

## **The Effect of National Stereotypes on the Tendency to Conduct Businesses in Foreign Countries: An Empirical Investigation**

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*This article presents an empirical analysis that shows what stereotype elements are significant for international managers when they decide to conduct future business interactions. The study also suggests a basic structure of international managers' stereotypes. Results show that relationship, work attitude, and professionalism are the most important dimensions for international managers and that there is significant relationship between this perceptual structure and the tendency of managers to conduct business. Results also show that there is a meaningful difference between women and men in the factors that relate to the tendency to conduct businesses with others.*

### **INTRODUCTION**

Stereotypes are generalizations about a group (Brigham, 1971). According to several scholars, stereotypes are the result of ordinary cognitive processes in which people construct abstract knowledge that influences their perception and behavior toward others (Hagendoorn & Kleinpenning, 1991; McCauley, Stitt, & Segal, 1980). Yet there are others who consider stereotyping as overgeneralization. From this perspective, stereotyping carries with it an ideological position. Characteristics of the group are not only overgeneralized to apply to each member of the group, but they are also taken to have some exaggerated negative or positive value (Scollon & Scollon, 2001).

Whether stereotypes are seen as the result of cognitive processes or as overgeneralization with an ideological bias, they may directly influence behavior. As cognitive structures they influence the way people perceive, process, store, and retrieve information (Dovidio, Brigham, Johnson, & Gaertner, 1996; see their references). For that reason, it is important to understand the effects of stereotypes on business decisions, and in particular, the possible influence of stereotypes on the tendency to conduct business with out-group members before direct contact occurs.

One kind of stereotype is the national stereotype, which is a generalization about a group of people coming from the same country. While much of the work on stereotypes has focused on discrimination against women and minorities in the workplace (Burns, Myers, & Kakabadse, 1995), existing research pays little attention to the role that national stereotypes play in international business. This, we argue, should be a focus of conceptual and empirical examination as the internationalization of business increases.

Several studies demonstrate the impact of country-of-origin stereotyping on business decisions. Thorelli and Glowack (1995), for example, show that buyers categorize foreign

suppliers into two groups: suppliers from technologically advanced countries and suppliers from less technologically advanced countries. Scholars have also shown that team members frequently judge colleagues from the most developed and economically strongest countries more favorably (Ferrari, 1972; see also Hadjimarcou & Hu, 1999; Khanna, 1986; Papadopoulos, Heslop, & Beracs, 1990; Greer, 1987; White & Cundiff, 1978; Cattin, Jolibert, & Lohness, 1982; Crawford, 1984; Bilkey & Nes, 1982), thus lending support to the idea that stereotypes have an effect on the way people conduct businesses.

While there are several studies that focus on the image of the country of origin and its effect on the evaluation of global products and on the industrial buying process (i.e., the aggregate level), there is a scarcity of works that focus on international managers' stereotypes (i.e., the disaggregate level). Cooper and Kirkcaldy (1995) found evidence of stereotyping of managers by country. More specifically, they found that German managers were perceived by their British counterparts to be hardworking, whereas British managers were perceived by German executives as being more accepting. Yet the authors did not examine the impact of these stereotypes on business decisions. Similar results have been found in a study conducted with European managers who hold to stereotypes of each other. The authors suggest several implications (such as the impact of national stereotypes on building trust in international business), but they do not provide a systematic examination of the topic (Burns et al., 1995). Finally, one study conducted with international managers has found that national stereotypes influence the general interest in projects initiated by members of one culture, as well as the selection of partners, the system of payments, and the attitude toward information given by the other partner (Zaidman, 2000); but this study, likewise, did not provide a systematic empirical analysis. Thus, although scholars note the importance of examining the impact of national stereotypes on international business, there is almost no systematic empirical cross-national research with a focus on the relationship between national stereotypes and the tendency to conduct business with representatives of another country.

The present work is an attempt to fill this void. We use both qualitative and quantitative methods to shed light on the issue. We open with an exploratory study (Study I) in which we discover the common elements (or characteristics) of national stereotypes as constructed by international managers. In other words, our attempt is to uncover the "basic structure" of international managers' stereotypes. Based on these findings, our second goal is to discover what elements of these stereotypes are significant when international managers consider conducting future business interactions (Study II). Finally, we discuss how managers who want to increase the propensity of doing businesses with counterparts from other countries should approach those others.

