The Indulgence and Restraint Cultural Dimension: A Cross-Cultural Study of Mongolia and the United States

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THE INDULGENCE AND RESTRAINT CULTURAL DIMENSION:

A CROSS-CULTURAL STUDY OF MONGOLIA AND THE UNITED STATES

By

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An Undergraduate Thesis
Midway Honors Scholars Program
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4/26/16
4/26/14

Date
Date
Date
# TABLE OF CONTENTS

1. **ABSTRACT**

2. **INTRODUCTION**
   
   2.1. Primary Objectives

3. **LITERATURE REVIEW**
   
   3.1. Table 1: Comparison: Indulgent versus Restrained Society
   
   3.2. Indulgence in the United States
      
      - Graph 1: The U.S. Indulgence Score
      
      - The U.S. versus East Asia

   3.3. Mongolia
      
      - Table 2: Samples

4. **HYPOTHESIS DEVELOPMENT**

5. **RESEARCH METHODOLOGY**

6. **RESEARCH RESULTS**
   
   - Table 3: Group Description
   
   - Table 4: Reliability Statistics

7. **DISCUSSION OF RESULTS**
   
   7.1. Analysis
      
      - Table 5: Descriptive Statistics

      - Table 6: Tests of Between-Subject Effects

      - Table 7: Post-Hoc Tests: Multiple Comparisons
7.2. Result Attributions: Patriarchy and Social Shift

8. MANAGERIAL IMPLICATIONS & APPLICATIONS

8.1. Managing Global Businesses

8.2. International Marketing/Advertising Strategies: “Glocalization”

9. LIMITATIONS

10. FUTURE RESEARCH

11. REFERENCES

12. APPENDIX:

- Survey Sample
1. ABSTRACT

This research focuses on one of the least studied cultural dimension, “indulgence versus restraint” (IVR) and how it affects consumer behavior, international marketing, and global business operations in the U.S. and Mongolia. This project is the first research on IVR in Mongolia since the country is rarely studied and there is no available data for this cultural dimension. Samples of undergraduate business students (as consumers) from both countries were studied through surveys. The findings support that Mongolians and Americans are different regarding the “indulgence” cultural dimension. This paper has a significant contribution to the cross-cultural literature regarding the indulgence cultural dimension and its applications in global business and marketing and advertising strategies.

*Keywords: Cultural differences, international business, international marketing, advertising, indulgence and restraint, consumer behavior*
2. INTRODUCTION

Globalization implies that the world is free from national boundaries. In today’s international context, businesses face many issues directly attributable to the cultural differences between various countries. Many global marketing professionals use the cultural dimensions theory developed by Geert Hofstede, a Dutch social psychologist and an international management expert. They use this theory when they target foreign markets to operate business transactions and study consumer behavior abroad. Hofstede’s theory includes:

1. Power Distance (the issue of authority)
2. Individualism versus Collectivism (the issue of identity and relationship to others)
3. Masculinity versus Femininity (the definition of success and purpose in life)
4. Uncertainty Avoidance (the challenge of dealing with an unpredictable environment)
5. Long-term versus Short-term orientation (long or short-term oriented)
6. Indulgence versus Restraint (presence of strict social norms)

Hofstede developed this cultural dimensions theory through his extensive research in fifty different nations regarding people’s behavior in organizations and how they collaborated (Hofstede 1994). “[Hofstede] played a major role in developing a systematic framework for assessing and differentiating national and organizational cultures” (Minkov, 2001). According to Wall Street Journal ranking, Hofstede is one of the most influential business thinkers. His cross-cultural study is cited as a research paradigm in many different fields, such as international
business communications (Journal of International Business Studies), marketing, business anthropology (Joy and Li, 2012) and consumer behavior (Journal of International Consumer Marketing). Even though he conducted surveys in both Eastern and Western cultures, he neither collected data nor studied the cultural differences in Mongolia.

To expand a cross-cultural study on cultural differences, this study collected data from Mongolians and Americans, from Eastern and Western cultures respectively, regarding one of the most recently adopted and least studied cultural dimensions, “indulgence versus restraint,” (IVR) and how it affects consumer behavior and international marketing. While Hofstede’s study was based on subordinates’ work experiences as employees in a certain organization, this research project focuses on respondents’ observations and experiences as consumers regarding the cultural dimension of IVR. Respondents were undergraduate senior-level business students, and since students are also consumers, the purpose is to apply Hofstede’s theory of indulgence to compare cross-cultural differences across the two participant nations: Mongolia and the United States.

