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Toward an Understanding of Psychological Distance Reduction Between Generations:

A Cross-cultural Perspective

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## Abstract

We explore how cultural factors at both socio-economic and psychological individual levels affect the present generation's beneficence toward future generations in organizations and society. We examine how socio-economic mechanisms may influence the present generation's focus on the future consequences of their decisions. In addition, we examine how self-construals in different cultures might result in different mechanisms underlying the reduction of psychological distance between generations in different cultures. Implications of our cross-cultural analysis to intergenerational decision making within the context of group research in general are discussed.

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Leaders in business and society often need to make tradeoffs between the short and long-term interests of their organizations and communities. Decisions with future consequences can be especially complex when the interests of future generations are not aligned with those in the present. Intergenerational dilemmas that call for a sacrifice on the part of the present generation for the good of future generations are ubiquitous and pervasive challenges. Some of the most important intergenerational issues in our society today, such as global level environmental change, transcend national boundaries. In addition, competitive pressures for organizations to perform well and survive over time require managers worldwide to take into account longer-term consequences of business decisions. Given the relevance and importance of such issues in today's global environment, we propose that a national cultural perspective is essential in order to fully understand intergenerational decision making.

In exploring how various cultural factors might influence intergenerational resource allocation decisions, we focus our attention on the notion of psychological distance, which refers to an individual's degree of personal connectedness with other generations across time periods. When psychological distance is great, the intergenerational consequences of one's actions lack a sense of immediacy, which can consequently limit intergenerational beneficence (Wade-Benzoni, 1996; Wade-Benzoni, Sondak, & Galinsky, 2005). If decision makers have an adequate level of affinity or identification with future generations, they may vicariously experience the benefits and burdens left to future generations since the future consequences of their decisions on others feel more immediate and personal (Wade-Benzoni, 2003). Factors that increase affinity

and identification between present and future generations offer a critical opportunity in the reduction of psychological distance.

Importantly, our underlying assumption is that the psychological distance between the present and future generations is inherently larger than that between different groups of people that exist contemporaneously; this is primarily due to the significant time lag and absence of direct contact between present and future generations that characterizes the class of intergenerational contexts we address in this paper<sup>1</sup>. Furthermore, we assume that all cultures that have survived to date possess various mechanisms that directly or indirectly reduce psychological distance between present and future generations, and thus, ensure their very survival (Schein, 1992). With these two assumptions in mind, we begin our paper with a synopsis of the most relevant findings in the existing intergenerational decision research and then show how the examination of cultural factors at the societal and individual levels help identify processes underlying the reduction of embedded psychological distance between the present and future generations.

We will organize our cultural analysis along the intertemporal and interpersonal dimensions in the intergenerational paradigm. When delineating the effects of the temporal cultural dimension, we will identify several central macro-level socio-economic factors of a society and how they influence the temporal frame individuals in organizations adopt when making intergenerational decisions (e.g., Adler, 2002; Kluckhohn & Strodtbeck, 1961). Further, we will concentrate on micro-level psychological factors by examining the effects of cultural influences of self-construal (e.g., Brewer & Gardner, 1996; Hofstede, 1980; Markus & Kitayama, 1991; Triandis, 1989, 1995).

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<sup>1</sup> Consistent with prior work on intergenerational decision making, we consider contexts in which direct interaction between actors in different generations is minimal or absent.

We will posit that macro-level socio-economic factors may directly or indirectly interact or moderate culturally-specific psychological dynamics at a given time. By comparing both the contextual and individual mechanisms in East Asian cultures (Chinese, Japanese, and India) and North American cultures (US and Canada), we aim to enrich the current analysis of intergenerational decisions and thus, offer a more complete understanding of how and why national culture exerts influence in the intergenerational context. Finally, we close by examining the implications of our cross-cultural analysis to intergenerational decision challenges underlying group-oriented processes.