The study is conducted with 217 international managers from 55 countries. It is focused on the way they perceive the Israeli and on the significant stereotype elements that are important to them when they decide to conduct future business interactions with Israelis.

## METHODOLOGY

Our methodology includes two different studies. Study I was exploratory, aimed at revealing the relevant elements of the stereotype of an Israeli person. This study had two phases. The first phase involved sampling a sub-set of our target population using a self-administered

questionnaire (see Appendix B). The responses of this group were analyzed, and the relevant items were identified. In the second phase we sought to find the underlying structure of the stereotype and its relation to the tendency to do business with Israelis. In order to carry out this endeavor, we constructed a questionnaire that was based on the results of stage one and used a large-scale sampling frame to obtain responses from a diverse international population that might be involved in establishing or influencing business relations with Israelis.

Our empirical approach involved two analyses. We first applied a factor analysis on the raw data that enabled us to determine the underlying dimensions that comprise a stereotype (the second phase of Study I—exploratory). In Study II, we wanted to find the relationships between the various dimensions of stereotypes and the tendency of managers to conduct business with out-group members. Such an analysis enabled us to test several hypotheses about the relationships of these dimensions with the tendency to conduct business, considering several characteristics of the participants.

### **Data Collection**

Data collection took place in 2000. We distributed the questionnaires to managers who came to participate in courses organized by the Israeli government under the sponsorship of MASHAV, the Center for International Cooperation of the Ministry of Foreign Affairs. Managers in this study participated in courses such as food technology; management of water resources for urban and agricultural users; management and leadership in nursing; urban economic development; and public and business administration in rural development.

Overall, 227 respondents participated in the survey. Participants had not visited Israel before. Questionnaires were distributed to them on the second or third day of their stay in Israel while they attended classes. Thus, when constructing their stereotype, they all had similar firsthand knowledge about Israelis.

### **Sample Characteristics**

Our sample had a diverse population that reflected the internationalism of global business. Participants in the survey came from 55 different countries, ranging from one participant from a single country (e.g., Belarus, Brazil, Cameroon, Eritrea, Hungary, Haiti,) up to 11 (Philippines—4.8% of respondents) and 13 (Kenya—5.7% of respondents). Most countries were represented by more than one participant (39 countries—71% of the list of countries in the sample). The average age of respondents was 36 years with 31 of them (14%) above 45 years of age, 9 (4%) below the age of 25 years, and the rest (72%) were between 25 and 45 years of age. There were almost equal numbers of males (51%) and females (49%) in the sample. Their main sources of information about Israel came from indirect sources. Television was the premier source for this information with 68% of respondents indicating that, books were mentioned by 65% of respondents, and newspapers with 55% indication. Direct sources were less cited with friends being mentioned 45%, colleagues with 36%, and family being indicated by 24% of respondents (the total number exceeds 100% since respondents could indicate more than one source of information). The wide spread of sources with majority of exposure coming from indirect information suppliers provide a rather equal basis for evaluating responses from such a large sampling frame of countries. In terms of their professional and

educational background, participants were trained in natural sciences (5% of respondents), economics (12%), management (10%), engineering (16%), agriculture (6%), education (11%), and other professions.

As can be seen from the sample characteristics, there is heterogeneity in respondents' age distribution, country of origin, and educational background. Thus, the sample may provide face validity to the study results.

### **STUDY I: EXPLORING ELEMENTS COMPOSING INTERNATIONAL MANAGER'S STEREOTYPES**

We have found only three systematic empirical studies with a focus on international managers' stereotypes (Burns et al., 1995; Cooper & Kirkcaldy, 1995; Zaidman, 2000). There are other studies in which national stereotypes are discussed, but those stereotypes had not been constructed by managers (e.g., Jonas & Hewstone, 1986).

Our attempts to come out with a summary of main categories of international managers' stereotypes based on the work of Burns et al. (1995) and of Cooper and Kirkcaldy (1995) were not very successful. There was an overlap between the two lists only in two stereotype elements: "humor" and "hard working" (in Cooper and Kirkcaldy's study [1995] the second item appeared in the elements "workaholic-laidback," "industrious-lazy," and "hard-driving").