The research results can present either challenges or opportunities to doing and managing business in Mongolia. The country is potentially a major player in the developing world and a new destination for foreign investment. According to a Citigroup report titled “Global Growth Generators: Moving Beyond the BRICs,” Mongolia is one of eleven countries seen as important to world economic growth (Buiter & Rahbari 2011). The World Bank Group predicts that Mongolia will experience an average growth of 14% per annum through 2016. With metals representing 88% of its total exports and with its pro-Western sentiment, Mongolia is an emerging market economy and an excellent choice for any investors (World Bank, 2015). Critics agreed that “Mongolia is rich in resources and [has been] recently classified as a Global Growth
Generator (3G) country” (Nickerson & Angriawan 2014). Research into this rarely studied dimension (IVR) and its connection with consumer behavior are helpful in understanding Mongolian consumers and their cultural values.

2.1. Primary Objectives

1. To study how Mongolians will score on the “indulgence” cultural dimension and revisit indulgence measurement results for Americans
2. To compare Mongolia and the U.S. regarding Mongolian and American cultural differences and similarities
3. To expand and contribute to the cross-cultural literature between Mongolia and the U.S.

3. LITERATURE REVIEW

The “indulgence” cultural dimension explains the extent to which individuals try to control their desires and impulses based on the way they were raised. Societies which have weaker controls over their desires are considered the indulgent countries, and they tend to allow free gratification of basic and natural human desires related to enjoying life and having fun (Hofstede, 2010). On the other hand, restrained societies have a conviction that such gratification needs to be curbed and regulated by strict norms and rules. Michael Minkov (2001), Hofstede’s research associate, focused on sub-dimensions to examine and create the core of IVR. The level of this cultural dimension is related to three sub-dimensions: happiness and pleasure in life, importance of leisure and friendship, and life control. In this project, some more items like consumer’s buying behavior, societal trust, and freedom of speech were added to outline the general situation of consumers regarding cultural reactions. His survey included questions on impulsive purchasing behavior, respondents’ independent and interdependent self-concept, and
demographic items including age, education level, and the country in which respondent currently lives, and whether this country is the one she/he has lived in most of his/her life (Singelis, 1994). According to Hofstede (2010), there are many significant differences between indulgent and restrained society. Below is the table that showcases those differences:

*Table 1: Comparison directly developed by Hofstede et al., 2010 and Yavuz, 2014.*

### 3.1. Indulgent versus Restrained Society

<table>
<thead>
<tr>
<th>Indulgent Society</th>
<th>Restrained Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher percentage of happy people</td>
<td>Lower percentage of happy people</td>
</tr>
<tr>
<td>A perception of personal life control</td>
<td>A perception of helplessness; what happens to me is not my own business.</td>
</tr>
<tr>
<td>High importance of leisure</td>
<td>Low importance of leisure</td>
</tr>
<tr>
<td>High importance of having friends</td>
<td>Low importance of having friends</td>
</tr>
<tr>
<td>Saving is not very important</td>
<td>Saving is important</td>
</tr>
<tr>
<td>Less moral discipline</td>
<td>Moral Discipline</td>
</tr>
<tr>
<td>Equal sharing of household tasks (between partners)</td>
<td>Unequal sharing of household tasks (between partners)</td>
</tr>
<tr>
<td>Loosely prescribed gender roles</td>
<td>Strictly prescribed gender roles</td>
</tr>
<tr>
<td>In wealthy countries, less strict sexual norms</td>
<td>In wealthy countries, stricter sexual norms</td>
</tr>
<tr>
<td>Smiling as a norm</td>
<td>Smiling as suspect</td>
</tr>
<tr>
<td>Freedom of speech is viewed as important</td>
<td>Freedom of speech is not a primary concern</td>
</tr>
<tr>
<td>Maintaining order in the nation is unimportant</td>
<td>Maintaining order in the nation is important</td>
</tr>
</tbody>
</table>

*Sources: Hofstede et al. 2010, p. 297 and Yavuz, 2014, P. 31*
3.2. The United States

Indulgence vs. Restraint (IVR): The U.S. is an indulgent society with relatively high score of 68 on this dimension. In contrast to indulgent societies, restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation have the perception that their actions are restrained by social norms and feel that indulging themselves is somewhat wrong. Based on cultural research assumptions, this could be attributed to the liberty of individuals and wealth of the country. Drug addiction is very high in the United States compared to other wealthy countries. Below is the graph that shows detailed scores of each cultural dimension studied by Hofstede (2010).

