

THE CHINESE CULTURAL AWARENESS CHECKLIST +

OPRA CONSULTING GROUP



Contents

WHAT IS THE CHINESE CULTURAL AWARENESS CHECKLIST +? 3

**REASONS COMPANIES SHOULD PROVIDE CROSS CULTURAL TRAINING FOR
EXPATRIATES..... 3**

**REASONS COMPANIES SHOULD USE THE CCAC+ TO SELECT AND TRAIN LOCAL
EMPLOYEES 4**

WHAT FORM DO THESE TRAINING INTERVENTIONS TAKE? 6

A BRIEF BACKGROUND ON CROSS-CULTURAL TRAINING 6

PSYCHOLOGISTS AND CROSS-CULTURAL TRAINING 7

THE THEORY OF MET EXPECTATIONS AND EXPATRIATE SUCCESS 7

SUMMARY 8

THE CHECKLIST 9

DIMENSION ONE: BUSINESS RELATED CUSTOMS..... 9

DIMENSION TWO: FORMAL ETIQUETTE..... 9

DIMENSION THREE: GENERAL KNOWLEDGE 9

ADMINISTRATION INSTRUCTIONS 10

FEEDBACK..... 10

DEVELOPMENT PROCESS..... 10

VALIDITY 11

FUTURE DIRECTIONS..... 12

REFERENCES 13

APPENDIX A..... 17

APPENDIX B..... 18

APPENDIX C..... 20

APPENDIX D..... 22

What is the Chinese Cultural Awareness Checklist +?

The Chinese Cultural Awareness Checklist (CCAC+) is a measure of Chinese cultural knowledge. It is designed for use on its own or as part of a broader cross-cultural preparation programme for expatriate employees and their families travelling to work or live in China. The recommended approach when used with expatriate employees is for pre testing and post testing to occur as part of a holistic intercultural training programme. The first assessment will give the expatriate an idea of their level of knowledge of Chinese culture, while the second assessment will give an indication of the degree of learning that has occurred as a result of the broader cultural training programme, which would ideally be structured around the dimensions of the checklist and delivered by qualified individuals. The other use of the CCAC+ is to determine knowledge of Chinese culture and practices among employees or potential employees of locally based organisations who deal with Chinese nationals or businesses.

The current version of the CCAC+ has thus been revised to enable the assessment to be used as a selection device to distinguish differences between individuals. In this revised form the questions in this measure form a checklist with strong psychometric characteristics. This document provides the background evidence in support of the use of this measure in training and development programmes as well as a selection device and describes the development process to date. However, before discussing the benefits of using the CCAC+ to select and train local employees, it is first worth discussing the rationale for investment in cultural training for expatriate employees and their families.

Reasons Companies Should Provide Cross Cultural Training for Expatriates

The Chinese Cultural Awareness Checklist is an attractive staff development proposition for companies doing business in China because it could increase the chances of expatriate success. The cost of expatriate failure on overseas assignments is extremely high. A high proportion of expatriates fail to complete their tenure, and many perform poorly due to conflict caused by their experience with the new culture.

According to Eschbach, Parker, and Stoeberl (2001) the cost of an expatriate placement can be as high as half a million US dollars. Interventions that have demonstrated validity in increasing the success rate of expatriate employees are thus economically sensible endeavours. Indeed, The National Foreign Trade Council (1997) recommended investigating training interventions to improve success rates. Furthermore, Eschbach et al. found that cross-cultural training can reduce the time required for expatriates to become culturally acclimatised and productive employees in the new environment. For multinational companies

interventions that can improve these statistics are economically sensible and socially responsible undertakings.

Reasons Companies Should Use the CCAC+ to Select and Train Local Employees

There are also a number of reasons that companies can profit from the use of the CCAC+ with locally retained staff who operate within a multicultural workplace and community. Research suggests that businesses can decrease costs and increase revenue by adopting more culturally savvy practices and hiring more culturally aware people (McCuiston, Wooldridge, & Pierce, 2004). According to a survey reported by Bates and Este (2000) 75% of fortune 500 companies have programmes that promote cultural diversity and awareness. This stands in stark contrast to the 36% of non-fortune 500 companies that promote cultural awareness and sensitivity. Fortune 500 companies are productive by definition, so their greater use of diversity initiatives than less productive companies is noteworthy. According to Jamrog (as cited in McCuiston et al., 2004) the benefits derived from properly implemented policies to promote cultural awareness and diversity are both readily measurable and irrefutable. The most evident of such benefits found by Jamrog are improved bottom line, competitive advantage, superior business performance, employee satisfaction and loyalty, strengthened relationship with multicultural communities, and attracting the best and the brightest job candidates.