A different methodology was used in a study in which international managers were given the opportunity to express their own categories for out-group members by responding to open questions. Some common elements were found: trust, negotiation skill, and friendliness (Zaidman, 2000). The stereotype element "trust" appears also in Burns et al. (1995), and the stereotype element "friendliness" appears in Cooper and Kirkcaldy (1995) (in the form of the dimension "accepting vs. rejecting"). In these studies, managers from each country also mentioned other elements, such as communication skills, personal interest, education, and market understanding (Burns et al., 1995; Zaidman, 2000).

In order to clarify this mix of results we conducted an exploratory study to identify stereotype categories of the Israeli as constructed by international managers. This list was composed by international managers, and it represents their perceptions.

Since working with a long list of stereotype elements is often too complicated and some times these elements are describing similar constructs, we decided to reduce the dimensionality of the data and uncover the 'basic structure' of the stereotype. We follow Cooper and Kirkcaldy (1995), who conducted a factor analysis of the 20-item inventory given to their participants.

***Research Question 1:** What are the stereotype dimensions that compose the basic structure of international managers' stereotypes?*

#### **Analysis and Results – Study I**

Most studies of stereotypes provide lists of adjectives (i.e., lists of items) to the subjects, who are asked to check the adjectives that apply to a particular group. This approach may

force the participant into thinking in terms of a given set of categories that he or she may find irrelevant (Brigham, 1971; McCauley et al., 1980; Triandis & Vassiliou, 1967). Following Triandis and Vassiliou (1967) and Zaidman (2000), 27 managers were given the opportunity to identify their own categories of out-group members by responding to an open question. The managers were asked to write down “several major characteristics of the Israelis” as they perceived them. We first created a list of all the characteristics that appeared in all responses. We then eliminated several characteristics with little relevance to the context of international business, such as “handsome.” The data were then analyzed through categorization of similar adjectives and statement characteristics in order to avoid redundancy and duplication. We thus obtained the list of 20 stereotype elements presented in Table 1:

**TABLE 1**  
**Stereotype Elements**

Item Number	Stereotype Elements
1	Professionalism (knowledgeable; developed in technology and science)
2	Intelligent (wise; smart; clever)
3	Adaptation to new conditions
4	Educated (civilized)
5	Friendly (nice)
6	Aggressive
7	Persistent
8	Proud
9	Helpful
10	Hardworking (industrious)
11	Honest (sincere)
12	Direct (frank; straight)
13	Shrewd (wise in practical matters)
14	Punctual
15	Systematic (organized)
16	Hospitable (warm)
17	Money lover (tight; don't give anything; think of money first)
18	Religious (traditionalist)
19	Innovative
20	Suspicious

The second step in this stage involved a descriptive survey-based approach. We used a questionnaire to get the managers' perceptions of each of the 20 elements. For example, a respondent would be asked: “On a scale of 1 to 7, where 1 is very low and 7 is very high, how would you rate the professionalism of an Israeli?”

The third step was to conduct factor analysis. We used principal component-based factor analysis to detect the underlying structure of a stereotype in the respondents' minds using their perception ratings of the 20 stereotype items. Factors with eigenvalues greater than 1 were extracted and rotated using the VARIMAX method to form an orthogonal structure. From the data six factors were extracted, which accounted for 58% of the total variance. Table 2 summarizes the results of this factor analysis. The rotated factor structures and the stereotype elements' loadings are presented in Appendix A.

**TABLE 2**  
**Factor Structure of Stereotype**

Factor	Dimension
1	Relationship
2	Work Attitude
3	Professionalism
4	Practical/Religious
5	Materialist/Egoist
6	Power

The six factors (dimensions) that emerged from the data can be interpreted as the following:

**Factor 1:** Relationship. Included elements: "friendly," "helpful," and "hospitable."

**Factor 2:** Work attitude. Included elements: "hard working," "honest," "punctual," and "systematic."

**Factor 3:** Professionalism. Included elements: "professional," "intelligent," "adaptive," "educated," and "innovative."