Graph 1: Scores of the U.S.
Comparison Studies (The U.S. vs. East Asia): According to Hofstede, most East Asian countries have low scores on the “indulgence” cultural dimension. For example, China is a restrained society with a low score of 24 in this dimension. With a low score of 29, South Korean society is shown to be one of restraint countries. Japan has also a low score of 42, which shows that it has a culture of restraint (Hofstede, 2010).

3.3. Mongolia

Mongolia is the world’s second largest landlocked country in East Asia bordered by Russia to the north and China to the south. It is the second most sparsely populated country with the total population of three million, and half of the population resides in the capital, Ulaanbaatar (UNDP, 2014). This research provides a closer look into the current culture of Mongolia – a country not included in Hofstede’s data set. While the Mongolian Empire and Genghis Khan are well known, the literature is rare on the culture of present day Mongolia, “a country with a rapidly growing economy of increasing interest to international business” (Rarick, Winter, Barczyk, Pruett, Nickerson, and Angriawan 2014). Mongolia is an understudied country regarding the Hofstede’s cultural dimensions.

Even though Hofstede did not study any of the six cultural dimensions there, a Mongolian researcher Tuvshinzaya (2008) studied the first 5 dimensions and conducted surveys using VSM-94 model (the Values Survey Model) and Hall’s (1976) models to compare Mongolia and China. Her findings suggested that Mongolians and Chinese people have three statistically same cultural dimensions (collectivism, power distance, and uncertainty avoidance). Moreover, Purdue University faculty members completed a research project titled “Mongolia: A Cultural Portrait using the Hofstede 5-D Model.” “The results of this study suggested that
Mongolian culture is low in power distance, high in individualism, very high in masculinity, high in uncertainty avoidance, and short-term oriented culture” (Rarick, Winter, Barczyk, Pruett, Nickerson, and Angriawan 2014).

Purdue University’s research (2014) is more recent than Tuvshinzaya (2008). Tuvshinzaya’s research participants included 1608 respondents from Chinese and Mongolian universities. On the other hand, Purdue University had only 50 respondents from a Mongolian University, and they used Hofstede’s results for the U.S. However, the IVR is recently adopted and there is no data found for this dimension in Mongolia. According to Kacen and Lee (2002), little is known about indulgence cultural dimension in non-Western societies. Most of the research on this dimension and its relationship with impulse buying behaviors focus on consumers in the United States. Below is the table that summarizes literature review projects used for background research with regards to this cross-cultural study.