### **Psychological Distance in Intergenerational Decisions**

Intergenerational decisions involve both an intertemporal component, as there is a time delay between decisions made in the present and their potential effects on future generations, and an interpersonal component, as there is a tradeoff between the benefits or costs to oneself and benefits or costs to those in future generations (e.g., Wade-Benzoni, 2002; Wade-Benzoni et al., 2005). A central question in the study of intergenerational behavior is what motivates intergenerational beneficence in situations where the present generation must choose whether or not to make a sacrifice for the benefit of future generations. A growing body of empirical and theoretical work on intergenerational decision making has demonstrated that intergenerational beneficence may move beyond economic or material considerations to be motivated by social psychological variables (e.g., Wade-Benzoni, 1996; Wade-Benzoni, 2002; Wade-Benzoni, forthcoming; Wade-Benzoni, Medvec, Hernandez, & Messick, 2005; Wade-Benzoni et al., 2005). In the sections that follow, we will discuss the role of psychological distance, which refers to an individual's lack of connection with a collective entity or a sense of affinity with another individual, within the intertemporal and interpersonal dimensions of intergenerational decision

making. We will then center our discussion of psychological distance on the cultural mechanisms that may facilitate its reduction and thus, promote intergenerational beneficence.

Different from the traditional intertemporal choice literature, the intergenerational framework involves a consideration of oneself in the present versus others in the future, rather than a focus solely on tradeoffs between one's own present and future interests. While there is naturally some overlap and consistency between intergenerational and traditional intertemporal choice, empirical work has shown that the combination of the intertemporal and interpersonal dimensions in intergenerational contexts can result in unique patterns of behavior and psychological dynamics under certain conditions (e.g., Wade-Benzoni & Hernandez, 2005; Wade-Benzoni et al., 2005).

Additionally, intergenerational dilemmas differ from classic social dilemmas. In the classic social dilemma the tradeoff is between the individual and the collective (e.g., Brewer & Kramer, 1986; Dawes, 1980). After the individuals involved make their decisions, they remain part of the collective and experience the group level consequences that result from the combination of individual decisions. In contrast, in the intergenerational contexts that have been studied empirically, the decision makers exit the social exchange situation over time and therefore no longer benefit or suffer from consequences of prior decisions. More generally, intergenerational dilemmas can involve tradeoffs between two individuals (one in the present and one in the future), two groups, or an individual and a group. In contrast, social dilemmas by definition focus on individual vs. group tradeoffs (e.g., Brewer & Kramer, 1986; Dawes, 1980).

The notion of generations is of theoretical importance to the intergenerational paradigm. In our framework, a generation does not occupy a position indefinitely; it takes on a role that may be an office, status, or set of responsibilities for a finite period of time (Wade-Benzoni,

2002), which can be either fixed (e.g., a class of MBA students) or flexible (e.g., directors of departments in organizations). Further, a generation can consist of an individual or a group in organizations and society. A single generation may be time- and role-bound. For example, an individual's tenure in a particular role (e.g., CEO or dean of a college) may differentiate between generations. Similarly, a group of individuals can be demarcated as a generation if they have a common temporal starting point in a common role, which causes them to hold a certain status contemporaneously (i.e., classes of Ph.D. or MBA students). This type of group level generation is "cohort" based. Alternatively, group level generations may be "event" based, created by the occurrence of a significant event that leads to the creation of different generations in organizations, or causes differentiation among generations to become meaningful, important, or apparent (see Wade-Benzoni, 2002 for a more in depth discussion). Importantly, intergenerational beneficence between present and future generations may be affected by a common factor: psychological distance.

### **Mechanisms Reducing Psychological Distance within Various Cultures**

As we discussed earlier, a central barrier to intergenerational beneficence is the inherently large psychological distance between the decision makers and the people who experience the consequences of the intergenerational decision. One of the most obvious ways in which the repercussions of intergenerational decisions are removed from the decision maker is through the temporal delay that exists between the decision and the effects of that decision on others. Consistent with the findings from the literature on intertemporal choice, prior work in intergenerational contexts indicates that generally the greater the time delay between an intergenerational decision and the consequences of that decision to future generations, the less people act on the behalf of future generations (Wade-Benzoni, 1996; Wade-Benzoni et al.,

2005). People discount the value of commodities that will be consumed in the future reflecting an inborn impatience and preference for immediate over postponed consumption. As time delay increases, people have greater difficulty making sense of, or fully understanding the consequences of decisions. Beyond these cognitive limitations, however, motivational effects, such as the immediate pain of deferral, also make it difficult for people to delay benefits for the future.