**Factor 4:** Practical/Religious. Included elements: "direct," "shrewd," and "religious."

**Factor 5:** Materialist/Egoist. Included elements: "proud," "money loving," and "suspicious."

**Factor 6:** Power. Included elements: "aggressive" and "persistent."

Three dimensions, relationships (Factor 1), work attitude (Factor 2), and professionalism (factor 3), had been mentioned in previous studies (Cooper & Kirkcaldy 1995; Zaidman 2000). Yet the stereotype element "honest" was grouped with work stereotype elements such as "hard working," "punctual," and "systematic," and not as an element of trust as it appeared in other studies (Cooper & Kirkcaldy 1995; Zaidman 2000). Furthermore, we found three other dimensions: Practical/Religious, Materialist/Egoist, and Power.

## **STUDY II: THE RELATION BETWEEN NATIONAL STEREOTYPES AND THE TENDENCY TO CONDUCT BUSINESS**

Our second task is to discover whether there are any stereotype elements that have an impact on the tendency of international managers to conduct business, what they are, and whether they are related to specific variables such as culture and gender.

Stereotypes can be seen as public information about social groups that is shared among the individuals within a culture (Macrae, Stangor, & Hewstone, 1996; Snyder & Miene, 1994). Thus, one can argue that managers coming from the same culture, or who share similar cultural characteristics, would use similar elements in the construction of their stereotypes of out-group members (see Zaidman, 2000). Furthermore, one can also argue that culture may influence participants' choices and the importance of stereotype dimensions when deciding to invest in a business.

The choice of a particular stereotype element as the crucial factor influencing the tendency to conduct business with managers from a different country might be related to specific cultural traits of the population. Individualism and collectivism have become increasingly important cultural variables that have been found to have significant effects on people's experiences, perceptions and behavior (Sampson, 2000, who quotes others). Since almost all of the managers in the present study come from cultures with a more collective orientation (i.e., most Asian, Arab, Latin American, and Southern European cultures; see Hofstede, 1980; Brake, Walker, & Walker, 1995), we examine the possible effect of this cultural dimension on the tendency to conduct future business.

For the most part, individualism and collectivism can be conceptualized in terms of the nature of the person-other relationship that each proposes (Sampson, 2000). A collectivistic society is a society in which the interest of the group prevails over the interest of the individual. An individualistic society is a society in which the interest of the individual prevails (Hofstede, 1980). Research shows that people in collectivistic cultures generally place more emphasis on other people than on the task, whereas the opposite occurs in individualistic cultures. In collectivistic society more emphasis is placed on relationships, harmony, and respect (Triandis, Brislin, & Hui, 1988; Hofstede, 1980).

The importance of the relationship-oriented characteristics of out-group members when interacting in the business arena has been discussed in two empirical studies conducted with international managers. First, Cooper and Kirkcaldy (1995) found that accepting (warm and non-threatening) vs. rejecting behavior was one of three important concepts when British and German managers rated their counterparts from the other country. In another study, conducted with Indian and Israeli managers, Zaidman (2000) found that for both groups friendliness is an important stereotype element of out-group members (Zaidman, 2000).

The results of the studies above show that managers from both individualistic (e.g., Britain and Germany) and more collectivistic (e.g., India and Israel) cultures attribute importance to the dimension "relationships." Since almost all of the managers in the present study come from cultures with a more collective orientation, we expect that the relationship dimension

will have a relatively large positive effect on the tendency to conduct business in relation to other dimensions.

***Hypothesis 1:*** *The relationship dimension will have a relatively large positive effect on the tendency to conduct business in relation to the other dimensions of stereotypes for all the participants.*

Gender might also influence participants' choices and the importance of stereotype dimensions when deciding to invest in a business. According to Adler and Izraeli (1988), there are two contrasting views regarding women in management. The equity view assumes similarity between male and female contributions, while the complementary-contribution view assumes differences between them. Given the empirical evidence generated by numerous researchers, there is reason to believe that the complementary-contribution model is gaining ground. That is, there are gender differences in social behavior (Gibson, 1995). More specifically, research shows that women managers tend to attribute more importance to relationships than men managers. They demonstrate more cooperative behavior and attribute more importance to relational consultation and democratic decision-making. Women managers demonstrate a more personal style than men; i.e., as managers, they are more helpful, friendly, and available (Kanter, 1977; Gilligan, 1982; Grant, 1988; Eagly & Johnson, 1990). Based on these studies, we hypothesize that women managers would attribute more importance than men to relationships when making a business decision.