Table 2: Samples

<table>
<thead>
<tr>
<th>Study</th>
<th>Sample</th>
<th>Propositions</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuvshinzaya, S. (2008).</td>
<td>1608 respondents from Mongolia and China</td>
<td><strong>Hypothesis 1:</strong> Mongolians are individualistic.</td>
<td>Partially supported. The study determines that Mongolians and Chinese are similar in some of the cultural dimensions.</td>
</tr>
<tr>
<td>Cross Cultural Aspects of Advertising-Cultural Analysis of Mongolian and Chines Web Sites (21-45)</td>
<td></td>
<td><strong>Hypothesis 2:</strong> Mongolians have low power distance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Hypothesis 3:</strong> Mongolia is low UAI country.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Hypothesis 4:</strong> Mongolia is a feminine society.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Hypothesis 5:</strong> Mongolia is a short-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Running Head:</strong> A CROSS-CULTURAL STUDY OF MONGOLIA AND THE U.S.</td>
<td>term oriented. Hofstede’s cultural dimensions reveal important influences of culture on consumer behavior. Research of cultural similarities and differences of the target audiences enables marketers and advertisers to develop adequate advertising style and creative strategy.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>Charles Rarick, Gregory Winter, Casimir Barczyk, Mark Pruett, Inge Nickerson &amp; Arifin Angriawan (2014).</strong></td>
<td>This paper provides a look into the present culture of Mongolia – a country not included in Hofstede’s data set.</td>
<td>The survey results indicate that Mongolian culture is low in power distance, high in individualism, very high in masculinity, high in uncertainty avoidance, and short-term in terms of its orientation towards time.</td>
<td></td>
</tr>
<tr>
<td><strong>Mongolia: A Cultural Portrait using the Hofstede 5-D Model Global Journal of Management and Business Research: A Administration and Management</strong></td>
<td>50 respondents from Mongolian university</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Yavuz Selim Yaşar (2014).</strong></td>
<td>273 respondents 45.5% female 54.5% male</td>
<td>There are 8 hypothesis statements below:</td>
<td></td>
</tr>
<tr>
<td><strong>Master’s Thesis: Indulgence and Restraint in Turkey</strong></td>
<td></td>
<td><strong>Hypothesis 1:</strong> There is a relationship between “working times” and “enjoying life and having fun approaches” of academicians.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Hypothesis 2:</strong> There is no relationship between “working times” and “enjoying life and having fun approaches” of academicians.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The researcher rejected 4 and accepted 4 of the 8 hypothesis statements.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Accept</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Reject</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Accept</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Reject</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Accept</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. Reject</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. Accept</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>8. Reject</td>
<td></td>
</tr>
<tr>
<td>Hypothesis 3:</td>
<td>There is a relationship between “types of institution” and “enjoying life and having fun approaches” of academicians.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 4:</td>
<td>There is no relationship between “types of institution” and “enjoying life and having fun approaches” of academicians.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 5:</td>
<td>There is a relationship between “area of research” and “enjoying life and having fun approaches” of academicians.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 6:</td>
<td>There is no relationship between “area of research” and “enjoying life and having fun approaches” of academicians.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypothesis 7:</td>
<td>There is a relationship between “gender” and “enjoying life and having fun approaches” of academicians</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Hypothesis 8: | There is no relationship between “gender” and
<table>
<thead>
<tr>
<th>Study</th>
<th>Sample Size</th>
<th>Hypothesis 1</th>
<th>Supported/Not Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marcel Schnalke (South Africa), Roger B. Mason (South Africa) 2014</td>
<td>Employees from 500 companies in German and South Africa</td>
<td>The different elements of culture do have an effect on marketing communications</td>
<td>Supported.</td>
</tr>
<tr>
<td>The influence of culture on marketing communications: critical cultural factors influencing South African and German businesses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yinlong Zhang L. J. Shrum (2013)</td>
<td>42 participant countries</td>
<td>The level of individualism would be positively correlated with per capita beer consumption and problem alcohol consumption</td>
<td>Supported.</td>
</tr>
<tr>
<td>The Influence of Self-Construal on Impulsive Consumption</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jacqueline J. Kacen Julie Anne Lee (2002)</td>
<td>706 students 4 participant countries</td>
<td>The buying impulsiveness trait is more strongly associated with impulse buying behavior for the individualist than for the collectivist groups</td>
<td>Supported.</td>
</tr>
<tr>
<td>The Influence of Culture on Consumer Impulsive Buying Behavior</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan-Benedict E. M. Steenkamp &amp; Inge Geyskens (2012)</td>
<td>60,926 companies</td>
<td>The power of the transaction dimensions for predicting governance modes is</td>
<td>Supported.</td>
</tr>
</tbody>
</table>

“enjoying life and having fun approaches” of academicians.
lower in countries that rate low on secular-rational values than in countries that rate high on secular-rational values.

**Hypothesis 2:**
The power of the transaction dimensions for predicting governance modes is lower in countries that rate low on self-expression values than in countries that rate high on self-expression values.

**Hypothesis 3:**
The power of the transaction dimensions in predicting hierarchical governance increases with the emphasis the country places on secular-rational values.

<table>
<thead>
<tr>
<th>Erich B. Bergiel</th>
<th>237 university students from Japan and the U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blaise J. Bergiel</td>
<td></td>
</tr>
<tr>
<td>John W. Upson</td>
<td></td>
</tr>
</tbody>
</table>

**Hypothesis 1:**
The cultural values of the U.S. and Japan associated with power distance have become more similar. Specifically, Japan has become lower in power distance which will be more closely aligned with the power distance of the U.S.

**Hypothesis 2:**
The cultural values of the U.S. and Japan associated with individualism –

The researcher rejected 3, partially supported 1, and accepted 3 of the 7 hypothesis statements.

1. Rejected
2. Partially supported
3. Rejected
4. Rejected
5. Supported
6. Supported
7. Supported
collectivism have become more similar. Specifically, Japan has become more individualistic and the U.S. more collectivist.

**Hypothesis 3:**
The cultural values of the U.S. and Japan associated with masculinity – femininity have become more similar. Specifically, while Japan and the U.S. have become more feminine, the increased rate of this change in Japan will cause the countries to more closely align on this dimension.

**Hypothesis 4:**
The cultural values of the U.S. and Japan associated with uncertainty avoidance have become more similar. Specifically, Japan is lower in uncertainty avoidance while the U.S. is higher in uncertainty avoidance.

**Hypothesis 5:**
The cultural values of the U.S. and Japan associated with long-term orientation have become more similar. Specifically, Japan will
have lower long-term orientation while the U.S. will have higher long-term orientation.