Crucially, the psychological distance that is already present from the time dimension is compounded in the intergenerational context because people are making decisions in the present that affect others in the future rather than themselves. When making tradeoffs between the well-being of oneself and that of others, there is a tension between self-interest and the desire to benefit others. Although people may care about the outcomes of others, tradeoffs between one's own and others well-being are typically skewed to the point where very little weight is put on the effect of one's decisions on others (Loewenstein, 1996). The impact of individuals' decisions on themselves is generally far more immediate than their impact on other parties. In terms of intergenerational sacrifices, the costs of changing one's behavior are more immediate than the future benefits to others not only in the temporal sense, but also because they affect the decision maker directly.

### Macro Socio-economic Mechanisms

We argue that different conceptions of time and relationships across cultures may fundamentally influence the manner in which intergenerational consequences are discounted and as a result, the degree to which psychological distance is perceived. Research on short vs. long-term focus (Adler, 2002) and the past-present-future orientation (Hall, 1989; Kluckhohn & Strodtbeck, 1961) has identified East Asian cultures as more long-term and past-oriented,

whereas North American cultures have been classified as more short-term and present/near future-oriented (Adler, 2002; Hall, 1989; Klockhohn & Strodbeck, 1961). This implies that many East Asians will evaluate plans and decisions in terms of their effects on the existing customs, traditions, and the old wisdom of the society and be more willing to let go of short-term gains if long-term benefits of a plan will suffer. More generally, change within the Eastern context is welcomed only to the extent that it complements past experiences. In contrast, North American cultures tend to evaluate plans and decisions in terms of the projected near-term future benefits to be gained and make decisions based on clear short-term returns on their investment. Change in the Western context is a welcome innovation to the extent that it leads to immediate positive results.

Within these frameworks, the time orientation of a culture may fundamentally affect the perceived psychological distance between present and future generations as the weight and value given to time delay differs cross-culturally. From the cultural trends outlined above, one would expect that since many East Asians believe that preserving past traditions and practices is a critical part of ensuring the survival and success of a business enterprise or a society, a greater time delay between generations may not increase psychological distance to the extent it would for North Americans. Indeed, some scholars may argue that although North American business executives talk about achieving 5 to 10-year returns of their current plans, all they tend to work toward is obtaining the current quarterly's results in the stock market. Therefore, the psychological distance between present and future generations in the North American context could generally be perceived as greater than in the East Asian context due to this difference in how time delays may be experienced.

We suggest, however, that such predictions are unduly static given the complexities of cultural phenomena. Cultures that have traditionally been past and long-term oriented, such as those in East Asia, might find themselves more present and short-term oriented in the face of changes in their economic environment at a given time. For example, Chinese society, which has traditionally been longer-term focused, has experienced a change in the temporal focus of its senior executives' business decisions. Specifically, after the establishments of stock markets, senior executives of state-owned enterprises in China began to emphasize short-term performance in their business decisions (Peng, 2000), leading them to behave more similarly to executives in many public-traded firms in North America (He, Chen, & Zhang, 2004). This effect is in line with the predictions of many theorists of culture (Inglehart & Baker, 2000; Kluckhohn & Strodtbeck, 1961; Triandis, 1995) who have linked the relationship between the degree of capitalization of the markets in a given society and people's time orientation (Hofstede, 1980; Inglehart & Baker, 2000). For this reason, one might expect to observe greater variance in the temporal orientation within East Asian cultures than between East Asian culture and in North American culture, given the competing forces between the old traditional beliefs about time and the new economic challenges. For example, while people in the inland rural areas of China or Japan may maintain traditional long-term values, people in metropolitan cities such as Shanghai and Tokyo might behave no differently from those in the US (Kashima, Y., Kokubo, T., Kashima, E. S., Boxall, D., Yamaguchi, S., Macrae, K., 2005).