***Hypothesis 2:*** *Women will attribute more importance to the dimension "relationship" than men will.*

Various studies have demonstrated that, in general, males are more often characterized by qualities such as aggressiveness, ambition, and dominance, while females are more often characterized by qualities such as nurture and affection (Rosner, 1990; Werner & LaRussa, 1985; Spence & Helmreich, 1978). Rosner found that female leadership is characterized by sharing power much more than male leadership (1990; see also Gilligan, 1982). Kanter (1977) argues that women fear abuse of power; they are often socialized not to be assertive or aggressive or not to seek control and power. Furthermore, the results of investigations that took place in several countries of managerial sex role stereotyping have revealed that characteristics associated with managerial success were more likely to be held by men than by women. Males, unlike their female counterparts, continue to perceive the managerial position as requiring masculine characteristics, and a male decision-maker may still favor the male candidate (Schein, Mueller, Lituchy and Liu, 1996). Based on these findings we expect to find gender differences in the importance attributed to the stereotype element "power" when making a business decision.

***Hypothesis 3:*** *Men will attribute more importance to the dimension "power" than women will.*

## **Empirical Analysis and Results—Study II**

*Regression Analysis.* As stated earlier, our main goal in this stage is to investigate the relation between the national stereotype as perceived by potential international partners and the tendency to conduct businesses with Israelis. In addition, we want to find diagnostic



information about the identification of the dimensions that have a significant effect on this tendency. Such information enables managers to better evaluate the prospect of conducting business with people from various countries. In order to obtain these objectives we employed a linear regression analysis. Though other, non-linear procedures can be used to analyze such effects, the current approach provides a parsimonious procedure with relatively little loss of accuracy (Dawes & Corrigan, 1974).

The first regression run was conducted on the aggregate data (i.e., the total sample). Here we used the factors’ scores as independent variables and the tendency to conduct business as a dependent variable. The results indicated that the model explained 15.8% of the variance with two significant factors. Table 3 summarizes the results of this regression step.

**TABLE 3**  
**Regression Results – Aggregate-Level Analysis**

<b>Variable</b>	<b>Coefficients</b>	<b>Standardized Coefficients</b>	<b>P value</b>
<b>Constant</b>	<b>3.4551</b>		<b>0.0000</b>
<b>Relationship</b>	<b>0.1864</b>	<b>0.2525</b>	<b>0.0002</b>
<b>Work Attitude</b>	<b>0.0831</b>	<b>0.1090</b>	<b>0.0972</b>
<b>Professionalism</b>	<b>0.2302</b>	<b>0.2407</b>	<b>0.0003</b>
<b>Practical/Religious</b>	<b>0.0679</b>	<b>0.0957</b>	<b>0.1482</b>
<b>Materialist/Egoist</b>	<b>-0.0353</b>	<b>-0.0604</b>	<b>0.3611</b>
<b>Power</b>	<b>-0.0234</b>	<b>-0.0377</b>	<b>0.5639</b>

It can be seen that relationship and professionalism turned out to be significant. In other words, international managers’ tendency to conduct business with Israelis is significantly related to the type of relationship they can establish. Furthermore, an increase in the perceived level of professionalism will increase the tendency to invest with an Israeli partner. In addition, the standardized coefficient of the relationship dimension (0.2525) is the largest among all factors. These results, the significance level and the magnitude of the standardized coefficient, therefore lend support to our first hypothesis.

The next steps involved disaggregate-level types of analyses. We started with a segmentation scheme that is based on gender differences. We separated the total sample into two sub-samples, one with male and one with female managers, and ran two regressions (i.e., one on each sub-sample). We used the factors as independent variables and the tendency to conduct business as a dependent variable. The results indicated that 13% (female) and 10.9% (male) of the variance was explained. Table 4 summarizes the results of these two regression runs.