**Hypothesis 6:**
Japan’s values will score lower than the U.S. on the indulgence – restraint dimension. Specifically, Japan will demonstrate more restraint while the U.S. will demonstrate more indulgence.

**Hypothesis 7:**
Japan’s values will score lower than the U.S. on the monumentalism – flexhumity dimension. Specifically, Japan will be more flexhumble and the U.S. will be more monumental.
4. HYPOTHESIS DEVELOPMENT

Prior research completed by Tuvshinzaya (2008) suggests that understanding of cross-cultural differences and similarities is important in future research, international marketing, and advertising fields. Thus, cultural research should be a significant antecedent to anticipating and reacting to customer needs and wants, as well as, making business decisions.

H1: This study proposes that Mongolians (both females and males) are less indulgent than Americans.

5. RESEARCH METHODOLOGY

According to Hofstede (2008), fifty individuals is the ideal size for a homogenous sample used in statistics. To exceed this criteria, random samples of 131 (Americans) and 150 (Mongolians) undergraduate business college students were selected from the two participant universities. The sampling was designed to elicit participation from both males and females. Data was collected through printed survey questions. The faculty at the Institute of Finance and Economics in Mongolia helped to conduct surveys among its students. Participants consisted of 131 senior-level undergraduate business students at ETSU for survey participation. ETSU business faculty helped to conduct the survey among its students.

Items in the questionnaire were rated on a five-point Likert-type scale, with 1= “Strongly Disagree” and 5= “Strongly Agree.” The appendix contains a listing of this scale implemented along with several demographic questions, such as gender, age, and country of origin. The IVR cultural dimension was measured in many previous cross-cultural studies, such as in Afghanistan
and Kurdistan (Barczyk and Merkt, 2014). The scores for the IVR of Mongolia are compared to the scores of select countries, such as East Asia and the U.S. (Hofstede, 2014). Because all aspects of consumer behavior are culture-bound, there is an increased need to identify and understand this cultural integration and differentiation with regard to impacts on global marketing and advertising.

6. RESEARCH RESULTS

Univariate analysis of variance (ANOVA) was used on IBM SPSS package with independent variables as country and gender and dependent variable as the indulgence cultural dimension. There are four different groups of observations studied:

Table 3: Group Description

<table>
<thead>
<tr>
<th>4 Groups</th>
<th>Types</th>
<th>Number of observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1</td>
<td>Mongolian Males</td>
<td>48</td>
</tr>
<tr>
<td>Group 2</td>
<td>Mongolian Females</td>
<td>102</td>
</tr>
<tr>
<td>Group 3</td>
<td>American Males</td>
<td>74</td>
</tr>
<tr>
<td>Group 4</td>
<td>American Females</td>
<td>57</td>
</tr>
</tbody>
</table>

The indulgence construct was analyzed for validity. All items were reviewed and it was determined that indulgence items 1, 3 and 7 should be removed due to low outer loadings on the construct (see appendix). Following removal of the three items, the Cronbach’s Alpha was evaluated. Cronbach’s Alpha allows us to measure “internal consistency, which describes the extent to which all the items in a test measure the same concept or construct. Hence it is
connected to the inter-relatedness of the items within the test. In addition, reliability estimates show the amount of measurement error in a test” (Tavakol and Dennick, 2011). The acceptable value range of alpha should be from 0.70 to 0.95 (Tavakol and Dennick, 2011). The Cronbach’s Alpha of indulgence was .722 (see table 3).

Table 4: Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach’s Alpha Based on Standardized Items</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.722</td>
<td>.723</td>
</tr>
</tbody>
</table>

7. DISCUSSION OF RESULTS

7.1. Analysis:

The indulgence versus restraint cultural dimension measures the extent to which society members have fun and enjoy life without restrictions and regulations. All of our respondents are higher education students enrolled in senior-level courses. These young society members showed high indulgent behavior in both countries, Mongolia and the U.S. The research included 150 respondents from Mongolia and 131 from the U.S. Out of 281 survey participants, 37.7% are within 17-20 age range, 58% within 21-25 age range, and 4.2% within over 26 age range. Gender distribution was similar with 43.41% male and 56.58% female contributors. Male respondents showed higher chances of being indulgent with statistical significance than their American counterparts. Due to a slight difference in the sample sizes, the Levene’s test was used to examine the inequality of population variances. Since the Levene’s test results were not
Running Head: A CROSS-CULTURAL STUDY OF MONGOLIA AND THE U.S.

significant, it can be assumed that the population variances are not unequal. Therefore, the assumption of homogeneity of variance has not been violated and the difference in samples sizes should not be an issue when considering results. Since the \( p > 0.05 \), the group variances can be considered equal. Below is the table that shows the results from Levene’s test.