Clearly, in order to explicate the psychology of intergenerational decisions and the role of psychological distance in particular, a dynamic and evolving cultural perspective is needed. In view of this, we identify two potentially contradictory macro-level influences – religious and

ideological beliefs and market/firm establishment – and then examine the micro-level mechanisms that may be shaped by these macro-level forces.

Note that national culture and their differing macro-level forces deeply influence the self-construal of the decision maker (Hofstede, 1980; Triandis, 1989). However, as we will discuss in detail below, changes in the socio-economic forces of a society and/or the particular establishment of a firm might make the traditionally promoted culture time-frame out of synch with the situation that a given firm faces at a given time in that culture. For this reason, the macro mechanisms are rather distinct from, though historically related to, the psychological factors that we will examine. In addition, a separate examination of the macro dynamics will also shed light on variation within a given society.

Religious and Ideological Beliefs. A society's time orientation - short vs. long-term focus and the relative emphasis of the past, the present, or the future - is fundamentally reinforced by a culture's religious and ideological beliefs. In cultures where Buddhism and Hinduism are dominant religions (such as Japan, China, Singapore, and India), the beliefs in reincarnation (rebirth after death) and circling of cause and effect bind generations of people in a closely inter-related relationship (Campbell, 1972).

Death has been described in Buddhism and Hinduism as a temporary end to a temporary phenomenon, and even though the present form may perish, it is followed by another form which is conditioned by the preceding one, but which is neither the same as nor absolutely different from it (Campbell, 1972). As a result, the actions that are taken by the present generation today are no longer decoupled from the consequences that will affect the future generations—individual entities today were reborn from the past generations, and will transform to those in the future. Even though there is no one-to-one connection (e.g., Person A in the present and Person

A in the future) in these associations, the interdependence between generations across lifetimes and among individuals within a generation is high, bringing to bear a long-term focus and past orientation.

By contrast, Western cultures are dominated by linear progressivism, characterized as having a linear unidirectional time perspective (Erikson, 1982). Central to this idea is the assumption that people evolve forward and upward, a progression through which earlier and simpler stages are left behind as the individual moves onward toward greater complexity in life (Loevinger, 1976). The focus in these types of cultures is on the current and near future where short-term consequences are central. Religions in most Western cultures including those in North America view the present and future generations as distinct entities, believing that the advancement of the current generation is paramount to the continuity of society. Hence, one would expect that the present generation in East Asian cultures where Buddhism and Hinduism are highly prevalent would show less psychological distance between generations and thus, greater beneficence toward future generations in their decisions than Western cultures.

Market/Firm Establishment. At the organizational level, the relative establishment a firm holds in the market might also have a deep influence on the perception of time and closeness of relationships between generations cross-culturally. When a firm enjoys a relatively high status and attains clear establishment in its market, executives in the firm are in a better economic position to concern themselves with needs and continued prosperity of the firm in the future. In contrast, when the firm's relative market status is still at its entrepreneur stage, executives of the firm might only be able to focus on the needs of the firm in the present or, at the most, the immediate future, particularly when the market is highly competitive and resources are not munificent (Hodge, Anthony, & Gales, 2003). Accordingly, a greater degree of psychological

distance may be induced when a firm holds a relatively low status in its market due to the importance of the firm's own immediate survival needs. This may be the case even in an East Asian society whose broader religious and ideological beliefs promote closer intergenerational ties. Alternatively, psychological distance may be reduced when a firm has a well-established standing and thus, has the luxury of thinking in terms of longer-term goals due to relatively high economic stability. Likewise, this may be the case even in a society traditionally characterized by linear progressivism.

In a similar vein, at a market level, the stage of market life cycle in a given society may also influence the time frame executives in the firm adopt when making important decisions. When most firms in a society are at a start-up stage as opposed to an elaboration stage (Hodge, et al., 2003), executives of the present generation may be more concerned about immediate survival issues than consequences of the "potential" future. Thus, even though East Asian cultures such as China and India are typically categorized as being more long-term, and past-oriented, as suggested above, firms in these cultures aspiring to compete at a global level are likely to shift their goal priority to more urgent needs of the present (Chen, 1995). Under such conditions, a sense of connectedness between the current and future generation is likely trumped by the sense of immediacy between the present generation's current and near-future needs.

