

## **CROSS-CULTURAL AND COMPARATIVE MANAGEMENT RESEARCH: A CRITICAL PERSPECTIVE**

*Somnuk Chandarapatin* \*

---

### **INTRODUCTION**

Cross-cultural management research is research that involves and attempts to explain and analyze the relationship between management and culture, integrate the growing body of organization theory literature (research conducted within one country, usually the U.S.) with the comparative management literature (research conducted in more than one country), and inform people working in organizations whose employees or clients span more than one culture. Cross-cultural management focuses on studies of the behavior of people interacting within and between organizations around the world and trains people to work with employee and client populations from various cultures. It describes organizational behavior within countries and cultures, compares organizational behavior across countries and cultures, and seeks to understand and improve the interaction of colleagues or co-workers from different countries and cultures. Cross-cultural management thus expands the scope of domestic management knowledge and practice to encompass the international, global, and multicultural spheres.

Comparative management research aims at identifying those aspects of social behavior in work settings which are culturally specific and those which are universal. Generally, comparative management research is complex. Given the complexity, comparative research is usually more time consuming, more expensive, and more difficult to make rigorous than domestic research or some of the other types of international management research. Lack of rigor has been one of the major criticisms of comparative research (Roberts, 1977; Sekaran, 1981; Adler, 1983), research that focuses on comparisons between countries (comparative management)

---

\* Lecturer, Graduate School of Business Administration, Dhurakijpundit University

and/or cultures (cross-cultural management). The comparative approach has many variations because so many countries or cultures can be compared (Adler, 1983). The variety of comparative studies is actually too diverse to readily summarize here. For the most part, therefore, this article will concentrate on reviewing the key approaches that are the foundation of the field of comparative/cross-cultural management research.

Comparative studies are designed to identify the similarities and differences across two or more cultures. For managers, comparative studies answer the questions: "How is Culture A different from Culture B? In which areas can our organizational policies and strategies be similar across all cultures, and in which areas must they be different?" For the management researcher, comparative studies are designed to distinguish between those aspects of organizational theory which are truly universal and those which are culturally specific. Using cross-cultural similarities, comparative studies are designed to identify an emergent universality. In comparative studies, universality exists through attempting to define patterns which emerge from all cultures studied. Thus, comparative studies search for both similarities and differences. They label the emergent similarity as universality and the emergent difference as cultural specificity (Adler, 1983).

To conduct comparative studies, researchers must assume that no culture is dominant. As stated by Hasseling (1973, p. 129): "Cross-cultural studies must start with the assumption that there is no, a priori dominant culture which is superior in coping with reality in any situation. If this assumption is not made, fair comparisons are impossible." Methodological issues involved in conducting sophisticated comparative management research are numerous and complex. The primary focus is comparison - being able to distinguish between culturally specific and universal behaviors (Adler, 1983).

By definition, researchers adopting the extreme position of cultural uniqueness cannot do comparative studies. In contrast, researchers who adopt the extreme, general culture approach are in danger of missing many of the important, unique aspects of the phenomenon being studied. The approach to comparative management research accepts the possibility of there being both culture-specific and

culture-general aspects to a phenomenon. In any particular study, one aspect may clearly dominate. But, in comparative management research, the balance between culture-specific and culture-general elements is a research finding, not a prestudy assumption (Adler, 1983).

The purpose of this paper is to identify, review, analyze, and criticize various approaches to the study of cross-cultural and comparative management. However, there are many problems, limitations, and weaknesses associated with many approaches of comparative management, most of which can be attributed to the lack of a comprehensive or conceptual framework for conducting research in the field, which has not resulted in any policy and strategy action which benefits greatly the international manager in practice. The critical perspectives of the comparative management approaches will be discussed in detail. Generally, researchers have continued to study various aspects of managerial practices and attitudes in different countries in the absence of a conceptual framework which would allow for systematic analysis of the phenomenon under investigation. It is important to note that there are two major groups of researchers in the field of cross-cultural studies related to organizational behavior (Roberts, 1977):

1. A group interested in the effect of culture on individual attitudes or behavior in organizations (i.e. Micro-oriented approach);
2. A group preoccupied with the effect of culture on organizational, structural, environmental, and transaction variables (i.e. Macro-oriented approach).

Many of the comparative management studies and models have one of the major limitations to the extent that they overemphasize one particular variable. This means that many studies seek to account for differences in management styles and organizational effectiveness on the basis of one particular set of variables, such as pace of economic development (Harbison and Myers, 1959), macro environment (Farmer and Richman, 1965), or managerial attitudes (Haire, Ghiselli, and Porter, 1966; Hofstede, 1980). Such one-sided approaches are not able to capture the complexities of the phenomenon under investigation.

This article, therefore will summarize, discuss, and criticize the literature in each of these areas. Since it is not possible to identify all of the literature in all of

these fields given the space constraints, the purpose is to review and criticize six key approaches: (1) the socio-economic approach; (2) the environmental approach; (3) the behavioral approach; (4) the organizational theory approach; (5) the open system or eclectic approach; and (6) the systems model approach, so that the reader can be guided towards what can be researched in order to obtain the depth of understanding desired.