*Table 4: Levene’s Test*

![Levene's Test Table]

*Table 5: Descriptive Statistics*

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std Deviation</th>
<th>Std Error</th>
<th>95% Confidence Interval for Mean</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lower Bound</td>
<td>Upper Bound</td>
<td></td>
</tr>
<tr>
<td>1.0</td>
<td>48</td>
<td>2.7969</td>
<td>.56412</td>
<td>.08142</td>
<td>2.6331</td>
<td>2.9607</td>
<td>1.25</td>
</tr>
<tr>
<td>2.0</td>
<td>102</td>
<td>2.8814</td>
<td>.71594</td>
<td>.07089</td>
<td>2.5407</td>
<td>2.8220</td>
<td>1.00</td>
</tr>
<tr>
<td>3.0</td>
<td>74</td>
<td>2.6486</td>
<td>.73083</td>
<td>.08468</td>
<td>2.4793</td>
<td>2.8180</td>
<td>1.00</td>
</tr>
<tr>
<td>4.0</td>
<td>57</td>
<td>3.0044</td>
<td>.80524</td>
<td>.10666</td>
<td>2.7907</td>
<td>3.2180</td>
<td>1.50</td>
</tr>
<tr>
<td>Total</td>
<td>231</td>
<td>2.7580</td>
<td>.72468</td>
<td>.04323</td>
<td>2.6720</td>
<td>2.8431</td>
<td>1.00</td>
</tr>
</tbody>
</table>

The table above shows that American females have the highest mean equal to 3.00, which shows the strongest indulgence score. Mongolian males have the next highest mean with a score
of 2.79. Mongolian females and American males have the lowest mean scores among the four groups.

*Table 6: Tests of Between-Subjects Effects*

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>5.017</td>
<td>3</td>
<td>1.672</td>
<td>3.261</td>
<td>.022</td>
</tr>
<tr>
<td>Intercept</td>
<td>2008.367</td>
<td>1</td>
<td>2008.367</td>
<td>3916.960</td>
<td>.000</td>
</tr>
<tr>
<td>Gender and Country</td>
<td>5.017</td>
<td>3</td>
<td>1.672</td>
<td>3.261</td>
<td>.022</td>
</tr>
<tr>
<td>Error</td>
<td>142.028</td>
<td>277</td>
<td>.513</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2294.500</td>
<td>281</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>147.044</td>
<td>280</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table above shows that there are significant differences between three of the four different groups (Mongolian males, Mongolian females, American males, and American females). The P-values reveal that the null hypothesis of no difference between Mongolians and Americans is unlikely to be true, and alternative hypothesis of difference is to be supported.
Table 7: Post Hoc Tests: Multiple Comparisons

The table above shows that there is a statistically significant difference between some groups.

- Indulgence score was lower for group 2 (Mongolian females) than for group 4 (American females) with the P-value of 0.062 (p<.10).
- For group 3 (American males), they have a lower indulgence score than group 4 (American females) with the P-value of 0.050.

As a result, the hypothesis (both Mongolian and American females and males are less indulgent than Americans) is partially supported that Mongolian females are less indulgent than American females. American males are less than indulgent than their American female counterparts. As for Mongolian males, there was no statistically significant relationship found.
7.2. Result Attributions

Social Shift into Democracy

During the past two decades, Mongolia experienced constant challenges and changes of new political, economic, and cultural positioning brought by a post-socialist transition. Thus, there was a period of extensive in-flow of international norms and cultural influences (Dierkes, 2013). This social shift from “public-socialistic” to “private-democratic” markets affected Mongolians’ lives tremendously and developed a sense of spending less, saving more, and following capitalistic regulations. Some believe that this social change influenced women more than men because private market systems brought more financial, educational, and professional opportunities to men for higher social statuses. According to Benwell, there were gender challenges in the post-socialist era of Mongolia. Under socialism, Mongolian women had more privileges, for example “mothers received a per-child Mongolian Poverty cash grant for up to nine children” (Sanders, 1987, p. 118-119). Moreover, under socialism, women achieved high levels of education, employment, and political participation while still maintaining a family life. For instance, in rural areas state collective farms provided formal support to families and gave women leadership roles (Benwell, 2006). This gender-related challenge in the post-socialist era of Mongolia could be one of the reasons why Mongolian women scored low on the indulgence cultural dimension.