After delineating the complexities between how the traditional forces might shape people's orientations in intergenerational decisions and how changing socio-economic factors might shift their time focus at a given time, we will now examine the micro psychological factors across cultures.

### Micro Individual Mechanisms

National culture and its differing macro-level forces deeply influence the self-construal of the decision maker. In particular, the varying degrees to which cultures perceive cyclical and linear implications from intergenerational decisions may determine the extent to which individuals define themselves in terms of their relationship to future others. If cultures embed the notion of temporal interdependence and identification between generations through religion or market forces, the result can be an increased sense of “oneness” between the current self and future others, and consequently the future consequences to others feel “closer” to present decision makers than would otherwise be the case.

Earlier work on intergenerational beneficence has focused on the construct of “affinity” between generations, which is conceptualized as the extent to which the present generation feels empathetic toward future generations, is able to visualize future generations, and believes they understand how their actions will affect future generations. High affinity with the future generation blurs the distinction between interests of the present generation and those of the future generation, which thus, reduces psychological distance and consequently promotes more intergenerational beneficence (Wade-Benzoni, 1996; Wade-Benzoni et al., 2005).

Underlying this argument is the idea that the way in which interpersonal ties are evaluated is fundamentally rooted in the way the self is construed. Relevant to the notion of self-construal is the cultural dimensions of individualism-collectivism (Hofstede, 1980; Markus & Kitayama, 1991; Oyserman, Coon, & Kemmelmeier, 2002; Triandis, 1989, 1995). As they are generally conceptualized, individualists, or those with independent self-construal, are characterized by an emphasis on autonomy and independence of the self from others; whereas collectivists, or those with interdependent self-construal, are characterized by social

embeddedness and interdependence with others and their groups (Markus & Kitayama, 1991; Oyserman et al., 2002; Triandis, 1995). When faced with the dilemma between self-interests and those of the group, collectivists subordinate their personal interests to those of their group whereas individualists give priority to their own interests (Chen, Brockner, & Chen, 2002; Chen, Brockner, & Katz, 1998). According to this line of research, one might expect to observe greater intergenerational beneficence from collectivists than from individualists as the psychological distance between generations in a socially embedded and interdependent society would be smaller than in an autonomous, independent community.

Based on recent conceptualization and research in the individualism and collectivism domain (Brewer & Chen, 2005), and the fact that both individualistic and collectivistic cultures have both been able to survive today, we argue that people in all cultures are able to and can be motivated to sacrifice for others (e.g., future generations in their organizations and communities). As will be presented below, the motivational bases underlying their actions, however, are different. Specifically, we posit that at the individual level, the mechanisms that reduce psychological distance, such as a perceived interdependence, may depend on different pathways of interdependence across cultures.

Of greatest relevance to the interpersonal dimension of intergenerational decisions are the relational and collective selves. The relational self is the self defined in terms of connectedness and role relationships with significant others (Cross & Madson, 1997; Markus & Kitayama, 1991). The collective self is the self defined in terms of group memberships, and prototypical properties of members of a common ingroup (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). Each level of the self is a distinct self-representation with its own unique structural properties, motivational goal, and basis of evaluation (see Sedikides & Brewer, 2001).

The relational and collective levels of self represent two different forms of interdependence (Brewer & Gardner, 1996). Whereas the relational self involves personalized dyadic relationships with specific close others and the extension of these relationships in the form of interpersonal connections and networks, the collective self involves depersonalized relationships with others through common membership in a social group (Yuki, Maddux, Brewer, & Takemura, 2005). Note that in the theoretical frameworks of social identity (Hogg & Abram, 1988; Hogg & Turner, 1987; Turner et al., 1987), identification with a given collective does not require interpersonal knowledge of others within the collective. In fact, seeing one's group as an entity independent of personal relationships with other members in the group is a necessary requirement for the formation of the collective identity (Turner, et al., 1987).