Further independent research has verified the above mentioned benefits of employing culturally aware individuals. According to a survey conducted by the Society for Human Resource Management (2001) and *Fortune* magazine, employees with knowledge such as that assessed by the CCAC+ improve a company's bottom line and help them maintain a competitive edge. This survey was completed by organisations on Fortune's list of the 100 best US companies to work for and 839 human resource (HR) professionals at other Fortune 1000 companies. Among other things, the survey asked these respondents to indicate how knowledge and initiatives relating to cultural diversity affected 20 different issues relating to the bottom line. Respondents indicated that such cultural knowledge and initiatives have made, and continue to make, fiscal sense for their companies. According to the findings of this survey the top five positive impacts on the bottom line were improving corporate culture (79%), assisting in the recruitment of new employees (77%), improving relationships with clients (52%), greater employee retention (41%), and less complaints and litigation (41%).

Such bottom line benefits are further supported by overseas research showing that the promotion of workplace diversity and multicultural awareness increases revenue by opening up new markets. In one such example, the Canadian Imperial Bank of Commerce both increased revenue and lowered social barriers by establishing closer links to Aboriginal communities (Society for Human Resource Management, 1998). A similar outcome would be

expected among New Zealand organisations that distinguish themselves as capable of dealing sensitively with Chinese Nationals and Chinese organisations. In fact, even greater financial benefits would be expected due to New Zealand's relatively high regional and social commitment to trading with Asian nations.

Other clear benefits to organisations that employ those most aware of the cultural needs of both their clients and colleagues are increased customer loyalty and a more harmonious workplace where people feel they are treated with dignity (Bates & Este, 2000). Increased customer loyalty leads to more business and greater productivity. When people feel they are treated with dignity they feel an increased sense of belonging, which leads to greater loyalty to the firm. This in turn reduces absenteeism (Drago & Wooden, 1992), turnover (Poole, 1997), and counterproductive behaviours (Traub, 1996). This should give companies serious pause for thought considering the costs associated with the turnover of a single employee (separation costs, recruiting, training, and loss of productivity during transition) can be as high as 1.5 times the employee's salary (Canadian Human Rights Reporter, 2000). As hiring talented employees and ensuring their retention have such a bearing on the productivity of an organisation, considerable effort has gone into developing strategies to attract and keep these high calibre individuals. One such strategy has been to focus upon employee enhancement as a driver of profit through increased productivity and reduced turnover. According to the Corporate Leadership Council (2004) employee engagement refers to "the extent to which employees commit to someone or something in their organization, how hard they work and how long they stay as a result of that commitment". Research by the CLC suggests that increased engagement occurs as the result of greater cultural awareness and knowledge among staff. The CLC's research also showed that increased engagement results in an increase of discretionary effort by 57%, and employee performance by 20%. It also showed that such engagement reduces the likelihood of an employee leaving an organization by 87%. The message is simple, if you want a more productive business that retains its most talented employees, use the CCAC+ to ensure you have people in place that will recognise and acknowledge culturally driven differences in values and needs among both clients and colleagues (Bates & Este, 2000; McBride & Bostian, 1998; Vernon & Singer, 2005).

In summary, using the CCAC+ allows employers to accurately assess the Chinese knowledge of prospective employees and detect gaps in current staff's knowledge of Chinese culture and practices. As show above, ensuring staff have this knowledge decreases the costs associated with absenteeism, turnover, and counterproductive behaviour, while increasing an organisation's revenue, competitive edge, business performance, employee satisfaction and loyalty, relationship with the Chinese Nationals both within the local Chinese community and internationally, and ability to attract and retain the best and brightest employees.

What Form Do These Training Interventions Take?