Patriarchal Society

Another reason to why Mongolian females showed less indulgence could be related to the tendency of patriarchal practices in Mongolian society. Historically, Mongolia has had a unique
nomadic civilization that allowed rural herders to move around the country for the livestock economy.

This demanding lifestyle of the steppe pastoral nomads necessitated hard work and assumption of responsibilities by all household members, and women often had the heavier loads. They not only had domestic duties but also assisted in tending animals, milking sheep and goats, producing dairy products, shearing wool, and tanning hides. They could manage the herds on their own, permitting total male mobilization for hunts or warfare. Their vital economic roles translated into considerable power for a few elite women. (Rossabi, 2012)

With this tradition, patriarchal society has been valued for a long time, where men are treated with more respect and considered to be the inheritor of households. In the modern culture of Mongolia, patriarchy is still in effect on some level; for example, only 11.8% of decision makers in the parliament are women, “which leaves Mongolia well below the world average of 19.5 percent women parliamentarians” (Yost, 2012).

**Religion**

Mongolia is strongly connected with Tibetan Buddhism as the main stream of religion, which is deeply rooted in its culture. According to Mullin (2014), “the first Mongolian Buddhist wave began in the third century B.C., during the time of the Indian Emperor Ashoka, three centuries before Buddhism took root in China, and some eight centuries before it became firmly established in Tibet.” One of the most fundamental beliefs of Buddhism is about reincarnation, which explains that people go through different cycles of birth, living, death, and rebirth (Mullin, 2014). It is believed that “if a person releases their attachment to desire and the self, he/she can
attain Nirvana, which is the state of liberation and freedom from suffering” (Taminang, 2008). With this statement, it is assumed that Buddhist societies have less indulgent scores. According to Hofstede (2009), “people with low indulgent scores have the perception that their actions are restrained by social norms and feel that indulging themselves is somewhat wrong.” He predicted that this could be related to different society’s religious types. For example, many East Asian countries earned low scores on the “indulgence” cultural dimension, which could be related to geographical proximity, same religion (Buddhism), similar languages, and shared cultural values (Hofstede, 2009). Thus, differing religions (Buddhism versus Christianity) could be one of the reasons why Mongolians and Americans differed in terms of the indulgence cultural dimension.

8. MANAGERIAL IMPLICATIONS & APPLICATIONS

8.1. Managing Global Businesses:

Managing businesses is mostly about managing people. Thus, understanding people is an important step in management. Understanding cultural differences among people is an important managerial skill because those differences impact multicultural businesses with international workforces.

*Differences in national culture have very important implications for ethics, corporate social responsibility, organizational culture, and managerial practices. To be successful in today’s complex and turbulent environment, business organizations today are expected to practice ethics and corporate social responsibility in order to gain social legitimacy. These two expectations are more complex than profit maximization and are highly culturally driven.*

*(Purdue, 2014)*
Firms must exceed the expectations of various stakeholders, such as employees, customers and society. Thus, businesses are encouraged to pursue policies and make decisions that benefit society, which is culturally dependent. Thus, managers must learn to manage cultural differences by adopting appropriate practices in the cultural environment in which they operate. “This requires that managers possess a keen knowledge of the country’s culture in which they work” (Purdue, 2014). For success in international business, managers need not only a high tolerance for ambiguity, but also a well-honed knowledge of national culture (Colquitt, Lepine, and Wesson, 2013). This project provides potential foreign investors and managers who are looking into enter the Mongolian market with the knowledge needed to learn more about the indulgent cultural aspect of Mongolia.

8.2. International Marketing and Advertising

The influence of cultural dimensions (i.e., indulgence and restraint) is also applicable to the advertising field, especially with regard to messaging and content marketing. According to Tuvshinzaya (2008), “researchers define that marketing and advertising appeal is related to cultural dimension. An appeal comprises the value which determines main messages and motives.” One of the challenges global businesses face is “the complexity of managing multiple markets and coordinating the marketing communications strategy which could hinder the companies’ successes in global markets” (Cavusgil and Cavusgil, 2011). That is why global companies need to develop an international marketing strategy mix to target their foreign customers. For example, developing traditional messaging strategies (print media, television, radio, etc.) could be more effective for specific age groups or cultural clusters, while social
media and internet communication could be better ways for different cultural groups in that market.

According to the inter-cultural project between South Africa and Germany, the research findings had a high level of agreement (between 81.4% and 91.6%) with the hypothesis that “the different elements of culture do have an effect on marketing and advertising communications” (Schnalke and Mason, 2014). There is “[a] growing trend in advertising has been to combine a global advertising strategy with local adaptations referring to cultural differences of the target markets. Wilken and Sinclair (2011) discovered that Coca Cola, McDonalds and Colgate-Palmolive combined their global strategies with local adaptations, the so called “glocalization” (Schnalke and Mason 2014). This term can be interpreted with the perspective of “think globally and act locally.” According to Stead and Stead (2014), “a glocalization strategy attempt to combine the benefits of the localization (local responsiveness) and global standardization (cost-reduction) strategies.”