## **CRITIQUE OF COMPARATIVE AND CROSS-CULTURAL MANAGEMENT RESEARCH**

### **I. The Critique of the Socio-Economic or Economic Development Approach**

Much literature of comparative management realizes the importance of culture in affecting managerial behavior and practices. For example, Harbison and Myers (1959) proposed that managerial beliefs are correlated with the stages or levels of industrial development. This suggests that managerial beliefs and practices should become more similar as differences in the level of industrial development diminish. Therefore, the implication here is that researchers and practitioners must consider and recognize both the sources of cultural influence and the processes which determine managerial behavior and affect managerial and organization effectiveness.

Harbison and Myers' study (1959) seeks to account for variations in managerial practices in 23 countries on the basis of differences in the stage and pace of economic development. While it is important to understand the differences in socio-economic systems as they affect management practices in a given country, this study still has two major limitations. The first one is that the study or model which emphasizes broad economic and sociological forces or patterns does not lend itself to the formulation and testing of specific hypotheses relating different aspects of management styles and practices to organizational effectiveness. The second limitation is that the model does not describe inter-organization differences in a given country. This means that the model implicitly assumes that firms operating at the same level of industrialization will share similar management practices and

levels of output. However, there is sufficient evidence to indicate that such is not the case in practicality and reality. Several studies (Lawrence and Lorsch, 1967; Duncan, 1972; Tung, 1979) have illustrated that management styles in different organizations within the same locality, characteristics and conditions do differ.

To sum up, Harbison and Myers' model postulated four stages of economic development and tried to identify a management style that is congruent with each stage. Though this type of research has provided useful insights, the framework developed is too general and simplistic. An attempt is made to force fit a given management style into one and only one stage of economic development. This simplistic approach, therefore, tends to mask similarities among management practices between societies that are at different stages of economic development, because the basic thesis is that each stage of economic development requires a unique management system. A second serious difficulty with this research was that it failed to provide any policy guidelines about changing the management system. In fact, the underlying assumption was that one needs to change the stage of economic development first and the change in management system would follow. Another fallacy of this approach is the implication that there is an historical inevitability about the management system developing in parallel with economic development. For example, under this framework it would be unlikely that a developing economy could have a rather sophisticated management system because the economy, according to this thesis, would have to evolve to a developed state before a truly modern management system could be installed. From the standpoint of management development in a given developing country, the only guideline this framework provided was a negative policy recommendation, i.e., not to do anything to change the management system, but to wait until the economy improves to a better stage (Nath, 1988). Last, the work reported in Harbison and Myers was guided by the logic of an industrialization hypothesis developed by U.S. scholars. Therefore, the concepts themselves are seldom tested to determine whether they are relevant to other cultures (Nath, 1988).

## II. The Critique of the Environmental Approach

According to Farmer and Richman's (1965) model, culture is a major variable in determining both managerial and organizational effectiveness. This model views culture as well as external constraints (educational, sociological, legal-political, and economic) that affect the management process. The cultural variables that determine managerial behavior and style include risk-taking preferences, attitudes toward achievement, and needs. Farmer and Richman's model is pertinent to a micro- and macro-level. The model can assist in improving a firm's recognition of cultural effects on the performance of individuals and groups which, in turn, can assist the firm to reduce the impact of cultural constraints. This suggests that this model can help in systematically analyzing and identifying pertinent cultural factors and investigating the impact of such factors on managerial and organizational effectiveness.

However, Farmer and Richman's model still has some limitations. The critique here is that the model views the firm as adapting passively to external constraints (Schollhammer, 1969). Another critique of this model is that the management practices of comparable industrial firms in a culture would tend to resemble each other if environmental and cultural factors were the main determinants of management practices (Negandhi and Prasad, 1971). Nevertheless, this is not so. For example, compare two American retail chains - Montgomery Ward and Sears Roebuck. Both are basically in the same business and confronted with similar market and environmental conditions, but they have adopted and utilized different managerial practices. Another possible critique of Farmer and Richman's model is that the model is static, that is, it does not take the environmental factors (e.g., legal and cultural factors) that industrialization may influence into account.

According to Kelley and Worthley (1981), Negandhi and Prasad's (1971) model does not seem to accord as much importance to culture as it does to management philosophy, even though it incorporates culture as a variable. By management philosophy, Negandhi and Prasad mean management's attitudes toward and beliefs regarding consumers, suppliers, stockholders, government, community

and employees. The possible critique is that Negandhi and Prasad's model does not incorporate competitors in the industry in the management philosophy. The competitors as well as potential entrants and substitutes are basic competitive forces that determine strategy formulation (competitive strategy) which, in turn, influences management practices e.g., strategic planning-diversification strategy, and profit potential, which are important measures of management and organizational effectiveness or success (Porter, 1980).