Drawing on the distinction between relational and collective selves, Yuki (2003) suggests that the predominant characteristics of group cognition and behavior may differ across cultures. While people in Western cultures tend to place emphasis on the categorical distinction between ingroups and outgroups, people in East Asian cultures may tend to perceive groups as primarily relationship-based. Moreover, while social identity theory (Tajfel & Turner, 1986) proposes intergroup comparison as a key source of ingroup identification and cooperation, recent evidence (e.g., Buchan, Croson, & Dawes, 2002; Oyserman et al., 2002) and Yuki's framework suggest that such a perspective might be more applicable in North American and European cultures than in East Asian cultures. According to Yuki (2003), for people in East Asian cultures, the primary source for identification and cooperation emanates from the maintenance of relational harmony and promotion of cohesion within groups.

Moreover, the recent conceptualization and empirical evidence on the meaning and properties of self-construals suggest that the distinction between relational and collective selves

is of theoretical and practical importance as it provides different pathways for interdependence across cultural contexts and thus, the reduction of psychological distance. This suggests that for East Asians, a focus on the relationship-based connectedness (either direct or indirect) with future generations would be more effective than the categorical distinction in reducing psychological distance. Specifically, when East Asians can personally relate to future generations (e.g., through the belief in reincarnation), the psychological distance between present and future generations is reduced. When the connection is not personalized, East Asians might instead focus on their own immediate outcomes rather than show beneficence toward future generations. Because this level of interdependence requires personalized knowledge and connectedness, one can argue that East Asians can only be motivated to show beneficence toward small groups (e.g., family), not large social entities (e.g., global society), of future generations. After all, it is psychologically less feasible to establish interdependence with large collectives than small social groups if a “personal” connection is necessary (Brewer & Chen, 2005).

In contrast, for North Americans, it is the categorical distinction between their group and an outgroup (e.g., competition between their firm vs. a competing firm) that would prove to be more effective than the relationship-based distinction in reducing psychological distance in intergenerational decision making. Since this level of identification/affinity does not require personalized connectedness, as we argued above, North Americans may in fact show greater beneficence toward future generations when large social entities are involved (Brewer & Chen, 2005).

### Implications

Many cross-cultural researchers have long claimed that the collectivist makes a sharper distinction between ingroups and outgroups than the individualist (Erez & Earley, 1987; Triandis 1989, 1995). Considering the category-based vs. relational-based group attraction discussed above, we propose that such a prior claim be modified: All cultures differentiate ingroups vs. outgroups to a similar extent; what differs across cultures is the meaning of ingroups vs. outgroups and the strength of psychological attachment to the ingroup. Whereas the meaning of ingroups in East Asia refers to direct vs. indirect relationships or relational networks, the meaning of ingroups in North American cultures refers to the categorical membership distinction between one's group and other groups. Naturally, when circumstances call for a sacrifice of the individual to benefit the well-being of an ingroup, it is the strong attachment developed through repeated close relational interactions (among the collectivists), not the depersonalized membership association (among the individualists), that serves as a sufficient motivational force to propel the individual to do so (Chen, et al., 1998).

Moreover, strength of psychological attachment to an ingroup may be determined by the composition of the intergenerational target, the future generation. In view of the findings in cross-cultural research, the distinction of which future generation, a specific or general collective (e.g., whether the future generation encompasses specific, personalized or general, depersonalized future others) is critical. In line with social identity theory and the theoretical framework on self-construal, we posit that if the intergenerational decision for East Asians targets specific future others, an ingroup that has stronger relational ties to the present generation, psychological distance will be reduced. Since Eastern decision makers have been shown to greatly favor members of their identity groups in allocation decisions, it is likely that

the intergenerational allocation of resources to specific future others will be in line with the findings of Wade-Benzoni, Okumura, Brett, Moore, Tenbrusel and Bazerman (2002): Eastern decision makers will construe intergenerational decisions as interdependent situations and thus, be willing to take on burdens that are greater than their share to promote the well-being of future generations. We would expect this situation to be present at the organizational level of Eastern society where strong bonds between individuals in the company foster especially durable interpersonal ties.

In contrast, if the future generation includes general others, traditionally interdependent cultures would be expected to act in a self-serving manner when making intergenerational resource allocations. The result of out-group disfavor could cause present generations to allocate more burdens to general future others in order to secure the well-being of specific future others. We would expect this situation to occur when Eastern decision makers are asked to consider the consequences of their decisions at a global level. Chinese society's record of environmentalism is a good illustration of this phenomenon.