It can be seen that the female segment had a marginal significant relationship between the “relationship” factor and the tendency to conduct business, whereas the male segment had a marginal significant relationship between the “relationship,” and the tendency to conduct business. In addition, the male segment had significant relationships between “practical/

**TABLE 4**  
**Regression Results – Disaggregate-Level Analysis – Male/Female Segments**

Variable	Female			Male		
	Coefficients	Standardized Coefficients	P value	Coefficients	Standardized Coefficients	P value
Constant	4.0150		0.0014	5.8429		0.0000
Relationship	0.6516	0.8744	0.0579	0.5183	0.6820	0.0640
Work Attitude	0.0437	0.0964	0.8614	0.1200	0.2924	0.6629
Professionalism	0.1261	0.4201	0.6988	-0.1894	-0.5865	0.4379
Practical/Religious	0.0792	0.3673	0.8460	-0.7155	-3.3411	0.0288
Materialist/Egoist	0.0386	0.1980	0.9194	-0.4175	-2.2155	0.3122
Power	-0.2811	-1.7838	0.5486	0.8121	5.3126	0.0366

religious,” and “power” factors and the tendency to conduct business. Reviewing the standardized coefficients for the relationship factor, though not tested, in the female segment (0.8744), it can be seen that it is larger than the one in the male segment (0.6820). These results therefore provide partial support to our second hypothesis. Similarly, the power factor in the male segment (5.3126) is significant and greater than the same factor in female segment (-1.7838), which was not significant. These results provide support to the third hypothesis. The significance of the “practical/religious” factor in the male segment can intuitively be explained by task/achievement male preference (Gilligan, 1982), as the relevant characteristics loaded on this dimension are adaptation, shrewd, direct, (i.e., task/achievement) and religious. In order to verify this idea, we ran two separate regressions in an attempt to identify whether the task/achievement elements are affecting the tendency to conduct business, or the religious component. Table 5 summarizes the results of these two regression runs.

**TABLE 5**  
**Regression Results – Disaggregate-Level Analysis Practical/Religious Factor**

Variable	Female			Male		
	Coefficients	Standardized Coefficients	P value	Coefficients	Standardized Coefficients	P value
Constant	5.601		0.000	3.305		0.004
Adaptation	0.025	0.031	0.834	0.136	0.161	0.193
Shrewd	0.066	0.075	0.601	-0.074	-0.094	0.457
Punctual	0.022	0.028	0.855	0.391	0.394	0.002
Religious	-0.029	-0.030	0.848	0.045	0.056	0.634

The amount of variance explained were 15.8% for the male segment and 1% for the female segment. It can clearly be seen that such a huge difference in the variance explained indicate significant difference in the relevance of the various independent variables to the dependent variable (i.e., tendency to conduct business). In addition, the analysis of variance for the female segment did not show significant results ( $p=0.976$ ) whereas such an analysis, using up

to be significant for the male segment ( $p=0.027$ ). As to the relevant characteristics (i.e., task/achievement vs. religious) that have a significant relationship with the tendency to conduct business, it can be seen that there were no significant variables in the female segment and punctual (i.e., task/achievement component of the “practical/religious” factor). Thus, the difference between the male and the female segment on the “practical/religious” can be explained by Gilligan’s (1982) ideas and the empirical support in Table 5.

## CONCLUSIONS

Our empirical results lead to several conclusions. First, there is a structure in stereotype construction: relationship, work attitude, and professionalism are the most important dimensions for international managers. Second, there is a significant relationship between this perceptual structure and the tendency of managers to conduct business. Specifically, a stereotype can explain a significant portion of the variance observed in managers’ assessments of their willingness to have business relations with others. In particular, relationship, professionalism, and to a certain degree work attitude contribute to this variation the most. Third, there is a meaningful difference between female and male managers in the factors that relate to the tendency to conduct business with others; power and practical factors are the most dominant factor in the male segment, whereas relationship is dominant in the female segment.