Further, since Negandhi and Prasad (1971) have proposed the combination of micro- and macro-oriented approaches to cross-cultural/ comparative management studies, the theoretical concept expressed in their model may be criticized as not being comprehensive, as being arbitrary in the selection of the various factors included in the model, and as being superficial in the sense that the focus is simply on overt managerial behavior as it manifests itself in a few seemingly randomly selected relationships with the internal and external environmental factors. Negandhi and Prasad's model may also be criticized as not expressing concern about the causes of a given behavior.

Kelley and Worthley (1981) designed a study to test the Farmer and Richman model against the Negandhi and Prasad model by comparing similarities and differences in the managerial attitudes of Japanese, Japanese-American, and Caucasian-American managers working in financial institutions. The results and conclusion of Kelley and Worthley's study support Farmer and Richman's position (1965) on the role of culture in the formation of managerial attitudes. The Negandhi and Prasad model is not supported by their results because Negandhi and Prasad do not accord culture as much importance as Farmer and Richman.

Further, it emerges that the role of management philosophy as an independent variable has not been explicitly tested even though the study of Farmer and Richman certainly supports the presence of both cultural and national differences in the formation of managerial beliefs and attitudes. From the critical viewpoint, Negandhi and Prasad's model considers management philosophy as the important variable, which is contrary to Kelley and Worthley. Kelley and Worthley's study illustrates the importance of culture but does not sufficiently

differentiate the effects of culture and those of management philosophy, even though the study has utilized an innovative research design to separate the effects of culture from other environmental factors.

It should be suggested that culture is the primary variable from a theoretical point of view, but its role or impact in comparative management depends on the match (or fit) between the management philosophy and culture. This suggests that it should be viewed from a contingency approach/perspective. In a general sense, the Farmer and Richman and Negandhi and Prasad models may be anticipated to vary from country to country.

As was pointed out earlier, these models incorporate the issue of the role or the importance of culture by attempting to understand managerial behavior. However, there are other approaches that focus on the importance of macroorganizational level variables (e.g., technology and organizational structure) in determining managerial behavior. For example, Child (1981) considers the pertinent question not only whether culture is important but also when it is important. Child (1981) suggested that macro-level variables (e.g., technology and organizational structure) are becoming more and more similar while micro-level variables (e.g., the behavior of people in work settings) continue to retain their cultural identity. This implies that leadership behaviors will remain culturally specific in spite of the convergence of organizational structures.

As stated earlier, Farmer and Richman's study is a macroapproach which focuses on the impact of the broad social environment on managerial effectiveness. The underlying assumption in this approach is that managerial effectiveness is a function of the external environmental factors such as sociocultural, legal-political, economic, and educational. Whereas Harbison and Myers primarily focused on economic factors, Farmer and Richman conceptualized environment in a broader framework. These authors also tried to operationalize environmental variables through the use of a delphi process, but this quantitative approach has not yielded any useful findings. This approach attributes variations in managerial practices and firm's efficiencies in different countries to the given set of environmental factors and constraints under which the firm operates.



To reiterate what was previously stated, the Farmer–Richman model represents the first systematic approach toward the conceptualization of external environmental variables which may have a significant bearing on the similarities and differences in management styles and practices across countries. In spite of its obvious contribution to the field of comparative management, the major drawback of this approach is its overemphasis on external variables to the complete exclusion of internal organizational variables. As Child (1981) stated, the increasing convergence of organizational structure and technology across national settings has implied that the explanatory role of culture is decreasing in importance at the macro level, while it is still very significant at the micro level, i.e., in explaining managerial behavior.

The environmental approach, like the socioeconomic model, is unable to account for inter–organizational differences in a given country. It implicitly assumes that management is a passive agent which responds to environmental constraints, and does not make provision for the fact that in practice, management also seeks to manipulate or control certain environmental variables; hence the variations in strategies and organizational processes pursued by different organizations within a given country or environmental setting.

Another possible critique cited here is that both the socio–economic and environmental approaches seek to account for managerial practices and effectiveness on the bases of explanatory variables or factors (i.e., societal environment) that are fairly remote. They do not state explicitly how socioeconomic and environmental factors are able to influence behavior. Indik (1965) discussed the dangers of focusing on independent variables (in this case, the societal environment) that are remote from the behavior of interest (in this case, managerial practices and effectiveness) because such analysis can obscure meaningful relationships or confound explanations for significant results. As Boddewyn (1966) stated, a real danger exists of letting environment crowd the comparative analysis.

In summarizing the critique of the model of comparative management developed by Farmer and Richman, Nath (1988) stated that the framework suffered from basic limitations, that is, the general and global perspective, inability

to pin down specific factors for policy recommendations, and a deterministic approach whereby management style was determined by the state of environmental factors. In this framework, recommendations for management development were of a negative type, that is, the thing to do would be to wait for an improvement in the environmental conditions and then management development would follow.