Another possibility for why people in collective cultures would be willing to be more intergenerationally beneficent can be drawn from the "cushion hypothesis" by Hsee and Weber (1999). The cushion hypothesis argues that in collectivistic cultures like China, family or other close others will step in to help if one encounters a large and possibly catastrophic loss after selecting a risky option. This theory posits an implied transfer of responsibility between generations, which may drive interdependence within collectivistic cultures. Accordingly, if such is the case, the affinity between present and future generations may be a result of intergenerational obligation induced by social norms and beliefs of such, rather than individuals' psychological orientations or macro ideological/market factors. The potential for a reduction in

psychological distance would be the same in all cases; however, the mechanisms underlying greater intergenerational affinity would differ.

### **Conclusion**

Business executives and leaders around the world sometimes face dilemmas that involve choosing between the short-term and long-term interests of their organizations and communities. One central mission of intergenerational research is to uncover mechanisms that contribute to our understanding of when and why the present generation would take into account the interests of future generations and be willing to make a sacrifice for their benefit when conflict of interests exist with future generations. Empirical and theoretical work on intergenerational decision making to date has mainly been conducted in the U.S.. Our current paper expands the existing paradigms in this research by taking a national cultural perspective.

In so doing, we developed the notion of psychological distance, which captures an inherent psychological barrier in intergenerational decision making. One key dimension that contributes to such a barrier is temporal delay that occurs between the time the decision is made and the time the consequences of that decision are experienced by others. The greater the time lag between an intergenerational decision and the consequences of that decision to future generations, the greater the psychological distance between the present and the future generations, and the less likely the present generation would act in the best interests of future generations. The psychological distance that is already present in the intertemporal dimension is compounded by the fact that people are making decisions in the present that have an impact on others in the future rather than themselves.

In this paper, we have examined the role of both the intertemporal and interpersonal dimensions of intergenerational decisions in the reduction of psychological distance across

cultures. While past research in intergenerational decision making has made important contributions to our understanding of intergenerational dynamics by focusing on social psychological factors of the individuals (e.g., Wade-Benzoni, 1996; Wade-Benzoni, 2002; Wade-Benzoni, et. al, 2005), our analysis here highlights the importance of how socio-economic contextual factors can significantly affect the psychological dynamics that play into the present generation's intergenerational decision making.

It is clear from our discussion that the present generation of executives and leaders do not make intergenerational decisions in a social or market-free vacuum. However, culturally advocated religious or ideological beliefs might not always be consistent with the competing economic forces, making national culture as a proxy for people's temporal orientation problematic (Chen, et al., 2002; Chen, Mannix, & Okumura, 2003). Accordingly, we have argued that the degree to which intertemporal and interpersonal interdependence is created by socially embedded notions of religion or market forces may be a decisive influence in shaping and reinforcing people's self-construals. Different self-construals may determine the degree of psychological distance between present and future generations and its influence on intergenerational decisions. Moreover, the underlying mechanisms for macro and micro level processes are complex and evolving; we have only begun to explore their interrelationships in the current paper. For this reason, future theoretical and empirical work in intergenerational decision making should seek to directly capture the effects of these macro and micro level factors on the decision maker.

In sum, our analysis suggests that cross-cultural researchers should be especially sensitive to possible competing forces and ideologies within any given culture as coarse dichotomies in most of our cross-cultural frameworks (e.g., Hofstede, 1980) might not be adequate to fully

understand cross-cultural intricacies. Furthermore, cultural differences may emerge in different forms. Instead of focusing on possible cultural differences on the degree of beneficence the present generation would exhibit toward future generations, our thesis throughout this chapter has been based on the assumption that all cultures that survive today have developed mechanisms that ensure sufficient levels of interdependence across generations. As we argued, cultural differences in the intergenerational context are likely to be observed along the processes underlying the reduction of psychological distance between the present and the future generations. Future research should seek to uncover other possible forms of cross-cultural differences and similarities.

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