Training interventions typically take the form of cross cultural or intercultural training programmes. Cross cultural or intercultural training programmes have been defined as training designed to prepare people to live abroad as well as those designed to prepare individuals for the return home (Paige, 1986). They have also been described as formal efforts to prepare people for more effective interpersonal relations and job success in other cultures (Brislin & Yoshida, 1994). However, over the years the scope of cross-cultural training has been expanded, not only to preparing people for overseas living and re-entry, but also to prepare people within one's own country to deal with people who are from another culture (Bhawuk & Brislin, 2000; Bhawuk & Triandis, 1996; Brislin & Horvath, 1997). Consistent with this definition is Brislin and Yoshida's (1994) conceptualisation of cross-cultural training as a formal effort to prepare people for more effective interpersonal relations and for job success when they interact extensively with individuals from cultures other than their own.

A Brief Background on Cross-Cultural Training

The area of cross-cultural training has a relatively short history and has tended to focus upon expatriate life within foreign cultures. Bhawuk and Brislin (2000) noted that early work by researchers such as Oberg (1960) laid the foundations for this brand of cross-cultural training. Oberg coined the phrase culture shock, which describes the problems that people face when moving between cultures. Oberg defined culture shock as an occupational disease faced by those transferred to foreign cultures. Culture shock can manifest itself as physiological as well as psychological problems (Furnham & Bochner, 1986).

Elimination of culture shock was one of the primary aims of this early form of intercultural training. Bhawuk and Brislin (2000) noted that the first book on intercultural training was only written in 1976. The fact that such a book's time had come is not surprising given the increasing level of trade between countries and rate of globalisation in recent times. What we can expect is that although attention to intercultural training has a short history, because of the forces of globalisation it is likely to have a long future.

From the outset the focus of intercultural training programmes has been on the need to familiarize individuals with the differences in patterns of social interaction in the culture the individual is about to enter. However, it is now becoming apparent that we must do more than simply familiarise individuals with social differences. For example, we must also ensure that expatriates practice culturally appropriate behaviours (Bhawuk & Brislin, 2000). We must also make sure that people working within multicultural communities or dealing extensively with

foreign nationals and businesses are able to have effective interpersonal relations with individuals from cultures other than their own (Brislin & Yoshida, 1994).

Our aim for the cultural awareness test is twofold. Firstly, that it be used as part of a broader preparation programme for expatriate workers and their families travelling to work or live in China. Secondly, that it be used as part of selection systems and training programs within organisations in order to improve job performance and organisational productivity. In both cases the CCAC+ will enable employers and employees to obtain snapshots highlighting areas where the individual concerned would benefit from increasing their knowledge of Chinese culture. This awareness of any short-comings then equips us to recommend appropriate sources of information for filling these gaps in knowledge.

Psychologists and Cross-Cultural Training

While our approach to using psychometric principles for the assessment and training of cultural awareness is relatively new, psychology has contributed to intercultural training in the past. Perhaps the best known example of this is the *Cultural Assimilator* (Triandis, 1995a). This instrument is comprised of a series of critical incidents developed by researchers at the University of Illinois where the individual is asked to reflect on the source of the cultural misunderstanding described. Bhawuk and Brislin (2000) describe research evidence supporting the validity of this approach for preparation of overseas assignees.

Given that the cultural assimilator was one of the earliest forms of programmed instruction in a broad sense, the potential for structured approaches to cultural training is largely uncharted territory. Psychometrics thus has the potential to make a strong contribution to the preparation of expatriate employees, and to increasing the effectiveness of interpersonal interactions of local employees with foreign nationals. These are our aims with the Chinese Cultural Awareness Checklist.

The Theory of Met Expectations and Expatriate Success

A further reason we believe the Chinese Cultural Awareness Checklist is likely to have an impact on expatriate success is that precise knowledge of the characteristics of the culture the individual is going to means that they will have clear expectations of their time in China. The theory of met expectations suggests that the more tailored and specific the preparation program is for expatriates, the more likely they are to have positive experiences in their time overseas (Caliguiri et al., 2001).

This occurs largely because it reduces the expatriate's reliance on inaccurate cultural stereotypes to resolve unfamiliar social and business situations (Caliguiri et al., 2001). In general stereotyping is a useful cognitive shortcut. However, as with other mental shortcuts (i.e., heuristics), they can lead us to misjudge people and situations. The first step in fostering appropriate expectations is education about the culture the expatriate is about to enter, and the Chinese Cultural Awareness Checklist assesses the degree to which this objective has been achieved. This rationale of met expectations and reducing reliance upon inaccurate cultural stereotypes applies equally to local employees dealing with Chinese businesses and Chinese nationals.