Several managerial implications of our analysis can enable businesspeople to forge better relations with managers from various countries. At the most general level, businesspeople should invest time and effort in developing relationships with potential partners. They should also highlight their professionalism to their counterpart. When creating business relations with female managers, businesspeople should mainly focus on their relationship capabilities by emphasizing, for example, their friendliness and their nonaggressive manner. When the potential relation is with males, businesspeople can enhance the tendency to conduct business by being persistent and somewhat aggressive. They should also highlight their adaptability in the face of change. In summary, adopting different strategies that include different patterns of behavior can increase the tendency of different managers to conduct business.

This study was conducted with managers coming from collective cultures and it focused on just a single national stereotype. Future research should empirically examine what stereotype elements have a significant effect on the tendency of managers coming from individualistic cultures to conduct business with other managers. The sample also included small number of representatives from several countries. A larger sampling frame can be used in order to explore country to country variations in terms of their tendency to conduct business. Furthermore, future research should investigate the basic structure of a stereotype as well as the tendency to conduct business with other nationalities. Other promising avenues for future research would be additional investigation of the basic structure of particular stereotypes (e.g., of Italians) and empirical analysis of the effect of these stereotypes on the tendency of international managers to conduct business with members of those groups. It may also prove interesting to examine the effect of stereotypes when members of different groups (e.g., both Israeli and Japanese businesses) are competing for the same contract. Finally, stereotypes are only one element that affect managers’ tendency to conduct

businesses with others in foreign countries, as was shown in this study. Other factors (e.g., macroeconomic environment, political climate, trade barriers) that can have an effect on managers' perceptions on this issue can be included in a similar modeling approach to estimate their contribution in explaining managers' tendency to conduct businesses in foreign countries.

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## APPENDIX A

Characteristics	Factors					
	1	2	3	4	5	6
Professional			0.7205			
Intelligent			0.7240			
Adaptation			0.5650	0.4176		
Educated	0.4342		0.6198			
Friendly	0.8181					
Aggressive	-0.4724					0.5883
Persistent						0.6782
Proud					0.6005	0.5314
Helpful	0.7819					
Hardworking		0.6095				
Honest		0.4520				
Direct				0.6485		
Shrewd				0.6162		
Punctual		0.7484				
Systematic		0.7036				
Hospitable	0.7253					
Money Lover					0.7958	
Religious				-0.5884		
Innovative						
Suspicious					0.4980	

Remark: For clarity of presentation only loadings that are greater than 0.4 are presented.

APPENDIX B

The questions below are part of a study about stereotypes. We greatly appreciate your willingness to respond to this questionnaire. There are no right or wrong answers and your responses will remain strictly confidential.

1. For each element please write to what extent it describes your perception of the Israeli

	1	2	3	4	5	6	7
	disagree						strongly agree
_____	1. Professional					_____	11. Honest
_____	2. Intelligent					_____	12. Direct approach
_____	3. Ability to adapt to new situations					_____	13. Shrewd (sharp in practical matters)
_____	4. Educated					_____	14. Punctual
_____	5. Friendly					_____	15. Systematic
_____	6. Aggressive					_____	16. Hospitable
_____	7. Persistent					_____	17. Money lover
_____	8. Proud					_____	18. Religious
_____	9. Helpful					_____	19. Innovative
_____	10. Hard-working					_____	20. Suspicious

2. What are the main sources of your information or impressions of the Israelis? (Please circle one or more options)

- |       |                   |       |                           |
|-------|-------------------|-------|---------------------------|
| _____ | A. Books          | _____ | E. Teachers               |
| _____ | B. Television     | _____ | F. Colleagues             |
| _____ | C. Newspapers     | _____ | G. Friends                |
| _____ | D. Family members | _____ | H. Other (Please explain) |

Please use this scale to answer the following two questions.

1	2	3	4	5	6	7
not at all			somewhat			completely

3. To what extent are you willing to consider working with an Israeli partner on a joint project related to your profession? \_\_\_\_\_

4. Suppose you have the capital to invest in a project related to your profession that requires the participation of a foreigner partner. To what extent are you willing to consider working with an Israeli partner? \_\_\_\_\_

And, finally, some biographical information:

Your sex: M/F      Age: \_\_\_\_\_      Country of origin: \_\_\_\_\_

Occupation: \_\_\_\_\_      Religion: \_\_\_\_\_

Thank you very much for your help!