8.3. Summary

This thesis project serves as important cross-cultural literature that provides awareness about the cultural similarities and dissimilarities of Mongolians and Americans regarding the cultural dimension of indulgence versus restraint. It explains the observed differences of Mongolian and American consumers regarding the indulgence cultural dimension and its applications in global business and marketing strategy. Especially since Mongolia is an understudied country and a promising economy with plenty of natural resources, this project adds a significant value to global marketers who are seeking to enter the prospering market of Mongolia.
9. LIMITATIONS

This research project has important limitations that need to be noted. First of all, Mongolia is one of the most rarely studied countries and there is no past research conducted with regard to Hofstede’s “indulgence versus restraint” cultural dimension in Mongolian context. Because there were no other studies to compare for benchmarking, it was a challenge to draw conclusions.

In addition, this study involved overseas interactions; thus we had limitations on survey translation, data collection process, and data analysis. However, we were able to resolve this challenge successfully because the primary researcher is originally from Mongolia and had faculty members who helped.

Another challenge was related to the limited number of participant countries: Mongolia and the United States. This study only captures perspectives from these two nations that have completely different cultural and historical backgrounds, political structures, languages, and religious beliefs. Thus, adding more participant nations and conducting multiple inter-cultural studies with regards to the indulgence and restraint cultural dimension could have been a better resolution.

10. FUTURE RESEARCH

The study findings could be the basis of further comparative research on consumer behavior in the international market, which is influenced by the national culture. In the future, researching more about the six cultural dimensions and how they are interrelated would be an opportunity for future study as firms seek to expand their scope of operations globally. Cross-
cultural studies seeking to identify differing society characteristics and human behavior are of continued importance. As Hofstede stated, a country’s scores on the dimensions are relative, and societies should be compared to other societies. Without making a cross-cultural comparison, a country score is meaningless (Hofstede, The Hofstede Centre, 2012). With more data from various countries and cultural zones, this research study will be more significant and there could be a chance to compare Mongolian culture with the rest of the world. As the current study focused on only two countries, Mongolia and the U.S., future studies should investigate the cross-cultural relationships between multiple countries. Cultural researchers agreed that “[as] foreigners flock to Mongolia in search of business opportunities, it might be worthwhile to have a better understanding of its people and their cultural values” (Rarick, Winter, Barczyk, Pruett, Nickerson, and Angriawan 2014). Moreover, the research findings suggest that future research should be carried out on larger and diverse population samples to improve the applicability of the results in marketing and advertising fields. We researched the same age groups from higher education institutions, which revealed very similar results. Thus, future studies should include different generations, which would provide more insightful information and significant results.
11. REFERENCES


https://books.google.com/books?hl=en&lr=&id=xhmezDokfnYC&oi=fnd&pg=PR11&dq=Culture+and+Leadership+textbook&ots=m6IS2Ql5mM&sig=-hf-ha2COmlH1w4At9QPq9GyhHA#v=onepage&q=Culture%20and%20Leadership%20textbook&f=false


12. APPENDIX

Survey Sample

This study had a 5-score Likert scaling technique. Survey participants answered to what extent they agree or disagree with each of the following statements related to the indulgence cultural dimension. Moreover, they answered several demographic questions (gender, age, education, income, and national origin) at the end of the survey.

<table>
<thead>
<tr>
<th>#</th>
<th>Statements</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I always buy something to feel better.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>Buy now, think about it later describes me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>I make a thorough plan before making purchasing decisions.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>People would describe me as impulsive because I lose control due to my desires.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>When I go shopping, I buy things that I had not intended to purchase.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>If I see something I want, I buy it. Later, I regret.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7.</td>
<td>When there are discounts/sales or free product offers, I tend to make purchases.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
- **Gender:**  1. MALE    2. FEMALE

- **Age:**  1. (17-20)  2. (21-25)  3. Over 26

- **Monthly income:**  1. below $300  2. $300-800  4. above $800

- **Have you lived in the United States in most of your life?**
  1. Yes (more than 15 years)  2. No (less than 15 years)

- **Education**
  1. Less than high school
  2. High school diploma
  3. Some college/university
  4. 4-year college/university
  5. Master’s degree or higher