Summary

Cross-cultural training has been shown to increase satisfaction of expatriates with their overseas assignments. It has also been shown to improve the effectiveness of interactions among those based locally who are dealing with foreign nationals or simply operating within a multicultural community. Cross-cultural training has the potential to increase effectiveness of expatriates and reduce the likelihood that they will terminate their tenure early. It also has the potential to positively impact upon a company's locally derived bottom line outcomes. The former is primarily due to the increase in the congruence of expatriate expectations and actual conditions, in turn eliminating or reducing culture shock. The later is largely due to reductions in turnover and the increased job performance of employees. Initiatives that foster cultural awareness are thus both economically sensible and socially responsible. The Chinese Cultural Awareness Checklist has the potential to achieve these outcomes both when used in conjunction with a holistic approach to expatriate training and development, and when used alone.

The Checklist

The Chinese Cultural Awareness Checklist is a 41-item multiple-choice questionnaire designed to assess the degree of knowledge a trainee has of Chinese Culture. These items contribute to three dimensions. Each trainee that completes the questionnaire therefore receives a score on each of the following three dimensions. Below are the descriptions of what each dimension measures.

Dimension One: Business Related Customs

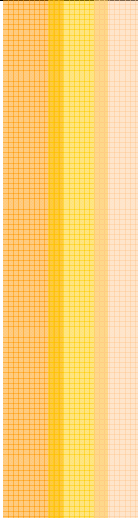
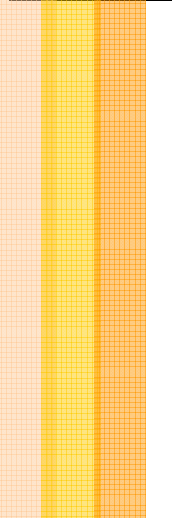
This scale measures three separate but closely related issues, namely the trainee's awareness of business protocol in China and among Chinese in general, their ability to influence in a Chinese context, and how not to offend the Chinese. In particular, this scale measures knowledge of habits and manners, conversational taboos, norms and protocols, negotiation, and Chinese values (e.g., protocols surrounding gift-giving and receiving). The knowledge of business in China and among Chinese covers negotiations, delegations, contracts, and general knowledge. It is the knowledge and appreciation of these social areas that will either facilitate or inhibit the quality of business relationship building and influencing endeavours undertaken and will help reduce the likelihood of social embarrassment, losing face or causing an offence. It should be noted that this scale does not provide a measure of personality but rather an assessment of understanding of some of the key knowledge areas that have been found to impact upon the areas addressed through this scale.

Dimension Two: Formal Etiquette

This scale includes items that assess a broad range of knowledge in relation to situations of a more formal nature. This scale covers areas including venue properties, host and guest responsibilities, formal business procedure, and interaction with others in the business setting. An understanding of these things is essential for anybody wanting to participate in either a social or professional capacity within China, other among Chinese.

Dimension Three: General Knowledge

This scale provides a measure of a trainee's general knowledge of Chinese history, people, personal introductions, and culinary customs. An understanding of these things would help to facilitate interaction with Chinese in both social and professional contexts. It will also ease the process of introductions to others in China and Chinese in general, which will in turn improve both the depth and breadth of such interactions.

Far left score (Low)			Far right score (High)
<p>LIMITED UNDERSTANDING OF BUSINESS RELATED CUSTOMS Limited knowledge and understanding of a variety of key business areas including industry knowledge, negotiation procedure, record keeping and communication protocols. Low influencing ability, likely to lead to social embarrassment or cause offence. Business relationships may be inhibited.</p> <p>LOW FORMAL ETIQUETTE Poor understanding of the practicalities and subtleties involved in formal Chinese context such as banqueting and boardroom etiquette. Likely to cause offence or embarrassment in such settings.</p> <p>LOW GENERAL KNOWLEDGE A limited level of understanding of key Chinese history, people, personal introductions and culture. May not deal well with introduction in China.</p>			<p>GREAT KNOWLEDGE OF BUSINESS RELATED CUSTOMS Great knowledge and understanding of a variety of key business areas including industry knowledge, negotiation procedure, record keeping and communication protocols. High influencing ability, unlikely to lead to social embarrassment or cause offence. Business relationships should be positive.</p> <p>HIGH FORMAL ETIQUETTE Sophisticated knowledge of the practicalities and subtleties involved in formal Chinese context such as banqueting and boardroom etiquette. Should not cause offence or embarrassment in such settings.</p> <p>HIGH GENERAL KNOWLEDGE A high level of understanding of key Chinese history, people, personal introductions and culture. Is likely to do well when being introduced in China.</p>