### **III. The Critique of the Behavioral Approach**

The basic assumption of this approach is that managerial practices and effectiveness depend on cultural variables such as beliefs, value systems, attitudes, perceptions, behavioral patterns, management philosophies and so on. This approach attempts to explain behavioral patterns of individuals and groups, and performance in organization settings. That is, it focuses on the psychological characteristics of individuals as they relate to group behavior and performance in organizations (Haire, Ghiselli, and Porter, 1966; Hofstede, 1980). This is basically a microapproach and can be classified into three different aspects:

1. National character profiles, which are linked with certain organizational behavioral variables (Davis 1971).

2. Attitudes and perceptions of managers concerning key management concepts and activities (Barrett and Bass, 1970; Haire, Ghiselli, and Porter, 1966; Nath, 1986; Ryterband and Barrett, 1970; Thaigarajan, 1968).

3. Prevalent beliefs, value systems, and need hierarchies in a given society (Davis, 1971).

It should be noted that significant differences exist among cultures in terms of attitudes, beliefs, value systems, need hierarchies, and managerial practices. In addition, differences also exist among the various subgroups (ethnic or occupational) within a given society. The important implication of these studies is that care must be executed when managerial practices are transferred from one culture to another.

The study by Haire et al. (1966) was the primary example of the studies which were based on a social-psychological orientation. The basic methodology in this type of work is survey research involving a representative sample from each

country or nation in the study. Though several scholars have tried to follow the same methodology, the study by Haire et al. is probably the most comprehensive in terms of the representatives of the sample drawn from each nation. The strongest aspect of this type of research has been the careful delineation of the sample as well as considerable time spent in developing instruments that can be administered across cultures. Therefore, these studies have generally provided useful insights into differences among nations in terms of attitudes, beliefs, value systems, need hierarchies and management practices. The major weakness has been that, having identified the significant differences, this type of research has neither been able to outline the reasons why these differences exist nor recommend action strategies to bring about the desired changes. Most of the social-psychological research has also suffered from this weakness of not having a policy or action orientation (Nath, 1988).

In a critique of Hofstede's results (1980), the employees of a single organization may provide a highly aberrant representation of the values current within a particular country. Furthermore, the findings are based upon responses to attitude questionnaires, which may bear little relation to the actual experience of leaders and followers in a given culture. Although Hofstede made a major contribution to the study of organizations within a culturalist approach, he did not empirically investigate the relationships between the four dimensions of work-related values and attitudes and the structures of the organizations whose managers participated in the study. The relationships are conceptual and speculative. Hofstede arrived at the conclusions about the overwhelming influence of cultural factors on organizational structure on the basis of these speculations rather than "hard" evidence. Further research is needed to explore the extent of the accuracy of his speculations and conclusions (Tayeb, 1988, pp. 39-40). Moreover, the way in which Hofstede tried to overcome the problem of disentangling organizational culture from the societal culture which surrounds it when conducting his study suffered from an inevitable bias, that is, towards American ownership and types of job. As a consequence, his samples are not representative of their respective countries. Instead, his findings map out the relative positions of different countries

and occupations. In contrast, the results of Tayeb's (1988) study, which was carried out within English and Indian organizations are, to some degree, representative of their respective societies. Moreover, Tayeb's study exposed some of the problems with Hofstede's measurement tools, which render them inappropriate for use in most cross-national studies, certainly in small-scale projects (Tayeb, 1988, pp. 154-155).

Further, Hofstede's (1980) method brings up another weakness in comparative research: When studying the cultural values and attitudes of individuals in an organization, there is the need to study the cultural values and attitudes of a sample of ordinary people external to the organization which is being examined. The internal and the external samples can then be matched to ascertain the coherence between the cultural values and the organizational attitudes and values (Tayeb, 1988 - cited in Rodrigues, 1989, pp. 21-22).

Nath (1988) also stated that most of the research in comparative management has been focused at a rather simplistic level. For example, the frequently cited work by Hofstede (1980) has focused on only four dimensions of culture. This four-dimensional culture theory omits significant aspects of the cultural milieu. In addition to the cultural milieu, other aspects of history, environment, and the business and management system, need to be considered in order to develop an adequate understanding of a given region or country (p. 294).

Further, studies under the behavioral approaches did not consider broad societal variables in any explicit way. It should be suggested that a conceptual framework has to incorporate factors or variables both internal and external to the organization under investigation and provide for their interactions. Another possible critique of the behavioral approach is that it has had several shortcomings. A major drawback has been that most studies in this area have disregarded the measurement of organizational effectiveness. Most of the research instruments were developed and validated in the United States. Research in this area, except for a few studies, has used these instruments without validating them for different cultures. Moreover, culture has never been explicitly defined in many of the studies, nevertheless the differences found are attributed to cultural differences. In fact, these differences

may be due to other contextual or environmental variables such as technology, size, location, and economic, market, legal and political conditions.

