a flight, we expect that a flight attendant who comes from a nurturer culture would be able to offer more genuine help. Hence, we propose that the relationship between nurturance orientation (femininity) and service provision success is positive.

Research Proposal 5(b). Firms with high MAS employees are less successful in the design and execution of infrastructural elements.

For the supply chain dimension, we will focus on the achievement characteristic of masculine cultures. Societies that score high on masculinity put more emphasis on advancement and career; work is central to a person's life space, and challenge and recognition are important (Hofstede 2001, p. 298). This kind of focus on achievement and career focus should be beneficial at the workplace, especially in more "operational" situations such as supply chains. Hence, we propose that a highly masculine culture is good for successful service supply chain operations.

Research Proposal 5(c). Firms with high MAS employees are more successful in the design and execution of service supply chain elements.

The rich analytical literature on the product differentiation of multiproduct firms (e.g., Mussa and Rosen 1978; Moorthy 1984; Desai 2001; Yayla-Küllü et al. 2011, 2013) suggests that if a firm wants to offer multiple products to different segments of the market successfully, increased levels of differentiation should exist between the products. Therefore, an evident difference between the service quality levels of high- and low-end market segments is a necessity for success. Following this theory, we propose that in a high MAS culture with an orientation toward achievement and success, a more than expected differentiation may be provided to different market segments.

Research Proposal 5(d). The difference in the service quality between the high and low ends of the market is greater than expected when employees exhibit high MAS.

3.7. Assertiveness and Gender Egalitarianism

Hofstede's masculinity versus femininity characteristic has received considerable criticism from scholars (House et al. 2004). It has been a confusing construct and does not yield an intuitive clustering as the other characteristics do. Although the original definition of masculinity has been accepted to be a milestone, mixed findings and skepticism around its reliability led GLOBE program researchers to define two new constructs.

3.7.1. Gender Egalitarianism. House et al. (2004) define gender egalitarianism (GE) as "the degree to which an organization or society minimizes gender role differences while promoting gender equality" (p. 12). In high gender-egalitarian societies, biological sex does not determine the roles people play in their homes, business organizations, and communities. On the other hand, when the gender distinction is customary in a culture (low GE), we expect the tangible structures to be very carefully designed to enhance such a distinction. Motivated by the findings of previous papers (that use Hofstede's masculinity characteristic but clearly focus on the gender distinction aspect, as discussed in the previous subsection; see, e.g., Furrer et al. 2000), we posit that tangible structures are more carefully designed and emphasized by societies where gender roles are distinct.

Research Proposal 6(a). Firms with high GE employees are less successful in the design and execution of structural elements.

However, when it comes to how work is performed during service delivery, the firm outcomes may be different. In a cross-cultural study, it was shown that "the more similarly women and men were perceived to be, the greater women's participation in higher education and in the labor force" (House et al. 2004, p. 349). In these cultures, there is much less occupational sex segregation. Given that half of every society is female and the other half is male, we expect that in a gender-egalitarian culture, firms hire based on ability from a much larger and diverse employee pool that includes both sexes. Undoubtedly, this is a clear advantage over other cultures where there is occupational sex segregation. For example, in South Korea, gender distinction is deeply rooted in the society (Kim 1997). In Korean factories, women cannot supervise male workers, and an impressive majority of managers are men. The reason why women work is to save money for their dowry: "Over 90% [of

women workers] leave their jobs when they get married, usually in their mid-20s, with the telling remark that 'any husband who wants his wife to work is not really a man'" (Kim 1997, pp. 79–80). In such a culture where women and men are allowed to do only certain types of jobs and women (regardless of merit) are not allowed to move up the ranks of the organizations, we expect the quality of work to suffer. In addition, Vecchi and Brennan (2011) also hypothesize that high gender-egalitarian countries are better at implementing manufacturing quality programs. With such an operations perspective, we posit that gender egalitarianism has a positive impact on the services delivery as a result of a larger, more educated employee pool in both the infrastructure and supply chain dimensions.

Research Proposal 6(b). Firms with high GE employees are more successful in the design and execution of infrastructural elements.

Research Proposal 6(c). Firms with high GE employees are more successful in the design and execution of service supply chain elements.

We will follow the arguments similar to those of power distance characteristic that focus on "inequality" inherent in the culture. Although the basis of inequality is gender in this characteristic, clearly separated segments will receive different perceptions within the society. People will be more inclined to treat different segments differently. Therefore, we propose that the accepted inequality among the people of a nation (low GE) will cause differential treatment of different market segments in the service firm.

Research Proposal 6(d). The difference in the service quality between high and low ends of the market is greater than expected when employees exhibit low GE.