Administration Instructions

As the Chinese Cultural Awareness Checklist can be classified as an aid for selection, training or development assessment, typical administration instructions for a psychometric instrument are given in appendix a. The best indication of the degree of Chinese cultural awareness any individual has is likely to come from an administration under regulated and supervised settings. We therefore recommend standardised administration in a comfortable setting. A time limit of 20 minutes must be imposed.

Feedback

We recommend discussion of the checklist report with the candidate to ensure that the candidate is aware of the purposes of the assessment. We recommend an explanation that identifies the CCAC+ as an indicator of their level of cultural knowledge, and that provides information derived from the report that identifies areas in which they would benefit from increasing their knowledge.

Development Process

The first step in the development of the Chinese Cultural Awareness Checklist, as with any test of knowledge, was to define the content domain. Our initial scope included any area of knowledge that was likely to be important for successful cultural adjustment when living or working in China. The dimensions we identified were culture and society, politics, education,

religion, and language. The exact composition of the checklist would however be determined by item total correlations. Having defined broadly speaking the dimensions for inclusion in the checklist, we generated items for testing.

Item generation was performed by developing questions on the basis of information about Chinese culture taken from a wide source of information; primarily from the Asia2000 foundation and literature searchers, but also including Chinese culture experts. For each of the 330 items, three distracter responses were developed to be included with the correct answer in a four option multiple-choice question.

This resulted in the development of approximately 330 items for initial screening. At this point, five volunteers with appropriate expertise identified by the Asia2000 foundation were asked to review each of the 330 questions, both at the item level, and at the response option level to assess the plausibility of the distracter options to people with low knowledge of Chinese culture. Due to the rigor applied in the screening of items for inclusion in the measure we are confident in the content validity of the Chinese Cultural Awareness Checklist.

Through application of the Delphi method questions with incorrect answers, poor distracter options, and inappropriate questions were eliminated. This still left approximately 300 questions for testing. To determine the items that would be included in the checklist we then administered the questions to 60 individuals with business experience in China or experience in dealing with Chinese businesses. Items were then grouped into the scales described above on the basis of item total correlations. The internal consistency estimates for each of these scales is presented in appendix b.

Validity

Whereas with psychological constructs our aim is to show they are measuring what they purport to measure by instantiating them in a nomological net of related variables, our process in developing the cultural awareness test was slightly different in that we were more concerned with content validity and face validity. To ensure content validity a substantial amount of time was spent defining the domain of knowledge to be tested, and subsequently having experts in Chinese culture considering the appropriateness and representativeness of the items.

Face validity simply requires that the test is plausible as a test of what it purports to measure to those responding to the items. Preliminary evidence of this comes from the 60 people involved in our initial item analysis indicating who all indicated that the test items were representative of a broad range of Chinese culture.

A validation study (Chernyshenko & Stevenson, 2005) was conducted on the 95-item checklist to modify the checklist enabling it to be more user friendly by reducing the number of items down to approximately 40. To determine the construct validity of the checklist novices (n = 60), expatriates (n = 55), and Chinese students (n = 55) completed the questionnaire in its 95-item form. The average p-value scores for each group were then used in the following formula to determine that the experts performed better than the novice group on individual items.

$$\text{Expertise } \Delta = ((\text{Chinese} + \text{Expatriate})/2) - \text{Novice}$$

Items that received a negative or zero score were eliminated. This was because this indicated that the novice group performed better than the expert group. Such unexpected discrepancies were likely to have been due to the wording of the items (i.e., the novice group which had English as their first language had an advantage over the expert group).

Classical Test Theory scale and item analysis methods were then employed to assess the properties of each preliminary CCAC+ scale. Individual scale items were evaluated on the basis of their mean, standard deviation, and corrected item-total correlations (CITCs). Items with an extremely high or low mean, low standard deviation and/or low CITC were dropped from subsequent analysis. The resulting questionnaire contains 41 items. The items and their CITC are presented in appendix c. The scale statistics for each of the CCAC+ scales along with the scale intercorrelations are presented in appendix d. Each of the CCAC+ scales has an alpha equal to or greater than .77, which is above the suggested standard for scales under construction (Nunnally & Bernstein, 1994).