Generally, there are shortcomings associated with the use of either the micro- or macro-approach to comparative management study. In assessing the state of cross-cultural/comparative management research, Peterson (1986), the Chairman of the Academy of Management's International Management Division, has given a long list of the shortcomings of much research in the field. It includes:

- a. Lack of a theoretical base - Neglect to test theoretical or conceptual models to put the study results in a broader framework.
- b. Ethnocentrism - Tendency to adhere to the assumption that companies in other nations should be compared to the Western industrial model.
- c. Overemphasis on cultural variance - Tendency to lose sight of the similarities across nations and neglect to look at variances within a culture (nation).
- d. Study limited to one nation - Inclination to look at the situation in one country without relating the findings to those of other nations.
- e. Reliance on a single research method - Heavy reliance on one method of gaining information (i.e. questionnaires) without the use of supplementary methods such as interviews, participant observation, behavioral scenarios, and so forth.
- f. Imbalance in terms of areas of studies - Abundance of studies in a small number of Western countries and Japan, but few elsewhere, especially in East Asia where we are virtually "babes in the woods" in understanding both the diversity and commonality of organized behavior.

#### **IV. The Critique of the Organizational Theory**

In recent years, many comparative management scholars have begun to look to the field of organization theory that has itself borrowed heavily from the social-psychological approach. Negandhi (1973) and Nath (1975) have both argued for greater utilization of this approach. An advantage of this approach is that it enlarges the domain of variables to be covered in a study beyond the attitudinal and

motivational variables that were the primary focus of pure social-psychological research. According to Schollhammer (1970) and Negandhi (1975), the organizational theory approach would include such factors as size of the organization, structural variables, performance indicators, task environment and so forth. The advantage of including these variables is that a strategic manager can better relate to them.

However, most of the research conducted to date has not resulted in any policy action on the part of management, probably because of the aggregation problem. Most of the studies in this area have tended to interview a handful of people from a few organizations in each country. These data are then aggregated at the national level, thus making it difficult for management of a given organization to sort out what is relevant for their organization. Hence, no management action has followed. National governments, on the other hand, have been preoccupied with political processes and, therefore, have paid little or no attention to the results of comparative management studies (Nath, 1988).

#### **V. The Critique of the Eclectic Approach (The Open System Perspective)**

This approach uses an open systems model in conceptualizing the organization and its interaction with the environment. Several frameworks/models (Schollhammer, 1969; Estafen, 1970; Negandhi and Prasad, 1975) have been proposed which seek to incorporate variables from the societal, organizational and individual levels. Negandhi (1983) describes three kinds of environments: task, organizational, and societal.

The task environment includes suppliers, employees, stock holders, consumers, government, and community. Estafen (1970) conducted a cross-cultural study which dealt with the interchange between the organization and the task environment in Spain, Chile and Sweden. The Negandhi-Prasad model (1975), as previously described, hypothesized that management philosophy and environmental factors jointly influence management practices adopted in a particular organization. In detail, the contributions of this model are primarily twofold. First, the model makes a distinction between management effectiveness and enterprise

effectiveness. This distinction is important because economic measures of organizational effectiveness are determined by a variety of conditions which are external to the organization and which may be beyond the firm's control, such as rate of inflation, exchange rate policies, etc. Hence, it is imperative to use both economic and noneconomic measures of performance. Second, the model emphasized the importance of managerial perceptions of events, rather than objective reality, in determining managerial behavior and firm performance. This is consistent with the findings of many researchers in the field of organizational theory and behavior (Weick, 1969; Duncan, 1972; Tung 1979). Consideration of perceptual measures would allow for inter-organizational differences in a given country.

The organizational environment includes such variables as size, technology, organizational climate, and human and capital resources of the firm. The kind of environment is considered to be generally under the control of managers.

The societal environment, as previously stated, is the macro environment as identified by Farmer and Richman (1965).

In brief, this type of research (i.e. Estafen, 1970; Negandhi, 1983) has tended to treat the organization as a unit of analysis. Nevertheless, the major shortcoming of this approach is that variables are vaguely defined and therefore results have not had much credibility or predictive validity. For example, the Negandhi-Prasad model (1975) has failed to examine the inter-relationships among these sets of variables. The study only examined the unidirectional relationships that may exist among these variables.

In addition, most existing models of comparative management lack a conceptual framework which posits the relationships between the sets of variables under investigation. These models, with a few exceptions, presented a host of variables en bloc with little or no attempt to explain or account for the causal linkages between such variables and organizational effectiveness (as previously discussed in the case of the Negandhi-Prasad model). Therefore, specific hypotheses concerning the relationships between these different sets of variables cannot be generated nor tested.

Further, Nath (1988) has outlined an open-systems framework that includes an organization in dynamic interaction with its environment. This framework considers environment in terms of six subsystems, that is, cultural, sociopolitical, economic, technological, legal and informational. Organization is considered in terms of management philosophy, organizational structure, organizational processes, union-management relations and various policies (e.g. human resource, financial and marketing policies). In this framework, environment is divided into two categories, that is, general and task environment. While the general environment is considered in terms of the six subsystems outlined above, the task environment is studied from the stakeholders's perspective. Nath's (1988) interactive and dynamic framework also has implications for research, theory building, and managerial action.