3.7.2. Assertiveness. Assertiveness (AST) is defined as "the degree to which individuals in organizations or societies are assertive, confrontational, and aggressive in social relationships" (House et al. 2004, p. 12). Acting and thinking based on results instead of relationships and opportunistic behaviors are common characteristics of societies with high assertiveness. Some examples of assertive behavior would be one voicing an opinion freely with his or her boss or aggression during an encounter with customers. House et al. (2004, p. 399) report that this type of employee behavior has been part of organizational culture mostly in the United States and explain that assertiveness may not be welcome in other parts of the world.

Assertive individuals are known to be dominant and ambitious. Whereas such qualities may be associated with individual career success, whether such behavior would translate into a service firm's success requires more attention. Note that an individual's cooperative and caring behavior is expected to increase the perception of service in the eyes of the customers. Aggression and disagreement do not fit well with the "customer is always right" motto. On the other hand, we expect that employees carrying nonassertive qualities such as being agreeable, trusting, likeable, and tolerant (House et al. 2004, p. 399) would get through difficult service encounters better than others: "It is a known fact that any type of job in the service industry whether it be working at a restaurant, a hotel, as an usher in theater or selling tickets at an airport needs friendly attitude and pleasing smile. Furthermore, the jobs like that of a front desk executive require pleasing personality along with a lovely smile, while greeting the people."[4] This would help customers enjoy the service experience even more and thereby increase the overall service quality.

Kull and Wacker (2010) find a significantly negative effect of assertiveness on the quality management effectiveness of manufacturing firms. They blame the highly competitive nature and opportunistic behavior of employees for the failure of coordination schemes. They state that the emphasis on individual needs for money, ambition, and independence cause employees to lose focus on cooperation. Similarly, Naor et al. (2010) focus on the communication to seek consensus, employee involvement, and willingness to share resources and information aspects of low assertiveness and hypothesize a negative relationship between assertiveness and manufacturing performance.

Following these manufacturing and psychology literatures, as well as our intuitions for service operations, we posit that highly assertive cultures will have difficulty in personal relationships, communications, and tolerance, leading to less successful service quality outcomes in all dimensions.

Research Proposal 7(a). Firms with high AST employees are less successful in the design and execution of structural elements.

Research Proposal 7(b). Firms with high AST employees are less successful in the design and execution of infrastructural elements.

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[4] See http://www.hotelcluster.com/blog/hotel-service-with-a-smile/, last accessed February 7, 2015.

Research Proposal 7(c). Firms with high AST employees are less successful in the design and execution of service supply chain elements.

For the differentiation hypotheses, we will follow the same line of thought as we did for masculinity. We focus on the accomplishment aspect. For more successful implementation of market segmentation, differentiated levels of service quality are needed.

Research Proposal 7(d). The difference in the service quality between high and low ends of the market is greater than expected when employees exhibit high AST.

3.8. Future Orientation

House et al. (2004) define future orientation (FO) as "the degree to which individuals in organizations or societies engage in future-oriented behaviors such as planning, investing in the future, and delaying individual or collective gratification" (p. 12). Future orientation is another very important cultural characteristic in our study. By definition, it has significant implications on how work is done in general. As operations management researchers, we emphasize the importance of planning and careful investments: "Really successful firms have a clear and unambiguous idea of how they intend to make money" (Jacobs and Chase 2011, p. 1). The meticulous design of processes and systems are necessary in an increasingly competitive world. Only thinking ahead can help firms get ahead. In such a business climate, we expect any firm with a future-oriented mind-set to be more successful than others that may be myopic.

A future-oriented culture encourages risk taking, tolerance to error, and experimentation to improve process (Naveh and Erez 2004). A culture with high future orientation promotes continuous improvement (Naor et al. 2010) and focuses on planning ahead, which may lead to coordinated and high-quality systems. As House et al. (2004, p. 285) state, "[Cultures with low future orientation] do not appreciate the warning signals that their current behavior negatively influences realization of their goals in the future. In contrast, high future orientation cultures formulate future goal states and develop strategies for meeting their future aspirations."

House et al. (2004) also provide psychological characteristics of less future-oriented individuals. These individuals are expected to be impatient, disappointed, and irritated. None of these characteristics will lead to successful service quality outcomes.

It was also shown that high future orientation is related to organizational flexibility/agility and better organizational performance among manufacturing organizations. Kull and Wacker (2010) find that future orientation positively moderates the effectiveness of total quality management systems in manufacturing facilities. Management of services also requires looking ahead. A happy customer today will surely return tomorrow for more. For example, a customer satisfied with a certain hairdresser will most certainly come back to that hairdresser in the near future and may also bring his or her children and close friends. Under the light of manufacturing and psychology literatures and our intuition for services management, we expect that employees' cultural learning of future orientation will be beneficial to the service organization in all dimensions.