Future Directions

Our aim is to continue promotion of use of the Chinese cultural awareness test for training and development. The validation study confirms that the test can also be used as a selection device. Greater usage of this test will enable norm groups to be expanded and further study to be undertaken.

References

- Bates, M., & Este, D. (2000). *Creating workplace environments that reflect human rights values*. Montréal, Canada: Cultural Diversity Institute.
- Bhawuk, D, P S. & Brislin, R, W. Cross-cultural Training: A review. *Applied Psychology: An International Review*, 2000, 49 (1), 162-191.
- Bhawuk, D.P.S., & Triandis, H.C. (1996). Diversity in work place: Emerging corporate strategies. In G.R. Ferris & M.R. Buckley (Eds.), *Human resource management: Perspectives, context, functions, and outcomes* (3rd edn., pp. 84- 96). Englewood Cliffs, N J: Prentice-Hall.
- Brislin, R.W., & Horvath, A.-M. (1997). Multicultural training and education. In M. Segal, J.W. Berry, & P. Dasen (Eds.), *Handbook of cross-cultural psychology* (2nd edn., Vol. 3, pp. 327-369). Needham Heights, MA: Allyn & Bacon.
- Brislin, R, W., & Yoshida, T. (1994) *Intercultural Communication Training: An Introduction*. Thousand Oaks, CA: Sage Publications.
- Caligiuri, P, Philips, J, Lazarova, M, Tarique, I & Burgi, P (2001). The Theory of Met Expectations Applied to Expatriate Adjustment: The Role of Cross Cultural Training. *International Journal of Human Resource Management*, 12:3, 357-372.
- Canadian Human Rights Reporter (Feb 28, 2000). *Why cultural diversity is good business practice*. Montréal:CHRR.
- Chernyshenko, O. S & Stevenson, K. M. (2005). Validation of the Chinese Cultural Awareness Checklist: The Effect of Expertise and Personality Characteristics. A research project submitted in partial fulfilment of the requirements for the degree of Masters of Science in Applied Psychology. Canterbury, New Zealand:University of Canterbury.
- Corporate Leadership Council (2004). *Driving performance and retention through employee engagement*. Washington: Executive summary 1.
- Drago, R., & Wooden, M. (1992). The determinants of labor absence: Economic factors and workgroup norms across countries. *Industrial and Labor Relations Review*, 45, 764-778.

- Furnham, A., & Bochner, S. (1986) *Culture Shock: Psychological Reactions to Unfamiliar Environments*. London: Methuen.
- Goodwin, C. C. (1993). *The Great Wall in Ruins: Communication and Cultural Change in China* by Godwin. New York, State University of New York Press.
- De Keijzer, A. J. (1992). *China: Business Strategies for the 90's*. California, Pacific View Press.
- Eschbach, D, M, Parker, G. E & Stoeberl, P. A. (2001) American repatriate employees' retrospective assessments of the effects of cross-cultural training on their adaptation to international assignments. *International Journal of Human Resource Management*, 12:2, 270-287.
- Fairbank, J. K. (1993). *China: A New History*. Boston, Harvard University Press. Massachusetts, USA, 1993.
- Jones, S. (1997). *Managing in China- An Executive Survival Guide*. Singapore, Butterworth-Heineman.
- Kenna, P., & Lacy, S. (1994). *Business China: A Practical Guide to Understanding Chinese Business Culture*. McGraw-Hill/Contemporary Books.
- Li, J. (1996). *Passport China- Your Pocket Guide to Chinese Business, Customs and Etiquette*. California, World Trade Press.
- McBride, M., Bostian, B. (1998). *Managing Diversity*. St. Petersburg, FL: Human Resource Institute.
- McCuiaston, V. E., Wooldridge, B. R., & Pierce, C. K. (2004). Leading the diverse workforce: Profit, prospects and progress. *Leadership & Organization Development Journal*, 25, 73-92
- Oberg, K. (1960). *Culture Shock: Adjustment to New Cultural Environments*. *Practical Anthropology*, 7, 177-182.
- Paige (1986) *Cross-Cultural Orientation: New Conceptualizations and Applications*. Lanham, MD: University Press of America.
- Phillips, J., & Warnasch, C. (2003). *In the Know in China- The Indispensable Cross-Cultural Guide to Working and Living in China*. Living Language.