## **VI. A Systems Model of Comparative Management (The Organization Climate Construct)**

Unlike the aforementioned approaches, Tung (1986) proposed the organizational climate construct which serves as a linking pin to integrate the various theoretical approaches currently available, thus providing a basis for development of a conceptual framework that would allow for systematic analysis of the interactive relationships between different sets of variables. This model utilizes the organizational climate construct as the critical variable in analyzing the interactions between extra-organizational and intra-organizational variables, and the impact of such interactions on organizational effectiveness. The model also delineates specific causal linkages which can be empirically tested and verified. This systems model of comparative management seeks to capture the phenomenon under investigation in its true multivariate complexity, involving the examination of bidirectional relationships and simultaneous investigation of organizational and psychological processes. This helps eliminate some of the limitations associated with existing models of comparative management discussed previously. So, this is more in accord with individual and societal reality than existing frameworks which utilize simple predictor-criterion linear models.



Even though this systems approach has the advantage of integrating functionally related components, the task of analyzing is more complicated because the researcher is dealing with a whole multitude of variables, some of which do not operate on the same level of analysis. Consequently, the researcher must be clear about the level of the research question so that the data collected correspond to the level of phenomenon being predicted (Weick, 1969, p. 96). This means that the researcher must determine beforehand whether the causal linkage under investigation is direct, indirect, or nonexistent. Once these variables are placed in their proper perspective, the formulation of specific hypotheses testing such relationships and the task of selecting the appropriate statistical techniques to analyze their interrelationships will be facilitated.

Tung (1986) concluded that research utilizing such a conceptual framework would be more complicated, time-consuming and costly. Fortunately, certain of the problems are surmountable. The advances made in the field of multivariate analysis have facilitated the study and investigation of complex interrelationships among variables. The costs of such research can be reduced considerably through the collaborative efforts of researchers in different countries who would agree to the use of a uniform framework of comparative management and cross-culturally valid instruments.

Tung's conclusion (1986) seems to be rational, practical, and pragmatic since the results of such studies will have widespread implications for organizational functioning and effectiveness in different countries. First, it can extend knowledge and understanding of why certain management styles are effective in one culture but not in others. This can lead to prescriptions for the best management style and strategy given certain situational variables. Second, it can explain and account for interorganizational differences within a given culture. Unlike most models of comparative management, it does not assume uniformity of management styles and practices within a given country. This is more consistent with practicality because research has shown that management styles, strategy and structure do vary among organizations within a given locality (Lawrence and Lorsch, 1967; Duncan, 1972; Tung, 1979). Finally, results of such studies can also benefit organizational theory

research that is conducted solely within one culture, because the systems model of comparative management investigates the interactions between societal environment variables, organizational environment variables, personal variables, and outcome variables.

Finally, Nath (1988) proposed some suggested criteria for conducting policy-oriented comparative and cross-cultural management research. Policy-oriented comparative management research, at the minimum, should meet the following criteria:

1. A comprehensive framework involving three levels of variables should be developed. The three levels are organizational, environmental and the linkage between the two.

2. In addition to the general environment, the specific task environment should be considered.

3. Objective performance-related measures such as market share, profits, and return on investment should be included in addition to subjective variables such as culture, climate attitudes, management philosophy, etc.

4. Cross-cultural effects should be segregated from the effects of personal and organizational factors.

5. The research should be action-oriented, i.e., the research should include variables that the target group can understand and relate to. Also, a few variables should be included that can be manipulated and changed by the target group.

6. The target group must be clearly identified. For example, if the target group is the multinational corporation, then variables which multinational corporations can control and manipulate ought to be included in the research. On the other hand, if the target group is the government, then variables that can be manipulated by the national government ought to be included in the research.

7. In order to make sense to the target group, instruments ought to be in a language that the target group can understand.

8. Finally, results of the study should be published in such a way that these are readable by the target group.

These criteria have integrated key and relevant variables to be considered, which is beneficial to practical implications for the international manager. The criteria also consider both quantitative (objective) variables (market share, ROI, etc.) and qualitative (subjective) variables (culture, management philosophy) which influence and determine organizational and management behavior and effectiveness. This is consistent with the new direction of research and literature that incorporates many variables/criteria/dimensions under investigation and consideration, such as Doktor (1990), Shackleton and Newell (1991), Reddings (1992), Hampden and Trompenaars (1993), Hodgetts and Luthans (1993), Trompenaars (1993), Smith, Peterson, and Mismumi (1994), Janssens, Brett, and Smith, (1995), Ralston, Holt, Terpstra, and Yu (1997). In addition, the criteria can be useful for general guidelines/directions for both managerial practices and comparative management research.

## **CONCLUSION AND DISCUSSION**

As should be clear from the six research areas reviewed and criticized, it is important to realize that the review and critique was selective and cursory. The review and critique does suggest that the research approaches have been relatively inadequate, both in terms of scope and depth of inquiry, to explain the phenomena under investigation. The review and critique of the research approaches also suggests that the issues being examined are increasingly recognized as being complex. No longer is it sufficient to either ignore complexity or simplify it by making unrealistic assumptions regarding a particular phenomenon's boundaries and its relationships to other phenomena.