Research Proposal 8(a). Firms with high FO employees are more successful in the design and execution of structural elements.

Research Proposal 8(b). Firms with high FO employees are more successful in the design and execution of infrastructural elements.

Research Proposal 8(c). Firms with high FO employees are more successful in the design and execution of service supply chain elements.

In this characteristic, there is no clear direction about why two different market segments would have different service quality outcomes—service in both segments should be equally successful. We will propose a null research proposal for this characteristic.

Research Proposal 8(d). The effect of FO cultural characteristic is not different in the high and low ends of the market.

3.9. Performance Orientation

Performance orientation (PO) is defined as "the degree to which an organization or society encourages and rewards group members for performance improvement and excellence" (House et al. 2004, p. 13). House et al. (2004, p. 239) state that, "despite its intuitive appeal, the concept of performance orientation has not received much attention in the literature. For instance, even the best-known cross-cultural study conducted by Hofstede did not conceptualize or measure it as an independent cultural characteristic."

The GLOBE project identifies and specifically measures this important characteristic of workplace success. Countries that have high performance orientation are more likely to have performance appraisal systems that emphasize results, value taking initiative, believe that schooling and education are critical for success, and view feedback as necessary for improvement. By contrast, countries that have lower performance orientation are more likely to value societal and family relationships; have performance appraisal systems that emphasize integrity, loyalty, and cooperative spirit; view feedback as judgmental and discomforting; and emphasize tradition (House et al. 2004, p. 245).

Naor et al. (2010) focus on the goal-directed behavior of performance-oriented cultures and hypothesize that such organizations encourage employees to work harder for better outcomes. Similarly, Vecchi and Brennan (2011) find that high performance orientation countries spend relatively more on preventive maintenance, which is evidence for hard work and results-oriented workplace behavior.

For services as well, we expect that performance orientation would help tremendously. For example, in a healthcare situation, if everyone from the receptionists to nurses to doctors does their job perfectly, patients and their relatives could only be pleased with the service of this institution. They would leave with "highest-quality" experiences. Hence, we propose that based on its intuitive definition, evidence from manufacturing literature, and our intuition with services management, performance orientation will be an advantage in a service firm in all dimensions.

Research Proposal 9(a). Firms with high PO employees are more successful in the design and execution of structural elements.

Research Proposal 9(b). Firms with high PO employees are more successful in the design and execution of infrastructural elements.

Research Proposal 9(c). Firms with high PO employees are more successful in the design and execution of service supply chain elements.

As in the masculinity and assertiveness characteristics, we will focus on the success-highlighting nature of performance-oriented cultures, and we posit that greater differentiation between different segments is required for a successful execution of segmentation.

Research Proposal 9(d). The difference in the service quality between the high and low ends of the market is greater than expected when employees exhibit high PO.

3.10. Humane Orientation

The characteristic humane orientation (HO) is defined as "the degree to which individuals in organizations or societies encourage and reward individuals for being fair, altruistic, friendly, generous, caring, and kind to others" (House et al. 2004, p. 13). Highly humane orientation cultures give priority to kindness, love, and generosity. Members of society promote the well-being of others and are highly sensitive to all forms of discrimination. Personal relationships are emphasized, and people provide social support to each other. By contrast, in societies that score low in humane orientation, values of pleasure, comfort, and self-enjoyment have high priority. Power and material possessions are important, and such societies may emphasize the need for better structural/tangible elements. People are expected to solve their problems on their own; a lack of support for others is a distinguishing characteristic of cultures with low humane orientation (House et al. 2004, p. 570).

Kull and Wacker (2010) focus on the characteristic that high HO cultures are likely to ask customers for their genuine opinion, taking the information gathered as critical input for structural change. They hypothesize that such a culture has a positive influence on how work is done. Similarly, Naor et al. (2010) discuss how human goodness encompasses many positive traits that ultimately lead to higher performance.

We also expect humane behavior to enhance performance outcomes in a service firm. For example, in a nursing home, the elderly would rather have an attendant who smiles, asks about their day, and cares about their well-being than a pretentious and cold attendant who is there to clean the room, finish for the day, and leave. Especially in the infrastructure and supply chain categories, where employee–customer interaction is prevalent, we posit that high humane orientation cultures would be more successful as a result of genuine care and human attention. However, in the structural dimension, we expect the opposite. As low humane orientation cultures value material possessions more than other cultures do, we expect them to design and deliver tangibles better than others.

Research Proposal 10(a). Firms with high HO employees are less successful in the design and execution of structural elements.

Research Proposal 10(b).   Firms with high HO employees are more successful in the design and execution of infrastructural elements.