- Poole, P. J. (1997). Diversity success stories. In P. J. Poole (Ed), *Diversity: A business advantage*. Altona Manitoba: Publishers.
- Seligman, S. D. (1999). *Chinese Business Etiquette- a Guide to Protocol, Manners, and Culture in the People's Republic of China*. New York, Warner Books.
- Schell, O. (2002). *In the People's Republic- An American's First Hand View of Living and Working in China*. Random House.
- Society for Human Resource Management (2001). *Impact of Diversity Initiatives on the Bottom Line*. Alexandria, VA,: Society for Human Resource Management and Fortune Magazine.
- Tang, J., & Ward, A. (2002). *The Changing Face of Chinese Management (Working in Asia)*. Routledge.
- Traub, S. (1996). Battling employee crime: A review of corporate strategies and programs. *Crime and Delinquency*, 42, 244-256.
- Vernon, J., & Singer, R. (2005). Culturally diversity, values, and employee engagement: Leaders who account for how values differ by country of origin develop an engaged, culturally diverse workforce. *Progress Career Planning Institute*, October 2005.

Websites

Inside China Today:

<http://www.einnews.com/china>

Comprehensive Chinese news site including a business section.

The information network for China: <http://www.chinaonline.com/> Comprehensive news, information and research site.

<http://www.chinatoday.com>

A comprehensive information base on today's China and beyond. Contains a good amount of general knowledge information.

<http://www.china.org.cn/english/>

China's official gateway to news and information.

<http://www.chinasite.com/>

The complete reference for Chinese related websites. Includes category listings.

<http://www.chinapages.com/>

For the latest economic news reports about China.

APPENDIX A

Administration Instructions

The following instructions should be read to the candidate before they sit the checklist:

“This assessment is called the Chinese Cultural Awareness Checklist. It has been developed to measure your knowledge of Chinese culture and customs. You have 20 minutes to complete the 41 questions. You will have the opportunity to complete some example questions before you start to ensure you are familiar with the testing process. Before you begin please take the time to complete this biographical information survey. This information is collected for statistical purposes.”

“Thank you. We will now go through the example questions.”

Go through example questions with the candidate

“When you click on NEXT the test will begin. I will not be able to assist you once the time has started. Do you have any questions?”

“OK please begin.” – administrator leaves the room.

APPENDIX B

Reliability

Winning Friends, Influencing People and How Not to Offend

Number of items	18
Mean	11.3273
Standard Deviation	3.42136
Valid N	55
Cronbach alpha	.705415
Standardised alpha	.708618
Average inter-item correlation	.126969

Banqueting and Gift Giving

Number of items	16
Mean	9.96364
Standard Deviation	2.99360
Valid N	55
Cronbach alpha	.706623
Standardised alpha	.709404
Average inter-item correlation	.138756

Politics and General Knowledge

Number of items	23
Mean	14.3273
Standard Deviation	4.35913
Valid N	55
Cronbach alpha	.781738
Standardised alpha	.783420
Average inter-item correlation	.149040

Meeting Protocol

Number of items	10
Mean	6.49091
Standard Deviation	2.34025
Valid N	55
Cronbach alpha	.703991
Standardised alpha	.708506
Average inter-item correlation	.214435

Business China

Number of items	18
Mean	12.2545
Standard Deviation	3.38416
Valid N	55
Cronbach alpha	.727424
Standardised alpha	.747352
Average inter-item correlation	.187878

Language and Communication

Number of items	12
Mean	8.76364
Standard Deviation	2.22747
Valid N	55
Cronbach alpha	.612526
Standardised alpha	.665837
Average inter-item correlation	.151464

APPENDIX C

Item Statistics for "Business Related Customs" (alpha=.90)