The critical perspective focuses on the concepts or the conceptual frameworks which contrast among the existing research work in the comparative management field. However, each approach has its own advantages and limitations. There are also many problems, limitations, and weaknesses associated with the many approaches, most of which can be attributed to the lack of a systematic conceptual framework for conducting research in the field, which has not resulted in any policy or strategy action or decision which benefits greatly the international

manager in practice. Moreover, most of the researchers in the cross-cultural and comparative management fields have followed an ethnocentric orientation. This type of research, for the most part, has completely ignored the role of culture in management systems. Therefore, it would be a significant contribution to consider the geocentric and synergistic orientation, or study which requires the development of a common framework by integrating inputs from different cultures or nations. This is what effective MNCs do in developing their global strategies. They gather data from different countries in which they operate. After analyzing these data, a unified strategy is developed that provides a common framework for operations and control of subsidiary operations in different countries. Thus, the appropriate comparative research or approach should provide the cultural awareness, sensitivity, tolerance, empathy, and flexibility as well as the global vision for international managers of MNCs, and provide the relevant information needed to select and exploit global market opportunities and reduce or avoid global market threats, and even to fully utilize and develop the organizational resources, structure, and culture consistently with the organization's short- and long-term strategic objectives and goals, mission and vision.

The overall contention is that the appropriate or well-conceived approach should provide insights and vision with both theoretical and practical implications. The approach should also be consistent with and beneficial for both the organization and managerial effectiveness. This means that in this dynamic and turbulent environment, the comparative and cross-cultural management research approach should provide insights as well as needed information for international strategy planning, implementation, and control. That is, for the future direction of international management practice and MNCs, it should be advantageous and make significant contributions to integrating both the approaches of comparative or cross-cultural management and strategic planning, or even strategic management, to create new concepts and a more appropriate conceptual framework for developing global strategic planning, global strategy and strategic vision in the global context. The integration will provide both much needed guidance for the international

management researcher, and strategic actions and decisions for global managers which are imperative for the fulfillment and accomplishment of global vision, mission, goals, and objectives. This can be effectively performed by bringing comparative/cross-cultural management conceptualization and research into the realm of the practicing manager, by increasing interaction and seeking out commonalities between comparative/cross-cultural management research and global strategic management, and by cooperating among comparative/cross-cultural management scholars which, in turn, can be done by establishing team research and joint projects through an effective dissemination of information pertaining to ongoing research as well as promoting research collaboration among scholars across national and cultural boundaries.

## REFERENCES

- Adler, N.J. (1983). A Typology of Management Studies Involving Culture. *Journal of International Business Studies*, 14 (2), 29-48.
- Barrett, G.V., & Bass, B.M. (1970). Comparative Surveys of Managerial Attitudes and Behavior. In J. Boddewyn (Ed.), *Comparative Management: Teaching, Research, and Training*, (pp. 179-207). New York: New York University Graduate School of Business Administration.
- Child, J. (1981). Culture, Contingency and Capitalism in the Cross National Study of Organizations. In L.L. Cummings & B.M. Staw (Eds.), *Research in Organizational Behavior*, Vol. 3, pp. 303-356. Greenwich, CT: JAI Press.
- Davis, S.M. (1971). *Comparative Management: Cultural and Organizational Perspectives*. Englewood Cliffs, NJ: Prentice-Hall.
- Doktor R.H. (1990). Asian and American CEOs: A Comparative Study. *Organizational Dynamics*, 18(3), 49.
- Duncan, R.B. (1972). Characteristics of Organizational Environments and Perceived Environmental Uncertainty. *Administrative Science Quarterly*, (17), 313-327.

- Estafen, B.D. (1970). System Transfer Characteristics: An Empirical Model for Comparative Management Research. *Management International Review*, 10 (2), 21-34.
- Farmer, R.N., & Richman, B.M. (1965). *Comparative Management and Economic Progress*. Homewood, IL: Irwin.
- Haire, M., Ghiselli, E.E., & Porter, L.W. (1966) *Managerial Thinking: An International Study*. New York: Wiley.
- Hampden-Turner, C. and Trompenaars, F. (1993). *The Seven Cultures of Capitalism: Value Systems for Creating Wealth in the United States, Britain, Japan, Germany, France, Sweden, and the Netherlands*. New York: Doubleday
- Harbison, F., & Myers, C.A. (1959). *Management in the Industrial World: An International Analysis*. New York: McGraw-Hill.
- Hesseling, P. (1973). Studies in Cross-Cultural Organization. *Columbia Journal of World Business*, 8 (December), 120-134.
- Hodgetts, R.M., & Luthans, F. (1993). U.S. Multinationals' Compensation Strategies for Local Management: Cross-Cultural Implications. *Compensation and Benefits Review*, March-April, 42-48
- Hofstede, G. (1980). *Culture's Consequences: International Differences in Work Related Values*. Beverly Hills, CA: Sage.
- Hofstede, G. (1984). The Cultural Relativity of the Quality of Life Concept. *Academy of Management Review*, 9, 389-398.
- Janssens, M., Brett, J.M., & Smith, F.J. (1995). Confirmatory Cross-Cultural Research: Testing the Viability of a Corporation-Wide Safety Policy. *Academy of Management Journal*, July, 364-382.
- Kelley, L., & Worthley, R. (1981). The Role of Culture in Comparative Management. *Academy of Management Journal*. 24 (2), 164-173.
- Lawrence, P.R., & Lorsch, J.W. (1967). *Organization and Environment: Managing Differentiation and Integration*. Homewood, IL: Irwin.