Research Proposal 10(c).   Firms with high HO employees are more successful in the design and execution of service supply chain elements.

Low humane-oriented cultures the focus is on *one's self*, and we expect individualistic behavior in these nations. Hence, we expect differences in behavior in different segments of the market especially when there is low HO.

Research Proposal 10(d).   The magnitude of the effect of HO cultural characteristic is different in the high and low ends of the market when employees exhibit low HO.

4.   Managerial Implications

Our review of the literature and proposed research directions have various implications on how service firms should manage their globally diverse employees. It is important that service firms should first become aware of their employees' natural strengths and weaknesses. Armed with such awareness, firms' next step should be culturally targeted corporate training. Firms should also consider redesigning their processes, rules, regulations, and performance evaluation systems based on their employees' cultural tendencies for achieving improved quality outcomes.

In particular, structural decisions involve the design and delivery of physical surroundings and tangible products. These kinds of decisions are within the job description of headquarters marketing and field operations personnel. If a service firm's employees have cultural characteristics that include high power distance, individualism, masculinity, and future and performance orientations, we expect good-quality physical surroundings and tangible products. These employees will have an internal inclination to do a better job at the workplace. Alternatively, service firms with employees who have high uncertainty avoidance, gender egalitarianism, and assertiveness characteristics should be careful. These firms may want to outsource their design of tangibles. Getting outside help may be useful in these circumstances.

Infrastructural decisions involve employees' behavioral aspects. Better behavior is predicted by higher power distance, collectivism, gender egalitarianism, and future and performance orientations. By contrast, employees with high uncertainty avoidance, individualism, masculinity, and assertiveness are not expected to have the customers' best interests at heart. Managing employees with such attitudes may be quite challenging. Above and beyond the targeted corporate training, firms may want to design multicultural teams that involve employees with opposing cultural tendencies to encourage learning from each other.

Service supply chain decisions involve all supporting functions within the service firm, including back-office operations. Whereas collectivism, masculinity, gender egalitarianism, and future and performance orientations are good cultural characteristics, power distance, uncertainty avoidance, individualism, and assertiveness are not favorable for good-quality operational outcomes. For this dimension, both outsourcing and multicultural team solutions should work equally well.

5.   Conclusions

In this paper, we study the impact of national culture on service operations quality outcomes. We develop a theory regarding how characteristics of different cultures influence the success of service design and delivery and pave the way for future operations management researchers.

We build our service operations and national culture theory utilizing two well-known studies of national and organizational culture. Hofstede's study (Hofstede 1980, 2001) is the most widely used culture study in the literature (see also Hofstede Centre 2014). We have used his original four characteristics: power distance, individualism, uncertainty avoidance, and masculinity. We have also introduced the GLOBE project characteristics (House et al. 2004) to the services literature. The GLOBE project revisits Hofstede's original characteristics and updates them. They offer nine cultural characteristics: power distance, uncertainty avoidance, collectivism (IC and GC), assertiveness, gender egalitarianism, future orientation, performance orientation, and humane orientation.

As we develop the theory and propose a research framework and testable hypotheses to link these national characteristics with service quality outcomes of firms, we pave the way for future researchers. We invite researchers to test the theory in industries such as management consulting, restaurants, hotels, cruise lines, child care, construction, and education. Data sets that span the globe need to be created, and our hypotheses need to be tested and validated in these different data sets. The result should be "to validate and add confidence to

previous findings, or else invalidate them and force researchers to develop more valid or more complete theories" (Meredith 1993, p. 3). Although we put forth the first step in building a comprehensive theory around national culture and service operations, a lot more needs to be done to advance the field and circle the scientific loop.

Furthermore, whereas our hypotheses with respect to cultural characteristics and performance are interesting and have strong managerial implications, they also point to several more needs for future research. An operations point of view toward the impact of national culture on service quality performances of firms is needed. This can be achieved by objective measurements of service quality (free from respondent bias), which may be challenging in a cross-cultural study. Another very important research direction is to compile globe-spanning data sets and increase variations in cultural characteristics for statistically significant conclusions.

We also discuss the market segmentation dimension that has been widely overlooked in the national culture literature. This is the first study to discuss how firms may design and deliver services differently in different segments of the same market. We provide introductory theory on the subject and identify the need to study in what ways and particular directions cultural influences make a difference in services delivered to different market segments. If the firm is based in a culture with unfavorable characteristics, research needs to be done to identify and articulate what specific managerial efforts are most effective to overcome these inherent shortcomings. Should the firm focus on excelling in these areas? Another way to look at the problem is whether the firm should try to differentiate the cultural elements where they are naturally strong. As we develop and build the theory to pave the way for future researchers, we conclude by noting that this is just the beginning; we should continue working on it.

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