Item	<i>M</i>	<i>SD</i>	<i>CITC</i>	λ
Why should you minimise hand gestures when speaking to the Chinese?	.35	.48	.76	.82
During negotiations in Summer, what should you wear?	.29	.45	.63	.68
To test your commitment to a deal, what are the Chinese likely to do?	.32	.47	.58	.63
The best policy regarding discussing salaries is:	.44	.50	.57	.60
How many ethnic minorities are there in China?	.53	.50	.56	.59
When starting a business in China, why should you go out of your way to do favours for others?	.35	.48	.54	.57
All delegations should have someone responsible for liaison with foreign hosts, this person should be:	.33	.47	.52	.55
Which industry employs the greatest number of Chinese?	.56	.50	.51	.55
Why do the Chinese take personal introductions so seriously?	.57	.50	.50	.53
Why should you never compliment the adornments and decorations in a Chinese house or office that you are visiting?	.37	.49	.50	.53
What does speaking softly in China symbolize?	.43	.50	.48	.52
Why should you never assign blame in China?	.41	.49	.49	.51
What is the most common way of resolving contractual disputes in China?	.49	.50	.48	.51
When a Chinese audience repeats the same question to you during a presentation, what does it mean?	.35	.48	.48	.50
Why are detailed minutes taken in Chinese business meetings?	.53	.50	.47	.50
What should you generally do before accepting a gift?	.48	.50	.47	.49
What is the retirement age in China?	.62	.49	.46	.49
Why are references or endorsements important in China?	.58	.49	.42	.44
When should you tip in China?	.38	.49	.41	.43
What should you do when you receive a wrapped gift?	.60	.49	.41	.43
Before any family decision are made, the advice of:	.39	.49	.38	.40
What languages are you allowed to keep financial and accounting information in?	.47	.50	.37	.39
When do you give flowers?	.50	.50	.37	.38
Red ink in a letter means:	.56	.50	.33	.35
The three key motivators in Chinese business are:	.44	.50	.27	.28

Note. Each item was scored as "incorrect" = 0, "correct" = 1. Extraction Method: Principal Axis Factoring.

CITC = Corrected Item-Total Correlation.

Item Statistics for "Formal etiquette" (alpha=.83)

Item	<i>M</i>	<i>SD</i>	<i>CITC</i>	λ
A Chinese firm is likely to ask for a discount by:	.33	.47	.70	.79
In China, if you wish to meet with your boss, what is the most likely course of action?	.31	.46	.65	.74
What does calling someone of the opposite sex by his or her name generally signify?	.27	.45	.62	.69
How are decisions made in the Chinese Boardroom?	.36	.48	.59	.67
At a banquet the place settings for the principal and second hosts are augmented by:	.30	.46	.54	.59
Who will attend business meetings that you have organized in China?	.18	.39	.49	.55
When selecting the location to hold a banquet, what are the two main properties of the venue that you should consider?	.51	.50	.50	.53
Silence on an issue:	.51	.50	.36	.38

Note. Each item was scored as "incorrect" = 0, "correct" = 1. Extraction Method: Principal Axis Factoring.

CITC = Corrected Item-Total Correlation.

Item Statistics for "General Knowledge" (alpha=.77)

Item	<i>M</i>	<i>SD</i>	<i>CITC</i>	λ
Which hand should you use to hand over your business card?	.49	.50	.64	.74
What does the 'thumbs up' sign mean in China?	.53	.50	.61	.72
Physically the Northern Chinese tend to be:	.57	.50	.53	.62
What is Peking Duck usually served with?	.46	.50	.45	.52
What is the most important thing you should do when a business card is handed to you?	.59	.49	.42	.48
Which of the following numbers in Chinese sounds like the Chinese word for death?	.69	.46	.41	.47
When did this political system come into being?	.61	.49	.42	.47
What signals the end of a meal?	.37	.49	.32	.36

Note. Each item was scored as "incorrect" = 0, "correct" = 1. Extraction Method: Principal Axis Factoring.

CITC = Corrected Item-Total Correlation.

APPENDIX D*CCAC+ Scale Characteristics and Factor Correlation Matrix*

Scale	<i>M</i>	<i>SD</i>	Customs	Formal etiquette	General knowledge
1. Business related customs	11.33	6.53	.90		
2. Formal etiquette	2.77	2.51	.47**	.83	
3. General knowledge	4.30	2.45	.42**	.20**	.77

Note. N = 171. Alpha reliabilities appear on the diagonal. Each item was scored as "incorrect" = 0, "correct" = 1. Correlation is significant at the 0.01 level (2-tailed).