- Nath, R. (1975). Comparative Management and Organization Theory: Linking the Two. *Organization and Administrative Sciences*, 5 (4), 115-124.
- Nath, R. (1986). Role of Culture in Cross-Cultural and Organizational Research. In R. Farmer (Ed.), *Advances in International Comparative Management*, Vol 2, (pp. 249-267). Greenwich, CT: JAI Press.
- Nath, R. (1988). *Comparative Management: A Regional View*. Cambridge, MA.: Ballinger.
- Negandhi, A.R., & Prasad, S. B. (1971). *Comparative Management*. New York: Appleton-Century-Crofts.
- Negandhi, A.R., & Prasad, S.B. (1975). *The Frightening Angels: A Study of U.S. Multinationals in Developing Countries*. Kent, OH: Kent State University Press.
- Negandhi, A.R., (1973). *Comparative Management and an Open Systems Theory*. A Position Paper Presented at the Academy of Management Meeting, Boston, MA.
- Negandhi, A.R., (1975). Comparative Management and Organization Theory: A Marriage Needed. *Academy of Management Journal*, 18 (2), 334-344.
- Negandhi, A.R., (1983). Cross-Cultural Management Research: Trend and Future Directions. *Journal of International Business Studies*, 14 (2), 17-28.
- Peterson, R.B. (1986). Future Directions in Comparative Management Research: Where We Have Been and Where We Should Be Going. *International Management Newsletter*, 3, 5-10.
- Porter, M.E. (1980). *Competitive Strategy: Techniques for Analyzing Industries and Competitors*. New York: Free Press.
- Ralston, D.A., Holt, D.H., Terpstra, R.H., & Yu Kai-Cheng. (1997). The Impact of National Culture and Economic Ideology on Managerial Work Values: A Study of the United States, Russia, Japan and China. *Journal of International Business Studies*, 28 (1), 177-207.

- Redding G. (1992). *The Comparative Management Theory Zoo: Getting the Elephants and Ostriches and even Dinosaurs from the Jungle into the Iron Cages*. Paper presented at the Conference - Perspectives on International Business: Theory, Research and Institutional Arrangements, University of South Carolina, May 1992, 5-11.
- Roberts, K.H. (1977). *On Looking at an Elephant: An Evaluation of Cross-Cultural Research Related to Organizations*. In T.D. Weinsall (Ed.), *Culture and Management*, (pp. 56-104). Middlesex: Penguin Books.
- Rodrigues, C.A. (1989). *The Situation and National Culture as Contingencies for Leadership Behavior: Two Conceptual Models*. Working Paper.
- Ryterband, E.C., & Barrett, G.V.(1970). *Manager's Values and Their Relationships to the Management of Tasks: A Cross-Cultural Comparison*. In B.M. Bass, R.C. Cooper, & J.A. Hass (Eds.), *Managing for Accomplishment*, (pp. 226-260). Lexington, MA.: Lexington Books.
- Shackleton V.V., and Newell S. (1991). *Management Selection: A Comparative Survey of Methods Used in Top British and French Companies*. *Journal of Occupational Psychology*, 64, 23-36.
- Schollhammer, H. (1969). *The Comparative Management Theory Jungle*. *The Academy of Management Journal*, 12, 81-97.
- Schollhammer, H. (1970). *Strategies in Comparative Management Theorizing*. In J. Boddewyn (Ed.), *Comparative Management Teaching, Training and Research*. NY: New York University.
- Sekaran, U. (1981). *Methodological and Theoretical Issues and Advancements in Cross-Cultural Research*. Paper presented at the McGill International Symposium on Cross-Cultural Management. Montreal, Canada.
- Smith, P.B., Peterson, M.F., & Mismumi, J. (1994). *Event Management and Work Team Effectiveness in Japan, Britain and the USA*. *Journal of Occupational and Organizational Psychology*, 67, 33-34.
- Tayeb, M.H. (1988). *Organization and National Culture*. Beverly Hills, CA: Sage.



- Thiagarajan, K.M. (1968). A Cross-Cultural Study of the Relationships between Personal Values and Managerial Behavior. Technical Report 23, NONR NOO14-67A. Rochester, N.Y.: University of Rochester, Management Research Center.
- Trompenaars F. (1993). *Riding the Waves of Culture*. London: The Economist Books.
- Tung, R.L. (1979). Dimensions of Organizational Environments: An Exploratory Study of Their Impact on Organization Structure. *The Academy of Management Journal*, 22, 672-693.
- Tung, R.L. (1986), Toward a Systems Model of Comparative Management. In R. N. Farmer (Ed.), *Advances in International Comparative Management*, Vol. 2, (pp. 233-247). Greenwich, CT: JAI Press.
- Weick, K.E. (1969). *The Social Psychology of Organizing*, Reading, MA: Addison Wesley.